



Dallas Area Rapid Transit
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August 6, 2021

Board of Directors
Dallas Area Rapid Transit

On behalf of the DART Executive Management Team, I am pleased to present the proposed Fiscal Year (FY) 2022 Annual Budget and Twenty-Year Financial Plan for Dallas Area Rapid Transit (DART).

First, I would like to thank all the men and women of DART who have continued working tirelessly throughout the COVID-19 pandemic to ensure that our riders have access to our nationally recognized transit system. Our employees continue to uphold DART's mission by demonstrating this unwavering commitment to our riders every single day.

Financial Overview

As we bring FY 2021 to a close, I am pleased to note that, despite the economic uncertainty of the pandemic and the commensurate impact on ridership, DART is in a very positive financial position – a credit to the prudent fiscal planning and cost control that has become standard operating procedure by the DART Board and staff. The proposed FY 2022 Annual Budget represents the use of increased resources to support our initiatives. The capital and debt service portions of the budget fund important projects that look to expand and enhance our service, as well as keep our commitment to maintaining our infrastructure in a “state of good repair.” The proposed FY 2022 Annual Budget is a balanced budget and meets all Board-adopted Financial Standards. The total proposed FY 2022 Annual Budget is broken down as follows (dollars in millions):

Operating	\$580.4
Capital & Non-Operating	841.9
Debt Service	206.5
Total Proposed FY 2022 Budget	\$1,628.8

The Twenty-Year Financial Plan represents a carefully considered long-term projection of the agency's operating revenues, funding, operating expenses, capital expenditures, and debt obligations. The Financial Plan demonstrates that DART has the financial capacity to achieve its strategic priorities over the next twenty years – with FY 2022 corresponding to the first of those twenty years.

Importantly, the coverage ratios in the proposed FY 2022 Twenty-Year Financial Plan, which covers the period from FY 2022 through FY 2041, meet the Board-adopted Financial Standards

throughout the twenty-year period. These standards require an internal ratio (revenues available to pay for operations, minus operating expense, divided by debt service) of 1.0 or higher, and an external coverage ratio (annual sales tax revenues divided by debt service) of 2.0 or higher. These ratios demonstrate the long-term financial health of the agency.

The sources of funds in the proposed FY 2022 Financial Plan total \$31.0 billion. This represents a \$716 million (2.4%) increase from the FY 2021 Financial Plan (which covered the period FY 2021 through FY 2040), as amended on May 25, 2021. Sales tax continues to exceed expectations. The proposed FY 2022 Financial Plan incorporates an upwardly adjusted sales tax forecast that is \$1.2 billion higher over the next twenty years. Partly offsetting this increase is a lower operating revenue forecast, reflecting decreased passenger revenue expectations. Note that debt issuances have decreased by \$400 million, reflecting revised timing of capital project expenditures, particularly in the later years.

The total uses of funds in the proposed FY 2022 Twenty-Year Financial Plan have increased by \$653 million (2.2%) to \$30.8 billion. The increase reflects a \$654 million (4.6%) increase in operating expense, partly offset by a decrease in capital expenditures and debt service, over the twenty-year time period.

The amended FY 2021 Financial Plan incorporated expected federal funding from COVID-19 pandemic-related legislation. This funding will enable the agency to set aside a portion of its sales tax revenues for new programs that will have dramatic and long-lasting benefit to our region. The proposed FY 2022 Financial Plan reflects the ability to invest in these programs, totaling \$443 million over 20 years, on a New Programs line item.

Accomplishments

Celebrating 25 Years of Rail

Among the many notable accomplishments for FY 2021, DART celebrated 25 years of providing light rail service to the residents of North Texas on June 14, 2021. The original light rail starter system that debuted on June 14, 1996, was 11.2 miles long: Blue Line service between Illinois Station and Pearl/Arts District Station and Red Line service between Westmoreland Station and Pearl/Arts District Station.

Over the last 25 years, and 500 million passengers later, the DART light rail system has grown into a 93-mile, 65 station network – the longest light rail system in the country – providing mobility and access to opportunities for all North Texas residents.

Hidden Ridge Station

In April, DART celebrated the opening of the Hidden Ridge Station at Carpenter Ranch in Irving, bringing our total to 65 stations in the DART network. Developed in partnership with the City of Irving and Verizon Communications, the new station is located on the Orange Line between North Lake College and Irving Convention Center stations.

Originally a part of the 3.9-mile Irving-2 opening of the Orange Line in December 2012, Hidden Ridge Station (formerly known as Carpenter Ranch Station) had been deferred in anticipation of Verizon Communications' Hidden Ridge development, a planned 110-acre mixed-use project featuring 1,200 apartments and residences, 80,000 square feet of restaurant and retail space, a hotel, and a two-acre green space with amenities.



As with all DART stations, the Art and Design Program elements reflect the community it serves. Marty Ray, a ceramic artist and former Professor Emerita of Art at Dallas College-North Lake Campus, created the artwork at Hidden Ridge Station. Since the station is located on Carpenter Ranch, once the homestead of Las Colinas founder Ben Carpenter, the art plays off the land's history. The installation also reflects the natural elements of the land, wildlife, and nearby creek.

Red and Blue Line Platform Extensions

Construction on the Red and Blue Line light rail platform extensions continued through a Full-Funding Grant Agreement (FFGA) which was awarded in late 2018. These modifications to 28 of our oldest stations outside of Downtown Dallas will add operational flexibility and additional people-carrying capacity by allowing the use of three-car train sets. Construction is scheduled to be completed in 2022.

Silver Line

The 26-mile Silver Line project, which extends between DFW Airport and Shiloh Road in Plano, will provide passenger rail connections and service that will improve mobility, accessibility and connectivity to major employment, population and activity centers in the northern part of the DART Service Area. Service is scheduled to begin in 2024.

D2 Subway

The D2 Subway project is DART's second light rail line through downtown Dallas, extending from Victory Park to Deep Ellum. Recognized as the Global Light Rail Awards "Vision of the Year" award in 2020 for excellence and innovation in the global light and urban rail sector, the project will both increase capacity and provide operating flexibility in the event of a service disruption. Feedback from residents, business owners, developers and agency staff has been

invaluable in shaping the project to minimize impacts and create an urban design vision. Revenue service is projected to begin in 2028.

Customer Service

The DART 5 Star Service Program will celebrate its 10-year anniversary this year. The mission of the 5 Star Service Program is for each member of DART's team to strive every day to create an extraordinary customer experience when interacting with colleagues, riders, partners, and the community.

New Ways to Tap

Beginning in September, DART riders will be able to pay for their DART trip with their contactless debit/credit card or contactless-enabled smartphone or device. To use the service, riders will tap at any validator installed across the DART Service Area. Users will also benefit from the same fare capping rewards awarded to all GoPass® Tap participants.

Digital Kiosks

We continue the installation of more than 300 interactive digital kiosks across the DART service network, empowering our riders to make travel decisions based on the schedules and modes that work best for them.

These new interactive kiosks allow residents and visitors to discover and rediscover North Texas with:

- Real-time transit information to enhance the overall travel experience
- Easy access to social services
- Translation in nine different languages
- Interactive guides to find things to do, places to go and deals along the way
- Localized and customized deals from area merchants and partners

The kiosks are also equipped with high-resolution cameras, increasing the video monitoring presence for the DART Police Department, and boosting safety measures across the system and the region.

Customer and Workforce Safety

DART has remained proactive in its response to the COVID-19 pandemic, aggressively expanding agency-wide cleaning and safety protocols and working closely with local, state and national health authorities, including the Texas Department of State Health Services and the Centers for Disease Control and Prevention (CDC).



For the safety of both employees and passengers and to combat the spread of disease onboard DART vehicles and properties, several programs have been implemented, including:

- COVID-19 plexiglass barriers installed on all 681 buses
- Use of existing on-board technologies – germicidal ultraviolet and Ionization Electric Air Cleaner Systems on buses
- Transit Center plexiglass barriers installed at station concierge workstations
- Hand sanitizer dispensers and mask dispenser units installed on all buses, light rail vehicles, and streetcars
- Terminal end-line cleaning for light rail vehicles for high touch points areas at least every 90 minutes
- Professional COVID-19 DART facility cleaning

Caring for Our Community

DART continues to develop innovative solutions to address individuals experiencing homelessness and mental health issues on the system while recognizing the need for all of our riders to feel safe and secure when using the system.

The DART Discount GoPass Tap pilot program has been extended to ensure that riders who qualify have access to jobs, health care and educational opportunities. Making mobility more affordable for people helps reduce social and economic inequalities. Riders participating in any one of nine support assistance programs, listed below, receive a 50% discount on the regular price of a DART pass:

- CHIP (Children’s Health Insurance Program)
- TANF (Texas Temporary Assistance for Needy Families)
- CEAP (Comprehensive Energy Assistance Program)
- SNAP (Supplemental Nutrition Assistance Program)
- Housing Choice Vouchers
- DHA Housing Solutions for North Texas program
- Medicaid

- Medicare
- Texas WIC (Texas Special Supplemental Nutrition Program for Women, Infants, and Children)

Workforce Development

A Voluntary Retirement Incentive Program (VRIP) was offered to eligible employees in July 2020 to support DART's response to the COVID-19 pandemic. The program provided an opportunity for many DART employees to advance and take on new leadership responsibilities across the agency.

What's Coming in FY 2022

Looking ahead to FY 2022, DART has an exciting future. As a recent addition to the agency, I am eager to leverage the substantial investments in transit infrastructure and service to create a system that serves people impeccably well. The People's Transit System, a transit service network that focuses on the riders and puts people at the heart of all we do at DART, is the legacy that we are poised to deliver, beginning in this next fiscal year.

One of the most transformative things DART will do in FY 2022 to realize the vision of The People's Transit System is the launch of DARTzoom, our new bus network that reflects a dramatically updated understanding of today's travel patterns and mobility needs. It is the most extensive service change in the agency's history and is the culmination of several years of community and rider input to design the new bus network. DART's goal is to increase ridership and maintain coverage by increasing bus service hours and frequency, while also expanding access to on-demand service. This major initiative – DARTzoom: A New Bus Network – is scheduled to begin service on January 24, 2022.

The enclosed Budget and Financial Plan describe in further detail the large number of ongoing initiatives to achieve the Board's priority goals. The Annual Budget and Twenty-Year Financial Plan presented for FY 2022 provide confirmation that the DART team is highly focused on, and committed to, meeting our obligations to our riders and the residents of North Texas. We are proud of our accomplishments over the last year, and we stand ready to achieve even more in FY 2022, with renewed sense of purpose, in pursuit of The People's Transit System.

Kind regards,



Nadine S. Lee
President & Chief Executive Officer

Enclosure

PROPOSED FY 2022 FINANCIAL PLAN & ANNUAL BUDGET

Dallas Area Rapid Transit





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FY 2022 FINANCIAL PLAN & ANNUAL BUDGET

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FY 2022 Twenty-Year Financial Plan

DART's Twenty-Year Financial Plan (the "Plan") represents a robust long-term projection of DART revenues, operating expenses, capital expenditures, and other financial information. The Plan validates the affordability of system expansion and maintenance commitments, operating requirements, and debt repayment. An updated Plan is approved each year and amended during the year, if necessary. Approval of the Plan requires an affirmative vote of two-thirds of the appointed and qualified members of the DART Board. Approval of the Annual Budget (which corresponds to the first year of the Plan) requires a simple majority vote.

The FY 2022 Twenty-Year Financial Plan demonstrates that DART has the financial capacity to meet the Agency Transit System Plan commitments and to provide the programmed levels of bus, rail, and other transportation services based on current information and assumptions.

Our View

Last year DART was dealing with the worst of the pandemic. Vaccines were not yet a certainty, ridership fell off by over 50%, sales tax revenues were down, and staffing adjustments were under consideration.

This year DART is in a much better place. Vaccines are widely available, and life is beginning to return to something closer to normal. Our sales tax receipts are now exceeding pre-pandemic levels, and as stated below, DART has been the recipient of additional rounds of federal funds that will greatly assist in supporting the agency over the next few years. The agency has received \$229.6 million in new federal revenues under the CARES (Coronavirus Aid, Relief, and Economic Security) Act in FY 2020. We also expect \$128.5 million from CRRSAA (Coronavirus Response and Relief Supplemental Appropriations Act) in FY2021, as well as \$300 million from ARPA (American Rescue Plan Act) in FY 2022.

This funding, coupled with strong fiscal stewardship, has enabled the agency to weather the pandemic storm and turn to addressing the post-pandemic future.

A major initiative that will come to fruition in FY 2022 is DARTzoom – a redesign of the DART bus system network. DARTzoom will completely transform the DART's bus system with the most extensive service change in the agency's history. Over several years, DART has gathered community and rider input to design the new bus network. DART's goal is to increase ridership and maintain coverage by increasing bus service hours and frequency, while also expanding on-demand services. This major bus service change will take place on January 24, 2022, when DART converts the current bus system into the redesigned bus system.

DARTzoom represents the latest step in improving mobility options for the residents of North Texas. Leading up to this, DART has developed a transportation system that includes a Light Rail System totaling 93 miles.



As the region continues to grow, system expansion continues to meet demand. The Program of Interrelated Projects is underway to increase the core capacity of DART's Light Rail system and DART is in different phases of pursuing federal grants for the program. It includes three separate initiatives:

- Platform extensions for the 28 older stations on the Red and Blue lines to enable them to accommodate three-car trains are under construction and a Full-Funding Grant Agreement (FFGA) was awarded in late 2018
- A second rail corridor through downtown Dallas (known as D2 Subway) has completed 30% of the design work. The project will both increase capacity and provide operating flexibility in the event of a service disruption. It is scheduled to open in 2028
- The Dallas Streetcar Central Link project near Union Station to Uptown is in the planning phase. This project is being done in cooperation with the City of Dallas and is scheduled to open concurrent with D2

In addition to those light rail projects, construction to provide commuter rail service along the Cotton Belt corridor in the northern part of the DART Service Area is underway. This line, now called the Silver Line, runs from Plano through Richardson, North Dallas, Addison, Carrollton and into DFW International Airport. It has been designed to link up with TEXRail, operated by Trinity Metro (formerly known as the Fort Worth Transportation Authority) at DFW Airport. TEXRail has been in operation from downtown Fort Worth to DFW Airport since January 2019. In the long term, this will allow for a single-seat ride from Plano all the way to Fort Worth. Service along the Silver Line is scheduled to begin in 2024. Initially, headways will be 30 minutes in the peak periods and 60 minutes in the off-peak periods. The line will receive funding over the next 20 years from a variety of sources, some of which will help fund construction and some of which will be used to pay for annual operating and/or debt service costs.

In addition to expansion, the Plan reflects a continued focus to provide valuable transportation options and high-quality services. The Annual Budget Section of this Business Plan document describes several DART customer-facing initiatives grouped under each DART strategic priority.

The capital program, discussed later in this section of this document, includes both expansion programs previously described as well as sufficient funds dedicated to maintaining and replacing our assets, i.e., keeping our entire transportation system in a state of good repair.

With that as the backdrop, DART's FY 2022 Twenty-Year Financial Plan illustrates the affordability of its capital and operating plans, contains \$4.6 billion over the next 20 years devoted to state of good repair for capital asset maintenance and replacement, and strong debt service coverage ratios.



Our Priorities

The DART Board has adopted a set of strategic priorities to guide the agency, and to address factors that we expect will have an impact on DART over the next twenty years.

1. Enhance the safety and service experience through customer-focused initiatives
2. Provide stewardship of the transit system, agency assets and financial obligations
3. Innovate to enhance mobility options, business processes and funding
4. Pursue excellence through employee engagement, diversity, development and well-being
5. Enhance DART's role as a recognized local, regional, and national transportation leader

These priorities guide the development of the FY 2022 Annual Budget and Twenty-Year Financial Plan.

Board Approvals

The approval of the Annual Budget requires a simple majority vote of the Board of Directors. Approval of the Twenty-Year Financial Plan requires an affirmative vote of two-thirds of the appointed and qualified members of the Board.

The DART Board of Directors is scheduled to approve the FY 2022 Annual Budget and Twenty-Year Financial Plan on September 14, 2021.

Financial Plan Format

The discussion of the Plan categories follows Sources and Uses of Funds format.

Each category in the FY 2022 Twenty-Year Financial Plan is described in detail in this section of the document:

1. Sources of Funds
 - a. Sales Taxes
 - b. Operating Revenues
 - c. Interest Income
 - d. Federal Funding
 - e. Debt Issuance
 - f. Other Sources
2. Uses of Funds
 - a. Operating Expenses
 - B. Capital and Non-Operating Expenditures
 - C. Debt Program
3. Supplemental Financial Information

The following pages also outline the major assumptions that were used to develop the FY 2022 Financial Plan, discuss changes from prior plans, and illustrate some potential financial risks and opportunities over the life of the Plan.

Please Note: Budget schedules are presented and rounded to millions or thousands (as indicated) but are based on actual raw numbers. Consequently, certain schedules may not tie exactly or add properly due to rounding. In some cases, prior years' numbers have been restated to conform to the current year's format. All schedules are in fiscal years unless otherwise stated.





FY 2022 Highlights

DART continues to work toward the implementation of the Program of Interrelated Projects (the Core Capacity program). Full-Funding Grant Agreement (FFGA) was awarded for the platform extension, and the platform extensions are under construction with an expected completion date of 2022. The Streetcar and D2 projects are expected to be completed by 2028.

The construction work on the development of regional rail service on the Silver Line corridor has begun. It will be followed by utility relocation and bridge foundation work. Completion of this project is expected in 2024.

DART is in the planning stage for two additional infill stations along the Orange Line in Irving. These stations, at Loop 12 and Hidden Ridge, are to be completely funded by external contributions and are expected to generate additional ridership. Service at Hidden Ridge began in April 2021. Service at Loop 12 will be scheduled after an ILA with the City of Irving is executed.



DART is in the process of developing a 2045 Transit System Plan as a new update to our prior system plan. The Draft 2045 Transit System Plan is planned for public release this Fall and is organized in three sections: Our System, Our Opportunity, and Our Guide. Our System will highlight what we do and how it's changing, the evolution of our system, who we serve, and future trends and conditions. Our Opportunity will highlight how we're preparing for our future mobility by focusing on opportunities under five themes: Rider Experience, Mobility and Innovation, Service and Expansion, Land Use and Economic Development, and Collaboration. The final section, Our Guide, will document how we will implement our future mobility by outlining a set of goals and actions for each theme and include timeframes, responsibilities, and financial considerations.

Exhibit 7 is a summary of the changes in sources and uses of funds between the FY 2021 Financial Plan and the FY 2022 Financial Plan, for the 20-year period of FY 2022 through FY 2041.



Exhibit 7
20-Year Sources and Uses of Funds Comparison FY 2022 – FY 2041 (Millions)

Line	Description	FY21 Plan	FY22 Plan	\$ Variance	% Variance
SOURCES OF FUNDS					
1	Sales Tax Revenues	\$19,933.3	\$20,396.6	\$463.4	2.3%
2	Operating Revenues	2,525.7	2,199.6	(326.1)	(12.9%)
3	Interest Income	436.4	558.6	122.2	28.0%
4	Formula Federal Funding	1,679.7	2,079.1	399.4	23.8%
5	Discretionary Federal Funding	1,214.3	1,231.3	17.0	1.4%
6	Long-term Debt Issuances	3,734.7	3,395.5	(339.2)	(9.1%)
7	Commercial Paper Issuances	500.0	400.0	(100.0)	(20.0%)
8	Other Operating Contributions	490.6	497.3	6.7	1.4%
9	Other Capital Contributions	269.8	280.9	11.2	4.1%
10	Total Sources of Funds	\$30,784.4	\$31,039.1	\$254.7	0.8%
USES OF FUNDS					
Operating Expenses :					
11	Bus	7,253.7	7,455.2	\$201.6	2.8%
12	Light Rail Transit	4,542.3	4,604.9	62.7	1.4%
13	Streetcar	130.0	129.8	(0.2)	(0.2%)
14	Commuter Rail/RR Management	1,393.9	1,477.2	83.3	6.0%
15	Paratransit	1,324.3	1,273.3	(51.0)	(3.8%)
16	General Mobility - TDM	54.4	54.3	(0.1)	(0.2%)
17	Total Operating Expenses	\$14,698.5	\$14,994.8	\$296.2	2.0%
Capital and Non-Operating :					
18	Agency-Wide	515.0	539.3	\$24.4	4.7%
19	Bus	1,261.6	1,220.2	(41.5)	(3.3%)
20	Light Rail Transit	4,065.4	4,073.1	7.7	0.2%
21	Streetcar	104.8	104.8	0.0	0.0%
22	Commuter Rail/RR Management	2,107.5	1,787.7	(319.8)	(15.2%)
23	Paratransit	5.8	5.0	(0.8)	(13.2%)
24	General Mobility - Road Impr./ITS	22.2	24.2	2.0	9.0%
25	Non-Operating	21.2	22.7	1.5	7.0%
26	Capital P & D, Start-Up	373.0	369.4	(3.6)	(1.0%)
27	Total Capital and Non-Operating	\$8,476.5	\$8,146.4	(\$330.0)	(3.9%)
Debt Service					
28	Principal Payments - Long-term Debt	\$3,014.2	3,025.2	\$11.0	0.4%
29	Long-term Debt Interest Expense	\$4,142.9	3,668.3	(474.6)	(11.5%)
30	Commercial Paper Interest Expense	\$175.3	68.8	(106.5)	(60.8%)
31	Debt-Related Fees	\$12.7	12.7	0.0	0.0%
32	Total Debt Service	\$7,345.1	\$6,775.0	(\$570.1)	(7.8%)
33	Commercial Paper Debt Repayment	\$420.0	\$420.0	\$0.0	0.0%
34	Total Uses of Funds	\$30,940.1	\$30,336.2	(\$603.9)	(2.0%)

Structural Balance of the Budget and Financial Plan

DART maintains a structural balance to its budget. This means that current period revenue inflows available for operating and debt service costs equal or exceed the ongoing cash requirements for the same costs. While DART does not have a policy that requires a balanced budget on an annual basis, the structural balance of the budget and the internal coverage ratio perform a related control function. Annual sources of funds are sufficient to pay for all ongoing obligations (operating and debt service) in every year of the FY 2022 Financial Plan. This can be seen on line 18 (highlighted in green) in Exhibit 8, noting that no cash needs to be pulled from reserves or debt needs to be issued in order to pay for operating expenses during any year of the Plan. For example, FY 2022 operating expenses are \$580.4 million. These ongoing obligations are funded by annual sources of funds, including operating revenues (\$51.9 million), interest income (\$2.0 million), federal formula funds for preventive maintenance (\$382.8 million), local funding contributions for TRE (from Trinity Metro) and Streetcar (from the City of Dallas) operations, other sources (\$16.4 million), and sales taxes (\$127.4 million). Exhibit 8, on the following page, illustrates how DART's sources of funds will be applied to uses of funds over the next 20 years. Following Exhibit 8, the FY 2022 Financial Plan is shown as Exhibit 9.





Exhibit 8 FY 2022 – FY 2041 Structural Budget Balance (in Millions)

	Category	2022	2023	2024	2025	2026	Near-Term	Long-Term (2027- 2041)	20 Years 2022-2041
1	Total Sources of Funds	\$2,034.3	\$1,502.9	\$1,557.3	\$1,647.1	\$2,000.2	\$8,741.7	\$22,297.3	\$31,039.1
2	Sales Tax Revenues	\$673.2	\$715.0	\$751.2	\$788.8	\$820.4	\$3,748.5	\$16,648.1	\$20,396.6
3	Operating Revenues	51.9	69.1	77.6	85.5	93.7	377.8	1,821.8	2,199.6
4	Interest Income	2.0	11.9	20.3	24.0	31.1	89.2	469.4	558.6
5	Formula Federal Funding	387.3	89.7	87.2	87.2	87.2	738.6	1,340.5	2,079.1
6	Discretionary Federal Funding	29.3	158.5	170.0	273.0	175.9	806.7	424.6	1,231.3
7	Long-term Debt Issuances	860.8	420.9	412.3	257.5	644.0	2,595.5	800.0	3,395.5
8	Commercial Paper Issuances	0.0	0.0	0.0	100.0	100.0	200.0	200.0	400.0
9	Other Operating Contributions	16.4	16.6	17.6	20.0	21.5	92.2	405.2	497.3
10	Other Capital Contributions	13.5	21.3	21.1	11.0	26.3	93.2	193.3	286.5
11	Operating Expenses	\$580.4	\$592.3	\$606.9	\$639.5	\$659.0	\$3,078.1	\$11,916.6	\$14,994.8
	Funding Sources:								
12	Operating Revenues	\$51.9	\$69.1	\$77.6	\$85.5	\$93.7	\$377.8	\$1,821.8	\$2,199.6
13	Interest Income	2.0	11.9	20.3	24.0	31.1	89.2	469.4	558.6
14	Formula Funds (incl. CARES Act)	382.8	85.2	82.7	82.7	82.7	716.2	1,273.5	1,989.7
15	FWTA TRE Ops / Dallas Streetcar Contributions	15.9	15.8	16.7	19.0	20.5	87.9	387.2	475.1
16	Other Non-Operating Sources	0.5	0.8	1.0	1.0	1.0	4.3	17.9	22.2
17	Sales Taxes allocated to Operations	127.4	409.5	408.7	427.2	430.0	1,802.7	7,946.8	9,749.5
18	General Operating Fund (existing cash)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
19	Total Funding Sources	\$580.4	\$592.3	\$606.9	\$639.5	\$659.0	\$3,078.1	\$11,916.6	\$14,994.8
20	Capital/Non Operating Expenditures	\$841.9	\$753.6	\$650.5	\$995.8	\$686.1	\$3,927.9	\$4,218.5	\$8,146.4
	Funding Sources:								
21	Formula Funds	4.5	4.5	4.5	4.5	4.5	22.4	67.1	89.4
22	Discretionary Grant Funds	29.3	158.5	170.0	273.0	175.9	806.7	424.6	1,231.3
23	Current Debt Issuances	794.7	420.9	412.3	357.5	479.4	2,464.7	856.6	3,321.4
24	Other Capital Sources	13.5	21.3	21.1	11.0	26.3	93.2	193.3	286.5
25	Sales Taxes Allocated to Capital	0.0	76.3	42.6	120.5	0.0	239.5	2,343.9	2,583.4
26	General Operating Fund/Prior Debt Issues	0.0	72.1	0.0	229.3	0.0	301.4	333.0	634.4
27	Total Funding Sources	\$841.9	\$753.6	\$650.5	\$995.8	\$686.1	\$3,927.9	\$4,218.5	\$8,146.4
28	New Programs	\$15.0	\$35.0	\$45.4	\$46.5	\$45.6		\$255.7	\$255.7
	Funding Sources:								
29	Existing cash/prior year COVID Relief	\$15.0	\$35.0	\$45.4	\$46.5	\$45.6	187.5	\$255.7	\$443.2
30	Debt Service Costs (incl CP repayment)	\$226.5	\$229.1	\$227.7	\$241.1	\$260.9	\$1,185.4	\$6,009.7	\$7,195.0
	Funding Sources:								
31	Sales Taxes Allocated to Debt Service	\$206.5	\$229.1	\$227.7	\$241.1	\$260.9	\$1,165.4	\$5,609.7	\$6,775.0
32	CP Retirement (existing cash/prior year sales tax)	\$20.0	\$0.0	\$0.0	\$0.0	\$0.0	\$20.0	\$400.0	\$420.0
33	Total Uses of Funds	\$1,663.9	\$1,610.0	\$1,530.5	\$1,922.8	\$1,651.7	\$8,378.8	\$22,400.6	\$30,779.4
34	Net Differential Between Sources and Uses	\$370.5	(\$107.1)	\$26.8	(\$275.8)	\$348.5	\$362.9	(\$103.2)	\$259.6



Exhibit 9
FY 2022 20-Year Financial Plan (in Millions - Inflated Dollars)

Line	Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	SOURCES OF FUNDS										
1	Sales Tax Revenues	\$673.2	\$715.0	\$751.2	\$788.8	\$820.4	\$820.9	\$854.0	\$896.7	\$950.5	\$998.1
2	Operating Revenues	51.9	69.1	77.6	85.5	93.7	95.0	96.9	104.7	106.0	107.1
3	Interest Income	2.0	11.9	20.3	24.0	31.1	40.8	44.9	42.1	34.9	27.7
4	Formula Federal Funding	387.3	89.7	87.2	87.2	87.2	87.8	89.5	89.5	89.5	89.5
5	Discretionary Federal Funding	29.3	158.5	170.0	273.0	175.9	172.8	139.7	35.6	12.9	8.6
6	Long-term Debt Issuances	860.8	420.9	412.3	257.5	644.0	550.0	250.0	0.0	0.0	0.0
7	Commercial Paper Issuances	0.0	0.0	0.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0
8	Other Operating Contributions	16.4	16.6	17.6	20.0	21.5	22.3	22.9	23.5	24.1	24.8
9	Other Capital Contributions	13.5	21.3	21.1	11.0	26.3	20.2	25.8	3.9	12.8	6.5
10	Total Sources of Funds	\$2,034.3	\$1,502.9	\$1,557.3	\$1,647.1	\$2,000.2	\$1,909.7	\$1,623.7	\$1,196.0	\$1,230.8	\$1,262.2
	USES OF FUNDS										
	Operating Expenses:										
11	Bus	\$308.9	\$315.7	\$322.1	\$327.9	\$333.1	\$338.9	\$346.1	\$353.2	\$360.2	\$367.5
12	Light Rail Transit	187.7	191.6	195.4	198.9	201.5	206.8	209.9	218.4	224.5	229.1
13	Streetcar	1.7	1.8	1.9	2.0	4.9	6.0	6.2	6.5	6.7	7.0
14	Commuter Rail/RR Management	36.4	36.4	38.5	59.5	66.4	68.3	70.1	72.0	73.9	75.9
15	Paratransit	43.4	44.6	46.7	48.6	50.7	53.5	55.0	56.5	58.1	60.5
16	General Mobility - TDM	2.2	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.7
17	Total Operating Expenses	\$580.4	\$592.3	\$606.9	\$639.5	\$659.0	\$676.0	\$689.8	\$709.2	\$726.0	\$742.6
	<i>Operating+P&D+Start Up</i>	<i>\$595.0</i>	<i>\$607.2</i>	<i>\$632.5</i>	<i>\$656.4</i>	<i>\$675.3</i>	<i>\$692.1</i>	<i>\$708.4</i>	<i>\$726.7</i>	<i>\$743.1</i>	<i>\$760.0</i>
	Capital Projects and Non-Operating:										
18	Agency-Wide	\$42.2	\$49.6	\$35.6	\$30.2	\$21.0	\$16.9	\$14.9	\$10.5	\$14.6	\$15.5
19	Bus	36.2	27.3	24.5	107.1	135.1	101.0	64.9	22.1	24.7	13.5
20	Light Rail Transit	125.2	325.2	395.2	629.5	420.4	506.4	338.7	89.1	28.9	31.7
21	Streetcar	0.0	4.3	12.1	31.7	37.0	18.4	0.0	0.0	0.1	0.3
22	Commuter Rail/RR Management	615.4	324.4	148.2	174.3	56.0	57.8	73.2	43.8	36.0	20.5
23	Paratransit	0.0	0.0	0.2	0.1	0.0	0.0	0.9	0.0	0.4	0.3
24	General Mobility - Road Impr./ITS	4.2	6.4	7.9	5.7	0.0	0.0	0.0	0.0	0.0	0.0
25	Non-Operating	4.1	1.6	1.3	0.2	0.2	1.4	0.4	0.2	1.5	0.8
26	Capital P & D, Start-Up	14.6	14.9	25.6	17.0	16.3	16.1	18.6	17.5	17.1	17.5
27	Total Capital and Non-Operating	\$841.9	\$753.6	\$650.5	\$995.8	\$686.1	\$718.0	\$511.6	\$183.3	\$123.3	\$100.0
#28	New Programs	\$15.0	\$35.0	\$45.4	\$46.5	\$45.6	\$44.8	\$43.9	\$43.1	\$42.2	\$41.3
	Debt Service										
28	Principal Payments - Long-term Debt	\$71.4	\$74.3	\$72.2	\$75.1	\$78.1	\$92.7	\$95.8	\$106.4	\$117.1	\$136.4
29	Long-term Debt Interest Expense	134.6	154.3	155.0	163.8	177.0	203.7	224.5	229.5	224.7	219.4
30	Commercial Paper Interest Expense	0.0	0.0	0.0	1.6	5.3	8.8	12.3	14.0	12.3	8.1
31	Debt-Related Fees	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
32	Total Debt Service Costs	\$206.5	\$229.1	\$227.7	\$241.1	\$260.9	\$305.7	\$333.1	\$350.5	\$354.6	\$364.6
33	Commercial Paper Debt Repayment	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
34	Total Uses of Funds	\$1,663.9	\$1,610.0	\$1,530.5	\$1,922.8	\$1,651.7	\$1,744.5	\$1,578.5	\$1,286.0	\$1,346.1	\$1,348.4
35	Net Inc (Dec) in cash	\$370.5	(\$107.1)	\$26.8	(\$275.8)	\$348.5	\$165.2	\$45.3	(\$90.0)	(\$115.4)	(\$86.2)
36	Change in Balance Sheet Accts	100.4	6.0	(32.4)	59.4	(47.3)	(4.0)	(45.4)	(75.2)	(31.4)	(13.5)
37	Cash, End of Period	941.9	840.8	835.2	618.8	920.0	1,081.3	1,081.2	916.0	769.2	669.6
38	Less: Cash Reserves & Restricted Funds	(72.8)	(72.7)	(72.6)	(72.6)	(72.6)	(72.6)	(72.5)	(72.4)	(72.3)	(72.2)
39	Less: Savings from Refunding	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.0)	(2.0)
40	Less: Working Cash Requirement	(145.1)	(148.1)	(151.7)	(159.9)	(164.8)	(169.0)	(172.4)	(177.3)	(181.5)	(185.6)
41	Less: Capital Reserve	(37.3)	(37.8)	(38.7)	(40.1)	(41.7)	(43.4)	(45.2)	(47.1)	(49.0)	(51.0)
42	Unrestricted Cash (Net Available Cash)	\$686.7	\$582.2	\$572.1	\$346.3	\$640.9	\$796.3	\$791.0	\$619.1	\$465.3	\$358.8
43	External Coverage Ratio	3.27	3.13	3.31	3.30	3.22	2.77	2.67	2.67	2.78	2.80
44	Internal Coverage Ratio	1.22	1.34	1.53	1.53	1.55	1.32	1.31	1.33	1.40	1.42
45	Total CP O/S End-of-Year	\$154.2	\$154.2	\$154.2	\$254.2	\$354.2	\$454.2	\$554.2	\$554.2	\$454.2	\$354.2
46	Total Long-Term Debt O/S End-of-Year	\$3,948.6	\$4,295.2	\$4,635.3	\$4,817.7	\$5,383.6	\$5,840.9	\$5,995.1	\$5,888.7	\$5,771.7	\$5,635.2



Exhibit 9 (cont.)
FY 2022 20-Year Financial Plan(in Millions - Inflated Dollars)

