



FY 2023 Business Plan

Dallas Area Rapid Transit

Including FY 2023 Annual Budget
and Twenty-Year Financial Plan



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
Award*

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**Dallas Area Rapid Transit
Texas**

For the Fiscal Year Beginning

October 01, 2021

Christopher P. Morill

Executive Director

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Executive Summary

- Strategic Priorities
- Security, Cleanliness, Reliability
- Distribution to Service Area Cities
- Fiscal Outlook

Executive Summary

Strategic Priorities

On February 25, 2020, the DART Board adopted a set of strategic priorities to guide the Agency over the next 20 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; and,
5. Enhance DART's role as a recognized local, regional, and national transportation leader.

These priorities are the foundation for the FY 2023 Annual Budget and Twenty-Year Financial Plan.

Committed to A Safe, Clean, and Reliable Rider Experience

Throughout the COVID-19 pandemic, ridership patterns changed. While those patterns influenced the service we now provide, we are incredibly proud that DART maintained service throughout the pandemic – ensuring that all who rely on the system, especially those who are transit-dependent, had access to a safe, reliable, and quality transit.

Two and a half years later, DART ridership has grown to 66.8 percent of pre-pandemic levels. Though we still have a long way to go to reach pre-COVID ridership numbers, DART provides quality transit service to support the service area and we project that our efforts to improve the rider experience will help us to reach this milestone.

This budget, largely supported by improved sales tax projections, funds numerous improvements for riders. Our focus is on key areas of safety, cleanliness, reliability, and maintaining our state of good repair programs. Also included in this year's plan is our commitment to run a pilot program to address homelessness on our system, implement a compensation study to attract and retain valuable employees, and continue with service improvements including improved service hours on



GoLink. At the same time, we continue to maintain our focus on long-term fiscal stability by pursuing funding opportunities and expense efficiencies.

The FY 2023 Operating Budget includes funding to equalize operating days and hours for GoLink service starting in early 2023. All 30 GoLink zones will operate from 5 am to Midnight seven days per week, matching current local bus service standards. DART will also expand the GoLink zone-to-zone pilot program, which allows customers to travel between different GoLink zones in certain situations and locations.

The Annual Budget section of this Business Plan document describes several DART customer-facing initiatives grouped under each DART strategic priority.

Making Equitable Enhancements to Security, Cleanliness, and Reliability

Ridership Improvement (Security, Cleanliness, and Reliability)

Established in FY 2021, the Mobility Assistance and Innovation Fund (MAIF) had a balance of \$110.3 million as of December 31, 2021. The Board directed staff to allocate the funds in the Fiscal Year 2023 budget & Twenty-Year Financial Plan for the purpose of providing on an equitable basis enhanced security, cleanliness, and reliability of the DART System.

Committed to a State-of-Good-Repair

DART's capital program includes sufficient funds dedicated to maintaining and replacing our assets, i.e., keeping our entire transportation system in a state of good repair.

DART plans to invest at least \$9.7 billion in capital and non-operating projects over the next 20 years. On the light rail side, around 95 light rail trains will reach the end of their 30-year lifespan between 2025 and 2028 and are programmed to be replaced. The Agency plans to bolster passenger amenities across the system; raise 23 platforms, update rail facilities to maintain the new low-floor vehicles expected in the next three to five years, update and maintain buildings such as its administrative headquarters, and invest in its technology and communication systems. The Agency also expects to weatherize the light-rail system, improve bus corridors, and establish a bus rapid transit program.

Major Capital Expansion Initiatives

The Agency will continue to drive the following major capital initiatives:



D2 Subway

In February 2022, after a 6-month agency collaboration effort with the City of Dallas, NCTCOG, and TxDOT, the Dallas City Council and DART Board approved a revised D2 Subway alignment incorporating modifications to the east end of the project corridor. In 2023, DART will initiate design and environmental clearance on the new east segment while completing due diligence activities to determine project timing. The FY 2023 Twenty-Year Financial Plan assumes an opening date of 2035 pending additional study. Corridor preservation discussions are underway for the revised alignment.

Dallas Streetcar

The City of Dallas is working with DART as their technical advisory and other downtown stakeholders to outline an approach to advance the Dallas Streetcar Central Link. In 2022, discussions focused on sustainable Operations & Maintenance (O&M) funding and a review of governance models to position the project for more detailed project development as a Small Starts project in the FTA CIG grant program.

Orange Line

DART and the City of Irving have discussed a future infill station along the operating Orange Line to serve future development at the former Texas Stadium site near Loop 12 in Irving. The City of Irving has coordinated with TxDOT and other parties to complete a bridge over SH 114 that incorporates site access improvements. DART's planning and design activities for the station will be initiated after an interlocal agreement (ILA) with the City of Irving is executed.