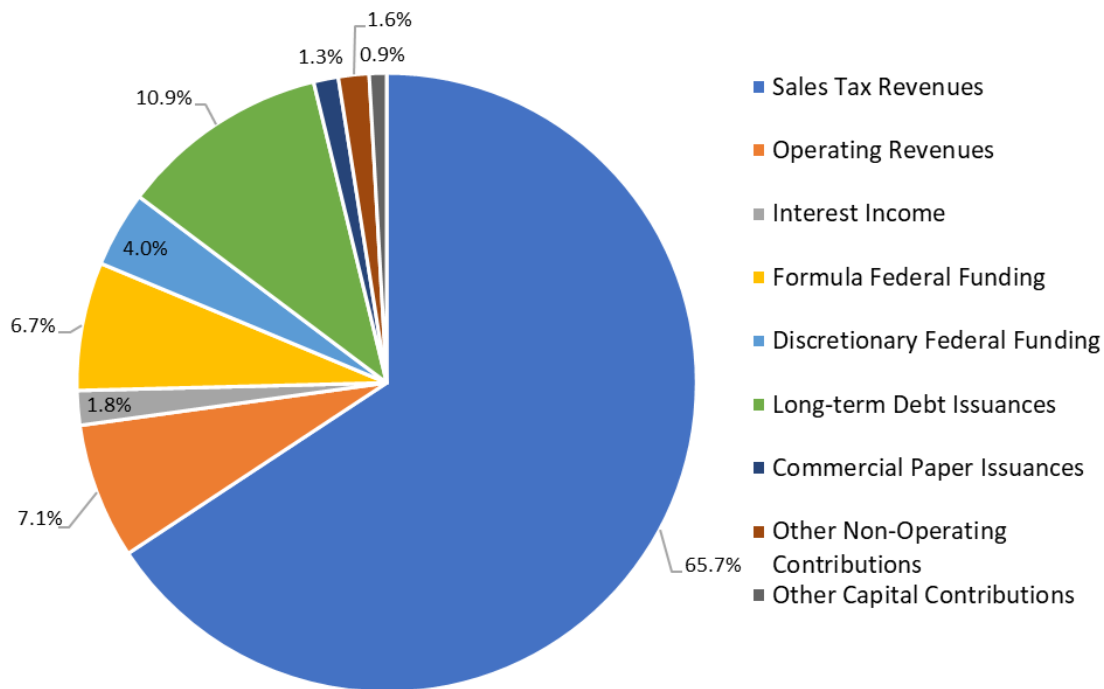
Line	Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	20-Year Total
SOURCES OF FUNDS												
1	Sales Tax Revenues	\$1,038.0	\$1,069.1	\$1,069.1	\$1,111.9	\$1,167.5	\$1,237.5	\$1,299.4	\$1,351.4	\$1,391.9	\$1,391.9	\$20,396.6
2	Operating Revenues	115.3	116.9	118.0	126.7	128.0	129.2	140.1	141.5	142.9	153.5	2,199.6
3	Interest Income	23.8	21.3	21.9	25.1	29.3	31.4	33.6	33.8	31.0	27.8	558.6
4	Formula Federal Funding	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.5	89.5	2,079.1
5	Discretionary Federal Funding	0.0	3.4	0.0	0.0	0.0	0.0	17.7	18.3	9.0	6.6	1,231.3
6	Long-term Debt Issuances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,395.5
7	Commercial Paper Issuances	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0
8	Other Operating Contributions	25.4	26.1	26.8	27.5	28.3	29.0	29.8	30.7	31.5	32.4	497.3
9	Other Capital Contributions	9.4	8.6	9.8	8.3	8.3	7.3	10.5	7.9	16.1	32.3	280.9
10	Total Sources of Funds	\$1,301.4	\$1,334.9	\$1,335.1	\$1,389.0	\$1,450.8	\$1,524.0	\$1,620.7	\$1,673.0	\$1,711.9	\$1,734.0	\$31,039.1
USES OF FUNDS												
Operating Expenses:												
11	Bus	\$374.6	\$381.8	\$389.1	\$396.9	\$404.4	\$412.2	\$418.2	\$426.4	\$434.8	\$443.4	\$7,455.2
12	Light Rail Transit	233.4	238.0	242.3	247.2	251.8	256.6	261.1	266.2	269.8	274.5	4,604.9
13	Streetcar	7.2	7.5	7.8	8.1	8.3	8.6	8.9	9.2	9.6	9.9	129.8
14	Commuter Rail/RR Management	77.9	80.0	82.1	84.4	86.6	89.0	91.3	93.9	96.3	98.3	1,477.2
15	Paratransit	62.9	65.4	68.0	70.8	73.6	76.6	79.6	82.9	86.2	89.7	1,273.3
16	General Mobility - TDM	2.7	2.8	2.8	2.9	2.9	3.0	3.1	3.1	3.2	3.2	54.3
17	Total Operating Expenses	\$758.6	\$775.6	\$792.1	\$810.3	\$827.7	\$846.0	\$862.2	\$881.7	\$899.9	\$918.9	\$14,994.8
	<i>Operating--P&D+Start Up</i>	<i>\$776.5</i>	<i>\$793.8</i>	<i>\$810.6</i>	<i>\$829.1</i>	<i>\$846.9</i>	<i>\$863.6</i>	<i>\$882.2</i>	<i>\$902.1</i>	<i>\$920.6</i>	<i>\$940.0</i>	<i>\$15,364.2</i>
Capital Projects and Non-Operating:												
18	Agency-Wide	\$18.0	\$22.8	\$19.4	\$36.3	\$22.2	\$87.5	\$36.7	\$18.1	\$14.7	\$12.7	\$639.3
19	Bus	43.7	23.6	11.0	5.4	4.4	145.9	180.9	133.1	87.9	27.9	1,220.2
20	Light Rail Transit	15.9	21.8	19.9	25.4	25.1	38.9	39.0	240.4	396.8	359.9	4,073.1
21	Streetcar	0.0	0.1	0.0	0.0	0.3	0.0	0.0	0.0	0.2	0.4	104.8
22	Commuter Rail/RR Management	17.7	24.1	24.6	13.6	13.3	12.5	15.1	17.6	39.5	60.0	1,787.7
23	Paratransit	0.2	0.2	0.1	0.1	1.1	0.1	0.6	0.1	0.5	0.1	5.0
24	General Mobility - Road Impr./ITS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.2
25	Non-Operating	1.5	3.1	0.3	0.3	1.8	0.3	0.6	2.0	0.3	1.0	22.7
26	Capital P & D, Start-Up	17.8	18.1	18.5	18.9	19.2	19.6	20.0	20.3	20.7	21.1	369.4
27	Total Capital and Non-Operating	\$114.8	\$114.0	\$93.7	\$99.8	\$87.4	\$304.8	\$292.8	\$431.5	\$560.5	\$483.1	\$8,146.4
#28	New Programs	\$40.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$443.2
Debt Service												
28	Principal Payments - Long-term Debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
29	Long-term Debt Interest Expense	159.2	171.2	178.0	185.4	199.8	215.6	234.8	243.4	254.1	264.3	3,025.2
30	Commercial Paper Interest Expense	213.1	206.0	198.8	191.2	183.5	175.5	167.1	158.3	149.0	139.3	3,668.3
31	Debt-Related Fees	4.9	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	68.8
32	Total Debt Service Costs	\$377.8	\$379.5	\$377.4	\$377.3	\$384.1	\$391.8	\$402.6	\$402.4	\$403.9	\$404.4	\$6,775.0
33	Commercial Paper Debt Repayment	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	420.0
34	Total Uses of Funds	\$1,391.7	\$1,369.0	\$1,263.2	\$1,287.4	\$1,299.2	\$1,542.6	\$1,557.6	\$1,715.7	\$1,864.3	\$1,806.3	\$30,779.4
35	Net Inc (Dec) in cash	(\$90.3)	(\$34.2)	\$71.9	\$101.7	\$151.7	(\$18.6)	\$63.1	(\$42.7)	(\$152.4)	(\$72.4)	\$259.6
36	Change in Balance Sheet Accts	(2.2)	(3.4)	(2.3)	(5.1)	(10.2)	37.2	(5.1)	23.2	29.8	(9.8)	(31.4)
37	Cash, End of Period	577.1	539.5	609.0	705.7	847.1	865.7	923.6	904.1	781.5	699.3	699.3
38	Less: Cash Reserves & Restricted Funds	(72.0)	(71.8)	(71.6)	(71.3)	(71.0)	(70.6)	(70.2)	(69.7)	(69.2)	(68.1)	(68.1)
39	Less: Savings from Refunding	(3.0)	(4.0)	(5.0)	(6.0)	(7.0)	(8.0)	(9.0)	(10.0)	(11.0)	(12.0)	(12.0)
40	Less: Working Cash Requirement	(189.7)	(193.9)	(198.0)	(202.6)	(206.9)	(211.5)	(215.6)	(220.4)	(225.0)	(229.7)	(229.7)
41	Less: Capital Reserve	(52.9)	(55.0)	(57.2)	(59.4)	(61.7)	(64.0)	(66.5)	(69.1)	(71.7)	(74.5)	(74.5)
42	Unrestricted Cash (Net Available Cash)	\$259.4	\$214.7	\$277.3	\$366.4	\$500.5	\$511.5	\$562.3	\$534.9	\$404.5	\$315.0	\$315.0
43	External Coverage Ratio	2.79	2.83	2.84	2.95	3.05	3.16	3.23	3.36	3.45	3.45	n/a
44	Internal Coverage Ratio	1.43	1.45	1.42	1.51	1.60	1.72	1.82	1.90	1.95	1.92	n/a
45	Total CP O/S End-of-Year	\$254.2	\$154.2	\$154.2	\$154.2	\$154.2	\$154.2	\$154.2	\$154.2	\$154.2	\$154.2	n/a
46	Total Long-Term Debt O/S End-of-Year	\$5,476.0	\$5,304.8	\$5,126.9	\$4,941.5	\$4,741.6	\$4,526.0	\$4,291.2	\$4,047.8	\$3,793.7	\$3,529.4	n/a



Sources of Funds

Total sources of funds for the period FY 2022 through FY 2041 are projected to increase \$254.7 million (0.8%) from that period in the amended FY 2021 Plan. This reflects the net effect of several items. The details of the changes by category are shown in Exhibit 7 above. Exhibit 10 illustrates the distribution of DART’s sources of funds for the period 2022 – 2041. Each source of funding is detailed below.

Exhibit 10
FY 2022 – FY 2041 Distribution of Sources of Funds



Sales Tax Revenues (line 1 of the Financial Plan)

Sales tax revenues comprise 65.7% of DART’s total projected sources of funds through FY 2041 (74.9% of total sources excluding debt issuances). This is virtually the same percentage as contained in the FY 2021 Financial Plan for the same 20-year period.

The method for estimating sales tax revenue for financial planning purposes is discussed in Financial Standard B-1, which states:



Sales tax revenue forecasts shall be based on a sales tax model developed specifically for the DART Service Area by an independent economist. To ensure a conservative sales tax estimate, the model's projections may be reduced from the forecasted levels, but not increased for years 2-20 of the Twenty-Year Financial Plan. The most current year may be based on management's best estimate. All such modifications shall be approved by the Board during the financial planning process.

DART traditionally bases its long-range sales tax growth and inflation factors on a forecast developed by an independent economic analysis firm (The Perryman Group), headed by M. Ray Perryman, Ph.D. DART has used Dr. Perryman's models for many years. Sales taxes have trended above forecast for the last five years, with year-over-year growth averaging 3.53% from FY 2016 – FY 2020. Through May year-to-date FY 2021 sales taxes receipts were 6.34% higher than FY 2020.

As the impact of COVID-19 began to be felt initial estimates assumed a loss of 50% of sales taxes for the remainder of FY 2020 and a 25% reduction in total for FY 2021. This would have represented a loss of over \$340 million between FY 2020 – FY 2021, and \$1.3 billion between 2020 and 2039. During the early stages of the pandemic, there were significant uncertainties around the impacts on this revenue source. The actual experience has turned out to be not as dire as feared. April 2020 sales taxes declined by 19.6% from April 2019 but May rebounded and was only 8.8% below the same month in the prior year. June and July were even better (down 0.75% and up 2.93%, respectively) before a drop of 13.09% in August. Even before the pandemic, about half of this decline in August was expected because of an unusually large positive audit adjustment that was received in August 2019 and was not expected to be duplicated in 2020.

After a series of drops from February 2020 through February 2021 compared to prior year receipts, March 2021 sales tax receipt increased by 19.7% from March 2020. April 2021 rebounded and was 41.7% above the same month in the prior year. Sales tax continues to exceed expectations and May 2021 sales taxes increased by 19.6% from May 2020. We now expect FY 2021 sales tax to finish above the amount in the amended FY 2021 financial plan. This is primarily attributed to the state and county's meaningful efforts to lift many of the restrictions that were established in early 2020 in response to the pandemic, as well as impacts on sales tax collections related to the *South Dakota v. Wayfair, Inc.* Supreme Court decision on the collection of sales tax from out of state sellers. Consequently, we have upwardly revised our 20-year forecast.

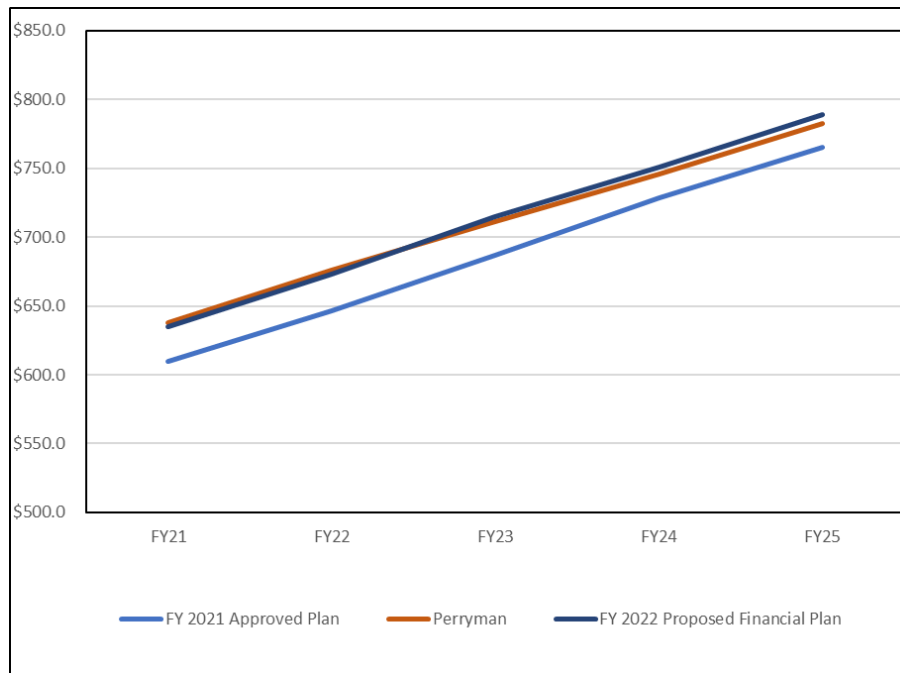
A comparison of the projections from Dr. Ray Perryman and the proposed FY 2022 Financial Plan is contained in Exhibits 11.1 and 11.2 in tabular and graphic form, respectively.



Exhibit 11.1
5-Year Sales Tax Receipts FY 2021 – FY 2025 (in Millions)

Year	FY 2021 Approved Plan	Perryman	FY 2022 Proposed Financial Plan
FY21	\$610.0	\$637	\$635
FY22	\$646.7	\$676	\$673
FY23	\$686.9	\$712	\$715
FY24	\$728.6	\$746	\$751
FY25	\$765.0	\$782	\$789
5-Year Total	\$3,437	\$3,554	\$3,563

Exhibit 11.2
5-Year Sales Tax Receipts FY 2021 – FY 2025)(in Millions)





Beyond 2024, DART still bases its sales tax projections on projections from The Perryman Group, with conservative principals applied to them.

Beginning in the FY 2016 Financial Plan and continuing into the current Plan, DART has taken a different approach from previous years regarding incorporating sales taxes into the Financial Plan. Instead of using the straight-line approach to sales tax growth which has been generated by the regression model provided by the Perryman Group, the 2016 Plan incorporated periodic mild recessions in seven-year cycles as an attempt to better match economic reality. As such, the Plan calls for a zero-growth year every seven years with the thought that this methodology should enable the Financial Plan to better weather the inevitable economic flat spots in the road. Each zero-growth year is followed by a cyclical rebound for several years after that. With this approach, however, there are certain years in which the Financial Plan assumes higher rates of increase than the Perryman projections, but the overall growth rate over the 20-year life of the Plan is significantly lower and results in total sales tax revenues \$1.33 billion (6.1%) less than if we had strictly used Perryman's growth rates for the next 20 years.

As it turned out, we were somewhat prescient as 2020 was the first such zero-growth year. While the impact of COVID-19 is substantially more than 'a flat spot in the road' and while this does not mean there was no impact on the Financial Plan, it certainly lessened the overall impact of the pandemic on the Financial Plan than if FY 2020 included our normal 4-5% projected annual sales tax growth.

A comparison of projected sales tax growth rates and receipts from the FY 2021 Plan, the FY 2022 draft Plan, and the Perryman projections is shown in Exhibit 11.3 and 11.4.



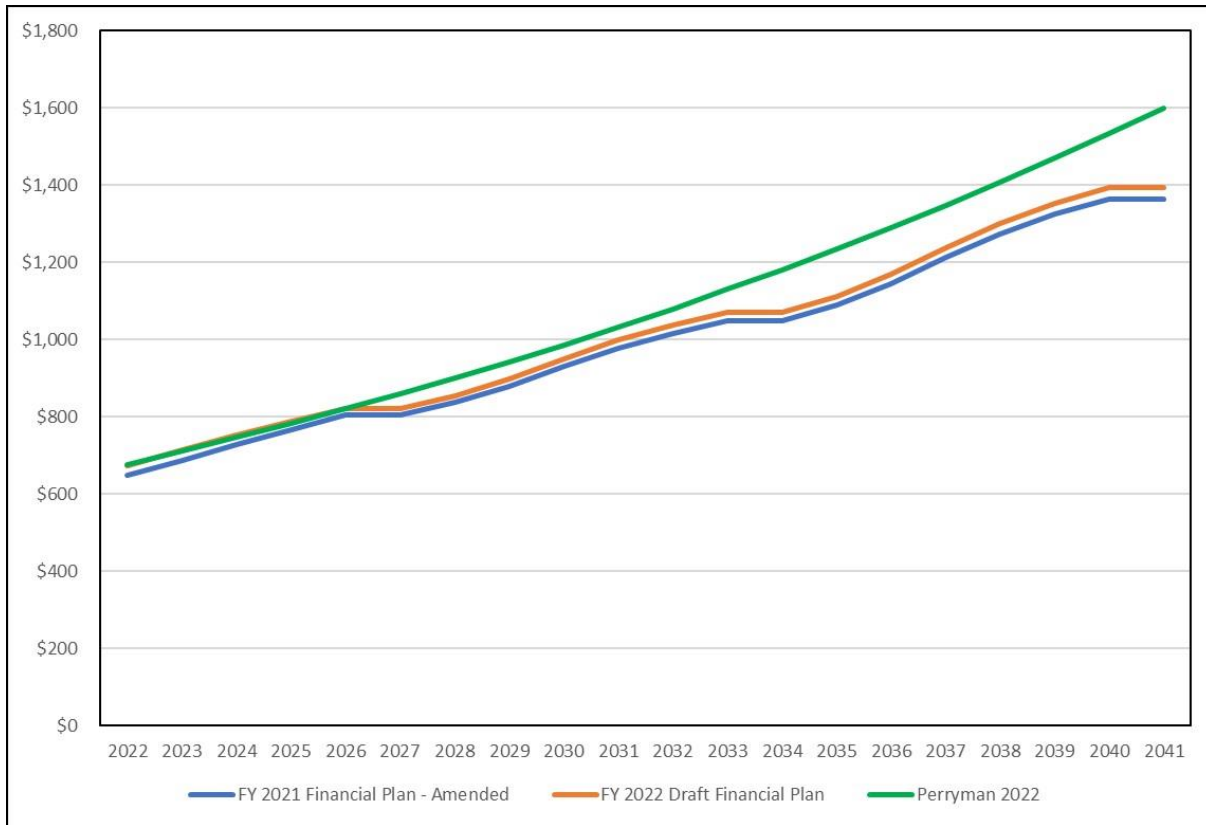
Exhibit 11.3
20-Year Sales Tax Receipts FY 2022 – FY 2041(in Millions)

Year	FY 2021 Financial Plan - Amended		FY 2022 Draft Financial Plan		Perryman 2021	
	%	\$	%	\$	%	\$
2021	—	\$610.0	-	\$635.0	—	\$637.5
2022	6.0%	646.7	6.0%	673.2	6.1%	676.1
2023	6.2%	686.9	6.0%	715.0	5.3%	711.6
2024	6.1%	728.6	5.0%	751.2	4.9%	746.2
2025	5.0%	765.0	5.0%	788.8	4.8%	782.3
2026	5.0%	803.3	4.0%	820.4	4.8%	819.8
2027	0.1%	803.8	0.0%	820.9	4.8%	858.9
2028	4.0%	836.3	4.0%	854.0	4.7%	899.6
2029	5.0%	878.1	5.0%	896.7	4.7%	941.9
2030	6.0%	930.8	6.0%	950.5	4.7%	986.0
2031	5.0%	977.4	5.0%	998.1	4.6%	1,031.8
2032	4.0%	1,016.5	4.0%	1,038.0	4.6%	1,079.5
2033	3.0%	1,047.0	3.0%	1,069.1	4.6%	1,129.0
2034	0.0%	1,047.0	0.0%	1,069.1	4.6%	1,180.5
2035	4.0%	1,088.8	4.0%	1,111.9	4.5%	1,233.9
2036	5.0%	1,143.3	5.0%	1,167.5	4.5%	1,289.4
2037	6.0%	1,211.9	6.0%	1,237.5	4.5%	1,347.0
2038	5.0%	1,272.5	5.0%	1,299.4	4.4%	1,406.8
2039	4.0%	1,323.4	4.0%	1,351.4	4.4%	1,468.8
2040	4.0%	1,363.1	3.0%	1,391.9	4.4%	1,533.0
2041	0.0%	1,363.1	0.0%	1,391.9	4.4%	1,599.8
20-Year Total		\$19,933.3		\$20,396.6		\$21,721.7

* Note: There is a small increase in sales taxes in 2027 (a zero-growth year) in the FY 2022 Financial Plan. This is due to the end of the sales tax repayment plan to the State Comptroller, not any projected economic growth.



Exhibit 11.4
20-Year Sales Tax Receipts FY 2022 – FY 2041(in Millions)



Sales Tax Repayment – The Texas State Comptroller’s Office periodically conducts audits of entities responsible for the payment of state and local sales taxes. As a result of an audit that was concluded in 2006, the Comptroller determined that DART received an overpayment of sales taxes of approximately \$13.2 million. In an effort to mitigate the effects of this repayment on DART, the Comptroller agreed to a 16-year interest-free repayment schedule (\$824,000 per year through 2022). An additional audit, completed in 2008, resulted in another repayment obligation of \$3.6 million. The State Comptroller’s Office agreed to extend the \$824,000 repayment plan through 2026, with the balance of this repayment (\$334,588) to be remitted in 2027. These repayment obligations have been incorporated into the Plan, and all reported sales tax revenues in the Plan (and discussed in this document) are net of these repayments.

An additional negative adjustment in the amount of \$4.1 million is being paid back between 2020 and 2023.

Operating Revenues (line 2 of the Financial Plan)

Operating revenues are projected to contribute \$2.2 billion (7.1%) of DART's sources of funds through FY 2041. Exhibit 12 details projected operating revenues for the next 20 years.



Exhibit 12 Operating Revenues(in Millions)

Operating Revenues	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Fixed Route Passenger Revenues	\$37.8	\$53.2	\$61.0	\$68.2	\$75.6	\$76.5	\$77.9	\$85.2	\$86.2	\$86.7
Other Passenger Fares	2.5	3.5	3.9	4.3	4.7	4.8	4.8	4.9	4.9	5.1
Total Passenger Revenues	\$40.4	\$56.8	\$64.9	\$72.4	\$80.3	\$81.2	\$82.7	\$90.1	\$91.1	\$91.7
Leases & Rentals	\$7.8	\$8.0	\$8.2	\$8.3	\$8.5	\$8.7	\$8.9	\$9.1	\$9.3	\$9.5
Advertising	2.4	2.7	2.9	3.0	3.2	3.3	3.5	3.6	3.8	4.0
Vanpool (NCTCOG/FHWA)	0.5	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
DCTA Access & Impact Fees	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1
Total Operating Revenues	\$51.9	\$69.1	\$77.6	\$85.5	\$93.7	\$95.0	\$96.9	\$104.7	\$106.0	\$107.1

Exhibit 12 (cont.) Operating Revenues (in Millions, continued)

Operating Revenues	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	20-Year Total
Fixed Route Passenger Revenues	\$94.0	\$95.3	\$95.9	\$104.0	\$104.7	\$105.3	\$115.2	\$115.8	\$116.5	\$126.4	\$1,781.6
Other Passenger Fares	5.5	5.7	5.8	5.9	6.1	6.2	6.8	7.0	7.2	7.3	107.0
Total Passenger Revenues	\$99.6	\$101.0	\$101.7	\$110.0	\$110.8	\$111.5	\$122.0	\$122.8	\$123.7	\$133.8	\$1,888.5
Leases & Rentals	\$9.7	\$9.9	\$10.1	\$10.3	\$10.5	\$10.8	\$11.0	\$11.2	\$11.4	\$11.7	\$193.0
Advertising	4.1	4.0	4.2	4.3	4.5	4.8	5.0	5.2	5.4	5.7	79.7
Vanpool (NCTCOG/FHWA)	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	18.9
DCTA Access & Impact Fees	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	18.1
Other	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.4
Total Operating Revenues	\$115.3	\$116.9	\$118.0	\$126.7	\$128.0	\$129.2	\$140.1	\$141.5	\$142.9	\$153.5	\$2,199.6

Passenger revenues are the primary component of operating revenues, representing approximately \$1.89 billion, or 85.9% of operating revenues. Because of the impact of COVID-19 on Ridership, this represents approximately \$367 million reduction from the same 20-year period in the FY 2021 Financial Plan. Passenger revenue continues to struggle. Ridership & passenger revenue reflects bus network redesign but revised downward. The proposed FY 2022 financial plan reflects a more modest growth in ridership.

Actions to improve passenger revenue:

- DARTzoom service improvements and promotion
- EMV



- Introducing new programs on the Fare policy such as the flexible corporate program and loyalty program
- Continuous Station fare reinforcing activities and other actions to reinforce platform tapping
- Review of validator placements on platforms to make it easier to pay / remind customers to tap or activate

Business Planning Parameter FS-B2 states, "the Board will consider fare modifications from time to time to achieve Service Plan, ridership, and subsidy per passenger targets and to maintain DART's financial viability." The Financial Plan assumes fare increases will occur every three years, resulting each time in an increase to the average fare of approximately 9%.

In the FY 2020 Plan, the next fare increase was scheduled to occur in 2022 but with the pandemic occurring, the financial plan defers this increase by one year, to FY 2023. All subsequent increases were also deferred by one year to maintain the three-year schedule.

The reduction in ridership due to COVID-19 has also impacted average fare. As ridership recovers, average fare is also expected to rise as well, even without a fare increase. This is presented in Exhibit 13, which details the projected fixed-route average fares by mode over the life of the Plan.

Exhibit 13
Projected Fixed-Route Average Fare

Year	Bus	LRT	CR	Fixed Route
FY22	\$0.70	\$1.00	\$3.00	\$0.94
FY23 - FY25	\$0.90	\$1.09	\$3.28	\$1.15
FY26 - FY28	\$0.98	\$1.20	\$3.59	\$1.19
FY29 - FY31	\$1.08	\$1.31	\$3.92	\$1.30
FY32 - FY34	\$1.18	\$1.43	\$4.29	\$1.41
FY35 - FY37	\$1.29	\$1.56	\$4.69	\$1.54
FY38 - FY40	\$1.41	\$1.71	\$5.13	\$1.69

Operating revenues other than fare revenues include items such as the following: advertising revenue, lease & rental income, contract service revenues from cities outside the service area, shuttle service agreement revenue from UT-Dallas and the Surface Transportation Program/Metropolitan Mobility (STP/MM) vanpool contribution.

**Interest Income** (line 3 of the Financial Plan)

Interest income is projected to contribute \$558.6 million (1.8%) of total sources of funds for the next 20 years. This is a \$122.2 million (28.0%) Increase from the amount contained in the FY 2021 Plan primarily reflecting upwardly revised interest rates and higher invested (cash) balances.

Interest income rates are estimated to average 0.30% throughout 2022, increasing up to nearly 4% by 2026. Interest rates have been low from a historical perspective and are expected to increase slowly over the next few years. As rates rise, a positive spread is expected to develop (supported by historical data) between interest income and interest expense rates. This spread is projected to be 65 basis points (0.65%) by 2023.

Federal Funding (lines 4 and 5 of the Financial Plan)

Federal funds are included in two-line items: Formula Federal Funding and Discretionary Federal Funding.

Formula funds include: Urbanized Area Formula program (UAFP), State of Good Repair (§ 5337), Bus and Bus Facilities Formula Grants (§ 5339), and High-Density States and Growing States (§ 5340). For 2022, they also include ARP Act funding.

Discretionary funds are authorized under 49 U.S.C. § 5309 (New Starts/Core Capacity/Small Starts) and other programs such as Congestion Mitigation and Air Quality Improvement program (CMAQ) and the State of Texas Mobility Fund (TMF).

In the Surface Transportation Bill enacted in December 2015, known as the Fixing America's Surface Transportation Act, or "FAST Act," Congress provided funding for highways and transit through federal fiscal year 2020. The FAST Act was extended by one year in 2020. The FAST Act extension includes \$13.6 billion to maintain the Highway Trust Fund's solvency at current funding levels (\$47.1 billion for highway programs and \$12.3 billion for transit programs) through fiscal year 2021. This extension will provide much-needed funding certainty to state and local governments navigating significant revenue shortfalls due to the COVID-19 pandemic. The bill provides slight increases in the near-term over prior funding levels and affords DART an opportunity to develop and finance multi-year projects. Because Congress has chosen not to raise the federal gas tax, this federal transportation program can no longer be called a user-financed program. Instead, Congress transferred approximately \$70 billion from non-transportation sources to the Highway Trust Fund to ensure its solvency. This imbalance will grow during each year of the FAST Act, making the fiscal cliff much steeper and harder to address. The Congressional Budget Office in 2018 estimated that the Highway Trust Fund will need a transfer of \$161 billion by 2028, just to maintain the existing level of transportation spending. Pressure will build on the President and Congress to develop options that are politically viable to ensure the federal government can remain an effective partner in building and maintaining the nation's transportation infrastructure.

**Formula Federal Funding** (line 4 of the Financial Plan)

In response to the coronavirus pandemic, the federal government passed multiple relief laws designed to mitigate the negative economic impact of the pandemic. In 2022 DART expects to receive nearly \$300 million in ARP Act funding. These funds are considered to be formula funds by nature, as they are not awarded on the basis of any particular capital project and may be used to fund operating and maintenance costs.

Formula funds are \$2.08 billion (6.7 % of total sources of funds) through FY 2041. This is an increase over the FY 2021 Plan based on the ARP Act Funding.

According to the Board-approved Financial Standard B10 “Formula funding for future years shall be forecast at the current year’s funding level in order to ensure a conservative forecast.” There may be some variances from year to year early in the Plan as some funds not spent in current and prior years may be rolled forward into future years. These levels are adjusted each year based on the most current information available. An exception to that would be for new rail segments. When service begins on the Silver Line in 2024, it will generate additional formula funds beginning in 2026. An estimate of \$2.3 million has been made for these additional funds annually, based on current federal apportionment values.

Discretionary Federal Funding (line 5 of the Financial Plan)

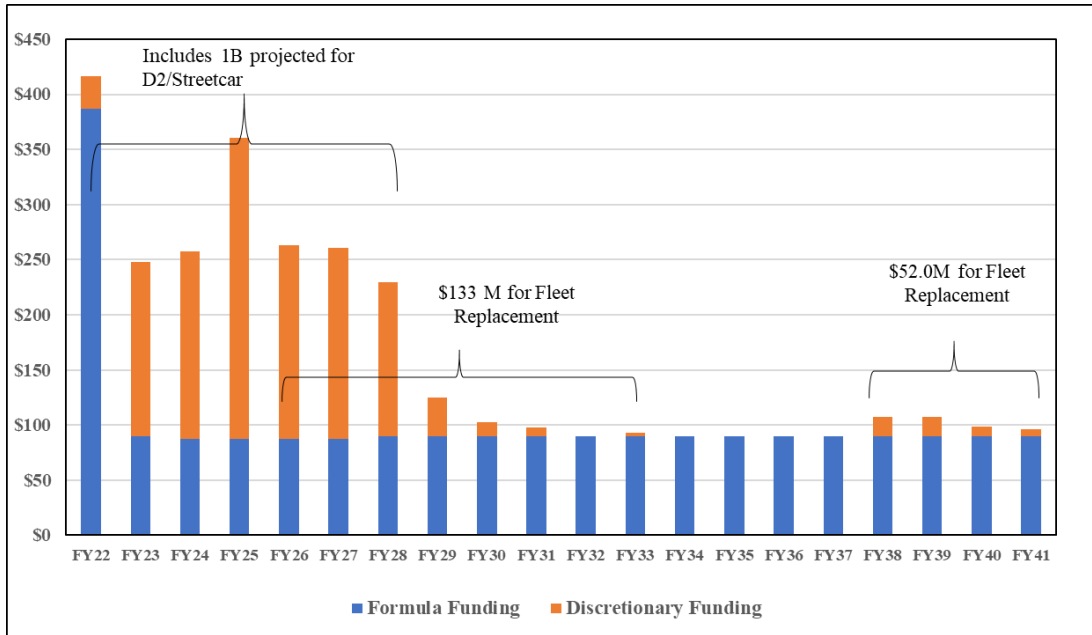
Discretionary federal funding comprises \$1.23 billion (4.0% of total sources) through FY 2041. This is a \$17.0 million (1.4%) increase over the FY 2021 Plan. The increase is primarily due to increased projection of the grant value for second rail corridor through downtown Dallas (D2). The FY 2021 Plan had assumed a \$650 million grant for the D2 subway. For the amended FY 2021 Plan, this has been increased to \$952 million. The application for these funds is expected to be completed in 2022, and if the grant is awarded the money will be expected to be received between 2024 and 2028.

DART has been very conservative regarding programming new discretionary federal funding into the Plan. Some of the other major projects with awarded or expected discretionary funding over the life of the plan include \$91 million mainly for core capacity and streetcar system expansion and various projects (2022 – 2026), \$185 million between 2026 and 2041 for replacement of the bus and commuter rail vehicle fleets.

Exhibit 14 details the anticipated receipt of both discretionary and formula Federal Funds over the life of the Plan. Formula funding is shown in blue and discretionary funding is shown in orange. It is easy to see the spikes in discretionary funding in the early years of the Plan for the programs described above.



Exhibit 14 Anticipated Capital Grant Funding (FY 2022 – FY 2041) (in Millions)



Long-Term Debt Issuance (line 6 of the Financial Plan)

DART plans to issue approximately \$3.4 billion in new long-term debt over the next 20 years. The issuances include \$1,038 million during FY 2024 - FY 2028 for the Core Capacity Program (D2 & Streetcar Line) mentioned above, \$700 million for light rail vehicle rehab and replacement, and \$686 million for the Silver Line project.

\$63.5 million for TRE vehicle replacement and other infrastructure projects. DART has been approved for a \$908 million loan from the Federal Railroad Administration’s Railroad Rehabilitation & Improvement Financing (RRIF) program, approximately \$50,000 million of which has been received to date, to finance the project.

Commercial Paper Issuances (line 7 of the Financial Plan)

DART will issue \$400 million through 2028 to pay for the replacement of the bus fleet. Under a bank-backed Commercial Paper (CP) Program, and an Extendible CP Program, DART will use the initial funding mechanisms to support DART’s capital programs up to a maximum authorized amount of \$125 million per program. A third-party bank promises to provide the funds if the seller cannot repay them. The bank provides a revolving credit facility or letter of credit dedicated to commercial paper note repayments. Extendible CP enables high credit quality issuers to place commercial paper without a bank-backed credit facility. Unlike bank-backed CP, in the event of a failed remarketing and assuming DART does not desire to redeem the Extendible CP with cash, the security is extended up to 180 days after the original 90 - day term. If market conditions and cash flow needs dictate, DART can issue long-term debt to replace the outstanding CP or retire it

with cash.

DART has established a \$125 million maximum authorization Commercial Paper Self-Liquidity (CPSL) Program. When an investor purchases a commercial paper note, the investor has an expectation that when the note matures the seller will return the par value of the note plus interest. The seller demonstrates that the expectation can be satisfied by identifying its own funds that will be used to repay CP notes. This is called a CPSL program. The ability to meet this obligation is monitored by rating agencies and is reflected in the seller's short-term debt rating. DART is using self-liquidity for the \$50 million in CP that is currently outstanding. This balance will be retired by FY2022.



Other Operating & Capital Contributions (lines 8 & 9 of the Financial Plan)



These line items are predominantly composed of non-grant contributions from other public entities, such as: Trinity Metro's contribution toward its share of the operating and capital costs for the Trinity Railway Express (TRE), City of Dallas contributions toward Streetcar Operating expenses, City of Irving contribution for the construction of the Rail stations capital cost & certain non-operating leases, service area city and other funding partner contributions

for specific capital projects, and other miscellaneous contributions.

Other Operating sources of funds total \$497.3 million between FY 2022 and FY 2041 and represent 1.6% of total sources of funds for that same period. This category of funds increased \$6.7 million (1.4%) compared to the same period in the FY 2021 Plan, primarily due to the City of Dallas's related contribution to operating costs.

Uses of Funds

Operating Expenses (lines 11 – 17 of the Financial Plan)

- In FY 2022, DART will implement a phased plan for restoring regular weekday service frequency as ridership increases,
- DART Board will plan a complete Bus Network Redesign for implementation in January 2022 consistent with the FY 2022 Budget and 20-year financial plan,
- Looking a little further down the road, the Plan includes even more service enhancements.

- One new infill stations along the Orange Line in Irving (Loop 12). Another station along the Hidden Ridge was completed in May 2021,
- Commuter Rail service along the Silver Line corridor from Plano to DFW Airport in 2024,
- An expanded Streetcar Rail network in 2028, and
- The second light rail alignment through downtown Dallas (D2), currently anticipated to begin service in 2028.

Total operating expenses for FY 2022 through FY 2041 are projected to be approximately \$15.0 billion, an increase of \$296.2 million (2.0%) from the amount in the FY 2021 Plan over the same period of time, primarily due to service changes of DARTzoom.



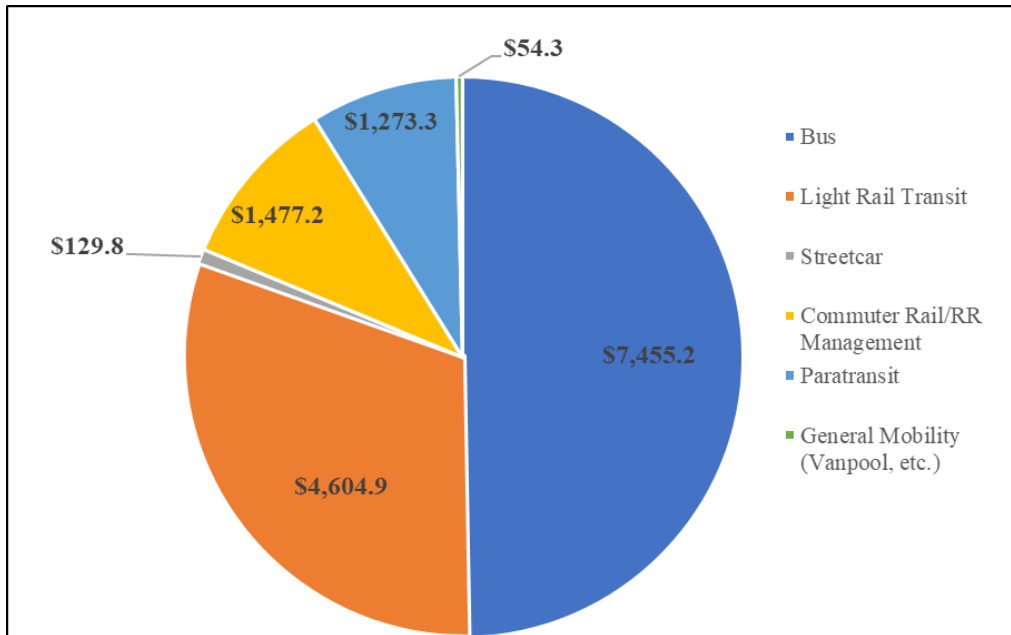
DART's FY 2022 Operating Budget is \$580.4 million, which is the same as the amended FY 2021 operating budget.

Growth in operating expenses that are built into the Financial Plan for future years are controlled from a policy perspective by Financial Standards B-3, B-4, and B-5. Standards B-3 and B-4 relate to fixed-route service, which accounts for approximately 92% of projected operating costs over the next five years. The primary cost drivers for the variable expenses of fixed-route service are the number of miles, hours, and vehicles in service, contract rates for purchased transportation (TRE), fuel/electricity prices, security, technology, and health care.

Exhibit 15 shows the modal distribution of total operating expenses.



Exhibit 15
Operating Expenses by Mode FY 2022 – FY 2041 (in Millions)



Modal Expenses (lines 11 – 17 of the Financial Plan)

Exhibit 16 compares the projected 20-year modal operating expenses (2022 - 2041) based on the FY 2022 Financial Plan.

Exhibit 16
20-Year Modal Expense Comparison FY 2022 – FY 2041(in Millions)

	FY21 FP	FY22 FP	\$ Variance FY20 to FY21	% Variance FY20 to FY21
Bus	\$7,253.7	\$7,455.2	\$201.6	2.8%
Light Rail Transit	4,542.3	\$4,604.9	62.7	1.4%
Streetcar	130.0	\$129.8	(0.2)	(0.2%)
Commuter Rail/RR Management	1,393.9	\$1,477.2	83.3	6.0%
Paratransit	1,324.3	\$1,273.3	(51.0)	(3.8%)
General Mobility (Vanpool, etc.)	54.4	\$54.3	(0.1)	(0.2%)
Total Operating Expenses	\$14,698.5	\$14,994.8	\$296.2	2.0%

The following details relate to the modal expense line items:

Each year, DART management reviews costs allocated to the various modes of service. During this review, estimates are made regarding how much of each functional division's time and resources will be spent in support of each mode, how much will be spent on general and administrative responsibilities, and how much effort will be spent in support of DART's capital programs. This can lead to some minor fluctuations in cost distribution among the modes from year-to-year as estimates may vary.



Even with the light rail system more than doubling since 2009, bus expenses still represent the largest modal portion of DART's operating costs (49.7%) over the next twenty years. The bus mode includes DART's Innovative Services namely GoLink, and site-specific shuttle services. Twenty-year bus modal costs have increased by \$201.6 million (2.8%) from the FY 2021 Financial Plan as a result of service changes (DARTzoom).

Over the last decade-plus, DART has completed an expansion program that has seen the light rail system grow from 48 miles in the summer of 2009 to 93 miles in FY 2017. As such, light rail operating costs have continued to represent an increasing percentage of DART's budget. Light rail operating costs have increased from 21.1% of the FY 2009 operating budget to 33.0% of the FY 2021 budget.

TRE Commuter Rail services are provided by Herzog Transit Services, Inc. The current contract began in FY 2016 and expires at the end of FY 2025. The contract includes service costs for TRE and Trinity Metro's TEXRail, which began service in January 2019. DART will exercise an option in the contract for Silver Line operations, dispatching and maintenance-of-way through the end of the contract. Fleet maintenance will be provided by Stadler Rail, the vehicle manufacturer.

Mobility Management Services (Paratransit) is operating under a contract with MV Transportation to provide passenger services.

Capital and Non-Operating Expenditures (lines 18 – 27 of the Financial Plan)

Exhibit 17, on the following page, compares capital expenditures by mode for the 20-year period 2022 – 2041 from the FY 2022 Plan to the amended FY 2021 Plan. The agency-wide category refers to capital projects that benefit more than one mode (e.g., renovations to the DART headquarters building, ERP system purchase/implementation costs, etc.).



Exhibit 17
Comparison of 21-Year Capital Expenditures (2022 – 2041)(in Millions)

	FY21 FP	FY22 FP	\$ Variance FY21 to FY22	% Variance FY21 to FY22
Agency-Wide	\$515.0	\$539.3	\$24.4	4.7%
Bus	1,261.6	1,220.2	(41.5)	(3.3%)
Light Rail Transit	4,065.4	4,073.1	7.7	0.2%
Streetcar	104.8	104.8	0.0	0.0%
Commuter Rail/RR Management	2,107.5	1,787.7	(319.8)	(15.2%)
Paratransit	5.8	5.0	(0.8)	(13.2%)
General Mobility - Road Impr./ITS	22.2	24.2	2.0	9.0%
Non-Operating	21.2	22.7	1.5	7.0%
Capital P & D, Start-Up	373.0	369.4	(3.6)	(1.0%)
Total Capital Expenditures	\$8,476.5	\$8,146.4	(\$330.0)	(3.9%)

Capital and Non-Operating expenditures are budgeted at \$841.9 million for FY 2022 and \$8.1 billion for the 20 years through FY 2041. This is 3.9% less from the FY 2021 Plan over the same period. This reflects the revised cash flows.

The list of major Capital and Non-Operating projects (including all new projects) is shown as Exhibit 18, beginning on page 29.

General Mobility, Road Improvement, and Intelligent Transportation Systems (ITS) Programs (line 24 of the Financial Plan)

Financial Standard B-7 limits General Mobility Road Improvement Programs to funding allowed under the terms of the approved Interlocal Agreements (ILA). Road improvement programs include the Principal Arterial Street System (PASS), Transportation System Management (TSM), Transit Related Improvement Programs (TRIP), and ITS projects. These programs total \$24.2.0 million over the next 20 years.

Non-Operating Costs (line 25 of the Financial Plan)

Non-operating costs relate to projects/programs that do not meet capitalization criteria for



accounting purposes, are not operating costs, and are not capitalized as a DART asset. Examples of non-operating costs include consulting costs for the Transit System Plan revision, the Transit-Oriented Development study, and the Regional On-Board Survey. These costs total \$22.7 million through 2041.

Capital Planning & Development and Start-up Costs (line 26 of the Financial Plan)

Capital Planning & Development (Capital P&D) and Start-up costs are predominantly internal staff and consulting costs associated with planning, designing, managing, constructing, and opening new capital projects such as the light rail system. Financial Standard B-8 limits capital planning costs to no more than 7% of the total operating budget and start-up costs to no more than 60% of the first year's operating costs.

Capital P&D & Start-up costs are budgeted at \$14.6 million for FY 2022 (1.7% of the operating budget), and \$369.4 million over the 20-year period of the Plan.

There are no Start-up expenses programmed for 2021. Start-up costs over the life of the plan total \$8.6 million, including costs for the Silver Line, D2 and the Dallas Streetcar expansion.

Capital Reserves

A variety of reserves exist within the capital program. These reserves represent placeholders within the Financial Plan that are either for known capital asset maintenance and replacement cycles, or for funds that are set aside for projects of a specific type, for which the exact nature, timing, and amount is unknown at the present time. When a project that is to be funded from a specific reserve is requested and approved, the new project is given its own specific line in the capital program, and the balance of the reserve is reduced by the budgeted cost of the new project. Reserve balances are reviewed on an annual basis to ensure they are adequate to cover future needs for each respective mode and expenditure type.

The FY 2022 Financial Plan includes \$4.6 billion in capital reserves and amounts dedicated to “State-of-Good-Repair” (SGR) over the next 20 years. These reserves ensure that DART will be able to maintain assets to provide safe and efficient transportation services and provide for timely replacement of assets. These reserves constitute over 61% of the total 20-year capital project expenditures.



FY 2022 Major Capital Project List

Exhibit 18 contains a listing of major capital projects with their budgeted costs.

Exhibit 18
Major Capital Projects (in millions)

#	Project Description	Total Project Budget
1	Dallas CBD Second Light Rail Alignment (D2 Subway)	\$1,940.1
2	Silver Line Regional Rail Project	\$1,899.0
3	Red & Blue Line Platform Extensions	\$128.7
4	Dallas Streetcar Central Link	\$96.2
5	Madill Bridges Replacement	\$35.5
6	Positive Train Control (PTC)	\$34.8
7	COMMS P25 Radio System Upgrade	\$30.0
8	Bus Repower Program	\$21.0
9	Consolidated Dispatch Facility	\$18.5
10	LRV Repower Programs	\$18.3
11	Bi-level & Cab Car Overhauls	\$17.4
12	Enterprise Asset Management System	\$15.2
13	Comprehensive Fare Payment System	\$15.0
15	Loop 12 Rail Station	\$12.0
16	LRV HVAC Upgrade Project	\$10.3

Dallas CBD Second Light Rail Alignment (D2 Subway)

Total Budget: 1,940,176,397

Funding Source(s): Grant: \$952,000,000; Debt/Local: \$990,176,397

Project Description

This project (known as D2 Subway) establishes a second light rail transit (LRT) line through Downtown Dallas by connecting two points: Victory Station and the Green Line near the Good Latimer/Swiss Avenue intersection. The project is intended to increase core capacity through Downtown Dallas, relieving congestion on the existing Bryan/Pacific Transit Mall and on the downtown junctions, improve operational flexibility and reliability, and serve new downtown markets while enhancing economic development.

The D2 Subway Locally Preferred Alternative (LPA) using Victory/Commerce/Swiss was approved in September 2017 by both the Dallas City Council and the DART Board. This approval followed an extensive subway refinement phase after stakeholders voiced concerns with the original mostly at-grade LPA in 2016. DART completed 10% preliminary engineering on the subway LPA in March 2019 and is advancing towards 20% design in conjunction with a Supplemental Draft Environmental Statement (SDEIS). The SDEIS will update the original May 2010 Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS). DART will then refine the project up to 30% design with a Final EIS and Record of Decision.

The D2 Subway includes approximately 1.3 miles of below-grade alignment and 0.7 mile at-grade, primarily through the Victory Park area and where the project reconnects with the Green Line. The project includes four new stations (one at-grade and three below-grade) and will include relocation of the existing Deep Ellum station north to Live Oak. The project continues to be refined to minimize impacts as more engineering and environmental information becomes known. In January 2019, DART incorporated a refinement in the CBD East area.

The 30% project cost estimate is \$1.94 billion. DART plans to pursue an approximately 50/50 funding share between local/federal sources, and the project is currently programmed to be completed in 2028 (subject to change).



Project Status



The last Capital Investment Grant (CIG) Core Capacity submittal to FTA in September 2017 was based on the Commerce. The D2 submittal and project received a Medium-High rating.

The Project Development (PD) effort is focused on the Commerce Alternative. The 10% design package was submitted to DART on March 8, 2019. The 20% design package was submitted to DART on

March 6, 2020, and the 30% design package was submitted on October 30, 2020. The Supplemental Draft Environment Impact Statement (SDEIS) was made available to the public on May 15, 2020. A 45-day period for review and comment started that day and concluded on June 29, 2020. The final EIS/Record of Decision was issued by FTA on April 9, 2021.

Discussions and the work effort to prepare for Entry into Engineering have begun both internally and with FTA staff.

The project team continues to engage the public and key stakeholders. The team regularly holds project coordination meetings with TxDOT/City of Dallas/NCTCOG; standing, bi-weekly project briefings with the City of Dallas and bi-weekly, monthly, and quarterly meetings with FTA; one-on-one stakeholder meetings on an “as needed” basis. SDEIS public hearings were held on June 11, 2020 (virtually) and on June 25, 2020 (in person). A public hearing for the Service Plan Amendment was held September 22, 2020. Coordination continues to occur with Council, (approved Parkland easements on November 11, 2020), Park and Recreation Board, Texas Historic Commission (Programmatic Agreement signed and filed with ACHP), Transportation and Infrastructure Committee (briefed on November 16, 2020, January 19, 2021), and Urban Design Peer Review Panel (UDPRP).

Project Issues

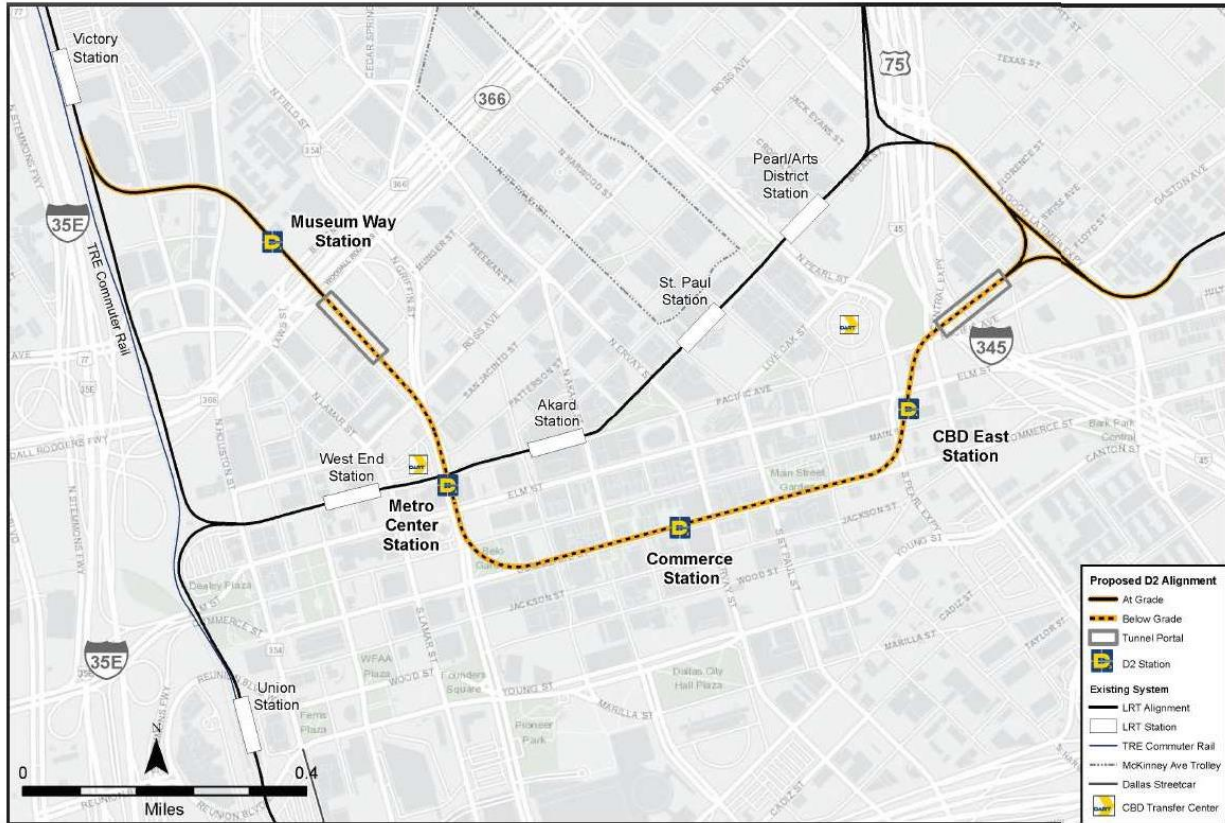
Regular meetings will continue with TxDOT to review IH-345 design concepts and implementation details. TxDOT has stated in late 2020 that all options, including a below-grade IH-345 concept, still appear to work with the D2 Subway portal as designed. An agreement or deal points are being developed.

The Dallas City Council approved the Service Plan Amendment on March 24, 2021, with conditions, including but not limited to additional future evaluation and review of D2 project refinements; enhancements and/or modifications on the east end of the corridor. An Interagency (TxDOT, DART, City of Dallas, NCTCOG) East End Evaluation effort that will address the City’s conditions is underway. Revisions to the project resulting from this effort, will be taken back to City Council no later than March 2022 for re-approval. This will allow the project to remain on

schedule. Delays beyond this period as well as the extend of proposed changes on the east end may affect the ability to remain eligible for core capacity program.

Potential early ROW acquisition may be needed.

D2 Subway Locally Preferred Alternative – Commerce via Victory/Swiss



Silver Line Corridor Regional Rail Project

Total Budget: \$1,899,000,000

Funding Source(s): Grant: \$144,325,599; Funding Partners/Local: \$846,674,401; Debt: Railroad Rehabilitation & Improvement Financing (RRIF): \$908,000,000

Project Description



The 26-mile-long regional rail Silver Line (aka Cotton Belt) Corridor extends from Dallas-Fort Worth International Airport (DFWIA) through the northern portion of the DART Service Area to Shiloh Road in Plano. The corridor passes through the cities of Grapevine, Coppell, Carrollton, Addison, Dallas, Richardson, and Plano. A total of 10 stations were approved by the DART Board on August 28, 2018. The Silver Line Project would interface with three DART LRT lines: The Red/Orange Line in

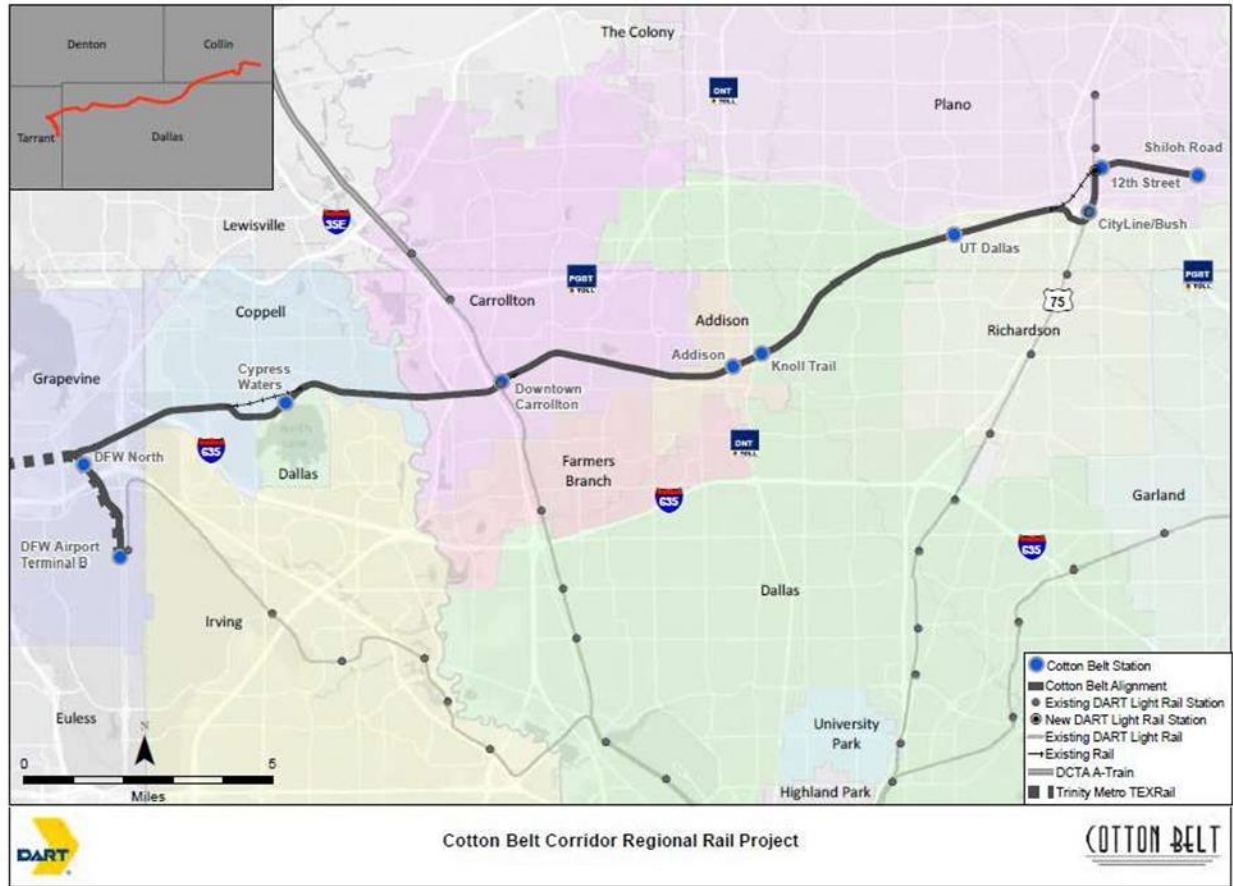
Richardson/Plano, the Green Line in Carrollton, and the Orange Line at DFW Airport. Also, at DFW Airport, the project would connect to the TEXRail Regional Rail Line to Fort Worth, and the DFW Airport Skylink People Mover.

The proposed project is mostly at-grade, with double-track. It includes both the Cypress Waters Option (diverting from the Cotton Belt to provide a station near North Lake) and the Red Line South Option (diverting from the Cotton Belt to provide a station at City Line before returning to the Cotton Belt), terminating at Shiloh Road.

Three federal agencies are involved in oversight of the Silver Line Project. The Federal Transit Administration (FTA) serves as Lead Agency, the Federal Aviation Administration (FAA) will serve as a Cooperating Agency, and the Federal Railroad Administration (FRA) will serve as a Participating Agency. Funding for the project is being provided through the FRA-administered Railroad Rehabilitation and Improvement Financing (RRIF) program. FAA has jurisdiction over DFW Airport and Addison Airport.

The project is scheduled to be completed in March 2023.

The project is scheduled to be completed in March 2023. Ten new station locations have been identified including DFW Airport, DFW North, including a future “through” platform that will allow direct east-west movements across the corridor.



Project Status

The Final Environmental Impact Statement (FEIS) was signed on November 9, 2018. The FTA and FAA have determined the requirements of federal environmental statutes, regulations, and executive orders have been satisfied for the Cotton Belt Corridor Regional Rail Project. A Record of Decision (ROD) was issued on November 9, 2018. The FEIS/ROD is available in electronic PDF format at www.DART.org/Cottonbelt.

Notice to Proceed (NTP) was issued to the design-builder on January 7, 2019, and to the Program Manager/Owner's Representative (PMOR) on January 8, 2019. In February 2019, site surveying and data gathering activities were initiated. In March and April 2019, DART conducted coordination meetings with city representatives and provided updates on design and construction activities to the community.

In May 2019, coordination with city representatives continued and community workshops for the betterments program were initiated in Dallas neighborhoods. On May 29, 2019, the DART Station Art and Design Orientation Meeting was conducted for the DFW North, Cypress Waters, and Knoll Trail Stations. On July 24, 2019, the DART Station Art and Design Orientation Meeting was conducted for the Addison Station. A series of four quarterly design and construction update meetings with the community were initiated in July and concluded in August 2019. All Art & Design and Community Betterment meetings have been concluded. DART is establishing and



reaffirming the selections made with the communities and cities.

The design-builder is working to progress design development from the 10% level to 30%, 60%, 100%, and IFC levels of design. The design-builder has submitted 439 of 542 design packages, totaling to nearly 80% of all packages due, including street improvements, civil, systems, stations, bridge plans, and utility relocation packages.

Construction of the Phase I 60" water line at the new Mercer Yard is completed and Phase 2 design is complete. Franchise utility relocations continue to progress along the corridor.

COVID-19 impacts were mostly on the start of utility relocations.

Redesign of Hillcrest and Coit Road intersections was briefed to DART Board in May 2020, with follow up briefings and action on the ILA completed in September 2020 for City of Dallas requested change. Design of the Coit and Hillcrest intersections are near completion.

New alignments at existing Mercer Yard in Downtown Carrollton is also being investigated to avoid property acquisition concerns. DART is leaning towards the two-up alignment with no improved property acquisition. This will require taking vacant properties. This alignment change was approved by DART, and a Supplemental Agreement is to be issued to the design-builder soon.

Discussions are being held with TxDOT and the City of Richardson on the ILA related Gateway Bridge Structure required at the US 75 crossing of the Silver Line in City of Richardson. Phase I and Phase II are complete. DART is discussing plans and funding considerations for execution of next three phases of the project including preliminary design, final design, and construction.

On October 12, 2018 two additional solicitations were issued: one for vehicle procurement and Equipment Maintenance Facility (EMF) design and a separate solicitation for construction of the EMF. Proposals were received in January 2019.

Negotiations for vehicle procurement were completed in April and on May 28, 2019, the DART Board authorized award of the contract for procurement of the base vehicle design and EMF design. Negotiations for the vehicle options have been completed and a supplemental agreement was executed on January 3, 2020, for vehicle options including a 15-year Vehicle and EMF maintenance option. The vehicle design was approved as noted in September 2020 and vehicle car body manufacturing is in progress in Hungary. As of the end of April 2021, car bodies for the first two vehicles and the trucks for the first vehicle had been completed and shipped to Salt Lake City, UT for assembly. As of the end of April 2021, due to the significantly high Irving EMF construction cost estimates received from the CM/GC, a decision had been made to stop efforts to construct a Silver Line EMF in Irving, Texas, and to work towards modifying the DCTA Operations Maintenance Facility (OMF) in Lewisville, Texas, for use as a temporary or permanent Silver Line EMF. Planning is in progress for the temporary and subsequently permanent use of the DCTA OMF as Silver Line EMF. A draft ILA for the modification and joint (DART/DCTA) use of the DCTA facilities to support the Silver Line vehicle reception and maintenance is under review.



The anticipated date for project completion, which is March 2023 following extension of time granted to Hillcrest and Coit changes, is tracking late and will be updated in the next monthly updates.

Project Issues

Contractor Right of Entry (CROE) at DFW Airport Property

The contractor has been provided access to areas of the ROW for site information gathering. On March 31, 2020, DFW Airport granted access to DART for Survey, Boeing, and SUE investigations on airport property. Legal staff from DART and DFW are working on the final version of a License Agreement to allow DART's contractor to enter onto and begin work on DFW property.

Agreements with Freight Railroads

Discussions are ongoing to develop agreements with railroad entities to address design review, access for construction and available work hours, and other transitional operations. DART is working with design-builder to align anticipated dates for agreements with the project schedule. DGNO and KCS agreements have been drafted and are under review by railroads and DART.

Agreements with Service Area Cities

Discussions are ongoing to develop agreements with Jurisdictional Authorities to address design requirements, design review, responsibilities, and funding mechanisms.

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Pending Change Issue – Silver Line Hike and Bike Trail

DART worked with the North Central Texas Council of Governments (NCTCOG) and respective cities to prepare funding agreements for implementation of the corridor-wide hike and bike trail. Cost proposal received from the design-builder for final design was based on the 10% design under development by the NCTCOG was more than the NCTCOG's budget. DART evaluated cost drivers to narrow down the budgetary gap. An agreement has been finalized with NCTCOG for funding. NCTCOG will pay \$14.9M for 100% design of the trail. Construction will be subject of a separate agreement. Issuance of a change to the design-build contract, beyond the authorized 30% design, is pending approval of the funds by FTA and issuance of the Letter of No Prejudice (LONP).

*City of Dallas Design Issue*

City of Dallas is not currently reviewing design plans or issuing permits for the Silver Line Project due to unresolved issues regarding Hillcrest Road and Coit Road. All parties worked toward mutually acceptable solutions. An agreement between DART and City of Dallas was briefed to DART Board in March, April, and May 2020 sessions. DART/City of Dallas Interlocal Agreement (ILA) was executed and the issue has been resolved. Follow up meetings and over the shoulder review of the design plans are being scheduled with City of Dallas to expedite permit issuance to the design-builder.

Red & Blue Line Platform Extensions (RBPE)

Total Budget: \$ 128,744,913

Funding Source(s): Grant: \$63,231,166; Texas Mobility Fund: \$60,000,000; Local: \$5,273,747

Project Description

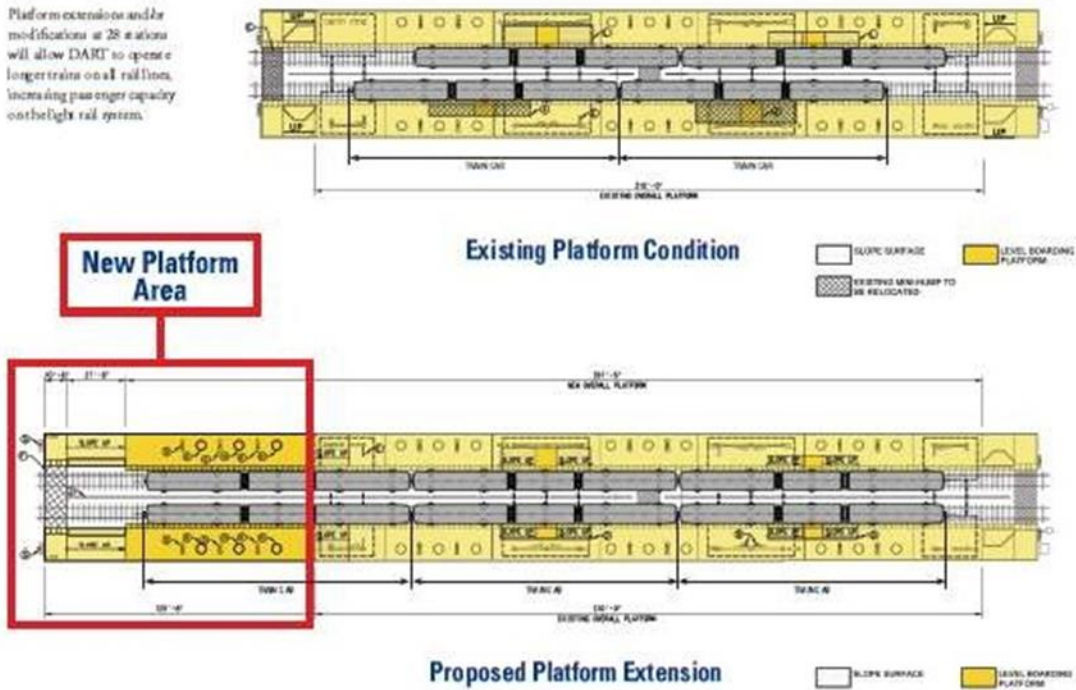
The purpose of this project is to modify platforms at 28 stations that were constructed before 2004, along the Red and Blue Lines to accommodate three-car trains. Modifications include extending platforms and/or raising portions of the platform to permit level boarding. These modifications will increase the carrying capacity of the LRT system by 30% and enhance the core capacity of the network.

Two ancillary projects related to the platform extension project will be separate from the scope of the federally funded project. These projects that modify existing infrastructure to accommodate three-car trains are: modifying the CROF cleaning platform and extending the Westmoreland tail track.

Platform Extensions Project on Red and Blue Lines



Platform extensions and/or modifications at 28 stations will allow DART to operate longer trains on all rail lines, increasing passenger capacity on the light rail system.



Project Status



Construction cost was negotiated with CMGC in June 2018. The Issue for Construction (IFC) submittals for Groups C, D, and E were received in July and August 2018. The IFC submittals for Groups A and B were received in October 2018.

The anticipated August 2018 date for submittal to FTA for the Full Funding Grant Agreement (FFGA) was achieved August 17, 2018.

On September 24, 2018, the FTA confirmed use of pre-award authority on long-lead items.

On October 30, 2018, the Board authorized award of construction contracts pending FFGA execution.

On December 7, 2018, DART submitted a request for a Letter of No Prejudice (LONP) authorizing DART to begin construction on six (6) Red Line stations on the North Central Corridor.

In February 2019, DART prepared a CM/GC Group B contract change to construction schedule and NTP for LONP work.



On March 12, 2019, DART issued NTP to CMGC Group B for work under Letter of No Prejudice (LONP) and long lead procurement items; a revision was issued on March 18, 2019. Anticipated start of construction was delayed from March 25, 2019, to May 1, 2019, due to contractor mobilization. In April, a stop work order was issued for site activities only pending resolution of mobilization issues.

On May 13, 2019, an NTP was issued to CMGC Group B and work commenced at Downtown Plano and Galatyn Park Stations on May 28, 2019.

On March 29, 2019, DART issued NTP to CMGC Groups A and C for procurement of long lead items.

On May 28, 2019, the FFGA was executed.

Due to unusually inclement weather in February 2021, and the lack of DART operational support required for weekend work, the construction manager will be working with DART Procurement and others to contractually adjust the milestone dates for all Group A, C, and D stations not yet completed or started. Two of the prime contractors have submitted official Notices of Delay, and the other has voiced their concern about delays verbally.

Group A

On January 21, 2020, NTP letter was issued to CM/GC Group A for work. Cityplace Station was issued an access letter to commence work on March 2, 2020. Work began on March 2, 2020 with Completion set for September 25, 2020.

Preliminary walk-through was performed on September 25, 2020.
Substantial completion was issued for Cityplace Station on October 7, 2020.

Notice to Access was given to Group A on October 8, 2020 for the Convention Center Station and Cedars Station. Work began on those stations on October 19, 2020, with completion set for March 11, 2021, for both stations.

The contract reached substantial completion on Convention Center and Cedars stations on April 27, 2021.

Notice of Access was given to Group A on April 28, 2021, for the Mockingbird Station and 8th & Corinth Station. Construction work is projected to begin on those stations on May 3, 2021, with completion for Mockingbird anticipate on December 15, 2021, and for 8th & Corinth on January 15, 2022.

Group B

On May 13, 2019, Notice to Proceed was issued, after stop work order, which includes purchase of long lead items for all Group B stations, Downtown Plano & Galatyn Park.



On June 11, 2019, Notice to Proceed: Phase 2 was issued for Walnut Hill, Spring Valley, Downtown Plano, and Galatyn Park.

On July 1, 2019, Notice to Proceed letter was issued to CM/GC Group B for work at aerial stations at Walnut Hill and Spring Valley.

On September 25, 2019, Notice of Substantial Completion was issued for Spring Valley and Walnut Hill.

On September 30, 2019, Notice to Proceed was issued for Phases 3 and 4 – Park Lane, Forest Lane, Lovers Lane, LBJ Central, CityLine/Bush, Arapaho, and Parker Road.

On October 11, 2019, Notice to Proceed was issued to commence work on CityLine/Bush and Parker Road. Work began on October 12, 2019.

On November 27, 2019, Notice of Substantial Completion was issued for Galatyn Park and Downtown Plano.

On December 4, 2019, Notice to Proceed was given to begin Park Lane Station and Forest Lane Station, with completion set for February 28, 2020.

On December 6, 2019, actual work began on Parker Road due to delays by the contractor. Completion date remained April 13, 2020.

On February 26, 2020, Forest Lane, and Park Lane stations both received substantial completion.

On February 27, 2020, Notice of Access was given to Arapaho Station. Work began March 3, 2020 with completion set for September 24, 2020.

On March 17, 2020, Parker Road received substantial completion.

On April 20, 2020, CityLine/Bush received substantial completion.

On April 22, 2020, Notice of Access was given to LBJ/Central Station and Lovers Lane Station. Work began April 27, 2020 with completion set for September 24, 2020.

On August 14, 2020 substantial completion was reached for LBJ/Central Station, Arapaho Station, and Lovers Lane Station. Presently working on punch list items.

On September 17, 2020, Arapaho Station was 100% complete; all items had been addressed.

On September 18, 2020, Lovers Lane Station was 100% complete; all items had been addressed.

On September 22, 2020, LBJ/Central Station was 100% complete; all items had been addressed.



Contractor continues with the closeout process.

Group C

On September 30, 2020, CM/GC was given Notice to Proceed.

On October 12, 2020, Notice to Access was given to Group C for the Hampton Station and Dallas Zoo Station. Work began on those station on October 19, 202, with completion set for March 11, 2021, for both stations.

The contractor reached substantial completion on Dallas Zoo Station and Hampton Station on March 30, 2021.

Notice of Access was given to Group C on April 9, 2021 for the Tyler/Vernon Station and the Westmoreland Station. Construction work began on these stations on April 12, 2021, with completion for Tyler/Vernon anticipated on August 30, 2021, and Westmoreland on January 9, 2022.

Group D

On September 16, 2020, CM/GC Group D, Phillips May Incorporated, PMC, was given Notice to Proceed.

On October 12, 2020, Notice to Access was given to Group D for the Forest/Jupiter Station and White Rock Station. Work began on those stations on October 20, 2020, with completion set for March 11, 2021, for Forest/Jupiter, and April 8, 2021, for White Rock.

The contractor reached substantial completion on Forest/Jupiter Station on March 22, 2021, and on White Rock Station on April 5, 2021.

Notice to Access was given to Group D on March 30, 2021 for LBJ/Skillman Station, and April 9, 2021 for Downtown Garland Station. Work began on both stations on April 15, 2021, with completion set for Downtown Garland on December 15, 2021, and LBJ/Skillman on January 15, 2022.

Group E

On August 20, 2019, Notice of Access was given for Illinois and VA Medical Center Stations. Work began October 21, 2019, with completion set for March 21, 2020.

On March 27, 2020, Illinois Station received substantial completion.

On March 31, 2020, Notice of Access was given to Morrell Station. Work began April 1, 2020, with completion set for August 27, 2020.



On April 10, 2020, substantial completion was issued for VA Medical Center Station.

On April 13, 2020, Notice of Access was given to Kiest Station. Work began April 13, 2020, with completion set for August 27, 2020.

On July 31, 2020, VA Medical Center Station was 100% complete; all items had been addressed.