Silver Line

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 others that will be used to pay for annual operating and/or debt service costs.

Distributions to the Service Area Cities

During the COVID pandemic, DART received federal relief operating funds which the Agency used according to federal guidelines for COVID-related supplies and cleaning, as well as regular operating expenses, and to replace fare revenue. As a result of these federal funds, DART did not utilize all sales tax collections. These offset sales tax revenues, previously unallocated, will now be distributed to the cities to be used for the public transportation system or complementary transportation system purposes, which include:

- Special transportation services for a person who is elderly or has a disability,
- Medical transportation services,
- Assistance in street modifications as necessary to accommodate the public transportation system,
- Any other service that complements the public transportation system, including providing parking garages.

Fiscal Outlook

The Agency has an optimistic outlook for the next 20 years. The biggest revenue impact to the plan over FY 2022 is the reforecast of our sales tax receipts. The Agency uses two economists to forecast our short- and long-term sales tax. The results of the sales tax projections for FY 2022 have outperformed expectations in the first nine months of FY 2022, allowing the Agency to invest in current services and strategic investments.

DART's FY 2023 Twenty-Year Financial Plan illustrates the affordability of its capital and operating plans, containing \$5.76 billion over the next 20 years devoted to the state of good repair for capital asset maintenance and replacement and strong debt service coverage ratios.

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.

Approval to spend monies from the Mobility Assistance and Innovation Fund requires an affirmative vote of two-thirds of the appointed and qualified members of the Board.

Proposed Annual Budget

The FY 2023 Annual Budget, which represents the first year of the FY 2023 Twenty-Year Financial Plan, is a balanced budget and meets all Board-adopted Financial Standards. The total proposed FY 2023 Annual Budget is broken down as follows:

| Item | Proposed FY 2023 |
|---|------------------------|
| Operating | \$637,869,000 |
| Capital & Non-Operating | 854,114,967 |
| Debt Service | 223,691,319 |
| Total FY 2023 Proposed Annual Budget | \$1,715,675,286 |

Changes After Submission of Annual Budget

The proposed FY 2023 Financial Plan and Annual Budgets were amended after submission to exclude \$110.3 million from the Capital & Non-Operating appropriations initially proposed from the Mobility and Innovation Fund (MAIF) bringing the total annual budget to \$1,605,351,448 (Exhibit 88 on page 317 and Exhibit 89 on page 318).

On October 25, 2022 by Resolution Nos. 220156 and 220157 the Board increased Capital & Non-Operating funds for FY 2023 by \$110,323,838 funded from the MAIF and by \$19,674,000 funded from the North Texas Council of Governments (NTCOG) bringing the total FY 2023 appropriation to \$1,735,349,594.

The \$110.3 million from the MAIF are to be used for ridership improvement initiatives outlined on page 10. The \$19.7 million will be used to increase the distributions to member cities as outlined on page 12.

FY 2022 Highlights

DART completed or continues to advance several key projects:

2045 Transit System Plan

In January 2022, the DART Board approved the 2045 Transit System Plan. The Transit System Plan focuses on opportunities under five themes: Rider Experience, Mobility and Innovation, Service and Expansion, Land Use and Economic Development, and Collaboration. Each theme includes a series of goals and actions with timeframes and responsibilities.

Although we were able to fund some of the 2045 Plan, there remain projects such as LRT modernization / Unified Signalization estimated at \$1.0B that is not funded in the Proposed Plan. Several near-term action items are underway or will be initiated in FY 2023, including:

- Bus Shelter re-design collaboration with UTA School of Architecture and AIA Dallas
- Bus Corridor Improvement Program to define investments that will improve the speed and reliability of our frequent bus network
- Mobility Hub guidelines to identify key elements and features to transform and modernize our transit facilities to meet the needs of today's customers and improve overall mobility within the communities we serve
- Bus Fleet transition plan to outline the Agency's strategy for future technology

Improved Bus Service



DART implemented a New Bus Network in January 2022, including ridership-oriented features like frequency improvements, wider service spans, and more weekend service, along with coverage-oriented features like GoLink expansion. We now plan to build upon that effort through the development of a comprehensive Bus Improvement Program that will guide service-related operating and capital improvements over the near- and long-term.



The Bus Improvement Program is intended to continue DART’s focus on improving customer experience. The goal will be to enhance bus service, operations, and facilities, position DART for external funding opportunities, and align DART with City plans and goals to enhance transit within the communities we serve. DART will be working on all six efforts simultaneously during FY 2023.