On August 19, 2020, Illinois Station was 100% complete; all items had been addressed.

On August 27, 2020, substantial completion was reached on Morrell and Kiest Stations; work continues the punch list items.

On October 2, 2020, Morrell and Kiest Stations were 100% complete; all items had been addressed.

Contractor continues with the closeout process.

Project Issues

Schedule Mitigation:

Although the date for the FFGA document submittal to FTA was achieved, the project completion date is trending later than the baseline schedule. DART is working to reconcile the difference between the working schedule and the baseline schedule.



Dallas Streetcar Central Link

Total Budget: \$ 96,194,000

Funding Source(s): FTA Small Starts: \$48,097,000; General Fund: \$48,097,000

Project Description

The Dallas Streetcar Central Link is a modern streetcar alignment connecting from the Union Station/Omni Hotel area through the central core of Downtown Dallas, linking to the M-Line trolley near Uptown and Klyde Warren Park.

Project Status

DART, in cooperation with the city of Dallas and Downtown Dallas, Inc. (DDI), conducted a Supplemental Alternatives Analysis (AA) effort in 2017. Dallas City Council approved a resolution on September 13, 2017, endorsing the Elm/Commerce alternative as the preferred alternative. The resolution also stated the need for additional analysis of the Main Street and Young/Harwood alternatives during subsequent FTA Project Development (PD) efforts.

DART provided the City with a proposed scope for the FTA Project Development phase on February 2, 2018. Comments were received on April 10, 2018. A meeting with City staff was held on May 1, 2018, to discuss and finalize the scope. A consultant cost estimate has been requested and negotiated. The City and DART finalized the Master Streetcar Interlocal Agreement (ILA) in August 2019. A Project Specific Agreement will be developed to outline scope, funding, and responsibilities for the Project Development of the Central Link project. A request to enter FTA Project Development under Small Starts would be done concurrent with the agreement.

Project Issues

Completion of the Draft Streetcar Master Plan in Summer 2021, pending Dallas city staff and council feedback.

Timely approval of request to enter Project Development once submitted to FTA, anticipated in Fall 2021, pending City of Dallas O&M funding sources study I early 2021, and advancement of the D2 Subway project.

Madill Bridges Replacement

Budget: Total: \$ 35,500,000

Funding Source(s): Grant: \$17,750,000 Debt: \$17,750,000

Project Description

The objective of the Madill Bridge/Double Track Program is to maintain a state of good repair along the Madill line by rebuilding and modernizing aging timber trestle bridge infrastructure that is over 100 years old and increasing capacity by building three new bridges at the same locations to create double track.

The following work will be accomplished under the grant/cooperative agreement: replace single-track bridge at (MP 705.2); renovate/partially replace single-track bridge at (MP 707.45); construct three new track 2 bridges at (MP 707.45), (MP 707.04), and (MP 705.2) and perform associated track and crossing work. The end-state of the project will be two modern single-track bridge spans at (MP 707.45), (MP 707.04), and (MP 705.2) that meet current engineering standards to accommodate modern freight cars. This will allow for removal of slow orders that currently exist on the (MP 707.45) and (MP 750.2) bridges.



Project Status

A CRISI grant application has been submitted. The results will determine the plan going forward.



Positive Train Control

Total Budget \$ 34,800,000

Funding Source(s): Grant: \$17,400,000; Trinity Metro: \$11,150,000; General Fund: \$6,250,000

Project Description

Congress approved the Rail Safety Improvement Act of 2008 which resulted in a Federal Railroad Administration (FRA) mandate, CFR 49 Part 236 I, Positive Train Control (PTC). PTC is designed to prevent train-to-train collisions, overspeed derailments, movement of a train through a switch left in the wrong position and incursion into an established work zone.

Project Status

After numerous reports to Congress regarding ongoing challenges in implementing PTC, Congress passed the Surface Transportation Extension Act of 2015, which revised the Positive Train Control requirements including the extension of the substantial implementation deadline from December 31, 2015, to December 31, 2018; permits carriers to provide for an alternative schedule and sequence for implementing a PTC system, subject to DOT review; requires railroads to submit a revised PTC Implementation Plan by January 27, 2016; requires railroads to submit an Annual Status Report to the FRA by March 31st each year; and requires FRA compliance reviews and reports due to Congress by July 1, 2018.

The Trinity Railway Express (TRE) is working on several fronts to advance the implementation of PTC in accordance with the approved TRE PTC Implementation Plan.

With safety, interoperability and cost effectiveness as core objectives, DART and Trinity Metro have formed a Regional Positive Train Control coalition to address PTC. To maximize the PTC technology in an efficient manner, it will be implemented as a regional solution consistent with the Operations and Maintenance strategy which leverages shared operations and technology between DART and Trinity Metro.

After unsuccessful negotiation of a Systems Integrator contract, DART and Trinity Metro made the determination to self-perform the various components of the project working directly with the vendors. The two agencies worked together to devise the roles and responsibilities of each agency. DART took the lead with PTC-220, LLC, for the spectrum and with Meteorcomm for the radio equipment. A Spectrum Sublease Agreement with Burlington Northern Santa Fe (BNSF) and PTC-220, LLC (comprised of Class I Railroads, spectrum owners) through the Trackage Rights Agreement, was signed in June 2017 for the purpose of leasing radio spectrum. DART negotiated the license agreements required for the Regional PTC with Meteorcomm to allow for the radio equipment necessary for the rolling stock, communication systems and wayside segments. The Meteorcomm Agreement was fully executed in May 2017.

Trinity Metro negotiated the design and installation of the Back-Office System, Dispatch System, rolling stock and wayside. On November 18, 2016, Wabtec Corporation delivered the revised price



proposal for the TRE PTC system design and implementation, including the Hosted Solution for the Back-Office System. On December 18, 2017, Trinity Metro signed the PTC System Implementation Contract with Wabtec Corporation.

Fiber optic cable installation between Fort Worth Texas & Pacific (T&P) Station and Union Station to support the PTC project was completed in March 2018 through an agreement with MCI/Verizon.

The Radio Spectrum Analysis has been completed by the Transportation Technology Institute (TTI), which confirmed the three radio tower structures currently in place along the TRE are sufficient to support the PTC project.

Major testing activities completed includes Critical Feature Validation and Verification, F59PH & Bombardier Cab Car Brake Test consisting of Low Speed (20 mph) and High Speed (79 mph), Route Navigation and Speed Verification, Wayside Interface Unit (WIU) Field Validation and Verification, Lab Integration, Nearest Neighbor, Lab Integration End to End – Cycle 1, Field Integration Testing, and Field Qualification Testing (End to End Runs).

Wabtec has completed installation on all onboard vehicles, all WIUs, and all Base Station 220 MHz data radios.

On March 28, 2019, the FRA sent notification of Conditional Approval of the TRE's request to conduct Revenue Service Demonstration (RSD) of its Interoperable Electronic Train Management System. The installation of the new Penta radio and CAD merged database was completed on April 27, 2019, and RSD was initiated on May 2, 2019. TRE completed the requirements stated in the FRA Conditional Approval and entered extended RSD on May 23, 2019.

On April 1, 2019, TRE submitted its PTC Safety Plan to the FRA. This contains vendor product information on the safety and reliability, industry, and individual railroad hazard analysis, along with TRE process and procedure for the implementation, operation, and maintenance of the IETMS. TRE received a "Notice of Delay Letter" from the FRA stating that the FRA will require additional time to review the TRE PTCSP. TRE submitted an RFA to modify the TRE PTCIP schedule, extending the FRA review schedule until December 2020.

PTC Interoperability testing activities completed with TRE tenants includes Lab Interoperability End to End Testing with DGNO, FWWR, BNSF, UPRR, and Amtrak. Field Interoperability Testing completed with DGNO, FWWR, and BNSF. All TRE tenants are now operating PTC trains on the TRE corridor, without any Interoperability issues.

On December 23, 2020, TRE received a letter of Conditional Approval from the FRA for the TRE PTC System. The letter included two enclosures, Human Factor Analysis and Risk Analysis. TRE met with the FRA and outlined a plan to address both enclosures. On March 31, 2021, TRE submitted PTC Safety Plan version 1.2 to address both enclosures, Human Factor Analysis, and the Risk Analysis. The FRA responded that the changes made in version 1.2 addressed their concerns listed in the Enclosures.



In March 2021, the FRA submitted additional comments on the TRE PTCSP. TRE and their System Integrator has been meeting with the FRA to address all the comments. The goal is to address all the comments and submit a revised PTCSP by July 2021

Wabtec has reported the following status as of September 30, 2020:

- System Engineering 100% complete
- Test Procedure Development 100% complete
- Engineering Functional Requirements 100% complete
- Track Data Services (GIS) 100% complete
- Communication Implementation 100% complete
- Wayside Implementation 100% complete
- Onboard Installation 100% complete
- Interoperable Train Control Message (ITCM) Hosting 100% complete
- Back Office System 100% complete
- System Integration 100% complete
- Training 96% complete



COMMS P25 Radio System Upgrade

Total Budget: \$30,000,000

Funding Source(s): SGR: \$30,000,000

Project Description

This project will upgrade the agency from the current Opensky and P25 Phase I radio system to a pure P25 Phase II radio system. The current Opensky system is end of life and is only supported for maintenance and repairs. New radios are not being produced and the agency is in danger of depleting its stock of spare radios. This is a critical issue that will affect all agency rolling stock. If this project does not move forward the agency will literally run out of radios to keep the revenue fleet running. This would be a Sole Source project to upgrade the existing radio Core to operate both current and future systems simultaneously to allow for a migration that is seamless to the operations of the agency and do so in a very short time frame. Moving to P25 will prevent the agency from getting into another obsolescence situation, as P25 (also known as APCO Project 25) is a public safety standard of radio system that is deployed nationwide. All existing radio towers, standby generators, and microwave radio links will remain in place, further accelerating the project timeline. This project also aims to resolve the radio reception issue that exists for DART Police on the TRE system in Tarrant County.

Project Status

L3Harris (manufacturer) is providing DART with a Firm Fixed Price based on an upgrade of the existing system to expand our P25 system while phasing out the Opensky system. They intend to have this information to us by November 2021, while DART staff and contractors develop the SOW, contract specifications, etc. Our goal is to get this into procurement as soon as the Capital Project number becomes available. Timing is critical due to the lack of radios being produced. There is a real possibility that the agency runs out of radios for the revenue rolling stock if we do not push this project in an expedient manner.

Project Issues

One complication we have is the FCC mandated rebanding of the 900 MHz radio spectrum, which is currently used by the DART bus fleet. The new owner of the spectrum (Anterix) is interested in acquiring all of DART's 900 MHz channels in exchange for 800 MHz channels. This is a windfall for the agency, as it would allow the agency to consolidate its radio system spectrum. This would reduce infrastructure costs in the field (not as many base stations at the tower sites) as well as reduce the need to have different spare radios for Rail and Bus ops in the storeroom (a reduction of \$100k-150k in spare parts on the shelf at any given time).

800 MHz spectrum is coveted and costly to acquire. We have the opportunity to get these frequencies at no cost to the agency (paid for by Anterix in the rebanding agreement). The issue is that the time to put in for frequency coordination is NOW (July-August 2021). We need to get this in the pipeline of the agency is to take advantage of the opportunity. The challenge is that we do

not have confirmation that the project will be approved. We need to know, unquestionably, that the project will be approved (even if no CP number or funding is available until FY'22).

Bus Repower Program

Total Budget: \$21,000,000

Funding Source(s): General Fund: \$21,000,000

Project Description



The Capital Bus Maintenance Program is designed to address the power plant assembly at a mileage scheduled/condition-based interval and prior to a catastrophic event. The intent of the program is to ensure a State of Good Repair and address progressive degradation of the major power plant assemblies within our bus fleet. The program includes a complete rebuild of the engine, transmission, electronic control sensors, cooling system, and electronic control units. This program encompasses the entire bus fleet and is funded in 6-year increments.

These programs are necessary to protect DART's on-time performance, reduce service interruptions, and maintain a continued State of Good Repair in our revenue rolling stock for the safety of our riders, providing the 5-Star customer experience that DART strives to deliver.

Project Status

On schedule to complete 96 repowers by end of FY21, exceeding the planned 92. Repowers completed to date in FY 2021 = 64; repowers being completed monthly = 8. Estimated repowers to be completed in FY 2022 is 92.

LRV Repower Program

Total Budget: \$18,304,000

Funding Source(s): General Fund: \$18,304,000

Project Description



Capital LRV Maintenance Programs are designed to address major systems and components that are detrimental to the LRV on-time performance and safe operation.

The Programs are time-scheduled/condition-based intervals, with the intent of addressing safety and mechanical issues with a pro-active approach.

The time-scheduled intervals are as follows: 3-Year friction brake overhaul (OH), 5-Year door OH and propulsion testing, and 15-Year mid-life door OH and propulsion testing/replacement (LRVs are 30-year assets.)

These programs are funded in 5-year increments.

Project Status

On schedule to complete one friction brake overhaul per week if parts supply from WABTEC are not an issue.

Fleets 50 thru 53, 3 Year Friction Brake Overhaul – 75 of 115 Completed
Fleets 50 thru 54, 3 Year Pantograph Overhaul – 145 of 163 Completed
Fleets 50 thru 52, 5 Year Door Overhaul – 78 of 95 Completed
Fleets 50 thru 54, 5 Year Overhaul on Slew Rings & Coupler – 58 of 163 Completed
Fleets 50 thru 52, 5 Year H-5 Battery Replacement – 57 of 115 Completed
Fleet 53, 3 Year Friction Brake Overhaul – 20 of 20 Completed
Fleet 54, 3 Year Friction Brake Overhaul – 48 of 48 Completed

Bi-level & Cab Car Overhauls

Total Budget: \$ 17,417,204.

Funding Source(s) General Fund: \$8,708,602 Trinity Metro: \$8,708,602.

Project Description

TRE's fleet consists of eight (8) Bombardier bi-level cab cars and 17 Bombardier bi-level coach cars. The Bi-Level Overhaul and Side Sill Repair project allows TRE to comply with the OEM requirements for a mid-life overhaul of the cars to achieve extended service life of the vehicles. It is important to maintain a state of good repair on all vehicles in order to meet the daily service requirements.

Project Status

Notice to Proceed was issued to CAD Railways on September 9, 2019.

CAD Railways currently has three (3) TRE coach cars in their shop for side sill repair, one (1) coach car and one (1) cab car for overhaul.

Project Issues

Crossing incidents in mid-late 2018 damaged three (3) TRE bi-level cars, removing them from revenue service. This caused delays in providing CAD Railways the first unit for overhaul.

The first two coach cars provided to CAD Railways were cars previously contracted to RELCO Locomotives, Inc. The RELCO contract was terminated, and the cars were transported to CAD's maintenance shop in February 2020. On March 2, 2020, TRE provided Coach Car 1054 to CAD for overhaul and side sill repairs. CAD performed side sill repairs on Coach Car 1048 in 2020 and currently has Coach Car 1049 in the shop for side sill repairs. COVID-19 conditions have impacted overhaul activities slightly due to physical distancing requirements issued under Canadian law. Limited fleet availability impacts the number of cars TRE can provide CAD at any given time.





Enterprise Asset Management System

Total Budget: \$15,150,000

Funding Source(s): General Fund: \$15,150,000

Project Description



Since 1999 DART has used SPEAR software to support its facilities, bus, light rail, non-revenue vehicle maintenance, and material inventory activities. After 20 years, this software is nearing the end of life. An agency-wide needs assessment was documented, resulting in a detailed set of requirements for selecting new software systems to provide enhanced asset

maintenance capabilities. This needs replacement supports enhancing current systems and strengthening our ability to effectively manage future capital projects and maintain the assets onboarded by these projects.

DART uses Enterprise asset management (EAM) software to manage the activities within the lifecycle of assets, including asset physical movement and condition and associated financial information. The EAM solution will maximize asset availability, reliability, and performance, resulting in a lower total cost of ownership. Continuous system review is required based on both internal change and external factors. The new Enterprise Asset Management system will be the platform that brings the financial and operational information of equipment and other enterprise assets into one place. This software allows the agency to make the best decision in managing assets.

Requirements

DART has developed the following requirements including but not limited to:

- Implement asset nomenclature and data management standards,
- Implement whole-life investment programs to maintain asset performance,
- Develop a decision-making framework to assess asset life performance and costs,
- Adopt a systematic approach to asset risk management on focus of asset criticality,
- Improve efficiency and effectiveness of forecasting material requirements; and
- Comply with MAP-21 and FTA mandates; and confirm with industry best practices such as PAS 55 and IS55001.

Project Status

Deployment of Cloud-based EAM solutions within transit environments similar in size and scope to DART. The Systems Integrator provides and manages a Software as a Service (SaaS) solution to assist DART in its efforts. Technology consulting services are utilized to perform the integrations from the DART legacy systems such as Trapeze and Lawson to the new EAM system. The project consists of several phases. The Phase 0 pilot includes all activities required to convert rail signals assets into the new EAM system. Phase 1 and 1a consists of the conversion of all other DART assets into the EAM system.



- Phase 0, Signals Pilot, Go Live date was July 18th, 2019. End-user training started July 9th, with completion on July 17th. New mobile devices were deployed for use with the new mobile applications for condition assessment and work order management.
- Phase 1 design workshops for all the remaining asset groups began April 9th with a scheduled completion date of December 3rd for the design stage. The EAM system build is complete. Final system testing is underway, with agency-wide training to begin August 2021. Weekly meetings are held with process owners and key stakeholders to discuss EAM impacts and process improvements. These improvements streamline DART's ability to plan work on assets and track the total cost of ownership with re-engineered business processes. Phase 1 is on track for a Go Live date of August 23rd, 2021, for the remaining SPEAR assets and March 2022 for non-SPEAR assets



Comprehensive Payment System (CPS)

Total Budget: \$15,000,000

Funding Source(s): General Fund: \$15,000,000

Project Description



A robust account-based payment solution which utilizes innovative technologies to streamline fare collection and provide customers with convenient and easy-to-understand methods for obtaining and purchasing fares throughout the DART Service Area.

Unwire was responsible for the development, implementation, and delivery of the mobile ticketing application and Unwire will be responsible for operation and maintenance of the mobile application following initial deployment.

DART engaged in a multi-year agreement with Vix Technology, a system integration firm in August 2015 to streamline DART's fare payment environment by utilizing new innovative technologies. The goal of this project is to find better methods that permit customers to obtain and purchase fare media that is convenient and easy to understand.

This new solution incorporates an account-based back-office system which utilizes best practices of modern technologies in the consumer and fare payment sectors, capable of interfacing with both bank and non-bank financial clearing systems for transaction processing and settlement. One goal of this solution is to allow DART to significantly reduce the total amount of physical cash that the agency must process. DART has determined that this can be accomplished by creating an electronic payment infrastructure for transportation and other services that is ultimately capable of being deployed region-wide, using third-party produced and distributed prepaid cards and contactless devices such as smart cards, contactless bank cards, RFID tags, and Near Field Communication (NFC) enabled devices.

In addition to the system integrator selection, DART awarded a contract to PayNearMe (PNM) in April of 2016 to provide the retail distribution solution. PNM provides hundreds of retail locations within the DART Service Area for customers to purchase and reload smart cards for use in the new account-based system. PNM partners include Blackhawk Network, which provides access to the largest grocery store network in the U.S. and Fidelity Express, which provides access to independent and small grocery operators.

DART embraced the concept of mobile payments and introduced a first-generation mobile ticketing and trip planning app in September 2013. In the interest of continuous improvement, DART elected to provide enhanced mobile ticketing capabilities (GoPass 2.0) as part of a larger platform being developed by Vix in conjunction with the mobile ticketing provider.

Project Status

DART made the following improvements to the GoPass app in Fiscal Year 2019:

January 2019:

- Introduced Apple Pay
- Launched GoPass 3.0 to incorporate the future GoLink booking and Bird Scooters

March 2019:

- Introduced UberPool and launched GoLink in all On Call zones

August 2019:

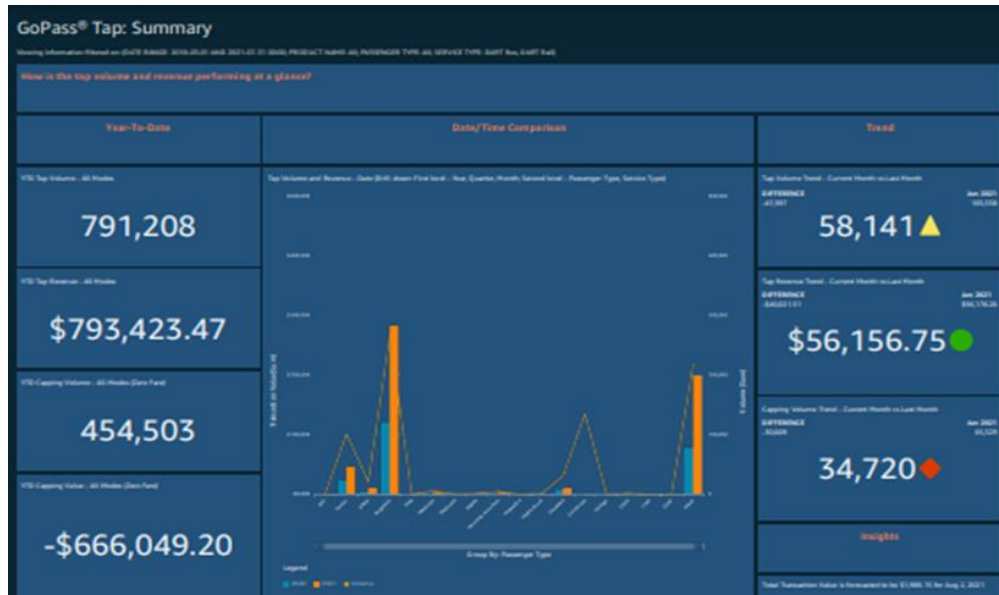
- Updated GoPass with a new app icon and white agency logos Introduced Google Pay

September 2019:

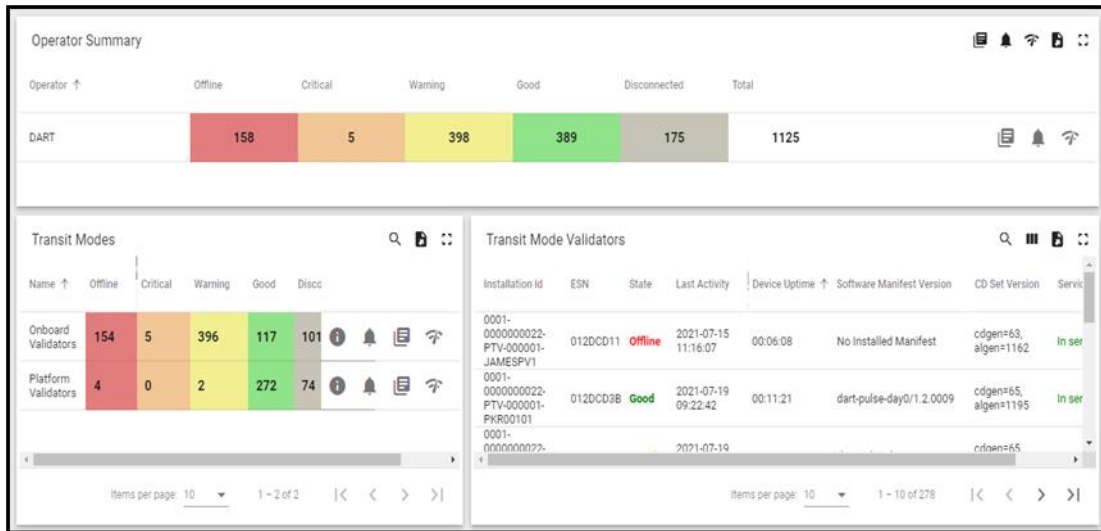
- UberPool was released to all GoLink zones eLerts “say something” web reporting in GoPass
- Filter stops and vehicle types in the map and trip planner



- The account-based back office system called Pulse, went live in 2018 to offer the GoPass Tap service. Since then, the system has enhanced its quality of service through multiple releases. In 2020 we went live with two new releases providing additional point of sale features and system upgrades. Later in 2020 one two additional releases will be added to Pulse to provide allmerchandise sales through the point of sale. Currently the DART Store can offer all our GoPass Tap fares, ParaTransit vouchers, and Citation payments. In addition, the following Comprehensive Payment System deliverables are live in production.
- Pulse reporting dashboards – through a data lake called Compass and a dashboard reporting software called QuickSight, all fares and transaction are reported and represented in dashboard presentations. This deliverable provides reporting on all GoPass Tap and EMV sales, taps, daily reconciliation reporting, types of concession and product sales as well as locations of those taps.



- Track dashboard – this deliverable provides all device monitoring for health and diagnostics. Such reporting is vital for an efficient and effective support to maintain validator hardware online. The dashboard provides system profile drill down capabilities to all bus and rail platform validator installations.



- Fare Enforcement Flex devices with not only GoPass Tap but also EMV inspection capabilities as well as Citation processing. These devices are 4G capable and will provide fare enforcement officers the ability to print citations at any time.



- GoLink – upgrades services through allowing customers to purchase a GoLink fare by linking your GoPass Tap card to your GoPass app account you will have immediate access to GoLink services.
- Currently in pilot phase EMV services are scheduled to go live fall of 2021. Once EMV services are fully rolled out customers will be able to utilize their contactless credit cards to be used to board all DART Bus and Rail services. Customers would only need to tap their contactless credit cards on the payment terminal, also known as validators, to receive the best fare.



Consolidated Dispatch & Command Center [CDCC] Relocation Project

Total Budget: \$14,980,835

Funding Source(s): General Fund: \$14,980,835

Project Description

The Critical Functions Facility Project is intended to develop a facility with the following goals:

- Ensure all critical functions are sustainable and consistent with COOP/EOP plans Enhance cross-communications between
- bus, rail, and police dispatching
- Suitable to meet current and future capacity and functional requirements for each function
- Located close to DART systems for use by team members
- Support sustainable incident command center operations
- Allow potential shared use with other government entities



The critical business functions include the following:

- Police Radio Dispatch (TLETS) Bus Radio Dispatch
- LRT Radio Dispatch
- LRT Supervisor Control & Data Acquisition (SCADA)
- Surveillance Camera Network Monitoring
- Operations Communication Liaison Operations
- Emergency Command Center (EOC) Operations
- Mobility Management Footprint within EOC

Project Status



Engineering Department completed a 10% Design review to determine a feasibility and no fatal flaws assessment for relocating the CDCC functions to NWROF. Finding that the CDCC relocation to NWROF is feasible and there are no identified fatal flaws, staff is now working to finalize the 30% design for CDCC plan, including a project budgetary cost estimate and a project schedule.

Loop 12 Rail Station

Total Budget: \$12,000,000

Funding Source(s): City of Irving: \$12,000,000

Project Description

This station was planned and included in the approved environmental study for the Irving Corridor, but was deferred. It is expected that the City of Irving will fund the development of the station. During the Irving Corridor build-out, grade beams, clearing, grubbing, and some rough grading was completed.

Revenue service will be determined after an ILA with the City of Irving is executed.



LRV HVAC Upgrade Project – 115 Cars

Total Budget: \$ 10,256,000

Funding Source(s): General Fund: \$ 10,256,000

Project Description

The Environmental Protection Agency (EPA) is phasing out R-22 refrigerant (Freon) used within HVAC units, along with other ozone-depleting chemicals in a stepwise fashion. After 2020, the servicing of systems with R-22 will rely on recycled or diminished stockpiled quantities. EPA regulations ended the production and import of R-22 refrigerant.

An eighteen-month contract was awarded for Light Rail Vehicle (LRV) HVAC Upgrade of sixty-six (66) new HVAC units to Merak North America, LLC in the amount of \$3,821,242, with an option to replace seventy (70) HVAC units for the 1998 LRV sub-fleet in the amount of \$3,380,090, for a total authorized amount not to exceed \$7,201,332.

DART's 2008 sub-fleet (Fleet 53) of twenty (20) LRVs are to be retrofitted with HVAC units filled with EPA approved R134a substitute refrigerant. Contractor shall design, produce, and deliver a total of sixty-six (66) new HVAC units. This includes the provisioning of three (3) units per LRV, with six (6) spares. There is an option to replace seventy (70) HVAC units for 1998 sub-fleet (Fleet

52) of twenty-one (21) LRVs. The new HVAC units shall utilize the EPA approved, environmentally safe R134a substitute refrigerant, the same refrigerant used on the newest 2010/2011 LRV sub-fleet of forty-eight (48) cars.

Project Status

- DART Board approved November 2020
- DART and MERAK in Design Phase and First Article Installation Phase
- Production projected start 1QFY22.





Capital Projects Summary

Grouped by Mode

Summarized by Maintenance and Expansion

The capital projects for FY 2022 and the 20-year totals in the Plan have been summarized by categories. The category totals are provided for each transportation mode (bus, commuter rail, and agency-wide, etc.)

The following project categories were used:

- Guideway
- Passenger stations
- Administrative buildings
- Maintenance buildings
- Revenue vehicles
- Service vehicles (non-revenue)
- Fare revenue collection equipment
- Communications and information systems
- Other

Capital projects include equipment and furniture integral to buildings and structures.

Guideways

This includes the costs for design and engineering, land acquisition and relocation, demolition, and purchase or construction of guideway. It also includes the buildings and structures dedicated for transit operations such as:

- Elevated and subway structures, tunnels and bridges
- Track and power systems for rail modes
- Paved highway lanes dedicated to fixed-route modes

Guideway does not include passenger stations and transfer facilities, but pull-ins, or Communication systems.

Passenger Stations

Capital expenses for passenger stations include the costs for design and engineering, land acquisition and relocation, demolition, and purchase or construction of stations. Passenger stations include park-and-ride facilities.

Administrative Buildings



Capital projects for administrative buildings include the costs for design and engineering, land acquisition and relocation, demolition, and purchase or construction.

Administrative buildings are the general administrative offices owned by the Agency.

Maintenance Buildings

Capital expenses for maintenance buildings include the costs for design and engineering, land acquisition and relocation, demolition, and purchase or construction of the maintenance buildings.

Maintenance buildings include garages, shops, operations centers, and equipment that enhance maintenance, such as diagnostic equipment.

Revenue Vehicles

Capital expenses for revenue vehicles include acquisition and major rehabilitation of the vehicles. The cost of the vehicle includes both the vehicle and all fixtures and appliances inside or attached to the vehicle. When equipment such as a farebox, radio, Automatic Vehicle Locator (AVL), or spare engine is included as part of the vehicle purchase, these items are part of the vehicle cost.

Capital funds for revenue vehicles include the following:

- Replacing a fleet — the replacement of revenue vehicles having reached the end of their service lives
- Rebuilding a fleet — the installation of new or rebuilt major components (e.g., engines, transmissions, body parts) and/or structural restoration of revenue vehicles to extend service life
- Overhauling a rail fleet — the one-time rebuild or replacement of major subsystems on revenue producing rail cars and locomotives, commonly referred to as midlife overhaul
- Expanding a fleet — the acquisition of revenue vehicles for expansion of transit service

Service Vehicles

Capital expenses for the acquisition or rebuilding of service vehicles. Service vehicles include supervisor vans, tow trucks, mobile repair trucks, transit police cars, and staff cars. The cost of the vehicle includes both the vehicle and all fixtures and appliances inside or attached to the vehicle.

Fare Revenue Collection Equipment

Capital expenses for the acquisition or rebuilding of fare revenue collection equipment. Fare revenue collection equipment includes validators and automated fareboxes and related software, and ticket vending machines.



Communications and Information Systems

Capital for systems includes systems that process information, and communication systems that relay information between locations. A system is a group of devices or objects that form a network for distributing something or serving a common purpose (e.g., telephone, data processing systems). Communication systems include two-way radio systems between dispatchers and vehicle operators, cab signaling, and train control equipment in rail systems, AVL systems, automated dispatching systems, vehicle guidance systems, telephones, facsimile machines, and public-address systems.

Information systems include computers, monitors, printers, scanners, data storage devices, and associated software that support transit operations. Associated software may include general office, accounting, scheduling, planning, vehicle maintenance, nonvehicle maintenance, and customer service programs.

Other

This group includes the capital expenses for other capital projects, including:

- Planning
- Studies

DART further categorizes expenditures as Maintenance (SGR) and Expansion (expansion of services, capacity, or function). The 20-Year FY 2022 Financial Plan includes \$3.1 billion for expansion (the Silver Line, D2 and Streetcar Expansion), and \$4.6 billion for maintenance/SGR.

Exhibit 19, on the following page, provides the groups of summaries of all capital projects in the FY 2022 Plan.



Exhibit 19
Capital Projects Summary (in thousands)

Maintenance, Replacement, and Improvement				
Category	FY 2022	20-year Total	External Funds	Operating Expense (Saving)
Agency-Wide				
Administrative Building	\$9,092	\$91,675	\$0	\$0
Communication/ Information Systems	25,049	344,299		
Fare Revenue Collection Equipment	887	1,008		
Maintenance Building	5,471	20,066		
Passenger Stations	745	2,864		
Service Vehicles (non-revenue)	972	78,578		
Total Agency-Wide	\$42,216	\$538,491	\$0	\$0
Bus				
Communication/ Information Systems	\$13,286	\$55,624	\$0	\$0
Fare Revenue Collection Equipment	1,191	37,281		
Guideway	870	1,032		
Maintenance Building	10,857	104,579		
Passenger Stations	2,080	5,980		
Revenue Vehicles	7,953	1,015,665	92,873	
Total Bus	\$36,236	\$1,220,162	\$92,873	\$0
Commuter Rail				
Communication/ Information Systems	\$442	\$190,191	\$28,668	\$0
Guideway	21,844	144,493	119,526	
Maintenance Building	6,429	17,064	6,326	
Passenger Stations	0	568		
Revenue Vehicles	4,160	275,980	177,280	
Total Commuter Rail	\$32,875	\$628,295	\$331,800	\$0



**Exhibit 19
Capital Projects Summary (in thousands) (cont.)**

Category	FY 2020	20-year Total	External Funds	Operating Expense (Saving)
LRT			341985385	
Communication/ Information Systems	\$10,290	\$128,205	\$0	\$0
Fare Revenue Collection Equipment	0	50,020		
Guideway	2,769	67,134		
Maintenance Building	12,933	78,914		
Passenger Stations	26,861	86,225	22,452	
Revenue Vehicles	0	1,792,816		
Service Vehicles (non-revenue)	0	14,211		
Total LRT	\$52,853	\$2,217,525	\$22,452	\$0
Paratransit				
Maintenance Building	\$0	\$4,994		
Total	\$0	\$4,994	\$0	\$0
Streetcar				
Revenue Vehicles	\$0	\$1,593	\$1,593	
Total Streetcar	\$0	\$1,593	\$1,593	\$0
Road Improvement				
Total Guideway Road Improvement	\$4,236	\$24,213	\$0	\$0
Total Maintenance, Replacement and Improvement	\$168,416	\$4,635,274	\$448,719	\$0
Non-Operating				
Total Other	\$4,117	\$22,717	\$0	\$0



Exhibit 19
Capital Projects Summary (in thousands) (cont.)

Expansion				
Category	FY 2020	20-year Total	External Funds	Operating Expense (Saving)
LRT				
D2	\$72,311	\$1,855,592	\$952,000	\$4,893
	\$72,311	\$1,855,592	\$952,000	\$4,893
Commuter Rail				
Silver Line	\$582,524	\$1,159,393	\$56,336	\$23,191
	\$582,524	\$1,159,393	\$56,336	\$23,191
Road Improvement				
Streetcar Link	\$0	\$103,194	\$55,194	\$3,296
	\$0	\$103,194	\$55,194	\$3,296
Total Expansion	\$654,836	\$3,118,180	\$1,063,531	\$31,380
Additional Capital-Related Costs				
Total Capital P&D, Start-up Costs	\$14,572	\$369,409	\$0	\$0
Grand Total	\$841,941	\$8,145,579	\$1,512,249	\$31,380

New Programs (line #28 of the Financial Plan)

This year, the budget and financial plan includes a New Programs line item which will help strategic initiatives towards delivering The People’s Transit System. Through thoughtful planning and disciplined cost control, the agency has navigated through a challenging economic environment, yet stands financially solid. Expected federal funding will enable the agency to set aside a portion of its sales tax revenues, and so develop resources to plan for an exciting future. The DART Executive Leadership Team looks forward to working with the Board to determine those programs that will have long lasting and significant benefit to the service area region.



Debt Program

Background

On January 23, 2001, the Board approved a Master Debt Resolution which authorized DART to pledge its sales tax revenues for Senior Lien Debt (Bonds) and Senior Subordinate Lien Debt (Commercial Paper).

Bonds – With the passage of a bond referendum in August 2000, DART received voter authorization to issue up to \$2.9 billion of solely pledged Senior Lien sales tax-backed long-term debt (revenue bonds). A change to DART’s enabling legislation was enacted during 2009 allowing DART to pledge Sales Tax Revenues and Pledged Farebox Revenues as a first lien on Senior Lien Long-Term Bonds (revenue bonds). This was confirmed by a bond validation suit in 2012. This change allows DART to issue more than \$2.9 billion in long-term debt, provided that the bonds are backed by Sales Tax Revenues and Pledged Farebox Revenues (i.e., Pledged Revenues).

Commercial Paper – The Board authorized the issuance of up to \$375 million in Commercial Paper (CP) notes including \$125 million back by self-liquidity, \$125 million bank-backed, and \$125 million of Extendible Commercial Paper (CP), all for capital acquisition purposes. A requirement of the self-liquidity program is that DART maintains at least 2.0 times the debt service amount for the notes and ensures that no more than \$35 million of the notes mature within five days. DART’s bank-backed CP program requires a third-party bank to provide funds if the seller cannot find a buyer for the maturing notes, which is known as a remarketing failure. A requirement of the Extendible CP program is that the initial note issuance be no greater than 90 days, and upon a remarketing failure the maturity of the note(s) can be extended an additional 180 days.

Debt Program Structure

DART’s two-tiered debt structure program is designed to meet capital funding requirements and to provide flexibility to meet changing debt market conditions. The commercial paper program is issued to meet temporary capital funding requirements and to access variable interest rates when the financial markets dictate that strategy to be advantageous. Long-term bonds are used as the ultimate capital financing instrument for assets with a useful life of seven (7) years or more such as buildings and rail lines.

As of September 30, 2021, DART will have approximately \$3.09 billion in bonds outstanding, as well as \$74 million in CP.

Debt Program Implementation

Commercial Paper – DART plans to issue \$400 million during the following fifteen years under the new bank-backed and Extendible Commercial Paper (CP) Programs, which will be used as the initial fund mechanism to support DART’s capital programs up to a maximum authorized amount of \$375 million. A third-party bank promises to provide the funds if the seller cannot find a buyer,



which is known as a remarketing failure. The bank provides a revolving credit facility or letter of credit dedicated to commercial paper note repayments. An Extendible CP program enables DART to issue commercial paper notes without a revolving credit facility or letter of credit. A requirement of the Extendible CP program is that the initial note issuance be no greater than 90 days, and upon a remarketing failure the note(s) can be extended an additional 180 days. If market conditions and cash flow needs dictate, DART has established a \$125 million maximum authorization Commercial Paper Self-Liquidity (CPSL) Program. When an investor purchases a commercial paper note, the investor has an expectation that when the note matures the seller will return the parvalue of the note plus interest. The seller demonstrates that the expectation can be satisfied by identifying its own funds that will be used to repay CP notes. This is called a Commercial Paper Self-Liquidity (CPSL) program. The ability to meet this obligation is monitored by rating agencies and is reflected in the seller's short-term debt rating. DART is using self-liquidity for the \$20 million in CP that is currently outstanding. This balance will be reduced. By the end of FY 2022, all CPSL currently outstanding at the beginning of FY 2021 will be retired.

Additional issuances will begin in 2025 to provide the initial funding for DART's bus fleet replacement, totaling \$400 million, which will be retired by 2033.

Short-term interest rates are expected to average 0.45% in 2022, increasing to 3.50% by 2026.

Long-Term Bonds – DART believes a sound debt program should have a combination of fixed and variable-rate debt. DART plans to have no more than 15% of its debt in variable-rate products. The variable-rate debt can either be short-term or long-term. DART has never issued long-term variable rate debt and has no current plans to do so. However, the market will be analyzed for each future debt issuance and either fixed-rate or variable-rate debt may be issued depending on which type of debt is in the best interest of DART at that time.

In the next ten years, DART anticipates issuing \$3.38 billion in support of the Program of Interrelated Projects (Core Capacity Program), the Silver Line, and other capital projects. Beyond that, no additional debt is included in the Plan.

Exhibit 20 summarizes the major commercial paper and long-term debt assumptions. The exact timing, nature, and amounts of long-term debt issuances may be adjusted from Financial Plan estimates depending on interest rates and other considerations, as determined at the time of issuance.



**Exhibit 20
FY 2022 Financial Plan Debt Assumptions**

Description	Commercial Paper (CP)		Long-Term Debt (LTD)	
	FY 2022	2023 - 2041	FY 2022	2023 - 2044
Term	Rolling for up to 7 years	Rolling for up to 11 years	30 years	30 years
Interest rates + fees		1.45%-3.50%	3.70 %	3.95%-5.50% Fixed
Principal Repayment	\$20M	All outstanding (Self-Liquidity) CP will be retired	\$71M	\$3.02B
New CP* / Total Long-Term Debt issued**	\$0M	\$500M	\$500 M	\$3.58 B
End of Year - Maximum debt outstanding	\$0M	\$400M	\$3.59 B	\$7.17 B
Year of maximum debt outstanding	n/a	FY 2028-2032	n /a	FY 2045
Cash reserves required?	Yes	Yes	No	No
Uninsured Debt Rating assumed	A-1+/P-1	A-1+/P-1	AA+/Aa 2/AAA	AA+/Aa 2/AAA

**The amounts shown on this line related to commercial paper issuance are net numbers and do not include 'rolling' retirement and re-issuance. The long-term debt amounts shown on this line are gross issuances.*

***Amounts shown are for long-term debt issuances are shown at par value*

Build America Bonds (BABs) and Federal Budget Cuts – In 2009 and 2010, DART issued a combined \$1.56 billion in taxable Build America Bonds. As a part of this program, the Federal government agreed to subsidize 35% of the interest expense. In 2019 DART refunded \$362,645,000 Series 2009B bonds, leaving \$1.2 billion outstanding. As part of the federal budget sequester cuts which took effect on March 1, 2013, the federal government reduced the subsidy to be paid to DART. From 2013 to 2021, the expected subsidy was reduced by a total of \$14.9 million. Projecting future reductions based on the 2021 reduction percentage of 5.7%, an additional \$2.6 million of anticipated subsidy will not be received. That will result in a total estimated subsidy reduction of \$17.4 million over the 10-year period of the sequester.



Debt Service Costs (lines 28 - 33 of the Financial Plan)

Exhibit 21 illustrates debt service costs for all existing and projected debt issuances contained in the FY 2022 Financial Plan. Interest expense payments are shown net of the (BABs) subsidy, thus showing only DART's net interest cost.

Exhibit 21
FY 2022 Financial Plan Principal and Interest Payments (in Millions)

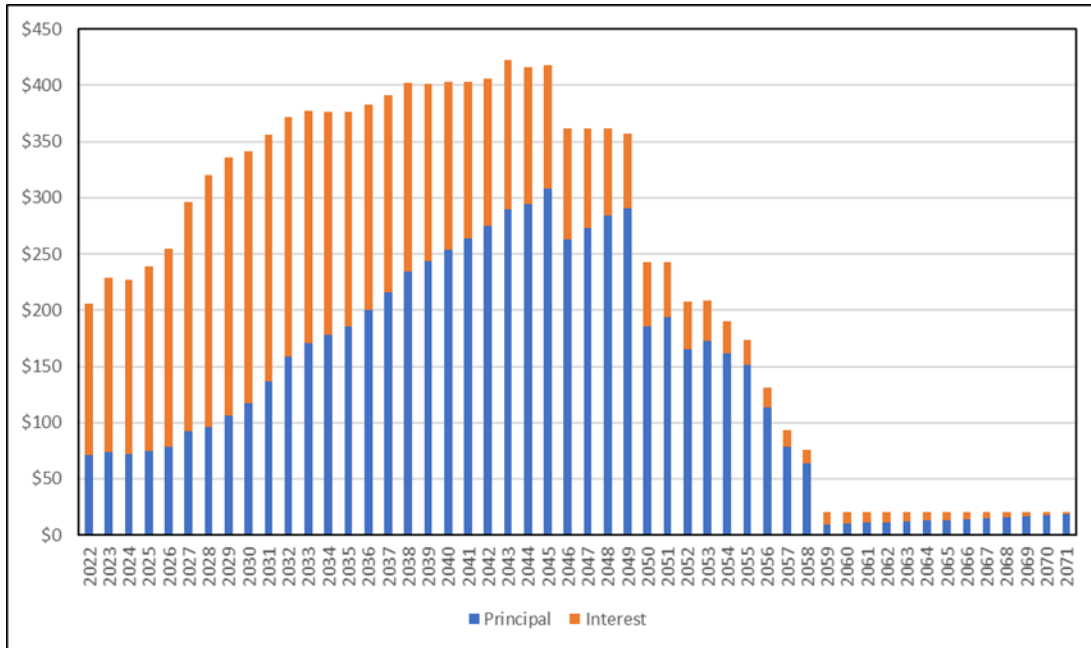




Exhibit 22 shows the interest rate assumptions contained in the FY 2022 Financial Plan.

Exhibit 22
Interest Rate Assumptions 2022 – 2041

Year	Commercial Paper Rate	Long-Rerm Debt Rate	Interest Income rate
2022	0.25%	3.70%	0.30%
2023	1.25%	3.95%	1.35%
2024	2.25%	4.20%	2.40%
2025	3.25%	4.45%	3.50%
2026	3.50%	4.70%	4.00%
2027	3.50%	5.00%	4.15%
2028	3.50%	5.25%	4.15%
2029	3.50%	5.50%	4.15%
2030	3.50%	5.50%	4.15%
2031	3.25%	5.50%	3.90%
2032	3.25%	5.50%	3.90%
2033	3.25%	5.50%	3.90%
2034	3.25%	5.50%	3.90%
2035	3.25%	5.50%	3.90%
2036	3.25%	5.50%	3.85%
2037	3.25%	5.50%	3.85%
2038	3.25%	5.50%	3.85%
2039	3.25%	5.50%	3.85%
2040	3.25%	5.50%	3.85%
2041	3.25%	5.50%	3.85%

Supplemental Financial Information

Net Increase (Decrease) in Cash and Change in Balance Sheet Accounts (lines 35-36of the Financial Plan)

Based on each year’s programmed sources and uses of funds, DART has projected its Balance Sheet for each of the next twenty years. These line items reflect the net change in cash and non-cash balance sheet accounts. The Change in Balance Sheet Accounts line item is used as a compensating factor for the lag between the occurrence of an accounting transaction, which affects the balance sheet, and the actual receipt or disbursement of cash. DART's projected BalanceSheet for each of the twenty years of the Financial Plan is included in Exhibit 23.



Exhibit 23
FY 2022 Financial Plan 20-Year Balance Sheet(in Millions)

Line	Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	ASSETS										
	CURRENT ASSETS										
1	Cash and cash equivalents & Investments	\$941.9	\$840.8	\$835.2	\$618.8	\$920.0	\$1,081.3	\$1,081.2	\$916.0	\$769.2	\$669.6
2	Sales taxes receivable	117.1	124.4	130.7	137.2	142.7	142.8	148.6	156.0	165.4	173.7
3	Transit revenue receivable, net	1.8	2.4	2.7	3.0	3.3	3.3	3.4	3.7	3.7	3.7
4	Due from other governments	41.7	24.8	25.7	36.0	26.3	26.1	22.9	12.5	10.2	9.8
5	Material and supplies inventory	39.1	40.0	40.9	41.9	42.8	43.8	44.8	45.8	46.8	47.8
6	Prepaid Expenses	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
7	TOTAL CURRENT ASSETS	\$1,144.6	\$1,035.4	\$1,038.3	\$839.9	\$1,138.1	\$1,300.2	\$1,303.8	\$1,136.9	\$998.3	\$907.6
8	Notes Receivable & Investment in Joint Venture	\$1.7	\$0.6	\$0.2	\$0.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
9	Property, Plant & Equipment, Net	5,559.6	6,033.9	6,389.1	7,095.5	7,490.2	7,911.4	8,118.2	7,994.9	7,809.1	7,596.8
10	Restricted Assets held to pay Capital Lease Liabilities	123.6	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Unamortized debt issuance costs and other	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
12	Deferred Outflows of Resources	37.9	37.0	36.0	35.1	34.3	33.4	32.6	31.8	31.1	30.3
13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$6,867.7	\$7,115.7	\$7,463.9	\$7,971.0	\$8,662.9	\$9,245.4	\$9,455.0	\$9,163.9	\$8,838.8	\$8,534.9
	LIABILITIES AND EQUITY										
	CURRENT LIABILITIES										
14	Accounts payable and accrued liabilities	\$255.5	\$241.8	\$225.9	\$293.7	\$241.6	\$250.4	\$215.8	\$160.3	\$152.6	\$151.3
15	Commercial Paper notes payable	0.0	0.0	0.0	100.0	200.0	300.0	400.0	400.0	300.0	200.0
16	Current portion of Long-term Debt Payable	68.3	67.8	70.7	75.7	78.2	89.2	102.2	111.9	122.4	133.4
17	Retainage payable	50.9	62.6	54.5	64.1	65.9	54.9	47.8	26.4	10.9	7.5
18	TOTAL CURRENT LIABILITIES	\$374.8	\$372.2	\$351.1	\$533.6	\$585.7	\$694.4	\$765.8	\$698.6	\$585.8	\$492.3
19	Senior Lien Sales Tax Revenue Bonds Payable	\$3,823.0	\$3,755.1	\$3,684.4	\$3,608.7	\$3,530.5	\$3,441.3	\$3,339.2	\$3,227.3	\$3,104.9	\$2,971.5
20	Net Pension Liability	45.9	41.4	36.4	30.8	24.8	17.8	10.3	2.3	0.0	0.0
21	Net OPEB Liability	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
22	Capital Lease Liabilities	123.6	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$4,372.0	\$4,182.1	\$4,076.7	\$4,177.9	\$4,145.8	\$4,158.4	\$4,120.0	\$3,932.9	\$3,695.5	\$3,468.6
24	NET ASSETS (EQUITY)	\$2,495.7	\$2,933.7	\$3,387.2	\$3,793.1	\$4,517.1	\$5,087.0	\$5,334.9	\$5,231.0	\$5,143.3	\$5,066.3
26	TOTAL LIABILITIES & NET ASSETS	\$6,867.7	\$7,115.7	\$7,463.9	\$7,971.0	\$8,662.9	\$9,245.4	\$9,455.0	\$9,163.9	\$8,838.8	\$8,534.9



Exhibit 23
FY 2022 Financial Plan 20-Year Balance Sheet(in Millions) (cont.)

Line	Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
	ASSETS										
	CURRENT ASSETS										
1	Cash and cash equivalents & Investments	\$577.1	\$539.5	\$609.0	\$705.7	\$847.1	\$865.7	\$923.6	\$904.1	\$781.5	\$699.3
2	Sales taxes receivable	180.6	186.0	186.0	193.5	203.1	215.3	226.1	235.1	242.2	242.2
3	Transit revenue receivable, net	4.0	4.1	4.1	4.4	4.5	4.5	4.9	5.0	5.0	5.4
4	Due from other governments	8.9	9.3	8.9	8.9	8.9	8.9	10.7	10.8	9.9	9.6
5	Material and supplies inventory	48.8	49.9	51.0	52.1	53.2	54.3	55.4	56.6	57.8	58.9
6	Prepaid Expenses	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
7	TOTAL CURRENT ASSETS	\$822.5	\$791.8	\$862.1	\$967.5	\$1,119.8	\$1,151.7	\$1,223.7	\$1,214.5	\$1,099.2	\$1,018.4
8	Notes Receivable & Investment in Joint Venture	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
9	Property, Plant & Equipment, Net	7,395.9	7,187.9	6,953.2	6,721.1	6,473.2	6,436.0	6,379.9	6,458.9	6,663.3	6,786.4
10	Restricted Assets held to pay Capital Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Unamortized debt issuance costs and other	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2
12	Deferred Outflows of Resources	29.6	28.9	28.3	27.6	27.0	26.4	25.8	25.3	24.7	24.2
13	TOTAL ASSETS AND DEFERRED OUTFLOWS	\$8,248.2	\$8,008.8	\$7,843.8	\$7,716.5	\$7,620.3	\$7,614.4	\$7,629.7	\$7,699.0	\$7,787.5	\$7,829.3
	LIABILITIES AND EQUITY										
	CURRENT LIABILITIES										
14	Accounts payable and accrued liabilities	\$156.9	\$159.8	\$159.1	\$163.5	\$164.4	\$206.7	\$207.5	\$235.9	\$262.3	\$251.8
15	Commercial Paper notes payable	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16	Current portion of Long-term Debt Payable	143.6	149.9	156.8	168.6	175.9	178.2	184.3	193.4	201.2	209.0
17	Retainage payable	7.2	7.7	6.8	6.2	6.0	14.1	22.3	27.4	38.0	40.1
18	TOTAL CURRENT LIABILITIES	\$407.7	\$317.4	\$322.7	\$338.3	\$346.2	\$399.0	\$414.1	\$456.7	\$501.6	\$500.9
19	Senior Lien Sales Tax Revenue Bonds Payable	\$2,827.9	\$2,678.0	\$2,521.2	\$2,352.6	\$2,176.7	\$1,998.6	\$1,814.2	\$1,620.8	\$1,419.6	\$1,210.6
20	Net Pension Liability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
21	Net OPEB Liability	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
22	Capital Lease Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23	TOTAL LIABILITIES AND DEFERRED INFLOWS	\$3,240.4	\$3,000.2	\$2,848.8	\$2,695.7	\$2,527.7	\$2,402.4	\$2,233.2	\$2,082.3	\$1,926.0	\$1,716.3
24	NET ASSETS (EQUITY)	\$5,007.8	\$5,008.6	\$4,995.0	\$5,020.8	\$5,092.5	\$5,212.0	\$5,396.6	\$5,616.7	\$5,861.5	\$6,281.7
26	TOTAL LIABILITIES & NET ASSETS	\$8,248.2	\$8,008.8	\$7,843.8	\$7,716.5	\$7,620.3	\$7,614.4	\$7,629.7	\$7,699.0	\$7,787.5	\$7,998.1

Cash Reserves and Restricted Funds (line 38 of the Financial Plan)

DART maintains several cash reserves. Financial Standard G-5 requires a Master Insurance Reserve for claims and Board liability exposure. This fund is expected to have a balance of approximately \$12.2 million on September 30, 2021.

Financial Standard G-7 requires that sales tax collections that exceed budget during a fiscal year be placed in a "Financial Reserve" account. Once this fund balance reaches \$50 million, all additional funds will be placed in a Mobility Assistance and Innovation Fund (MAIF) account. The Financial reserve and MAIF may be used for any purpose, subject to an affirmative vote of two-thirds of the appointed and qualified Board members. This line item represents the projected end-of-year value. The Financial Reserve is at \$50 million so all future sales tax excesses will be placed in the MAIF.

DART has pledged up to \$10 million of the Financial Reserve Fund as collateral on a defeased lease transaction with Comerica. This amount will decrease over time until it reaches zero in December 2023.

**Less Advance Funding/Reserve** (Core Capacity) (line 39 of the Financial Plan)

DART received advance funding in the amount of \$60 million from TxDOT in 2015 in support of the Core Capacity program. These funds are kept as restricted funds until qualifying core capacity expenditures are made. At that time, the general fund is reimbursed for those expenditures and the restricted fund amount is reduced accordingly. All is expected to be drawn down by the end of 2022.

Working Cash Requirements (line 40 of the Financial Plan)

Financial Standard G-6 states "since sales taxes are received on a monthly basis, the unrestricted cash balance at the end of the year shall not be less than one-twelfth of the difference between the subsequent year's total sources of cash (excluding sales taxes) and total uses of cash as projected in the Financial Plan." For an improved safety margin, the Financial Plan maintains this cash balance to a minimum 90 days' worth of operating expenses (as opposed to 30 days required by policy). This line item represents the projected end-of-year value.

Mobility Assistance and Innovation Fund (line 41 of the Financial Plan)

In accordance with Financial Standard G-7, once the Financial Reserve Fund balance reaches \$50 million, all sales taxes in excess of budget are placed in a Mobility Assistance and Innovation Fund Reserve. Any excess sales tax revenues over the FY 2021 budget will be added to this reserve on or before December 31, 2021.

Unrestricted Cash (Net Available Cash) (line 42 of the Financial Plan)

This line item represents the projected end-of-year value and is the bottom-line check regarding the long-term affordability of DART's programs. As long as this value is positive, the Financial Plan is affordable, given the assumptions used to build the Plan. In the FY 2022 Financial Plan, the minimum value of Unrestricted Cash is \$214.7 million, occurring in 2033. This amount is in addition to the reserves described in the previous paragraphs and as such, represents DART's unprogrammed cash balance. DART's minimum total cash on hand, inclusive of all reserves and restricted funds is projected at \$ 539.5 million in 2033.

DART looks at Unrestricted Cash and the internal and external coverage ratios as critical components of affordability analysis. Every decision that is made, as well as every change to a Financial Plan assumption or estimate, is made with consideration of the effect on the overall affordability of the Plan.

Coverage Ratios (lines 43-44 of the Financial Plan)

Financial Standard D-7 requires DART maintain a debt coverage ratio (the External Coverage Ratio) such that Gross Sales Tax Revenues must be at least two times the amount of annual Debt Service. This is the standard DART is held to by the financial marketplace and in its own external debt documents. In those documents, DART agrees that it will not issue additional debt when it

does not comply with this standard. In the FY 2022 Financial Plan, the lowest external coverage value is 2.67 in 2028.

DART also has a goal to maintain another coverage ratio – the Internal Coverage Ratio. Standard D-7 states, “It is a goal of DART that for financial planning purposes, for long-term debt, sales tax revenues plus operating revenues, plus interest income, less operating expenses (excluding debt service and depreciation), for any twelve consecutive months of the prior eighteen months, must be sufficient to cover maximum annual debt service (ratio greater than 1.0). The FY 2022 Financial Plan meets this standard for all years, with a minimum value of 1.22 in 2022. And while the pandemic has caused a reduction in near-term coverage ratios, most of the Plan has better coverage ratios because this plan replaces \$350M in debt that was assumed in the FY 2022 Plan for D2 with additional grant money. Exhibits 24 and 25 compare the projected annual values of the internal and external coverage ratios from the FY 2020 Plan to those in the FY 2021 Plan. The reduced coverage ratios in the later years are primarily a result of new debt service for D2.



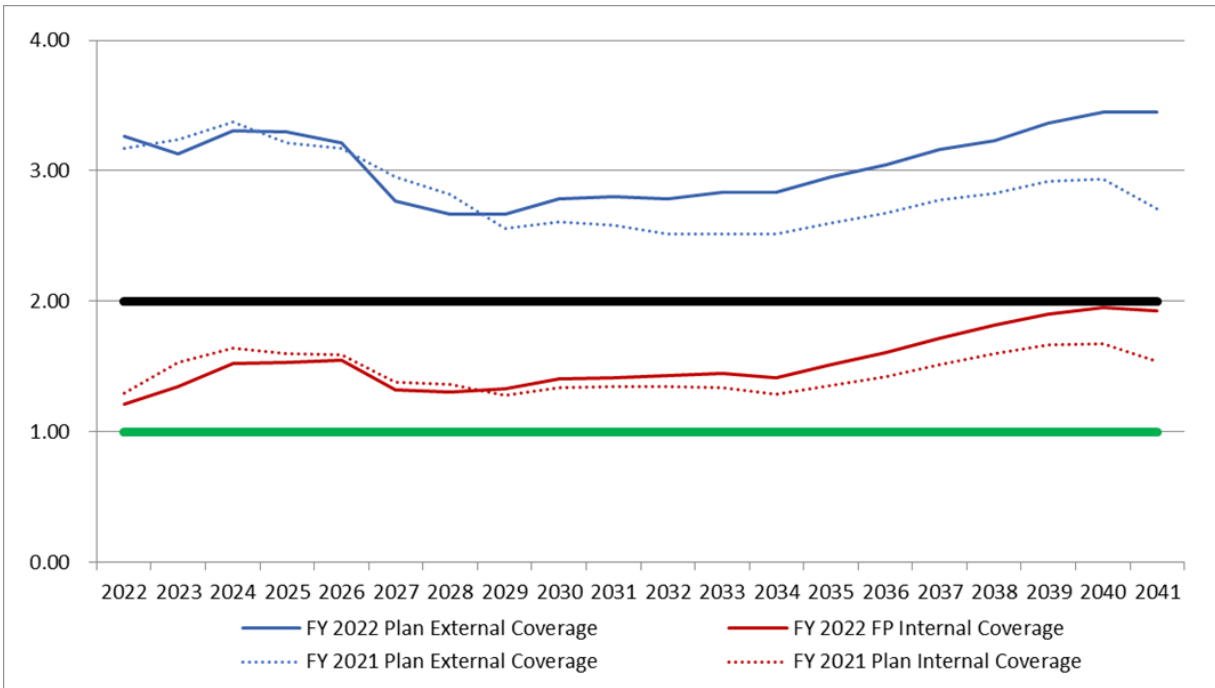


Exhibit 24 Projected Coverage Ratio Comparison

Year	FY 2021 FP		FY 2022 FP		Variance	
	External Coverage	Internal Coverage	External Coverage	Internal Coverage	External Coverage	Internal Coverage
2022	3.17	1.30	3.27	1.22	0.10	(0.08)
2023	3.24	1.53	3.13	1.34	(0.11)	(0.18)
2024	3.37	1.64	3.31	1.53	(0.07)	(0.11)
2025	3.22	1.60	3.30	1.53	0.08	(0.07)
2026	3.17	1.59	3.22	1.55	0.05	(0.04)
2027	2.96	1.38	2.77	1.32	(0.19)	(0.07)
2028	2.82	1.37	2.67	1.31	(0.16)	(0.06)
2029	2.55	1.28	2.67	1.33	0.11	0.05
2030	2.61	1.34	2.78	1.40	0.17	0.06
2031	2.59	1.35	2.80	1.42	0.22	0.07
2032	2.52	1.35	2.79	1.43	0.27	0.08
2033	2.52	1.34	2.83	1.45	0.31	0.11
2034	2.51	1.29	2.84	1.42	0.33	0.13
2035	2.60	1.36	2.95	1.51	0.35	0.16
2036	2.68	1.42	3.05	1.60	0.37	0.18
2037	2.77	1.51	3.16	1.72	0.39	0.20
2038	2.83	1.60	3.23	1.82	0.40	0.22
2039	2.92	1.66	3.36	1.90	0.44	0.24
2040	2.94	1.68	3.45	1.95	0.51	0.28
2041	2.71	1.54	3.45	1.92	0.73	0.38



Exhibit 25



Funds and Fund Balances

DART’s cash balances are contained in the following funds:

General Operating Fund

The primary objective of investment strategies for the operating fund is liquidity achieved by matching investment maturities and income stream with anticipated cash flows. The majority of funds are placed in short-term or readily marketable securities with emphasis on high-grade commercial paper and government agencies. Local government investment pools are used to provide diversity and facilitate daily funding of cash outflows.

The average maturity of this portfolio shall not exceed two years; the maximum maturity for any single holding shall not exceed five years. Yield enhancing techniques applied to a core segment of this portfolio may include the use of Treasury notes in the two to three-year area which can be purchased for yield and held for possible capital gains, and intermediate-term agencies with short-call provisions offering a spread to comparable Treasuries.

DART Commercial Paper System Expansion & Acquisition Fund

This fund was reactivated when additional commercial paper was issued for new capital projects. Deposits in this fund are generally held less than ninety days between the sale of DART’s commercial paper and contract payments for the financed capital projects. To provide the short-



term liquidity required, investments are limited to money market instruments, such as money market mutual funds or local government investment pools, commercial paper, discount agencies, or repurchase agreements, with maturities matched to check payment dates where feasible. The average maturity for this fund is up to 90 days, with a maximum maturity of 180 days.

Financial Reserve Fund

The investment goal of capital preservation is primary for this fund, which will be accessed in the event of a downturn in sales tax receipts, unanticipated capital overruns, or other financial difficulties. The need for liquidity is low. To maximize yield while maintaining a relatively stable market value, this portfolio will use an investment strategy of normally placing securities evenly spaced over a one- to five-year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk-return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The average maturity of this portfolio is four years or less with ten years as the maximum maturity for any single holding.

Insurance Reserve Fund

DART's self-insurance program for liability and workers' compensation claims requires the preservation of assets to ensure funding capability. The reserve amount required will vary on a yearly basis as new claims offset claims payments. The fund will be adjusted no less frequently than yearly to reflect the appropriate level, upon approval of the Investment Officers, and after consultation with Risk Management. The lack of liquidity requirements in this fund allows for an average maturity of four years or less, with a maximum maturity for any single holding of ten years. Capital preservation is valued above yield, but the stable balance and minimal cash outflow permits a higher level of interim market price volatility than in other DART portfolios.

Senior Lien Debt Service Funds

The long-term bond program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to bond investors as needed during the month. The investment objective of these two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S. government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average maturity of the interest fund shall not exceed six months, with a maximum maturity of six months. The average maturity of the principal fund shall not exceed one year with a maximum maturity of one year.

Senior Subordinate Lien Debt Service Funds

The commercial paper program requires the establishment of two reserve funds: an interest fund and a principal fund. These funds will be used to make payments directly to commercial paper



investors as needed during the month. The investment objective of the two funds is to provide sufficient liquidity to meet the payment requirements and to minimize market and credit risk. To meet this investment objective, investments will be limited to money market mutual funds that invest in short-term securities that are issued or guaranteed by the U.S. government or U.S. government agencies, or direct obligations of the U.S. government and its agencies with maturities closely matched to specific payment requirements. The average maturity of these funds shall not exceed 90 days, with a maximum maturity of one year.

Mobility Assistance and Innovation Fund

In order to provide funding for initiatives that enhance the quality and affordability of public transportation, DART will maintain a Mobility Assistance and Innovation Fund. The liquidity need of this fund is 20%. To maximize yield while maintaining a relatively stable market value and the desired liquidity component, this portfolio will use a two-tiered investment strategy. The liquidity needs will be invested evenly, 50% in the one to six month and 50% in the six to 12-month maturity range. The remainder of the portfolio will be invested by placing securities evenly spaced over a two to five-year maturity range, commonly referred to as a ladder maturity structure, to ensure consistent availability of current funds for reinvestment or cash flow requirements. Securities will be evaluated on a risk return basis, with bond swaps used to take advantage of market anomalies while maintaining market quality and structure. The portfolio allows for an average maturity of four years or less with ten years as the maximum maturity for any single holding.

DART Bond System Expansion & Acquisition Fund

This fund was reactivated when Series 2020A bonds were issued for new capital projects. The Bond proceeds in this fund are held up to 36 months between the sale of DART's long-term bonds and contract payments to finance capital projects. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. To meet the investment goals, investments will be in high grade corporate and government/agency instruments and local government investment pools. The investments purchased will have maturities that match forecasted payments. The average maturity for this fund is up to 30 months, with a maximum maturity of 36 months.

Regional Toll Road (RTR), Streetcar, and Toyota Funds

The deposits in these funds are provided by state, local governments, or other entities for specific projects. Preservation of capital and liquidity are the paramount investment objectives of these funds. Therefore, the deposits in these funds will be invested in AAA or United States Treasury money market funds. The average maturity will be one day, with a maximum maturity of one day.

Platform Fund

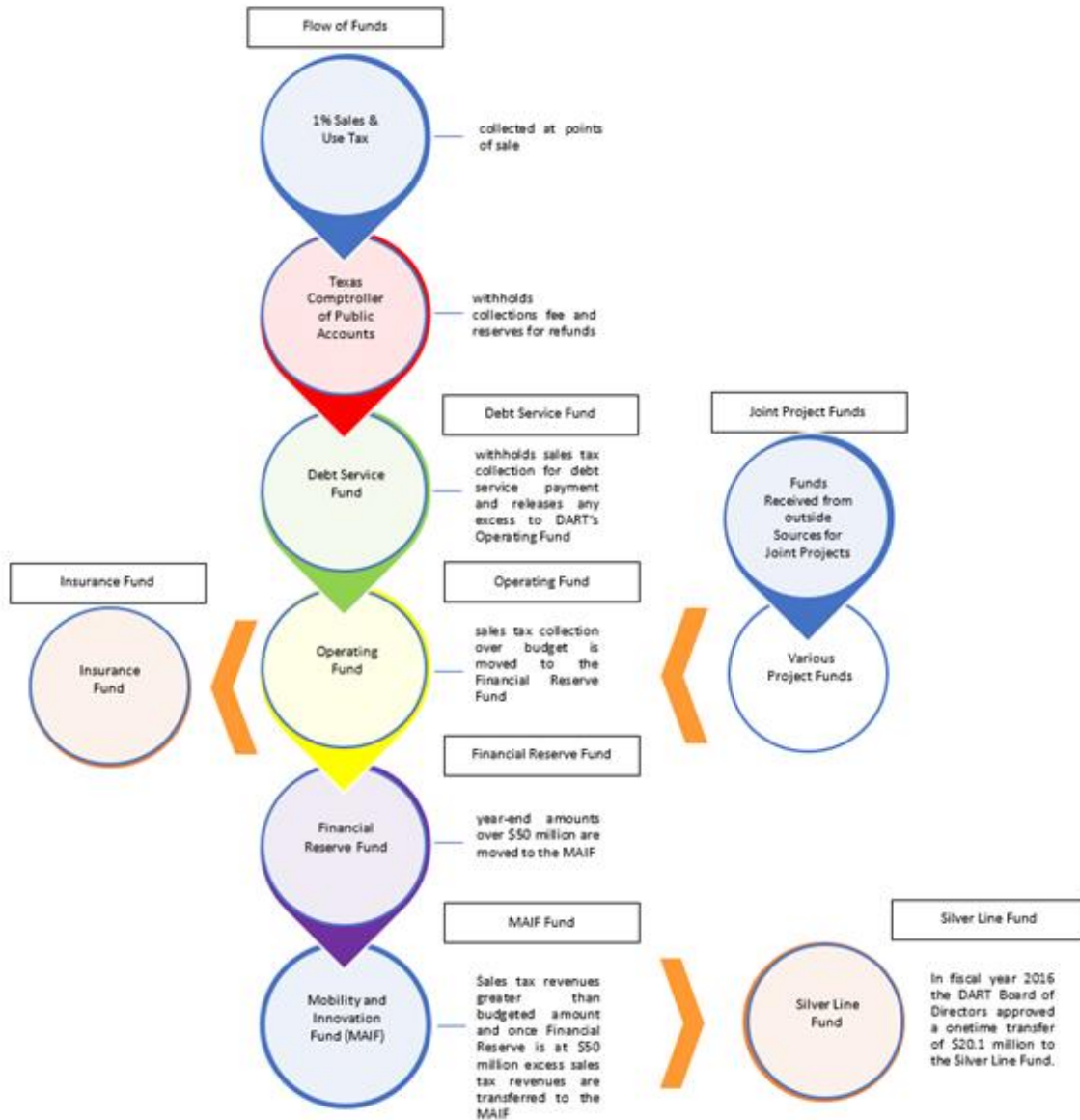
Amounts in this fund are held between their receipt from the Texas Mobility Fund and contract payments to finance the Platform Extension project in the future. The investment goals in this fund are to provide capital preservation and

liquidity needs. To meet the investment goals, investments will be in high-grade corporate and government/agency instruments and money market mutual funds instruments. The investments purchased will have maturities that match forecasted payments. The average maturity for this fund is up to 30 months, with a maximum maturity of 36 months.



Exhibit 26 shows DART's flow of funds.

Exhibit 26 Flow of funds Chart



Major Financial Plan Assumptions

Sources of Funds

- Despite its devastating health and societal impacts, the COVID-19 pandemic has had a surprisingly small impact on DART's sales taxes. Sales taxes have been resilient throughout the turmoil of the last 18 months. Projections last summer had assumed a \$70 million (10.6%) drop for FY 2021 from the approved FY 2020 Financial Plan. What we have in fact seen, is a \$26 million or 6.3% growth from 2020 (through May). DART has projected 6% growth in sales taxes for FY 2022 and an average of 5% growth for the four years thereafter before incorporating a zero-growth year in FY 2027, and every seventh year thereafter. In each 7-year cycle, DART projects a very conservative average growth rate of 3.86%.
- The DART Financial Plan includes a fare increase of 9% every three years. The fare increase that had been programmed for FY 2022 (and all future fare increases) have been deferred to FY 2023.
- Fare revenues are based on an estimated average fare and ridership projections for each mode of service. As fare increases are implemented, reductions in fixed-route ridership are programmed into the Plan, netting against the normal projected ridership growth rate for that year to determine the net ridership change. The fare increase affects all fixed-route modes in a similar manner. Future service level decisions on all modes will also impact future ridership projections.
- Ridership during FY 2020 and 2021 were severely affected by the pandemic. DART ridership has dropped by more than 50% since FY 2019 and the Plan assumes ridership growth of approximately 15% each year for the next four years to return to pre-pandemic levels. And even then, fixed route ridership is projected to be lower by approximately 10 million passengers annually as compared to the FY 2020 Plan. Service levels, the speed and robustness of the recovery will also impact ridership moving forward. After the ridership recovery phase is complete in 2025, all fixed route modes are projected to increase by 0.5%/year in years without a fare increase and remain flat in years when a fare increase occurs.
- Additions to service will also have a ridership impact as DART expected around 2 million passenger per year when the Silver Line opens in FY 2025 and Streetcar ridership is expected to double when the extension opens in 2027.
- Like fixed route, Paratransit ridership levels are expected to recover over the next four years, increasing by an average of 14% per year through 2025. Beyond that, ridership is expected to increase by 2.5% annually over the life of the FY 2022 Financial Plan. FY 2022 ridership levels are projected at 615,556.

- Vanpool ridership is expected to nearly quintuple from FY 2021 levels in FY 2022, then grow by an average of 14% per year over the next three years before settling down to average less than 1% growth per year over the rest of the 20-year period.
- Miscellaneous operating revenues, including such items as advertising and rental income are generally programmed to grow by inflation each year.
- The Federal Reserve had been increasing interest rates slowly, but recently has reversed course. DART projects an average interest income rate of approximately 0.30% for FY 2022 (varies by fund). As interest rates inevitably increase, it is expected that traditional spreads between commercial paper rates and interest income rates will also return. Investment portfolio yields are expected to increase to 4.15% in by 2027 and beyond.
- DART expects to receive \$87.2 million in Federal Formula allocations each year for Capital Preventive Maintenance, Fixed Guideway Modernization, Bus & Bus Facilities, Transit Enhancement, and Security project funds in 2022. This represents DART's annual formula fund allocation. Per Financial Standard B-10, these funds are to be programmed at the most recent known allocation throughout the life of the Plan and not increased, despite a history of growth. An exception is made for formula funds that will be generated by the opening of the Silver Line. Funding lags two years so DART anticipates an annualized increase of \$2.3 million in formula funds in FY 2027 for Silver Line operations that begin in FY 2025.
- Congestion Mitigation/Air Quality (CMAQ) or Texas Mobility Funds (TMF) in the amount of \$3.4 million is programmed to be received in FY 2022. No additional CMAQ or TMF funds are included in the Financial Plan beyond that year. As additional funds become available and projects are identified to access these funds, additional CMAQ and/or TMF funds will be programmed into the Plan.
- At \$1.2 billion over the life of the Financial Plan, CMAQ and federal discretionary funding represents just over 15% of DART's \$8.1 billion 20-year capital program. Beyond already existing discretionary grants, DART has assumed the following federal participation in future programs:
 - \$952 million is assumed to be received between 2023 and 2028 for the D2 subway.
 - All future bus purchases are conservatively assumed to be 10% grant funded. These future grants total \$92.8 million over the life of the Plan; and
 - TRE fleet vehicle replacement is expected to be 50% funded with federal money and totaling \$92.3 between 2027 and 2031.
- DART projects \$280.9 million in other external capital contributions over the next 20 years, including:
 - \$207.5 million from Trinity Metro for their contribution to TRE capital programs.
 - \$7.0 million for Downtown Streetcar projects.
 - \$12.0 million to fund the Loop 12 in-fill stations on the Orange Line; and

- Tax Increment Financing (TIF) and Value Capture revenues along the Silver Line corridor, beginning in 2022, will be used to support operations, maintenance, and debt service for the Silver Line. They are expected to generate \$36.4 million through expiration in 2038.

Uses of Funds

Operating Expenses

- With the restoration of service cuts made during the pandemic, DART’s operating budget will increase from \$542.3 million in the FY 2021 budget to \$580.4 million in FY 2022.
- In future years, per DART Financial Standard B-5, operating expenses are planned to grow by 90% of inflation plus increases for new service, new programs, Board-approved contract increases, and adjustments related to fuel prices and actuarial analysis. Projections for rates of inflation are part of the same economic model that is provided by The Perryman Group each year to estimate sales tax revenue growth. Annual local inflation rates are anticipated to be approximately 2.1 - 2.3% per year over the life of the Plan. This means that DART-allowed inflation per this standard is roughly 1.9% - 2.1% per year.
- TRE contract costs are programmed at contract rates for current service levels, and therefore total contract costs will be 2.4% higher in FY 2022 than in FY 2021.
- The number of vanpools in the FY 2022 budget is 120, down from 200 in FY 2021. The decline in the number of vanpools can be directly attributed to the pandemic and a more realistic target based on current market conditions. NCTCOG's federal funds offsets 35% of program costs while 60% comes from the users and 5% from DART in the form in-kind services.
- DART will make \$10.0 million in contributions in FY 2022 to the Defined Benefit Pension Plan. This plan has been closed since 1988 and because of this, DART’s investments within the Pension Plan must become increasingly conservative, with more fixed income assets and a smaller percentage dedicated to equities. This has the impact of reducing yields and therefore may increase the total contributions required to fully fund the Plan by 2030 (the estimated date that the last eligible DART employee will retire). The actual contributions to these plans in future years are dependent on both fund earnings and actuarial analysis of the value of future benefits and may be adjusted annually.



- Over two-thirds of DART's Operating Budget is composed of salaries, wages, and benefits. In the long term, salaries and wages must at least grow by inflation, and benefits must stay competitive, for DART to attract and retain quality employees. The national trend of nearly double-digit annual increases in healthcare costs compounds the challenge of maintaining competitive benefits.

Capital & Non-Operating Expenditures

- The FY 2022 Financial Plan includes service along the Silver Line corridor in the northern part of the DART Service Area. This line runs from Plano, through Richardson, North Dallas, Addison, and Carrollton and into DFW International Airport. This line has been designed to link up with TEXRail operated by Trinity Metro (formerly known as the Fort Worth Transportation Authority) running from downtown Fort Worth to DFW Airport. Long-term, this will allow for a single-seat ride from Plano all the way to Fort Worth. Service along the Silver Line is scheduled to begin in late 2024 (FY 2025). Headways would be 30 minutes in the peak periods.
- DART's is in the midst of a mid-life overhaul of its bus fleet. The total program cost is \$21 million. The next bus fleet replacement is scheduled to occur beginning in 2025 and with most of the fleet replaced by 2028.
- In the Capital/Non-Operating Program over the next 20 years, DART has allocated \$4.6 billion to funding state of good repair (SGR) projects and capital reserves. These funds are devoted to capital maintenance and the timely replacement of DART's assets and are critical to DART's long-term sustainability. Programming funds in this manner helps ensure that DART can continue to serve the community with high-quality, reliable vehicles and infrastructure.
- Capital Planning & Development costs (Capital P&D) are costs spent inside the operating departments that are specifically for planning, management, oversight, and administration of capital projects but are costs that cannot be capitalized. As such, they are shown on budget reports as a credit to total departmental expenses and are deducted from that total (along with start-up costs described below) to calculate operating expenses. Capital P&D costs over the life of the plan total \$354.1 million, or 4.3% of DART's total 20-year Capital and Non-Operating expenditures.
- Start-up costs are all operating-type costs that are both: 1) incurred solely as a result of the



opening of new service; and 2) incurred prior to the start of revenue service. Upon the commencement of revenue service for each line section, the appropriate portion of these costs is incorporated into the operating budgets. Start-up costs are shown on budget reports as a credit to total departmental expenses and are deducted from that total (along with Capital P&D costs) to calculate operating expenses. Start-up costs are less than 0.2% of the 20-year capital program.

Debt Service

- DART will retire all currently outstanding self-liquidity commercial paper by 2022 but will issue \$400 million in commercial paper between 2025 and 2029 as the initial funding mechanism for our bus fleet replacement program. This will be done through the combined use of a bank-backed liquidity facility and an extendable CP program. That \$400 million is scheduled to be repaid between 2030 and 2033.
- \$2.6 billion in long-term debt is scheduled to be issued between 2022 and 2028 in support of the D2, the Silver Line and other infrastructure projects.
- \$700 million in additional long-term debt will be issued between 2024 and 2028 to fund the rehabilitation and replacement of DART's first fleet of Light Rail vehicles.
- \$63.5 million in additional long-term debt will be issued in 2026 and 2027 for the TRE fleet replacement.
- The actual amount, type, interest rates and timing of debt issuance may change from the Plan depending on DART's financial needs and market conditions.

Potential Risks and Opportunities

As sales tax receipts represent the largest single source of revenues, sales tax projections are unquestionably the single most important estimate in DART's Twenty-Year Financial Plan. Therefore, they are also the largest single area of risk to DART's ability to meet its goals and objectives. The COVID-19 pandemic has not just had a significant negative impact, both on sales taxes and fare revenues, but of greater concern is the uncertainty it creates moving forward.



Each recessionary event embodies its own unique characteristics. Each event generates concerns about how deep the revenue losses will be, how long will it last and how quickly will the economy bounce back. This event may have more uncertainty around it than either the Dotcom bubble burst combined with 9/11 between 2000-2003 and the Great Recession of 2008. In each of those cases, the economy was expected to return to normal, it was just a matter of when. Each of those recessions could, in many ways be considered somewhat normal economic cycles.

This pandemic is something entirely different and has many more layers of uncertainty to it.

- The vaccination effort has dwindled down to a trickle. As of mid-July, only 59% of the US adult population was fully vaccinated and new weekly vaccinations have dropped to below 500,000 per week. Will failure to reach herd immunity or new COVID variants force the economy into another shutdown?
- How many restaurants and small businesses will never recover?
- As many businesses have transitioned to a work-from-home mentality. When the crisis is over, will that permanently alter how work is done? If so, how will long-term ridership be affected?

DART will need to be highly vigilant to changing circumstances and nimble enough to evolve with the changes.

But an opportunity exists here as well. The pandemic and economic slowdown, and its related negative impact on DART sales taxes have been less than even the most optimistic projections. In the Financial Plan amendment approved by the Board on May 25, 2021, DART FY2021 sales tax budget was increased from \$583.8 million to \$610 million, and five-year sales tax revenues (FY 2021 – FY 2025) were increased by more than \$107 million, or 3.2%. Since the time of that amendment, the pace of economic recovery has accelerated. After 13 months of year-over-year declines in sales taxes receipts, revenues received from May – July (for the months of March – May, respectively) exceeded the prior year by an average of 28%. This could portend a quicker and stronger recovery than is contained in the Plan.



Helping to pave the way for possible expansion of regional public transportation beyond borders of the service area cities, the DART Board amended its Policy III.07, DART Services beyond the Service Area Boundary. Under this amended policy, DART or its Local Government Corporation is able to provide contract services to a municipality or county outside the service area, provided that: 1) the entity pays for 100% of the cost of the contracted service (including capital costs, access and impact fees); 2) a full transit system plan is developed within 36 months of the initial contract; and 3) a plan to become a DART member is developed.

DART Financial Standard B-10 states that federal formula funds will be programmed at the current year's level for all future years in the Plan. The FY 2022 Plan includes \$78.9 million in annual allocations for each year and an additional \$2.3 million annually from the Silver Line operations beginning in FY 2027. If these annual allocations are reduced or significantly delayed as a result of the pandemic or federal budget cuts, it could have a significant negative impact on DART's cash flows as well as future capital project planning.

DART currently has a significant amount of discretionary federal funding (\$1.16 million) programmed into the Financial Plan over the next 10 years. 82% of this (\$952 million) is programmed for the D2 subway. If this level of funding is not received for these projects, they may have to be delayed. The only assumptions of additional discretionary federal funding in the Plan beyond this 10-year window are an anticipated 10% contribution for future bus purchases and this totals only \$48 million.

But opportunity also exists in the area of federal funding. In three separate tranches, DART has received a total of \$658.1 million in additional federal funding for pandemic relief. Congress and the Biden administration are in negotiation of an additional \$3.5 billion infrastructure plan. It is possible that some of these funds are allocated to transit agencies as additional formula funding or potentially increasing the likelihood of project funding for D2.

Inflation is also addressed in DART's Financial Standards. According to Financial Standard B-5, DART is constrained to grow operating expenses by no more than 90% of the projected inflation rate, plus new programs, new services, and specific other adjustments. The Perryman projections over the last two years call for continued very low inflation, averaging only 2.2% over the life of the Financial Plan. That means that 90% of those inflation projections fall in the range of 1.9% - 2.0% annual rate. This operating expense target is very difficult to achieve year after year.

Over two-thirds of DART's Operating Budget is composed of salaries, wages, and benefits. In the long term, salaries and wages must at least grow by inflation, and benefits must stay competitive, for DART to attract and retain quality employees. The national trend of nearly double-digit annual increase in healthcare costs compounds the challenge of maintaining competitive benefits.

Fuel and energy prices tend to be volatile. Over the last decade, DART has taken advantage of dips in the market to put both hedges and physical delivery contracts in place to benefit from advantageous forward pricing. As DART has transitioned from diesel and liquefied natural gas buses to compressed natural gas (CNG), the risk associated with that price volatility has been greatly reduced. DART currently has a contract for physical delivery of CNG, with a hedge to cover FY 2021 - 2023. DART has executed an extension to its contract for electricity with the



Texas General Land Office for 2020 through 2023 resulting in a 5-year savings of \$14.8 million compared to what was projected before the extension.

Inflation over the last decade has increased at a benign rate of 1.75%. However, through the first half of 2021, the inflation rate has more than tripled to an annual rate of 5.4%. While this will undoubtedly have a negative impact on DART's operating and capital costs, it will also buoy sales taxes. The additional benefit accrued from high inflation is DART's fixed rate obligations from the \$3.5 billion of currently outstanding debt will be paid back with 'less expensive' dollars.

Conversely, any future sustained period of deflation would cause significant financial damage to the Agency. Deflation would undoubtedly result in falling sales tax or sales tax that did not grow as fast as anticipated. Reduced revenues combined with DART's fixed-rate debt obligations already outstanding could result in a significant contraction of Agency services and delayed or deferred major capital project delivery.

DART has attempted to identify all capital projects that can be foreseen, but every year additional new projects are requested. Significant additions to the capital program (and associated operating costs) without concurrent increases in revenues or the deletions of offsetting capital project costs could adversely affect the Financial Plan. As an attempt to mitigate those items, DART's Financial Plan contains multiple capital reserves, which are placeholders for anticipated future expenditures.

As part of the sequestration budget cuts, the federal government reduced the amount of the subsidy that will be paid to DART in support of the Build America Bonds that DART issued in 2009 and 2010 by an estimated 5.7% until 2030. This reduction has been incorporated into the Plan. Further federal budget cuts could result in even more subsidy reductions in the future. DART would have to make up any of this reduction either through expense cuts, enhanced revenues, or by accessing its cash reserves.

As mentioned at the beginning of this section, the pandemic may very well result in long-term changes in ridership levels and/or travel patterns. In such a case, DART may need to readjust its service levels and perhaps even its service delivery paradigm to meet the region's changing needs.

Interest rates have been in a steady decline for the last 35 years, from nearly 10% in the Fall of 1987 to a low of just over 1% last Spring. 30-year treasury rates have not exceeded 5% in nearly 14 years, and not exceeded 3% since March of 2019, before the COVID-19 pandemic began shutting down the economy. In the interest of conservatism, DART's Financial Plan assumes that interest rates will rise steadily over the next decade, leveling off at 5.5% in 2030 and thereafter. The extended trend does not support this and as such, DART may experience lower interest rates than included in the Plan for the approximately \$3 billion in debt expected to be issued through 2030. An annual interest rate 0.5% would save more than \$50 million in debt service over the life of the Plan.



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FY 2022 Proposed Annual Budget

In this section of our document, we provide the reader with an overview of the Board-approved Strategic Priorities, followed by a description of what we anticipate accomplishing toward achieving those priorities through the use of our resources. This discussion is followed by a breakdown of the FY 2022 Proposed Annual Budget. This portion of our document is organized as follows:

- Overview
- Budget Basis and Process
- Strategic Priorities – which frame our budget decisions
- Financial Summary and Discussion – which enumerates the FY 2022 amounts for operating expenses, capital and nonoperating costs, and debt service.

Overview

The Annual Budget corresponds to the first year of the DART Twenty-Year Financial Plan (the Plan). The Plan is presented as a separate section of this document. The Plan represents a robust long-term projection of DART's operating revenues, funding, operating expenses, capital expenditures, and other financial information. The Plan validates the affordability of system expansion and maintenance commitments, operating requirements, and debt repayment. The FY 2022 proposed Budget incorporates the following amounts:

Operating	\$580,364,205
Capital & Non-Operating	841,941,316
Debt Service	206,531,869
Total FY 2022 Proposed Annual Budget	\$1,628,837,390

The FY 2022 proposed Twenty-Year Financial Plan demonstrates that DART has the financial capacity to meet the Agency's Transit System Plan commitments and to continue the programmed levels of bus, rail, and other transportation services, based on current information and assumptions.

The FY 2022 Annual Budget reflects the continued improvement in the efficiency, effectiveness, and quality of the services we deliver. The pages that follow describe many of DART's customer-facing initiatives aimed at attracting and retaining customers, as well as initiatives to address operational improvements. A list of all capital projects is shown as Exhibit 18 in the *Twenty-Year Financial Plan Section* of this document. The list reflects a key strength in the Plan of funding to keep the system in a state of good repair. Notable capital projects



“Customer-facing initiatives while responsibly meeting operating cost challenges”

in the FY 2022 Plan include a program of interrelated projects to increase the core capacity of DART's service and the development of rail service along the Silver Line corridor in the northern part of the DART Service Area.

The budget reflects the Bus network redesign service level increase and restoration of select COVID-19 cost reductions.

Our Priorities

The DART Board has adopted strategic priorities to guide Agency initiatives which, in turn, drive the FY 2022 proposed Annual Budget.

Strategic Priorities

1. Enhance the safety and service experience through customer focused initiatives
2. Provide stewardship of the transit system, agency assets and financial obligations
3. Innovate to enhance mobility options, business processes and funding
4. Pursue excellence through employee engagement, diversity, development, and well-being
5. Enhance DART's role as a recognized local, regional, and national transportation leader

These priorities provide guidance to the Agency as it focuses on retaining and attracting customers with responsive service, a sustainable system, and stronger branding. At the same time, the Agency will continue to explore service connections and partnerships regionally. Capital expenditures will increasingly be directed towards maintaining existing assets in a "state of good repair" and capital asset replacement. A program of interrelated projects designed to increase the core capacity of DART's service through the Dallas Central Business District will benefit the entire service area. Accelerated rail service along the Silver Line corridor in the northern part of the DART Service Area will provide a much-needed east-west connection between the Red, Orange, and Green lines.

A discussion of Agency initiatives in support of the Strategic Priorities can be found on pages 95 through 125. This discussion is followed by the amounts for operating expenses, capital and nonoperating costs, debt service, and new programs in the FY 2022 budget to accomplish these initiatives.

Documentation prepared by Management for Board briefings and action items includes an explanation of the way in which each item supports one or more of these priorities.



Strategic Priorities as Framework for Agency Initiatives

DART's leadership uses Board-adopted Strategic Priorities as the framework for Agency initiatives. The following information highlights a number of these initiatives.

Budget Basis

The Twenty-Year Financial Plan drives the annual budget. Approval of the Financial Plan requires an affirmative vote of two-thirds of the appointed and qualified members of the Board. The annual budget, which is approved by a majority vote of the Board, corresponds to the first year of the Plan.

DART's Annual Budget is prepared in the same format and organization as DART's financial reports, except the budget does not include depreciation, the offsetting interest income and interest expense from defeased lease transactions, and a small number of other non-system items such as pass-through grants. The activities of DART are accounted for in the same way proprietary funds are accounted for in other local governments and are therefore reported as a single enterprise fund. Enterprise accounting is used to account for entities that operate in a manner similar to a private enterprise. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred, regardless of when the related cash flows take place.

Certain major repairs and one-time or non-routine projects that are not eligible for capitalization according to Generally Accepted Accounting Principles (GAAP) are budgeted as Capital/Non-Operating projects but are expensed in the year the expense is incurred.

Unexpended funds included in the operating budget expire at the end of the fiscal year and are not carried over into subsequent years. Conversely, Capital/Non-Operating projects are budgeted for the life of the project, and funds are not required to be spent in the current fiscal year. Funds that are not expended for capital and non-operating projects in the current year roll forward into the next budget year until the project is completed.

DART's fiscal year runs from October 1 through September 30. Section 452 of the Texas Transportation Code provides for a 30-day review period of the budget by the governing bodies of each municipality in the Agency and that a majority vote of the DART Board is required for approval of the annual budget.

Please Note: Budget schedules are presented and rounded to millions or thousands (as indicated) but are based on actual raw numbers. Consequently, certain schedules may not tie exactly or add properly due to rounding. In some cases, prior years' numbers have been restated to conform to the current year's format. All schedules are in fiscal years unless otherwise stated.

Strategic Priority 1

Enhance the Safety and Service Experience through Customer Focused Initiatives

It is DART's goal to provide safe, secure, efficient, and effective services to our customers. The agency works toward improvement in these areas through a variety of strategies, including 5 Star Customer Service, improved customer experience, employee training and development, deployment of new technologies, increased safety and security across all dimensions, improved service delivery planning, and processes, and enhanced internal communication and coordination. DART utilizes qualitative measures through face-to-face contact, on-site observations, and formal and informal groups coupled with quantitative measures through the Customer Satisfaction Report and periodic customer surveys to monitor the effectiveness of agency programs and services.

The COVID-19 pandemic has impacted a number of the statistics and programs described in the following pages. For example, call volumes to Customer Service have declined dramatically at the time of this writing, and the in-person service provided at DART headquarters has been suspended due to the closure of the building. We expect the statistics and programs to return after the end of the pandemic.

Efforts to Improve Safety Experiences and Perceptions for Our Customers



The Safety Department has established an aggressive, proactive, visible safety program designed to educate and inform both our internal customers (employees) and our external customers (passengers) of efforts undertaken to ensure their safety. We have ongoing campaigns to update these constituents on safety trends and concerns, as well as detailed programs and procedures for investigating and mitigating unsafe activities that could lead to accidents. We operate on a covered watch schedule of 24 hours a day, 7 days a week, to ensure someone is available to resolve accidents/incidents without adversely impacting

DART's revenue service operations.

Customer Satisfaction Survey

To shape and influence customer behavior, it is critical that we understand how they feel about and experience our brand.

Every year, DART conducts a customer satisfaction survey to measure brand health. Survey goals are:

- Identify any significant shifts in brand perception among consumer subgroups.
- Understand the drivers of customer satisfaction.



About 6,585 riders participated in the 2019 survey conducted April 22 - June 25. The Customer Satisfaction Survey was suspended in 2020 due to the pandemic but will be reinstated for 2021. From the 2019 survey, we know that six factors drive customer perception:

- timeliness
- safety and security
- cleanliness
- customer service
- convenience
- communication

Specifically, the 2019 survey revealed the following:

- Net Promoter Score (NPS) is down to 10.7 vs. 15.3 in the 2018 survey.
- Overall satisfaction is down, 80% vs. 84% in the 2018 survey.
- 87% of respondents are likely/very likely to continue using DART vs. 86% in the 2018 survey.
- Awareness of the GoPass App and GoPass Tap increased from 50% in 2017 to 80% in 2019.
- GoPass app ease of use and overall satisfaction remain strong, 92% and 88%, respectively.
 - Less than half of respondents (49%) are paying with cash, down from 73% in 2015.
 - Riders aged 18-34 are more likely to find the app easy to use compared to other groups.
 - Riders aged 35+ and Hispanics have a lower awareness of the app compared to their demographic counterparts.
- 75% of riders used rideshare in 2019, up from 50% of riders in 2017.
- Intent to ride DART in the future remains strong, with 87% of respondents indicating their intent to ride vs. 86% in 2017.

Factors that may have impacted results include:

- Platform extensions and downtown Dallas track improvements, which caused the closing of stations over weekends for an extended period.
- Dissolution of D-Link service.
- Media coverage of opposition from vocal residents and business owners in North Dallas to the Silver Line project.

The Customer Satisfaction Survey empowers the agency to analyze any measurable changes and adjust strategy accordingly.

5 Star Service Program

This initiative is moving DART to a customer-centric culture. It brings a significant change in how we approach customer service internally and externally. The 5 Star Service Program has five parts: Culture Change, Center of Excellence, Improved Services, High Performance and Recognition, and Image and Brand. The program celebrates its 10-year anniversary in 2022.



Some of the key elements of the 5 Star Initiative include:

- Development and delivery of 5 Star training programs for all employees. This includes a special focus on developing leaders in their roles.
- Creation of internal champions, known as “Customer Experience Officers,” within each area to communicate support and model customer-centric behaviors for the 5 Star Initiative.
- Outreach events at rail stations and transit centers involving staff from across the Agency who meet and greet customers as well as receive feedback and work to resolve customer concerns. While these events have been on hold during the COVID-19 pandemic, we hope to continue them when it is safe to do so.
- The Mystery Rider Program was launched in June 2020 by an outside contractor. The previous internal quality assurance program only evaluated bus and rail operators. This comprehensive program assesses personnel in the field (bus/rail operators, police, fare enforcement officers, field supervisors, maintenance workers, inspectors) and their interactions with customers, makes general observations on the customer experience with our services, and provides a third-party look at our on-time performance. In addition, feedback on the condition of the vehicles, stations, platforms, and signage are evaluated. In 2021, over 3,962 mystery rides were conducted. Data analysis and feedback have driven improvements in front-line customer service, service delivery, cleaning services, safety, signage, and rider information.
- Process reengineering and improvement projects to improve the internal and external customer experience in identified areas, such as improved customer experience relative to bus/rail connections and improved response time to operator requests for police or supervisor assistance.
- Distribution of tablet PCs to field supervisors and Station Concierges to facilitate improved customer information delivery in the field.
- Deployment of employees to assist customers during the implementation of new services and route changes as well as during special events and service disruptions.
- Integration of 5 Star Initiative principles and objectives into job descriptions, performance management plans, and recognition/incentive programs to support the institutionalization of the initiative.



Enhance Customer Satisfaction and Rider Retention

This customer service initiative has a two-pronged approach to increase customer satisfaction and ridership. It includes 1) employee motivation/satisfaction and 2) positive customer experiences.

Surveys indicate that one-quarter to one-third of customers describe themselves as “new” riders on the system. A customer’s first experience with DART service is a significant factor in building long-term ridership, and employee motivation/satisfaction impacts the degree to which employees focus on creating a positive first-time customer experience.



During previous years, new rail expansion provided significant opportunities for service quality improvements and additional ridership growth. Market research reveals a significant level of “turnover” in the composition of bus ridership. As new riders are attracted to the system, we also experience attrition among existing riders. The primary causes in the fluctuation of the annual customer base include changes in residence, employer, or employment location and changing gasoline prices. Apartment teardowns and redevelopment have also had a significant impact on ridership levels in certain parts of the service area over the last few years.

Less significant reasons include changes to the bus network due to the rail expansion or dissatisfaction with service levels or service quality.

Strategies to improve service and safety experiences and perceptions continuing into FY 2022 include the following major categories:

- Improved Bus Service
- Improved Service Reliability, Timeliness, and Service Connections
- In-Transit Customer Communication Services
- Mobile Platforms
- Installation of interactive kiosks
- Enhancement of the GoPass Mobile Ticketing Solution
- New Marketing and Promotion Initiatives
- Improved Strategies for Responding to Service Disruptions

Improved Bus Service

Based upon Board and community feedback, DART initiated a comprehensive Bus Network Redesign project (named “DARTzoom”) since FY 2020. This planning process will result in a new DART bus network that will be implemented with funds available in January 2022, subject



to DART Board approval. The proposed DARTzoom bus network has a budget-neutral, hybrid design that combines ridership-oriented features, including frequency improvement, wider service span, and more weekend service while maintaining and improving coverage via GoLink service expansion. Highlights proposed under the DARTzoom new bus network include:

- Better access to jobs: Average DART service area resident sees a 28% increase in jobs reachable within 60 minutes travel time.
- Better frequency: 15 additional core frequent routes that are with frequencies and hours comparable to rail service; 8 additional routes with 30-minute midday service with improved 15-minute peak frequency.
- Longer span of service and more weekend service: All 72 local routes would offer 7-day service, and all would operate at least 5 am -Midnight (core frequent routes 4 am-1 am).
- More coverage provided via GoLink: GoLink Mobility on Demand service has now been expanded to include operation in 17 zones throughout the DART Service Area. GoLink offers direct-request demand-responsive service with connections to other DART routes; most passengers are picked up within 10 minutes of request. Service has transitioned to a mixed supply model: GoLink service is provided by a combination of dedicated vans and taxis, non-dedicated taxis, and UberPool service. Additional 13 GoLink zones and expansion to some existing zones are proposed under the DARTzoom bus network redesign for implementation by January 2022.

For FY 2022, DART will focus on two primary initiatives under the Strategic Priority 1: First, completion of bus network redesign efforts for implementation in January 2022; Second, update of DART Service Standards that effectively measures the new bus network performance and properly defines the passenger amenities and bus stop spacing to support the enhanced customer experience.

In-Transit Customer Communications Program

This program, co-sponsored by the External Relations and Technology departments, coordinates ten separate projects to ensure there are no overlaps or inconsistencies between initiatives being developed to provide communications to riders during their trip. Projects include dynamic train arrival signs on station platforms, digital displays at transit centers, and web-based applications for mobile devices. These applications provide real-time bus and train arrival predictions at stops, stop and route location services, and subscription-based messages about service disruptions and changes delivered by email, text, and social media feeds.

Mobile Platforms

The ability to send/receive information on mobile platforms (smart phones and tablets) continues to be enhanced. More than 70 percent of all DART website activity occurs on mobile devices. To better support customers, the Agency has developed mobile tools that deliver real-time information on DART bus and light rail services. These apps are: “Where’s My Train? ®”, “Where’s My Bus? ®”, and “Where’s My DART Stop? ®”. New mobile tools were introduced in FY 2018, with Go Pass 2.0 adding Mobility on Demand enhancements.



Customers traveling on the Trinity Railway Express (TRE) or the DCTA A-train benefit from mobile websites developed by DART staff. Riders can plan a region-wide trip on DART, TRE, Trinity Metro, and DCTA routes using the DART mobile website. The region's 511DFW traveler information program is an application that includes customer information for transit services, as well as roadway construction that may impact transit travel.

To improve in-transit customer communication, the Agency uses Operations Communications Liaisons who are part of the External Relations Division and work in the Train Control Center, where they have access to real-time service information. They are responsible for sending customer notifications on rail, bus, and TRE service disruptions via subscription email, text, and Twitter. The liaisons support rail controllers with on-board and platform customer notices via the public address/variable message board system.

Enhancement of GoPass Mobile Ticketing Solution



The [GoPass® app](#) includes features such as real-time trip planning and an integrated map, as well as a new design and easier navigation, enhance our customers' experience.

The new cash-to-mobile option on GoPass is in line with our vision and goal to reduce cash handling within the DART system. At hundreds of DFW area retail locations, cash-paying customers can load value onto their GoPass app account using cash. Customers then use that stored value, held in a digital wallet within the app, to purchase tickets for DART, Trinity Railway Express, Trinity Metro, or Denton County Transportation Authority.

Future enhancements to the app may include more seamless integration with ride-sharing services, including bikes and shared vehicles.

Since the app launched six years ago, it has been downloaded more than 730,000 times and has generated 4.9 million ticket sales.

New Marketing and Promotion Initiatives

The activities of the Marketing & Communications Department (Mar-Comm) promote brand awareness and relevance to drive ridership growth.

The COVID-19 pandemic has dramatically impacted how and where North Texans work and move about. Mar-Comm has taken proactive steps to provide transparent communications to drive awareness around the measures to keep customers and DART employees safe. This continued effort is aligned with the Transportation Security Administration (TSA) and has reinforced the wearing of masks and social distancing. Mar-Comm's efforts provided transparency of "behind the scenes" efforts to keep our customers safe, which involved our cleaning process, and new cleaning technologies and approaches. Additionally, through a social media campaign, a constant communication loop was established titled "Ask DART". Under the "Ask DART" umbrella, the campaign continued to focus on humanizing our brand through compelling storytelling, building

trust with the public through transparent, accurate, and consistent communication, and raising awareness of how DART is making a safer commute for returning riders.

The campaign targets the following riders in this order:

- Reliant commuter
- Task rider
- Corporate Commuter
- Event goer

This 360-degree plan includes video elements, marketing, public relations, social media, digital communications, customer service, and operations.

The campaign has continued through FY 2021. Throughout the year, based on rider response and intelligence we have emphasized specific messages to reinforce the efforts DART is making. Rider intelligence has been gleaned through a COVID survey designed to better understand riders concerns about public transportation over time and compared to other lifestyle options like grocery shopping or going to the gym, awareness of the different messages and communications regarding the specific actions to keep customers safe, and expectancy of timing to get back to their workplace. What we have seen over time is that our messaging to keep our riders safe have continued to increase along with increased comfort in using public transportation

Improved Strategies for Responding to Service Disruptions

The expansion of the light rail system to 93 miles, together with certain characteristics of the rail system (e.g., having multiple junctions and all rail lines passing through the Dallas Central Business District), has resulted in an increased number of service disruptions over the past few years.



- In-Transit Customer Communications – DART aims to keep customers in the loop regarding their trips. The use of changeable message signs on rail platforms, alerts in the GoPass app, and the Operations Communication Liaisons (OCL) in the Control Center to update social media have improved our customer communications during any type of event or incident.
- Customer Response Team – The Customer Response Team (CRT) is comprised of administrative employees who are assigned to various rail stations to assist with customer communications during service disruptions. Procedures for the activation and deployment of the CRT have been enhanced.
- Severe Winter Weather Contingency Plan – A contingency plan was developed several years ago to allow DART to provide more reliable services during major winter storms and to recover the system more quickly in the wake of a storm. The contingency plan was activated for the third time in February 2021. Management evaluated and refined the contingency plan based on the experiences of this last event.



- CBD Rail Disruption Contingency Plan –Rail service disruptions in the Dallas CBD can result from weather, infrastructure failures, power failures, criminal activity, and other triggering incidents. The CBD Rail Disruption Contingency Plan was developed as a tool to improve our response to these types of incidents. Four basic response plans can be applied depending on the nature and extent of the disruption.
- After-Action Reviews, Table-Top Exercises, and Drills – After every major service disruption incident, After-Action Reviews are held to debrief all aspects of the incident and the response to the incident to identify lessons learned. All findings and recommendations are documented and tracked by Emergency Preparedness staff to assure that recommendations are distributed and appropriate modifications are made to our processes. In addition to the After-Action Reviews, Table-Top exercises and drills are also scheduled to reinforce training and procedures. Often these Table-Tops and drills include emergency response personnel from cities within the DART Service Area or other entities with whom DART needs to collaborate.

Providing Customer Service

Technology provides our customers with another touchpoint, but there still is a need for human call centers. DART’s Customer Service division fields over 750,000 calls annually. These calls come from current and potential riders seeking information about DART services, including bus and rail operations.

This division responds to customers’ needs in person, by phone, and on DART.org.

They are responsible for quantifying customer contacts through the development of the Customer Feedback Report.

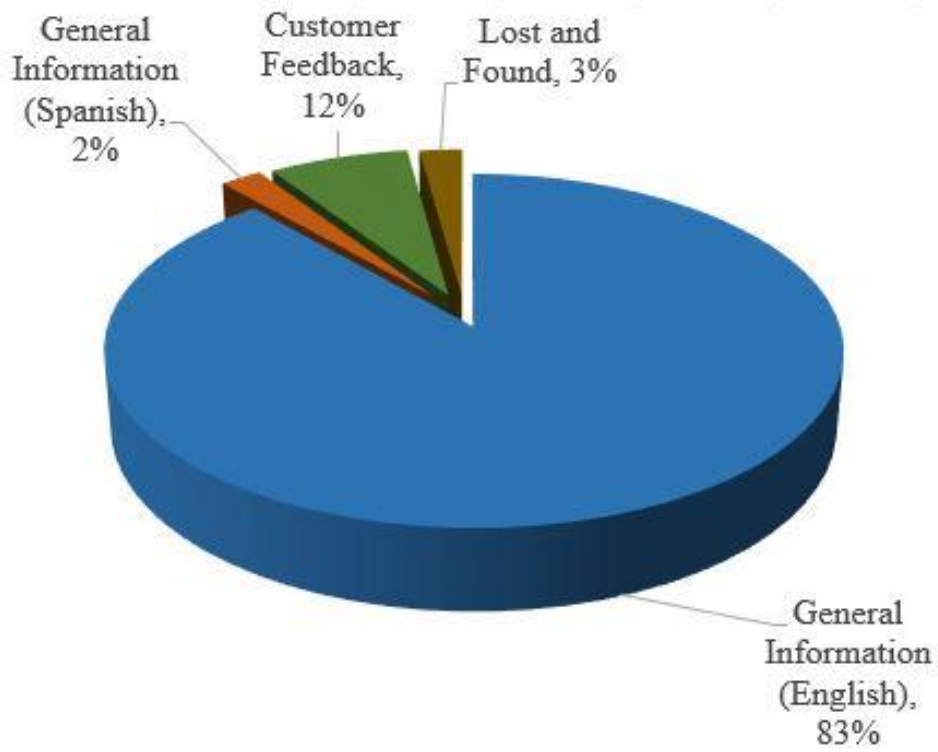
Customer contacts are identified as belonging to one of three categories: (see Exhibit 27)

- General information (trip planning, event, promotions, advertisements, and DART initiatives) which is accountable for approximately 85% of total calls
- Customer feedback (commendations, suggestions, and complaints)
- Lost and found

The customer service call-in and interaction data this division collects serve to gain a more granular and immediate understanding of our customers’ needs. Through analysis and aggregation, we are able to identify the breadth and depth of opportunities to enhance service and strengthen brand affinity.

The DART Call Center is open 363 days a year is only closed only on Thanksgiving and Christmas Day.

Exhibit 27 Customer Service Call Types





Strategic Priority 2

Demonstrate Stewardship of the Transit System, Agency Assets and Financial Obligations

The Board-approved Strategic Priorities and Goals include initiatives for managing system improvements and maintaining infrastructure. DART uses its annual process to develop a twenty-year financial plan to ensure the Agency identifies the resources necessary to maintain and operate its existing and planned infrastructure.

Affordability

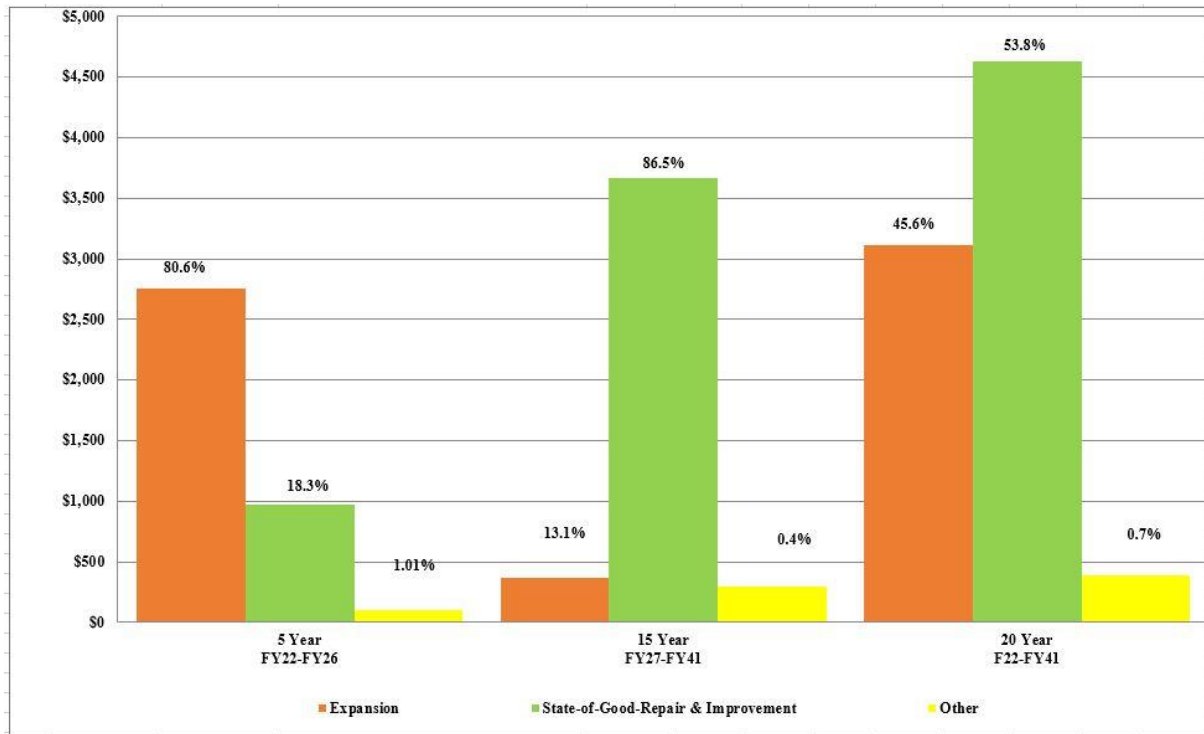
The Twenty-Year Financial Plan demonstrates DART has the financial capacity to meet the Agency Transit System Plan commitments and to continue the programmed levels of bus, rail, and other transportation services, based on current information and assumptions.

The FY 2021 budget reflects both continued rail construction and system expansion and enhancements to DART's bus service. The Agency continues to concentrate on the core business of getting people where they need to go safely, reliably, and affordably, as well as attracting and retaining customers with responsive service and a sustainable system.

The capital program, the full schedules of which can be found in the *Twenty-Year Financial Plan Section*, reflects a shift from expansion to maintaining and replacing our assets – keeping the system in a state of good repair.

Exhibit 28 provides an overview of the capital and non-operating projects by category and highlights the increase in funding for state of good repair for DART's system.

Exhibit 28 Capital/Non-Operating 20-Year Program by Category (in Millions)



The capital expenditures included in the FY 2022 capital/non-operating budget total \$841.9 million.

Transit System Plan

Since the original 1983 Service Plan, DART has developed a series of Transit System Plans to outline key priorities for mobility improvements and expansion of the system. System plans adopted in 1989, 1995, and 2006 were focused on capital expansion and programming of many elements from the 1983 plan. DART is developing a new 2045 Transit System Plan that is more strategy-based and outlines opportunities under a range of themes, including – Rider Experience, Mobility & Innovation, Service & Expansion, Land Use & Economic Development, and Collaboration.

The Transit System Plan is coordinated with the 20-year financial plan to understand financial capacity and identify programs, policies, and projects to help achieve DART’s mobility vision. The plan focuses first on opportunities to maintain DART’s system in a state of good repair while outlining opportunities to leverage the existing system and future investments to enhance quality of life, mobility, and access for our riders and our communities.

Light Rail Transit (LRT) System

The current LRT system is 93 miles and 65 stations.

Current and future LRT investments are focused on core capacity improvements, including a second LRT alignment through downtown Dallas (known as D2 Subway) and Red and Blue Line LRT platform modifications. FTA awarded a Full Funding Grant Agreement (FFGA) for the Red/Blue platform extensions project in May 2019 under their Capital Investment Grant (CIG) program. The project modifies 28 original Red/Blue line platforms to accommodate three-car trains and level boarding. The project is nearing completion, and three-car train operations will begin in September 2022 on peak trips. In September 2017, both the Dallas City Council and the DART Board of Directors unanimously approved the refined Locally Preferred Alternative (LPA) for the D2 Subway alignment. The current project alignment is shown in Exhibit 29. DART has completed 30% preliminary engineering (PE), and FTA issued a Final Environmental Impact Statement/Record of Decision (FEIS/ROD) in April 2021. DART is currently working with FTA to re-enter the CIG program Engineering phase as a core capacity project to be eligible for a future CIG grant. Concurrent with this process, DART is working with NCTCOG, TxDOT, and City of Dallas on an East End Evaluation at the direction of the Dallas City Council to explore potential enhancements, refinements, or modifications to address community concerns and optimize interface with I-345 options under study by TxDOT. This evaluation will be complete by October 2021 to support a Dallas City Council resolution on or before March 2022. The DART Board will determine the path forward, and DART will consult with FTA if any changes are advanced to determine the schedule for moving through the FTA CIG process.

Exhibit 29
Dallas CBD Second Light Rail Alignment (D2) Subway Project





In addition to these two projects, DART is working with the City of Dallas to advance the Dallas Streetcar central link in downtown Dallas, including a future request to FTA to enter project development as a small starts project. These three projects will add significant core capacity and enhanced access to the DART system. The FY 2021 Financial Plan reflects funding for D2 Subway, platform modifications, and the streetcar central link.

Exhibit 30 provides historical and prospective data on light rail expansion projects.

Exhibit 30 LRT Revenue Service Dates

Corridor	Line	From	To	Miles	Stations	Opening Date
STARTER SYSTEM						
Central Business District	All	West End	Pearl	1.0	4	June 1996
Oak Cliff	Red/Blue	West End	8th & Corinth	3.8	4	June 1996
South Oak Cliff	Blue	8th & Corinth	Ledbetter	4.6	5	June 1996/May 1997
West Oak Cliff	Red	8th & Corinth	Westmoreland	4.6	4	June 1996
North Central	Red	Pearl	Park Lane	6.0	4	Jan 1997
Starter System Subtotal				20.0	21	
RED/BLUE LINE EXTENSIONS						
North Central	Red	Park Lane	Parker Road	12.3	9	July-Dec 2002
Northeast	Blue	Mockingbird	Downtown Garland	11.2	5	Sept 2001-Nov 2002
Northeast	Blue	Downtown Garland	Downtown Rowlett	4.6	1	Dec 2012
South Oak Cliff	Blue	Ledbetter	UNT-Dallas	2.6	2	Oct 2016
Extension Subtotal				30.7	17	
GREEN LINE						
Northwest (NW-1A)	Green	West End	Victory	1.2	1	Nov 2004
Northwest (NW-1B)	Green	Victory	Inwood	2.8	3	Dec 2010
Northwest (NW-2)	Green	Inwood	Bachman	3.2	2	Dec 2010
Northwest (NW-3)	Green	Bachman	Farmers Branch	4.9	3	Dec 2010
Northwest (NW-4)	Green	Farmers Branch	Frankford	5.3	3	Dec 2010
Northwest Subtotal				17.4	12	
Southeast (SE-1A)	Green	Pearl	MLK, Jr.	2.7	4	Sept 2009
Southeast (SE-1B)	Green	MLK, Jr.	Hatcher	1.4	1	Dec 2010
Southeast (SE-2)	Green	Hatcher	Buckner	6.0	3	Dec 2010
Southeast Subtotal				10.1	8	
ORANGE LINE						
Northwest-Irving/DFW (I-1)	Orange	Bachman	Irving Convention Center	5.4	3	July 2012
Northwest-Irving/DFW (I-2)	Orange	Center	Belt Line	3.6	2	Dec 2012
Northwest-Irving/DFW (I-3)	Orange	Belt Line	DFW Airport	5.0	1	Aug 2014
Orange Line Subtotal				14.0	6	
Total Miles/Stations in Operation*				93.0	64	

*Total miles includes approximately 0.75 miles of pocket track.

Strategic Priority 3

Innovate to Enhance Mobility Options, Business Processes and Funding

DART maximizes Agency resources through effective marketing, innovative technology, and astute financial management.

Timely, Accessible, and Reliable Services and Information to Customers

Customer transportation services are being optimized by improving the systems used on DART's vehicles to create and adhere to schedules and make operator assignments more efficient and equitable. The Agency continues a focus on business intelligence to provide greater insight into DART services for continuous improvement.

The existing point-to-point rail trip planning application has been modified to provide arrival predictions instead of scheduled times. System enhancements have increased stability and availability of this service.

To address a major customer concern regarding missed connections, connection protection software is being piloted at selected key transfer locations. This system uses automated vehicle location information and bus schedules to temporarily "hold" the departure of a bus if a connecting bus is arriving a few minutes behind schedule.



Interactive Kiosks – Connecting with current and potential riders across multiple channels influences their experience with our brand in positive and meaningful ways.

The agency first tested an interactive kiosk at Dallas Love Field Airport two years ago. Since then, arriving passengers can plan their ground transportation on the interactive map and then text or email the directions to themselves.

The agency has expanded the deployment of Interactive Kiosk throughout the system. To date, 241 Kiosks have been deployed across rail stations and transit centers across the service area.

Before the end of 2021, there will be over 300 Kiosks deployed, providing riders with information ranging from wayfinding and real-time travel information. Wayfinding to trip planning and identifying local attractions and activities.



The Kiosk can provide information in multiple languages and will generate advertising revenue for the agency. Beginning in the fall of 2021, they will provide Wi-Fi service. Interactive kiosks complement other customer touchpoints DART provides, including the



GoPass app, DART.org, customer service, printed materials, and others. Interactive kiosks would make it easier for riders to navigate the system, particularly special occasion riders, tourists, and those new to using the service.

InfoTransit Digital Signage – The “InfoTransit” digital signage system on all buses displays information on the next and subsequent two stops for passengers. DART is now able to create slideshows onsite, update the “Next Stop” content, and present slideshow content by Stop ID or GPS location. Additionally, this system provides customers with system-wide marketing campaigns relating to current and upcoming DART events.

Broadband Data Communications to Buses and Surveillance Cameras – All DART buses are also equipped with surveillance cameras and 4G LTE (Long-Term Evolution) cellular communications for police and other authorized parties to view current video streams from the video cameras on the bus in case of an incident. The video is recorded and tagged and is then offloaded automatically from the vehicle in the operating division garage or by special request. The health of the 4G LTE cellular communications link on the bus is regularly monitored, as is the bus’s ability to connect to the wireless network at the garages.

Finally, broadband cellular communications will be used for real-time validation of electronic fare media such as DART proprietary smart media, contactless bank cards, and Near Field Communication (NFC) devices for Apple Pay, Android Pay, and Samsung acceptance once the fleet is equipped with validators.

The agency continues to improve the use of technology to provide timely, accessible, and reliable services and information to customers.

Leveraging Technology for Maximum Benefit to the Agency and Stakeholders

Traffic Signal Priority (TSP) – The City of Dallas has completed installation of the Advanced Traffic Signal Controllers (ATC) at Dallas Central Business District (CBD). DART Intelligent Transportation Systems (ITS) will continue to provide train detection input to City of Dallas new ATC and maintain a network to monitor and detect issues with the DART detection system. City of Dallas is also working on a business continuity in the event TSP systems housed at headquarters are unavailable. DART Intelligent Transportation Systems (ITS) is working on a simulation project for the study of three-car train impacts during normal business and special events on the transitway in the CBD.

In FY 2018, funding was approved to implement TSP along the Belt Line corridor. Centralized TSP reduces or eliminates unnecessary stops at signalized intersections when a transit vehicle runs behind schedule. Specifically, when a bus runs late, it requests traffic signal priority via the cloud. Traffic signal priority allows for travel time savings and eliminates the need to add additional buses. It is proposed to implement Centralized TSP in the Hampton, Buckner/Peavy, and Parker Road/Legacy corridors. Implementation of this program will require the implementation of software and preemption from impacted traffic signals in Dallas and Plano.

TSP will be implemented in two phases: Phase I-initiation is the development of the specifications. The contract to develop the specifications will be awarded in FY 2021. Phase II-development of

TSP 5-year pilot in FY 2022. In FY 2023, Centralized TSP will be implemented in Dallas. City of Plano will implement its new Traffic Management System in FY 2025. Centralized TSP will be implemented at that time.

Automatic Passenger Counters (APC) – The use of APCs on trains and buses supports the collection of real-time ridership as well as schedule performance by stop. APC equipment has been installed on 100% of DART’s Bus Fleet, Trinity Railway Express, and Dallas Streetcar to provide more accurate passenger counts and runtime data to support planning and scheduling decisions. DART has also added additional APCs to cover 55% of the light rail fleet. The increased APC coverage on light rail helps improve the accuracy of light rail ridership reporting based on statistically factoring APC sample data.

Big Data Analytics Services – DART has contracted with Cambridge Systematics to provide the required functionality of real-time predictions. A major focus of Service Planning and Scheduling’s FY 2021 and FY 2022 work plan is to implement running times and recovery times that better match field operations. Cambridge Systematics has been meeting with DART’s Service Planning Team on a regular basis to configure and rollout analytical reporting that will improve scheduled runtimes between time points, as well as time bands. The feed will be integrated with DART GoPass mobile application in late FY 2021 and will effectively improve on-time performance as well as provide more accurate predictive arrival time for the public during FY 2022.

TRE Next Train Project – This system provides “Next Train” information at TRE’s ten stations. This system includes Automatic Passenger Counters, which accurately provide the Agency with timely ridership data. The system also provides schedule adherence and the ability to make announcements onboard the vehicle and at station platforms.

Comprehensive Payment System (CPS) – DART entered into a multi-year agreement with Vix Technology, a system integration firm, to streamline DART’s fare payment environment by utilizing new innovative technologies. The goal of this project is to find convenient and easy-to-understand methods for customers to obtain and purchase fare media.

This new solution incorporates an account-based back-office system that utilizes best practices of modern technologies in the consumer and fare payment sectors, capable of interfacing with both bank and non-bank financial clearing systems for transaction processing and settlement. One goal of this solution is to allow DART to significantly reduce the total amount of physical cash the agency must process. DART has determined this can be accomplished by creating an electronic payment infrastructure for transportation and other services that is ultimately capable of being deployed region-wide, using third-party produced and



distributed prepaid cards and contactless devices such as smart cards, contactless bank cards, RFID tags, and Near Field Communication (NFC) enabled devices.

In addition to the system integrator selection, DART awarded a contract to PayNearMe (PNM) to provide the retail distribution solution. PNM will provide hundreds of retail locations within the DART Service Area for customers to purchase and reload smart cards for use in the new account-based system. PNM partners include Blackhawk Network, which provides access to the largest grocery store network in the U.S., and Fidelity Express, which provides access to independent and small grocery operators.

Vix Technology (Vix) and PNM implemented the state-of-the-art electronic fare payment, distribution, collection, and processing system in phases beginning in the fourth quarter of FY 2018. The implementation of additional features continues.

GoPass Mobile Ticketing – Enhancements include the “See Something” integration, robust analytic tools, Google Pay, rider alerts, weather, Scooter battery life, and inbox messaging. FY 2021 anticipates the following enhancements: In-app feedback, parking availability, SDK tickets for third-party sales, vouchers & couponing, advertising, and Tap Card provisioning.



GoLink is a micro-shuttle that combines the low cost of public transportation with the convenience and technology of ride-sourcing. GoLink provides customers personalized curb-to-curb service anywhere within a zone. There are currently three zones in Plano, a suburb of Dallas, three zones in southern Dallas, and one zone in Rowlett. Customers request a GoLink ride through

the TapRide mobile app and can track the location of the shuttle bus like they can with private ride-sharing services.

DART hopes to reach new customers who live or work in areas not served by public transit by introducing a dynamic carpooling service: GoPool. Unlike static carpooling, where commuters must find people in advance to share a trip, dynamic carpooling uses technology to arrange one-time shared rides on short notice through a mobile app. Commuters who want to reduce travel costs but don't have access to DART service can use GoPool to find the ideal ride companion – someone who lives and works nearby and shares a similar work schedule.

DART was selected to participate in this technology-driven project through two U.S. Department of Transportation (U.S. DOT) initiatives aimed at promoting the use of advanced technologies in transportation: The Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) program run by the Federal Highway Administration (FHWA) and the Mobility as a Service (MaaS) Sandbox program are overseen by the Federal Transit Administration (FTA). Mobility as a Service (MaaS) – As DART moves into providing MaaS, our focus continues to be serving our customers and creating a transit system that is an integral part of communities to enhance quality of life and opportunity, while sustaining our system into the future. MaaS is journey planning and management, digital payment and ticketing, first/last mile transportation combining public transit, on-demand, and shared mobility services.



Challenge, Redefine, and Update the DART Business Model

Over the last several years, DART has undergone significant changes in its operating modes. These items are either in-process or have been successfully completed:

- Full replacement of the bus fleet
- Deployment of CNG fueling facilities in all four operating divisions (three bus and one paratransit division)
- Completion of the light rail extensions to DFW Airport and the UNT-Dallas Campus
- Implementation of a new delivery model for paratransit services
- Contract bus services for cities outside the service area
- Award of a new 10-year contract for regional commuter rail services
- Introduction of modern, convenient payment systems that will permit the customer to buy tickets, parking passes, event tickets, and other items in a single purchase

Today, DART has an increasingly customer-focused culture and has institutionalized the team-based improvement philosophy and process to increase efficiencies within the organization.

DART currently has more than 20 cross-functional process teams from all levels, actively engaged to identify efficiencies and quality improvements to ensure DART attains the highest level of performance excellence for their customers, employees, and stakeholders. Examples of these teams include:

- *5 Star Continuous Improvement Teams* – These cross-functional teams focus on identifying improvements in five-to-six key process areas each year. Recommendations are focused on enhancing the customer experience for external as well as internal customers.
- *Service Planning Committee* – This committee is chaired by the President & Chief Executive Officer and meets to discuss service planning, ridership, and related issues.
- *Route Monitoring Task Force* – This formal staff task force addresses service issues involving planning, scheduling, and transit operations. It meets monthly and offers a forum for operations employees to speak to issues with routes and schedules. Representatives from Service Planning & Scheduling review and report back on progress. The group also reviews major planning initiatives from an operating perspective and includes operators appointed by each operating division, plus representatives from Service Planning & Scheduling, Bus, Rail, and Mobility Management.
- *Division Level Measurement (DLM) Steering Committee* – This committee recommends goals and provides guidance to the Division Level Measurement Program, engaging employees at all levels throughout the operational departments in achieving annual key performance metrics.
- *Employee Communication and Engagement Committee* – This committee was formed in response to previous employee survey findings. The committee is composed of employees from throughout the organization who serve as departmental representatives and the voices to communicate information to their respective groups on a timely basis.



- *On-Time Performance Data and Radio Team* – This team focuses on refinements to the Bus Computer Aided Dispatch/Automatic Vehicle Location System (CAD/AVL system) to enhance DART’s ability to monitor and optimize the on-time performance and connectivity of the bus and rail networks. The team includes representatives from Planning, Scheduling, Bus, Rail, and Technology who are charged with developing systems and processes to improve on-time performance.
- *Customer Response Team* – This is a team of DART administrative employees who help communicate with DART customers during major rail service disruptions that affect a significant portion of our ridership group.
- *Service Disruption Committee* – This continuous improvement team focuses on improving the processes and procedures necessary to enhance internal communications and communications with customers during service disruptions and reduce the negative impact on our customers.
- *Business Intelligence* – Considerable progress has been made in the area of Business Intelligence in recent years, including:
 - Creation of a library of reports for On-Time Performance utilizing information from the Transit Master CAD/AVL System.
 - Evaluation of a new, easy-to-use visualization tool for analysis and management reporting of ad-hoc data housed in a cloud-based repository that enables collaboration and sharing of these analyses and improves technology infrastructure performance.
 - Implementation of analysis tools for schedule optimization and service delivery performance. This environment should enable DART to identify significant operational cost savings and improve customer satisfaction by optimizing the delivery of services to our customers.

Community Engagement

Community Engagement involves linking DART to the various communities it serves, ensuring the Agency meets legal and/or government regulations while developing and maintaining relationships with diverse communities throughout the DART Service Area. There are three main areas of focus:

- Provide factual and timely information regarding specific projects to ensure public involvement opportunities during various stages of DART project planning, design, and construction,
- Support various departments by coordinating and conducting public hearings for such issues as Federal Transit Administration grants and other federal compliance initiatives; and,
- Work with Service Planning to facilitate community meetings and public hearings during the implementation of major bus and rail service changes.

Community Engagement team members continue to strengthen and expand their reach within the cities served by DART by identifying and communicating development and transportation opportunities and working with corporate sales and the local chambers of commerce to broker relationships and drive sales with corporations and local businesses.

Community and Stakeholder Outreach

Community and stakeholder outreach efforts are focused on educating current and future rider segments about DART and how to use the system safely. An extensive education program aimed at all age groups delivers this message to a diverse audience comprised of students, senior citizens, service area city organizations, civic groups, businesses, and other stakeholder groups. These partnerships with key stakeholder groups allow DART to promote its services, capital expansion initiatives, business opportunities, and employer programs via tours, briefings, speakers' bureau, and chamber events. In turn, the chambers have historically supported DART's various community, legislative, and funding initiatives. The DART Promotions staff partners with more than 125 events each year, with DART's presence providing information on DART to prospective riders and community stakeholders.



Economic Opportunity for Disadvantaged, Minority, and Woman-Owned Business Enterprises (D/M/WBE's)

DART's D/M/WBE Programs are designed to involve disadvantaged, minority, small and emerging, and woman-owned businesses to the maximum extent possible in all facets of DART's contracting and purchasing activities. The Diversity and Inclusion Department positions itself as a bridge between DART and such businesses. To increase access to DART procurement opportunities, the department offers and conducts various modes of technical assistance, outreach, seminars, goal setting, educational training, and counseling in the understanding of federal, state, and DART procurement regulations. The department aggressively seeks integration of DMWBE's in all DART procurement and contracting opportunities and ensures that DART complies with all appropriate federal and state laws, regulations, and executive orders.

Over the last five fiscal years, DART has averaged annual awards of 141 contracts. With the exception of "Transit Vehicle Manufacturer" procurements, emergency procurements, and procurements conducted through the State of Texas, the Diversity & Inclusion Department reviews scopes of work, terms, and specifications for all contracts. This is done to assess and identify subcontracting opportunities that will allow DMWBE's an equitable opportunity to compete in the procurement process.

A Federal Transit Administration (FTA) report recognized DART as having awarded more dollars to Disadvantaged Businesses on a percentage basis than any other transit authority in the country.



In fiscal years 2019 and 2020, DART established annual Agency goals of 35% and 32% for participation of minority and woman-owned business enterprises (M/WBE). In those years, D/M/WBE participation on all DART procurement activities exceeded goals, with 43% and 35% participation, respectively. Additionally, in 2018 the Diversity & Inclusion Department underwent FTA's Triennial Review in which the DBE program was rated in full compliance with a rating of "No Findings."

On average, nearly 500 active contracts are managed annually for compliance through targeted vendor site visits (where applicable), vendor payment reporting, and other forms of communication and correspondence. During site visits, a myriad of topics are discussed with both prime contractors and subcontractors, such as:

- Payments reported vs. payments received
- Missing documentation from invoices
- Prompt payment
- Subcontractor utilization
- Working relationships
- Work performed
- Schedule of subcontractors' work

Site visits are essential in identifying and solving any potential non-compliance issues. They also keep the program involved on a frontline level with DART's small business community. DART also works to mediate and resolve any disputes that may arise between prime contractors and subcontractors.

Additionally, DART's ongoing involvement with 26 minority chambers of commerce, minority contractor associations, and women and minority supplier development groups has created outreach touch-point opportunities for more than 2,500 individuals. The establishment of DART's Small Business Academy further assists with the development of small businesses to participate and compete for DART procurement opportunities. Some small businesses have established a contracting partnership with DART after participating in the academy.

DART strives to ensure that economic opportunities are available to the whole community.

Economic Development

Since 1999 DART has partnered with the University of North Texas (UNT) Economic Research Group to track construction of Transit Oriented Development within ¼ mile of Dallas Area Rapid Transit (DART) light rail stations and other transit facilities to show just how productive and important it is to the overall North Texas economy, generating billions of dollars in revenue, taxes, and jobs. UNT has undertaken several studies, the most recent of which was published in July 2020.

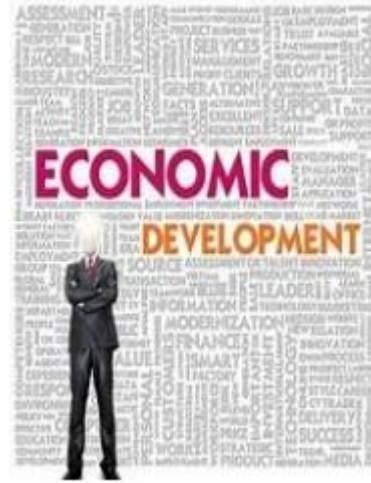
Researchers from the Economics Research Group at the University of North Texas (UNT), led by Michael Carroll, Ph.D., reviewed 81 development projects completed within a quarter-mile of

DART stations with a total property value of \$5.138 billion from 2016 through the end of 2018. Cumulatively, from 1999 through 2019, DART has attracted \$16.139 billion in development around its transit facilities.

A copy of this study is included in Section G of the *Reference Section* of this document as well as on the DART website, www.DART.org.

DART's investment continues to be a catalyst for investment near DART transit facilities to create Transit Oriented Development (TOD) that result in vibrant, livable communities, increasing transit ridership and generating new sources of revenue.

Two of the objectives of the Agency, as stated in the DART mission statement, are to enhance quality of life and to stimulate economic development through the implementation of the Transit System Plan. It has been both surprising and gratifying to see how quickly transit-oriented developments have been constructed along the rail corridors since the launch of DART Rail in 1996. DART continues to monitor, identify, evaluate, and develop opportunities to collaborate with service area cities and the development community.



To support efforts such as these and provide information to the public and development community, DART has established a Transit Oriented Development website that provides an overview of DART's TOD program, including its TOD policy updated in 2019, TOD Property Inventory 2019, TOD Guidelines updated 2020, and station area fact sheets for each of the rail stations. (www.DART.org/economicdevelopment).

Selected Highlights of the UNT Economic and Fiscal Impacts of Development Near Light Rail Stations, 2020 report are noted below:

- A total of 81 development projects were completed within ¼ mile of DART stations with a total property value of \$5.138 billion.
- Commercial development accounted for \$2.123 billion; Residential accounted for \$2.068 billion; and Mixed (Residential/Commercial) accounted for \$947 million.
- The total economic impact of the projects created \$10.27 billion for the DFW economy. The projects created 61,017 construction jobs.
- The projects generated \$286.4 million in state and local tax revenue.
- Projects within ¼ mile of the Downtown Dallas to Bishop Arts streetcar route saw \$200.7 million in development with a corresponding economic impact of \$454.7 million.
- The streetcar projects created 2,701 jobs over the period and generated \$12.6 million in state and local taxes.
- Properties surrounding DART stations rent for substantially more than surrounding projects. Residential properties have a 17.9% rent premium, and commercial and office

space have premiums of 23% and 5.8%, respectively.

- Since DART started tracking TOD investment around its rail stations, DART has seen \$16.139 billion in investment.

Strategic Priority 4

Pursue Excellence Through Employee Engagement, Diversity, Development and Well-Being

The DART Board's Strategic Priorities and Goals include major initiatives for increasing the Agency's return on its investment in Human Resources. The Agency has Employee Values and organizational change strategies that balance the expectations and needs of the organization and its employees. During FY 2022, steps will be taken to achieve demonstrable improvement in customer service through the 5 Star Service Program and through improved employee engagement and leadership development.

The commitment has been a guiding principle for the Executive Leadership Team to provide strategic direction in three critical areas:

- Develop and align the organization's Work Force Plan with the Board's strategic priorities
- Implement initiatives to increase employee satisfaction and drive change through employee engagement and development
- Assure the Human Resources functions seek ways to enhance DART employee status as an important investment and to focus on their growth and development within the Agency

The Human Resources (HR) function strives to provide maximum support and responsiveness to employees who are critical to DART's operational needs and programs. The DART Human Resources department embraces contemporary business practices and functions as a business facilitator of efficient and effective delivery systems and programs.



Human Resources has partnered with Southern Methodist University Cox School of Business and the Dallas County Community College District to provide learning environments for Supervisory DART, Executive DART, and a modified Leadership DART program. These programs are an accelerated development program for Executives, Managers, and Supervisors, designed to create a pool of professionally trained employees who are capable of leading DART into the future. Supervisory DART, a new

program, is an introductory online program aimed at supporting new supervisors in overcoming the challenges unique to transitioning from an individual contributor role to a supervisory and/or management role.

The DART People Center will continue to play an important role in providing DART employees with information and access to assistance with all matters pertaining to their employment. General questions and assistance with routine matters are answered by staff in the People Center, while



more complex issues are referred to senior staff who have more specialized expertise. Employee communications will continue to be refined and more specifically targeted to reach the intended audiences more efficiently. Such refinements will include a continuing focus on communication strategies and tools such as The Resource (employee newsletter), DART InfoStation, email announcements, videos, and opportunities to reach individual employees through other official electronic channels.

Establish Consistency in DART People Practices

Human Resources' goal is to achieve business partner status with departments by accomplishing the following:

- Implement Human Resources "best-in-class" services in order to implement change management initiatives
- Identify skills required to manage the pace of change and how this type of change will impact the workforce
- Compete for the right talent by providing opportunities to attract and retain talent with a focus on underutilized categories
- Maintain accurate employee records both electronically and through the use of limited paper files
- Assure that fair compensation and appropriate benefits (Total Rewards) meet the needs of all DART employees
- Promote the Agency's goal to achieve improvement in service quality through increasing DART employee engagement with the 5 Star Service Program
- Strive to promote continuous process improvement, team learning, and personal development
- Assist in the DART employee engagement process by linking Human Resources activities to Agency priorities and develop an effective and flexible organization that responds to people issues with a culture for results and performance.
- Secure a high degree of DART employee involvement and participation within a climate that fosters learning and growth
- Increase development and training programs to focus and build on workforce contributions and commitments to DART by providing opportunities for a worthwhile and satisfying work experience
- Create partnerships to achieve the Agency's objectives and provide excellent Human Resources services. This will be accomplished through the extensive use of partnerships and direct consultation with functional leaders on Human Resources deliverables, such as succession planning, workforce planning, career development, and total compensation and professional skill-enhancing programs.

Top Opportunities in Human Resources in FY 2022

Human Resources is committed to employee success that requires Human Resources deliverables and programming to be accomplished with a sense of urgency. Human Resources must promote a passionate approach regarding the Agency's business in support of an open work environment in which all DART employees feel personally accountable for meeting business expectations. Human



Resources will encourage open, honest dialogue that promotes mutual respect, understanding, conflict resolution, idea sharing, learning, and growth. Human Resources is committed to an atmosphere which motivates DART employees to engage with Human Resources for information, problem solving and learning opportunities.

- Continue to develop and implement Standard Operating Procedures for all functions and change initiatives to improve effectiveness
- Lead and support communication in the implementation of the employee engagement strategy
- Address workforce needs and expectations through an open and honest engagement process in terms of ability to understand and implement changes
- Lead and support enhancements of the benefits function in order to ensure that benefit plans and programs meet the needs of DART employees
- Get the right people in the right jobs in a timely manner as well as bring structure and discipline to compensation management
- Develop continuous improvement programming for Human Resources functions, including use of a Classification and Compensation consultant to update job descriptions and develop a compensation plan for DART's administration of compensation and classification and bottom-up engagement process in order to align task and deliverables with Human Resources functional direction

Front-Line Employee Engagement

The Division Level Measurement (DLM) Program targets increasing front-line employee ownership of the goals of the Agency, with the ultimate objective of increasing employee motivation and satisfaction in order to drive improved service and increased ridership. The DLM Program also targets improvements in service quality through enhanced data analysis, communications, and problem solving. Peer groups compete with one another on a number of performance measures. In FY 2022, Human Resources will continue to partner with Business Units to ensure that the DLM program is effective and fair. This will include providing facilitators to work with focus groups throughout the Bus and Rail Departments to get feedback and reengineer the program.

Each year the peer groups' goals are reviewed and updated. Below is the listing of the current groups.

Peer Group #1

- Northwest Bus Operating Sections' personnel
- South Oak Cliff Bus Operating Sections' personnel
- East Dallas Bus Operating Sections' personnel
- All LRT Sections' personnel, including Rail Operations, Rail Fleet Services, and Ways, Structures, and Amenities
 - Includes Safety Program Managers, Maintenance Training Specialists, Training Supervisors, and Yard Revenue Controllers assigned to specific operating divisions



Peer Group #2

- Customer Service personnel
- Transit Operations Sections' personnel (Station Concierges)
- Maintenance Central Support Sections' personnel

Peer Group #3

- Non-Revenue Vehicle Maintenance personnel
- TVM Sections' personnel
- Materials Management personnel

Exhibit 31 is a sample of the DLM scorecard from the Second Quarter, FY 2020, showing performance as a percentage of goals for Peer Group 1.

For example, 100% performance on Mean Distance Between Service Calls (MDBSC) for Northwest indicates that the actual number of MDBSC was either at or above the targeted mileage for the quarter. The DLM Program was not operational during FY 2020 due to COVID-19 Pandemic.

Exhibit 31
Division Level Measurement (DLM) Program
FY 2020, Second Quarter

Category	Northwest		East Dallas		South Oak Cliff		Rail	
	Actual	Percent to Target	Actual	Percent to Target	Actual	Percent to Target	Actual	Percent to Target
On-Time Performance	80.9%	97.47%	82.8%	99.76%	80.7%	97.23%	93.4%	100.0%
Complaints/100K Passengers ^[1]	26.7	90.18%	23.3	100.00%	26.6	88.79%	N/A	84.31%
Complaints/100k Passengers - Rail	N/A	N/A	N/A	N/A	N/A	N/A	3.7	72.72%
Complaints/100K Passengers - WSA	N/A	N/A	N/A	N/A	N/A	N/A	0.6	95.89%
Unsched. Absences (Maint.)	20.03	91.06%	6.93	100.00%	11.40	100.00%	13.34	79.27%
Unsched. Absences (Oper.)	22.54	97.29%	25.34	88.00%	22.81	97.80%	29.06	73.09%
Unsched. Absences (WSA)	N/A	N/A	N/A	N/A	N/A	N/A	11.00	78.09%
Fixed Schedule Programs Completed	N/A	N/A	N/A	N/A	N/A	N/A	11.00	100.00%
Body PMIs Completed	N/A	N/A	N/A	N/A	N/A	N/A	42.00	100.00%
Late Pullouts	223	79.94%	226	82.87%	256	76.95%	1.67	100.00%
MDBSC - Mechanical - Large Bus	8,660	100.00%	7,680	100.00%	8,248	100.00%	N/A	N/A
MDBSC - Mechanical - SMART Bus	6,422	N/A	4,636	N/A	N/A	N/A	N/A	N/A
Miles Between Service Calls - LRT	N/A	N/A	N/A	N/A	N/A	N/A	25,327	100.00%
Miles Between Service Calls - Street Car	N/A	N/A	N/A	N/A	N/A	N/A	5,334	N/A
Accidents/100k Miles	1.75	100.00%	1.95	100.00%	2.32	99.01%	N/A	N/A
Sfty Violations/100k Sched. Trn Mi.	N/A	N/A	N/A	N/A	N/A	N/A	0.49	100.00%
Ridership/Average Weekday	33,240	86.47%	33,157	66.59%	33,952	98.95%	78,721	88.38%
Unit Cost Per Hour	\$54.27	100.00%	\$53.98	100.00%	\$56.22	100.00%	63.80	100.00%
Unit Cost Per Mile	\$1.98	77.67%	\$2.36	66.79%	\$1.70	99.63%	\$4.117	100.00%
Overall Average for Quarter		92.01%		90.40%		95.84%		91.96%

Note: To be eligible for a team incentive the work group must reach the following minimum achievements:

1. Achieve an overall score of 90% or better
2. Achieve 90% or better for Complaints

[1] - Rail Complaints/100K Passengers presented as an average of Rail and WSA.

Due to the COVID-19 Pandemic the DLM Program was suspended at the end of Q2 FY 2020; therefore, the results presented in this table are for Q2 FY 2020.

Strategic Priority 5

Continue DART's Role as a Recognized Local, Regional, and National Transportation Leader

The DART Board's Strategic Priorities and Goals include the recognition that DART has an obligation to maintain its leadership of public transportation integration and operation in North Texas – a stakeholder focus.

Regional Rail Corridor Strategic Management

Leveraging DART's ownership of 254 miles of regional rail corridors, DART provides management and contract services required for the operation, dispatching, scheduling, and maintenance of the TRE commuter rail line and various freight lines. At the beginning of FY 2016, DART implemented a new ten-year contract for dispatching, operations, and capital maintenance for regional rail services for the TRE and Madill Subdivision with Herzog Transit Services, Inc. This contract included an option for Trinity Metro's TEXRail commuter rail line, which began operation on January 10, 2019.

Regional Transit Access Agreements

To support the regional objective to expand opportunities for transit services outside the DART Service Area, DART negotiated an umbrella agreement for access funding with the North Central Texas Council of Governments (NCTCOG). Separate agreements were negotiated with STAR Transit for access to DART's Lawnview and Buckner stations.



DART continues to work on the provision of transit services outside of the DART Service Area under Board Policy III.07 (Fixed Route Service Beyond Service Area Boundary). DART currently works through a Local Government Corporation (LGC) to manage out-of-service area contracts. Those initiatives include agreements with Wylie, Allen, and Fairview to provide services for seniors and disabled persons, which is branded as Collin County Rides; and an agreement with Inland Port Transportation Management Association (IPTMA) to provide reliable, quality, and affordable microtransit and subsidized late night rider assistance services via contracting with STAR Transit or Transportation Network Companies to employees of eligible businesses in the Southern Dallas County Inland Port area since November 2, 2020. DART has also been working on a joint proposal with Denton County Transportation Authority (DCTA) to provide microtransit service for the McKinney Urban Transit District during FY 2022. Those initiatives have successfully enhanced DART's image and reputation as the leading regional mobility agency, expand the usage of DART GoPass mobile application as the recognized technology platform as the region's choice, as well as strengthen DART's strategic interest to collaborate with other transit agencies in the region to leverage strengths of each other and achieve mutual benefits.

Regional Transportation Planning

DART is a voting member of the Regional Transportation Council (RTC) of NCTCOG, which is the public body responsible for the long-range regional planning and programming of Federal and State funding within the region for highways and transit.

DART actively participates in NCTCOG's Surface Transportation Technical Committee (STTC) with two formal members. The STTC provides technical advice and makes recommendations for the RTC policy body on transportation planning and capital funding issues.

DART staff also formally participates on various NCTCOG subcommittees involving bike and pedestrian issues, Intelligent Transportation System issues, Shared Mobility Programs, Vanpool and other clean air initiatives, clean energy and alternative fuels, special event planning, Managed Lanes (known as TEXpress Lanes), elderly and disabled transportation, and transit planning.

In addition, under Policy III.07, DART coordinates with non-DART communities to develop service plan opportunities in an effort to expand regional transit. During FY 2020 - 2021, NCTCOG has been conducting transit studies with Collin County and the best southwest cities in the Southern Dallas County, which DART has been serving in both the Project Advisory Committees (PACs) to guide the study development. NCTCOG plans to initiate another similar transit study for East Dallas, Kaufman, and Rockwall Counties in early FY 2022, which DART will again serve in the PAC.

Regional Integrated Corridor Management-511 Traveler Information

DART has provided primary leadership for the DFW Region in managing and operating the Region's Integrated Corridor Management (ICM) Demonstration and 511DFW system in coordination with NCTCOG.



The federally funded ICM Program is a joint effort of DART, TxDOT, NCTCOG, and North Texas Tollway Authority (NTTA). DART is responsible for parking capacity reporting system's equipment monitoring, maintenance, and repair of the five (5) northern LRT stations along N. Central Expressway (US 75). In addition, the Rowlett Parking Lot Camera Occupancy system is operating and reporting parking availability via two LED signs and the Parker App. The "Parker App" is a free mobile guidance app for consumers that provides access to accurate real-time parking availability with dynamic routing, real-time parking rates, hours, policies, and restrictions." A major system upgrade is planned for FY 2022, and NCTCOG will have an opportunity to get access to the Parker App on integrating Rowlett parking lot data into 511DFW.

Funding: Federal, State, and Local Government Relations

Government Relations encompasses all interactions between DART and its external political environment. DART's Government Relations staff plans and implements the Agency's advocacy

efforts and ensures that the exchange of information between DART, the 13 cities in the service area, the D/FW region, the U.S. Congress, the U.S. Department of Transportation, including but not limited to the Federal Transit Administration and the Federal Railroad Administration, and the Texas Legislature is accurate, consistent, and timely. In addition to providing tours and briefings to elected officials and members of their staff, Government Relations responds to citizens' concerns as they are relayed to the elected officials' offices for resolution. Government Relations actively participates in transportation-related organizations such as the American Public Transportation Association, South West Transit Association, Texas Transit Association, Dallas Regional Mobility Coalition, Transit Coalition of North Texas, and the Regional Transportation Council. Government Relations oversees the day-to-day administration of DART's contracted legislative consultants in Washington, D.C., and Austin to develop appropriate advocacy strategies for securing Agency objectives for both operations and capital projects.

DART Government Relations staff monitors dialogue emanating from stakeholders and transit advocacy groups regarding the implementation of federal transportation policy authorized by the Fixing America's Surface Transportation or FAST Act, as well as annual appropriations items concerning DART's capital projects and federal funding requests. Government Relations staff coordinates with members of the Dallas-area congressional delegation to convey DART's positions on federal policy and seek letters of support on federal grant applications, such as for the TIGER program, when necessary. The staff provides timely updates on the status of any grant applications submitted by DART to the U.S. Department of Transportation. Finally, staff actively monitors the U.S. Congress and the Administration for any developments relating to potential funding for projects identified in DART's Twenty-year Financial Plan.

Funding: Rail Right-of-Way

DART owns a total of approximately 254 miles of railroad corridor. The Railroad Management Division of the Commuter Rail Department is responsible for the management of DART-owned commuter rail corridors (101 miles, including the future Silver Line commuter rail line), active freight lines (175 miles [a portion of this number has both freight and commuter rail]) and non--operated/freight abandoned lines (25 miles), including the administration of trackage rights agreements with freight railroads that are fulfilling DART's common carrier obligations to provide freight rail service along the freight lines. DART jointly owns the Trinity Railway Express (TRE) with Trinity Metro.

The Regional Rail Right-of-Way Company, a wholly-owned subsidiary of DART, holds the common carrier authority and manages the trackage rights agreements and collection of trackage rights fees for the DART-owned active freight rail corridors.

In total, the division manages approximately 2,675 licenses on the various corridors. Revenues for the TRE corridor are projected at \$2.4 million for FY 2022. The DART/Trinity Metro ILA specifies that revenues generated on the TRE Corridor are joint revenues and are to be applied against TRE operating costs.

The division is also responsible for the property management of the TRE Corridor, which includes the revenue collection from various land licenses, oil and gas leases, signboard rental income,



license fees, and trackage rights fees. The potential impact of revenue generated from the oil and gas industry (natural gas wells) is discussed further below.

The non-TRE revenues are allocated to DART’s general fund. Exhibit 32 provides a summary of actual and projected revenue from all activities for FY 2013 through FY 2022 (projected), excluding oil and gas leases which are shown in Exhibit 33.

Exhibit 32
Railroad Management Revenue
(in Millions)

Fiscal Year	TRE	DART	Total
2013	2.9	2.0	4.9
2014	2.8	2.2	5.0
2015	2.8	2.2	5.0
2016	3.1	2.3	5.4
2017	3.4	2.5	5.9
2018	2.5	2.5	5.0
2019	2.3	2.6	4.9
2020	2.3	2.7	5.0
2021 projected	2.2	2.7	4.9
2022 projected	2.4	2.5	4.9
Total (Actual & Projected)	\$26.7	\$24.2	\$50.8

Oil and Gas Lease Agreements

The Commuter Rail and Railroad Management Department strives to increase license and contract revenue through consistent management and enhancement of existing agreements.

In recent years, oil and gas lease revenues have fallen due to decreases in both well production and a sharp drop in natural gas prices. FY 2021 is projected to be \$100,000, and FY 2022 is projected at \$98,000.



Lease royalty and bonus revenues from FY 2013 through FY 2022 are shown in Exhibit 33.

Exhibit 33
Oil & Gas Lease Agreements
(in Thousands)

Fiscal Year	Amount
2013	328.5
2014	455.6
2015	50.4
2016	200.0
2017	106.6
2018	119.8
2019	85.0
2020	61.0
2021 projected	100.0
2022 projected	98.0
Total (Actual & Projected)	\$1,604.9

Budget Structure/ Financial Plan Summary

Three major components comprise the agency's FY 2022 proposed Annual Budget:

- Operating Expense Budget
- Capital and Non-Operating Budget
- Debt Service Budget

The Operating Expense, Capital and Non-Operating, and Debt Service budgets have been developed to support the Board's Strategic Priorities (discussed starting on page 95) while retaining a focus on the core strategic objective of maintaining financial stability. The result is a fiscally responsible plan that clearly supports the agency's mission.

Exhibit 34 provides a summary view of the FY 2022 proposed Annual Budget. The Agency's overall budget increased by \$565.9 million 53.2% from FY 2021. The FY 2022 Operating Expense budget is \$580.4 million, an increase from the FY 2021 Operating Expense budget of \$38.1 million



7.0%. The Capital and Non-Operating budget are increasing by \$521.4 million 162.7%. The Debt Service budget is increasing by \$6.4 million 3.2%.

Exhibit 34
FY 2022 Annual Budget
(in Millions)


FY20 Actuals	Category	FY21 Budget	FY22 Proposed Budget	\$ Variance	% Variance
\$553.3	Operating	\$542.3	\$580.4	\$38.1	7%
293.3	Capital	320.5	841.9	521.4	162.7%
192.5	Debt Service	200.1	206.5	6.4	3.2%
\$1,039.1	Total Expenditures	\$1,062.9	\$1,628.8	\$565.9	53.2%

Operating Expense Assumptions

The Operating Expense Budget is approved in total by the Board of Directors in late September of each year.

The following assumptions were used to develop the FY 2022 Operating Budget:

- Salary and Wage Assumptions:
 - Funds will be available for wage increases for hourly and salaried personnel.
 - Hourly wage progressions based on tenure and training will continue.
 - Return of the RPM Bonus
- Benefits Assumptions:
 - DART is undergoing a healthcare program restructuring to combat rising healthcare costs, focusing on increased accountability of cost and quality of care by providers. The FY 2022 proposed budget reflects a projected increase in pharmacy expense.
 - DART is self-insured for health insurance claims with a third-party administrator.
- Fuel and Energy Assumptions:
 - The majority of DART's CNG fuel costs are fixed price by contract and result in an average cost of approximately \$0.97 per DGE (diesel gallon equivalent). CNG fuel is also used for all vehicles providing Paratransit service.
 - Diesel fuel is budgeted at \$1.65 per gallon for TRE.

- Electricity rates per kWh are budgeted at \$0.07030 with an assumption of 11.352 kWh/car mile consumption rate for light rail vehicles (LRV).
- Purchased Transportation Contract Rates:
 - Trinity Railway Express services are provided through a 10-year contract with Herzog Transit Services, Inc. FY 2022 is the seventh year of that contract.
 - FY 2022 is the third year of a three-year contract with MV Transportation for delivery of Paratransit services.
 - DART provides Vanpool services through a new third-party contractor (AVR Vanpool).
- Service Levels:
 - Bus: Based on the Board's direction, FY 2021 service levels were restored to nearly 90% pre-pandemic miles and hours effective October 19, 2020. DART has worked on the DARTzoom bus network redesign throughout FY 2020 and FY 2021. The proposed new bus network will be implemented in January 2022, pending DART board approval in August 2021. The proposed new bus network has a budget-neutral, hybrid design that combines ridership-oriented features (frequency improvements, wider service span, and more weekend service) while maintaining and improving coverage (GoLink service expansion). 
 - Light Rail: Since October 19, 2020, Light Rail lines continue to operate at reduced service levels on weekdays, with 20-minute peak service and 30-minute evening service after 7 p.m. Along with the proposed new bus network implementation in January 2022, the Light Rail weekday service will be fully restored to the pre-pandemic frequency and span of service.
 - Streetcar: The Dallas Streetcar has been operating at the full service level throughout FY 2021, and this will continue in FY 2022.
 - Commuter Rail: The TRE was restored to pre-pandemic service level on October 19, 2020, and plans to continue at the same level in FY 2022.
 - Innovative Services: The Innovative Services program consists of vanpool services and site-specific shuttle services. In FY 2021, the COVID-19 pandemic has continued to cause a large reduction in the vanpool ridership, which has been less than 10% of pre-pandemic level. FY 2022 will be focused on restoring vanpool service as customers return to work. Shuttle services also experienced large reductions in ridership during FY 2021 due to the pandemic. A few shuttles have been operating at reduced services during FY 2021. Effective late July 2021, UTD service will be restored to pre-pandemic levels for the Fall 2021 semester as the UTD campus will be fully open.



- Reserves:
 - Funding in the amount of approximately \$650,000 is included in the FY 2022 Budget for possible cost increases or programs unknown during the budget process. These funds may or may not be used during the fiscal year.

Exhibit 38 shows DART's operating expenses by department for the fiscal years 2021 – 2022.

Exhibit 38
FY 2021 – FY 2022 Departmental Expense Comparison
(in Thousands)

Department	FY 2021 Budget	FY 2022 Proposed Budget
President Direct Reports	\$31,833	\$34,759
EVP Customer Care/Svc Delivery	422,538	440,597
EVP Business Solutions & Innovations	50,570	53,727
EVP Growth & Regional Services	46,141	51,741
Board Directs	6,022	6,374
Agency-Wide Benefits Allocation/Initiatives	(531)	7,738
Total Departmental Expenses	\$556,571	\$594,936
Capital P&D and Startup	(\$14,273)	(\$14,572)
Total Operating Expenses	\$542,298	\$580,364



Operating Budget Highlights

DART's FY 2022 Operating Expense budget increased by \$38.1 million 7.0% to \$580.4 million. Employee compensation, in the form of Salaries and Wages \$263.8 million and Benefits \$125.1 million, comprised 65.3% of the total operating budget. The third largest element of the operating budget is Purchased Transportation at 11.7% \$69.9 million.

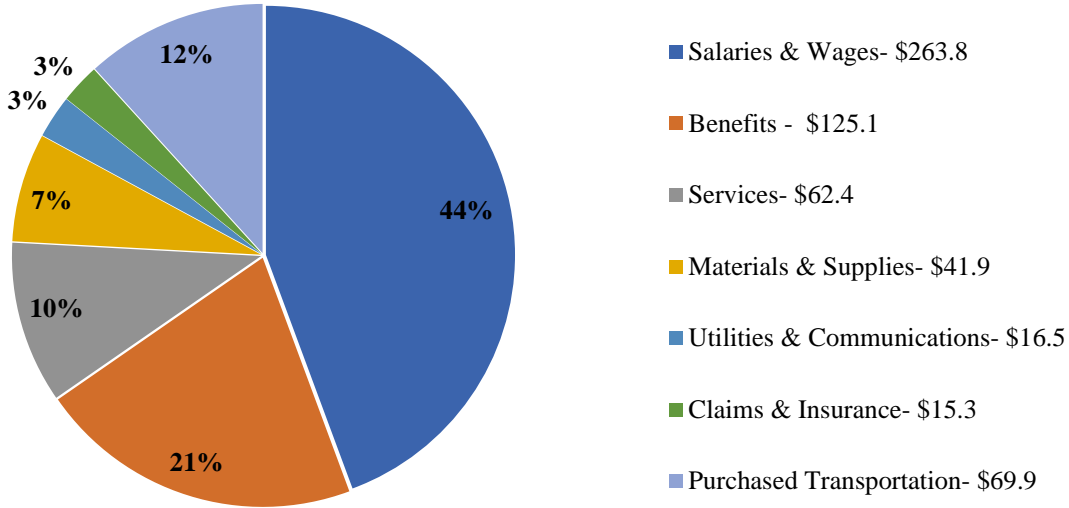
Exhibit 39 displays the Operating Expense budget by object classification and FY 2021 budget, FY 2021 Projected, and the FY 2022 proposed budget.

Exhibit 39 Operating Expenses by Object Classification (in Millions)

Object Classification	FY 2021 Budget	FY 2021 Projected	FY 2022 Proposed Budget	\$ Variance	% Variance
Salaries & Wages	\$256.5	\$253.3	\$263.8	\$7.3	2.9%
Benefits	121.5	116.9	125.1	3.5	2.9%
Services	51.2	58.1	62.4	11.3	22.0%
Materials & Supplies	37.5	39.2	41.9	4.4	11.9%
Utilities & Communications	15.6	15.5	16.5	0.9	5.5%
Claims & Insurance	10.7	10.7	15.3	4.6	42.5%
Purchased Transportation	63.5	55.2	69.9	6.4	10.1%
Sub-Total (All Expenses)	\$556.5	\$549.0	\$594.9	\$38.4	6.9%
Capital P&D	(\$14.3)	(\$12.6)	(\$14.6)	(\$0.3)	2.1%
Total Operating Expenses	\$542.3	\$536.4	\$580.4	\$38.1	7.0%

Exhibit 40, shown on the following page, illustrates the operating budget, showing the amounts and relative proportions of each component.

Exhibit 40
FY 2022 Operating Expenses by Component
(in Millions)



Please note that the expenses totaled in Exhibit 40 above exceed the operating budget by \$14.6 million. This is the amount of departmental expenses classified as Capital Planning & Development costs (Capital P&D).

Salaries and Wages – The FY 2022 Salaries and Wages budget is \$263.8 million, a \$7.3 million 2.9% increase from the FY 2021 budget.

The Agency is adding 14 new positions in FY 2022. DARTzoom Bus redesign will require 12 additional Bus operators. The Technology department is adding 2 positions for Cyber Security and the new Asset Management system.

Exhibit 41, on the following page, shows a comparison of positions between FY 2021 and FY 2022. Total authorized positions have increased due to projected FY 2022 Service Levels.



Exhibit 41 Budgeted Positions

FY 2022 Proposed Budgeted Full Time Employees				
FY 2020 Approved (FTE)	Department	FY 2021 Approved (FTE)	FY 2022 Request (FTE)	FY 2022 Proposed Budget (FTE)
3	Total Executive Admin	4		4
16	Total Safety Office	16		16
14	Total Government Relations	13		13
13	Total Chief of Staff	10		10
16	Total Diversity	15		15
62	Total Executive	58	0	58
99	Total Finance	89	0	89
3	Total EVP Admin	4		4
3	Total Business Innovation	7		7
40	Total Human Resources	38		38
52	Total Marketing & Communications	48		48
35	Total Procurement	34		34
78	Total Technology	74	2	76
211	Total EVP Administration	205	2	207
15	Total Commuter Rail & RRMgmt	15		15
29	Total Planning & Development	27		27
10	Total Rail Planning	10		10
39	Total Rail Prog. Dev.	33		33
93	Total EVP Growth	85	0	85
9	Total EVP CC/SD	7		7
30	Total Materials Mgmt	30		30
429	Total DART Police	429		429
57	Total Mobility Mgmt Svcs	49		49
197	Total Light Rail Operations	197		197
192	Total Bus Operations	171		171
64	Total Engineering	51		51
978	Total Customer Care/Service Delivery	934	0	934
5	Total Board Support	5		5
9	Total Internal Audit	9		9
20	Total General Counsel	19		19
34	Total Board Direct	33	0	33
1,477	Total Salaried	1,404	2	1,406
	Agency Hourly			
18	Finance	18		18
46	Marketing	41		41
422	Light Rail	383		383
384	Bus Operations	361		361
49	Materials Management	49		49
919	Hourly Non-Operator	852	0	852
214	Light Rail Operators	214		214
1,363	Bus Operators	1,278	12	1,290
1,577	Total Bus & Rail Operators	1,492	12	1,504
2,496	Total Hourly	2,344	12	2,356
3,973	Grand Total Departments	3,748	14	3,762

Benefits – The Benefits line includes all statutory benefits such as FICA and Workers' Compensation, and the agency discretionary benefits such as Health Insurance, Life Insurance, Retirement Plans (Defined Benefit, Defined Contribution, and 401k), etc.

The FY 2022 Benefits budget is \$125.1 million, a \$3.5 million 2.9% increase from the FY 2021 budget, as shown below in Exhibit 42.

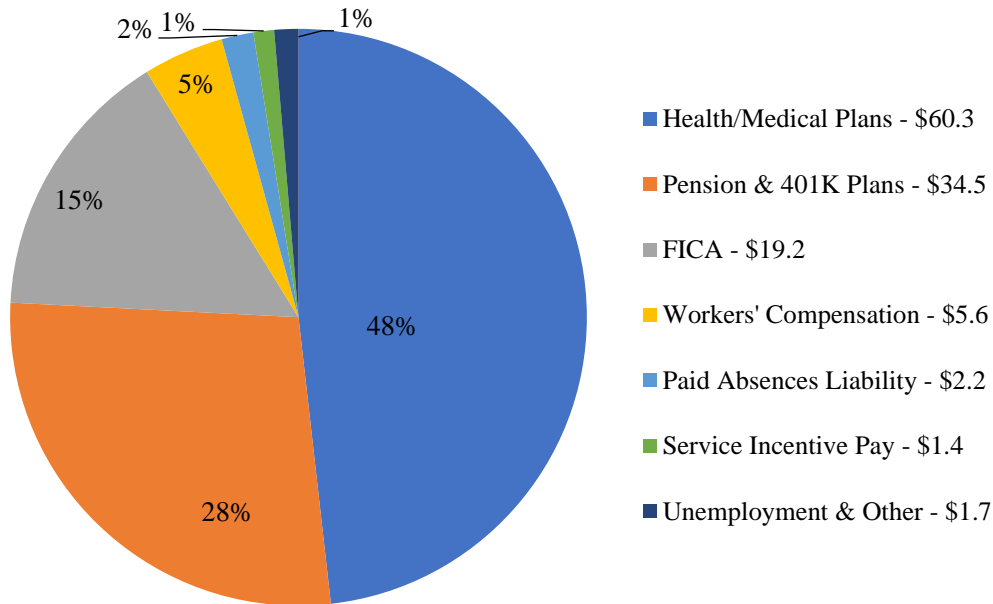
Exhibit 42
Benefits Expenses by Type
(in Thousands)

Object Classification	FY21 Budget	FY22 Proposed	\$ Variance	% Variance
Health/Medical Plans ^[1]	\$56,011	\$60,288	\$4,277	7.6%
Pension & 401K Plans	35,323	34,518	(805)	(2.3%)
FICA	20,198	19,236	(963)	(4.8%)
Workers' Compensation	4,378	5,646	1,268	29.0%
Paid Absences Liability	2,229	2,240	11	0.5%
Service Incentive Pay	1,441	1,448	7	0.5%
Unemployment & Other	1,951	1,687	(264)	(13.5%)
Total Benefits	\$121,531	\$125,063	\$3,532	2.9%

[1] Medical plans include medical, vision, dental claims and employee contributions for active and retirees

Exhibit 43 is an overview of the percentage of expenditure to major components within the Benefits category for the FY 2022 budget.

Exhibit 43
Benefits Budget by Component
(in Millions)



- **Health, Life, and Disability** insurance remains the major cost driver of all DART benefits. The increase year-over-year is approximately \$4.3 million, 7.6%.
- Workers' Compensation program increased \$1.3 million, 29.0% over FY 2021.

Services – The FY 2022 proposed Services budget of \$62.4 million represents 10.4% of the total agency budget. This is an increase of \$11.4 million, 22.2% more than the FY 2021 budget.

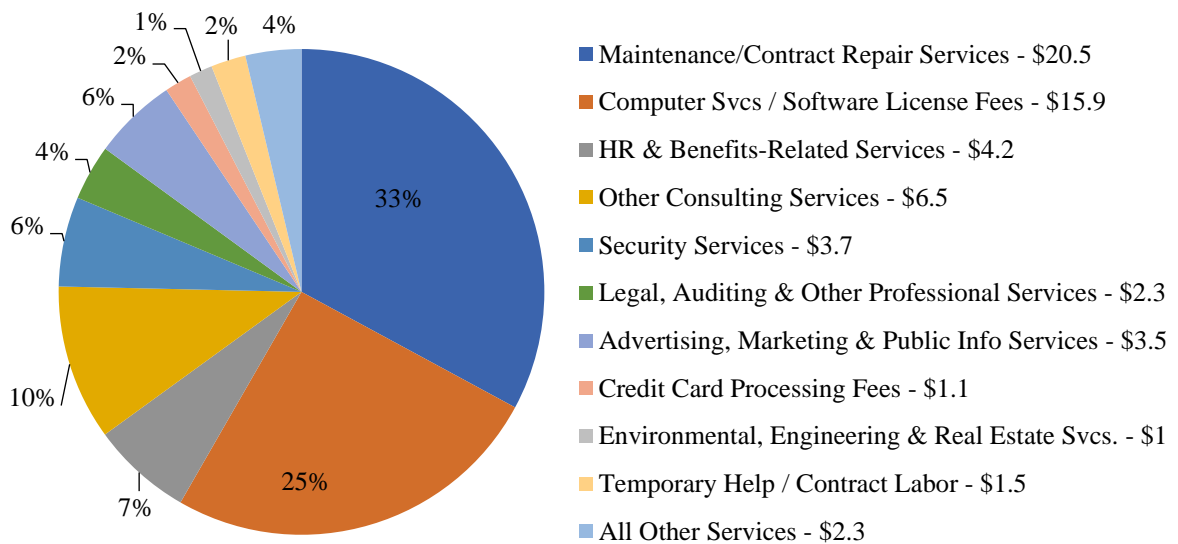
Exhibit 44 details the Services component of the budget.

Exhibit 44
Services Expenses by Type
(in Thousands)

Object Classification	FY21 Budget	FY22 Proposed	\$ Variance	% Variance
Maintenance/Contract Repair Services	\$17,286	\$20,532	\$3,246	18.8%
Computer Svcs / Software License Fees	12,813	15,863	3,050	23.8%
HR & Benefits-Related Services	3,506	4,185	680	19.4%
Other Consulting Services	4,876	6,460	1,585	32.5%
Security Services	2,971	3,732	761	25.6%
Legal, Auditing & Other Professional Services	1,806	2,308	502	27.8%
Advertising, Marketing & Public Info Services	3,014	3,484	470	15.6%
Credit Card Processing Fees	1,001	1,124	123	12.3%
Environmental, Engineering & Real Estate Svcs.	790	966	176	22.2%
Temporary Help / Contract Labor	1,023	1,450	428	41.8%
All Other Services	1,979	2,319	340	17.2%
Total Services	\$51,065	\$62,425	\$11,360	22.2%

Exhibit 45 illustrates the composition of the Services line item of the budget.

Exhibit 45
FY 2022 Services Budget by Component
(in Millions)



Materials and Supplies – The budget for *Materials and Supplies* increased year-over-year by \$4.5 million (11.9%).

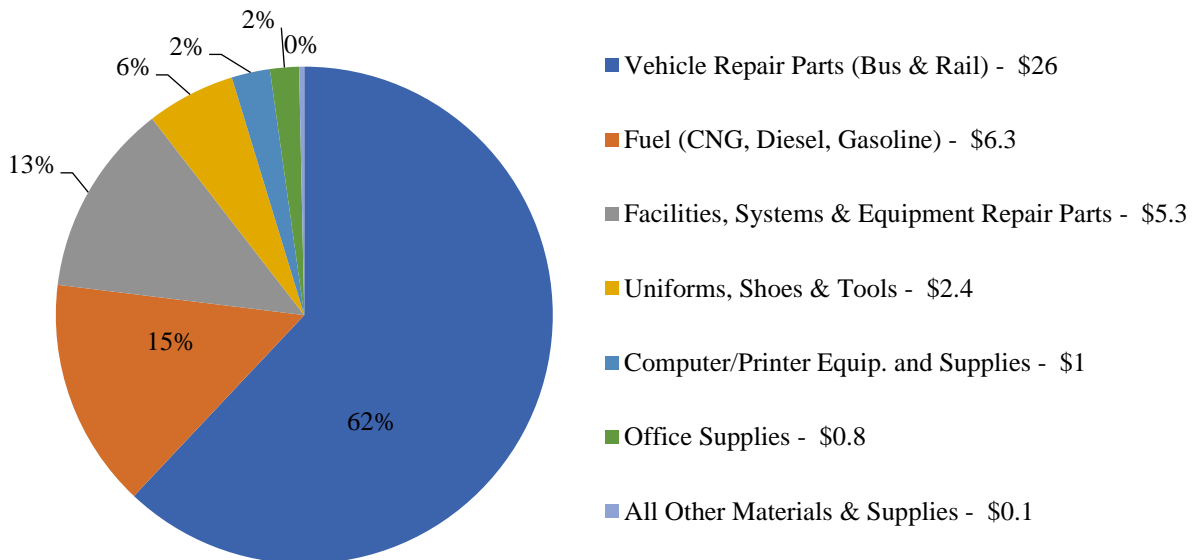
- Vehicle Repair Parts have increased by \$3.2 million 14.0%.

Exhibits 46 and 47 provide details about the Materials & Supplies component of the budget.

Exhibit 46
Materials & Supplies Expenses by Type
(in Thousands)

Object Classification	FY21 Budget	FY22 Proposed	\$ Variance	% Variance
Vehicle Repair Parts (Bus & Rail)	\$22,810	\$26,012	\$3,202	14.0%
Fuel (CNG, Diesel, Gasoline)	5,816	6,260	444	7.6%
Facilities, Systems & Equipment Repair Parts	4,688	5,267	579	12.4%
Uniforms, Shoes & Tools	2,344	2,424	80	3.4%
Computer/Printer Equip. and Supplies	962	1,047	85	8.8%
Office Supplies	722	789	67	9.3%
All Other Materials & Supplies	126	140	14	11.1%
Total Materials & Supplies	\$37,468	\$41,940	\$4,471	11.9%

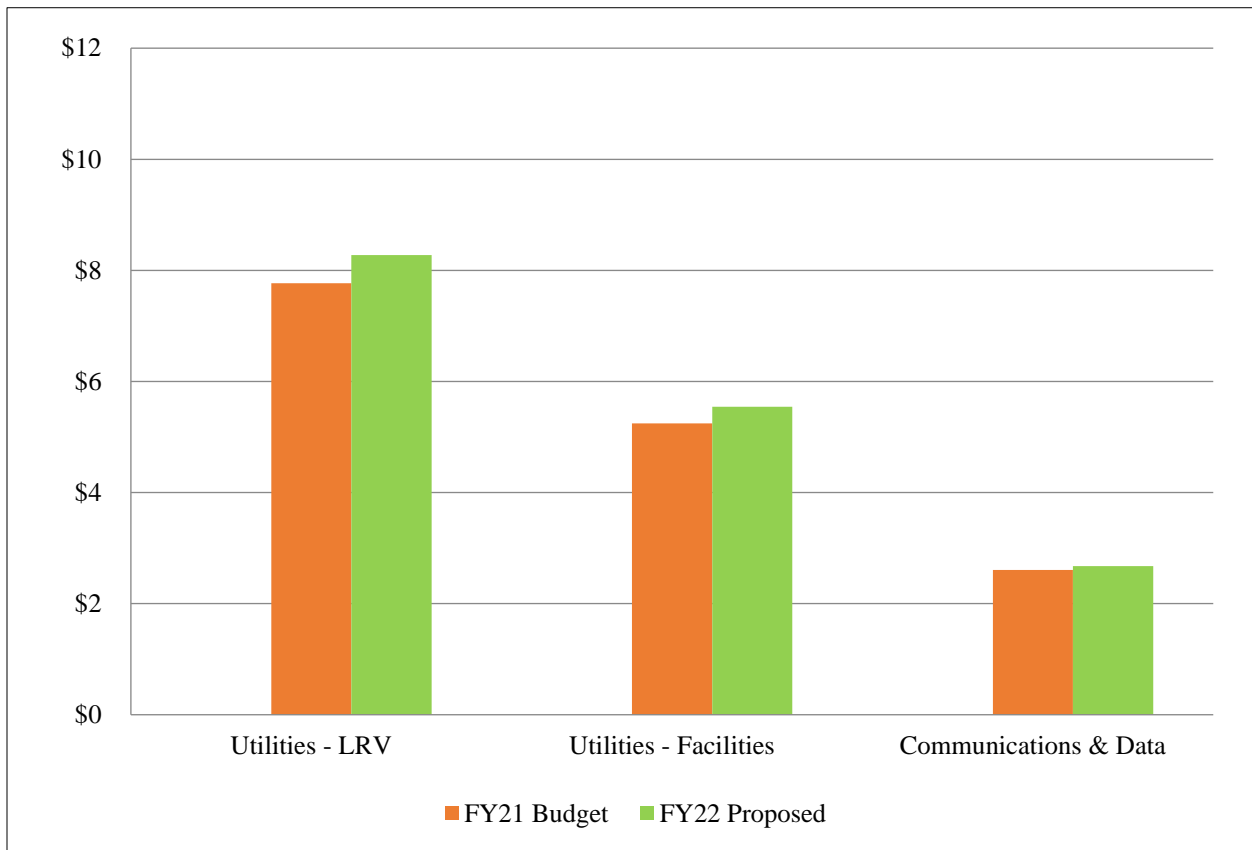
Exhibit 47
FY 2022 Materials & Supplies Budget by Component
(in Thousands)



Utilities and Communications – This category includes electricity for the Light Rail system and DART facilities, as well as phone and data services for the agency. The proposed budget for FY 2022 is \$16.5 million, a 5.5% increase year over year. This category represents 2.8% of the total Agency's operating budget.

Exhibit 48 compares the Utilities & Communications budgets.

Exhibit 48
FY 2022 Utilities & Communications Expense Comparison
(in Millions)



Claims and Insurance – This category includes DART's liability claims and property insurance costs. DART is 100% self-insured for liability claims relating to bus accidents and other operations. On rail operations liability, DART is self-insured for the initial \$3 million per occurrence. DART also carries insurance for Errors and Omissions Liability and other coverage. DART carries property insurance with a \$250,000 deductible per occurrence.

Purchased Transportation – These services are purchased through a third party to provide transportation services for DART. The budget for this category increased by \$6.8 million 10.9% in the FY 2022 proposed budget due to increases in service levels.

Exhibit 49 compares Purchased Transportation expenses between FY 2021 and FY 2022.

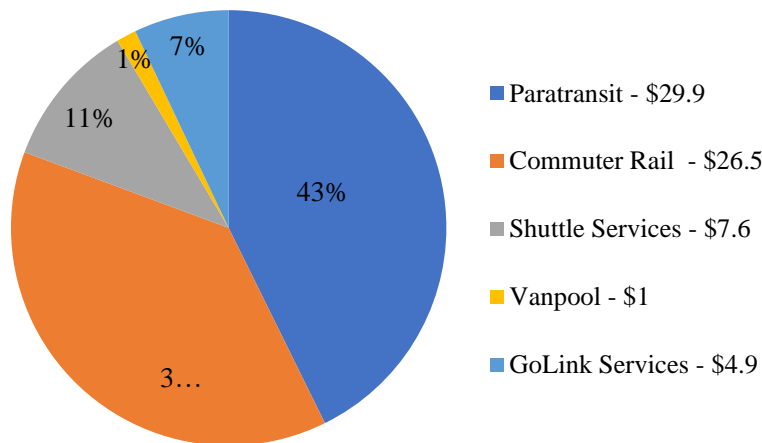
Exhibit 49
Purchased Transportation Expenses by Type
(in Thousands)

Object Classification	FY21 Budget	FY22 Proposed Budget	\$ Variance	% Variance
Paratransit	\$30,563	\$29,851	(\$711)	(2.3%)
Commuter Rail	23,839	26,521	2,682	11.2%
Shuttle Services	4,489	7,563	3,074	68.5%
Vanpool	1,400	1,033	(368)	(26.2%)
GoLink Services	2,764	4,930	2,166	78.4%
Total Purchased Transportation	\$63,054	\$69,898	\$6,843	10.9%

- Paratransit costs decreased by \$0.7 million (2.3%) because of the effects of the COVID-19 pandemic.
- Trinity Railway Express costs increased by \$2.7 million 11.2% due to planned service level.
- Shuttle Services increased 68.5% primarily due to new Mobility as a Service (MaaS) service.
- GoLink Services increased \$2.2 million 78.4% due to DARTzoom.

Exhibit 50 highlights the components of the Purchased Transportation category.

Exhibit 50
FY 2022 Purchased Budget by Component
(in Millions)





Capital and Non-Operating Budget

Exhibit 51 is a summary of the Capital and Non-Operating Project Expenditures from FY 2021-FY 2022, which includes: Light Rail Transit (LRT) expansion; TRE track work; vehicle and facility capital maintenance programs; scheduled replacement of vehicles, facilities, infrastructure; etc. A comprehensive list showing all capital and non-operating projects (and associated reserves) is shown in Exhibit 18 in the *Financial Plan Section*.

Exhibit 51 Capital & Non-Operating Project Expenditure Comparison (in Millions)

Category	FY21 Budget	FY22 Budget	\$ Variance
Total Capital Projects	\$283.2	\$819.0	\$535.9
Capital Planning & Development & Startup cost	14.3	14.6	0.3
Non-Operating	12.6	4.1	(8.5)
Sub-Total Capital / Non-Operating	310.0	837.7	527.7
Road Improvements			
PASS/TSM (General & Street Repair Program)	6.4	0.0	(6.4)
Transit Related Improvement Program	4.1	4.2	0
Sub-total Road Improvements	10.5	4.2	(6.3)
Total Capital & Non-Op./Road Imp.	\$320.5	\$841.9	\$521.4

Debt Service Budget

The FY 2022 Debt Service Budget is shown below in Exhibit 52. Additional information on DART's Debt Program can be found in the *Financial Plan Section*.

Exhibit 52 Debt Service Expense Comparison (in Millions)

Description	FY 2021 Budget	FY 2021 Projected	FY 2022 Draft
Long-Term Debt Interest Expense*	\$120.3	\$120.3	\$134.6
Commercial Paper Program & Other Expenses	0.7	0.7	0.5
Total Expenses	\$121.0	\$121.1	\$135.2
Principal Repayments - Bonds**	\$79.1	\$79.1	\$71.4
Total Debt Service Budget	\$200.1	\$200.2	\$206.5

*Includes Build-America Bonds (BABs) interest expense net of 32% federal subsidy.

** Refunding bonds replace existing debt with an equal amount of new debt and are counted here as zero net new debt issued.



DART Buses Deliver Meals for DISD Students.



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