Six key program elements have been identified so far, including:

- Service Expansion: Phase 2 of the bus network redesign effort
- Bus Corridor Investments: Defining capital investments in key bus corridors to enhance speed, reliability, and accessibility
- Passenger Amenities & Facilities: Actively deploy new passenger amenities and complete a design competition for the bus shelter of the future
- Fleet Transition Plan: Address bus fleet needs for future procurements, including technology options
- Operating Facilities Master Plan: Identify improvements and changes to existing DART operating support facilities
- Comprehensive Fare Study: Evaluate potential changes to DART’s fare policy and structure

Red and Blue Line Platform Extensions

PLATFORM EXTENSIONS

Increasing Capacity and Flexibility With North Texas’ rapid growth, there is an increasing need for stations that can accommodate three-car trains to add capacity for more passengers and ease crowding.

Increases train capacity by 33%...

- Accommodates Population Growth
- Reduces Peak Hour Overcrowding
- Creates More Room for Passengers

← Current Platform Length → ← New Extended Platform →

- +150 Passengers
- 5 Doors
- Level Boarding

...bringing more value to the North Texas region.

Construction to modify 28 stations was completed in April 2022 under an FTA Capital Investment Grant (CIG) program Full Funding Grant Agreement (FFGA).

All four LRT lines can now operate 3-car trains, enhancing the passenger capacity of the entire system. Five of the 28 platforms were

fully raised to support all low-floor boarding with our future fleet replacements.



How to Use This Plan

What's in the Business Plan

This document contains the Business Plan for the Fiscal Year 2023 (FY 2023 – which runs from October 1, 2022, through September 30, 2023) for Dallas Area Rapid Transit (DART or the Agency).

The Business Plan provides the DART Board of Directors, customers, taxpayers, elected officials, and other stakeholder groups of our region with a comprehensive summary of the Agency's plans and commitments to improve regional mobility, enhance the quality of life, and stimulate economic development.

This document also consolidates key elements of the FY 2023 Twenty-Year Financial Plan and the FY 2023 Annual Budget, the Transit System Plan, and the Agency's Strategic Plan.

A summary of the information contained in the various sections follows.

The **Executive Summary** summarizes priorities and issues for the upcoming year.

The section titled **Who We Are** should help those not familiar with DART to understand the basis on which the Agency operates. This section also contains an organizational chart along functional lines.

The **Organizational Units** section contains modal key performance indicators, as well as the goals and budget detail of the organizational unit.

The **Twenty-Year Financial Plan** represents a robust long-term projection of DART 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. Approval of the Plan requires an affirmative vote of two-thirds of the appointed and qualified members of the DART Board. The Annual Budget requires a majority vote and corresponds to the first year of the Plan.

The **Annual Budget** enumerates the FY 2023 amounts for operating expenses, capital and non-operating costs, and debt service – including the underlying bases, issues, and factors – with an introductory section that describes the Agency's strategic priorities as the framework for the annual budget.

Finally, the **Reference** section contains supporting information, including the process employed to develop the Twenty-Year Financial Plan, a description of DART financial policies, supplemental financial schedules such as sales tax and debt detail, data on fares, and definitions of terms and acronyms.



Who We Are

- DART Board and Strategic Priorities
- DART Management
- Employee and Employee Relations
- DART in the Industry

Who We Are

We are Dallas Area Rapid Transit – DART

Transforming our region with mobility options that connect people, communities and destinations.

Dallas Area Rapid Transit – What’s Next?

Our region is constantly growing and evolving, and DART is evolving too. As we look towards what’s next, we are focusing on understanding the travel and mobility needs of our customers. DART is becoming a true mobility integrator for North Texas – launching DARTzoom, our new bus network that reflects a dramatically updated understanding of today’s travel patterns and mobility needs. We understand that people expect enhancements and improvements in their rider experiences. As much as DART evolves, our mission stays the same: To provide a sustainable system of innovative, affordable, reliable, and safe mobility options for our riders that enhance the quality of life and stimulate economic development.

Organization

Dallas Area Rapid Transit (DART) is a sub-regional transportation authority that was created by a voting majority of the citizens in the future service area on August 13, 1983, to organize and provide public transportation and complementary services to jurisdictions pursuant to Chapter 452 of the Texas Transportation Code (the “Act”). Our service area comprises 13 North Texas municipalities (Addison, Carrollton, Cockrell Hill, Dallas, Farmers Branch, Garland, Glenn Heights, Highland Park, Irving, Plano, Richardson, Rowlett, and University Park), as shown in Exhibit 2 (on page 22). Our headquarters is located in downtown Dallas. Under the Act, DART is authorized to collect 1% sales and use tax on certain transactions.

DART provides bus, light rail, commuter rail, paratransit, on-demand services, and other services to our 13 municipalities across a 700-square-mile service area with a population of 2.5 million in the Dallas, Texas area. DART has operated bus service since its inception in 1983. The first light rail segment opened in 1996, and the 20-mile Light Rail Starter System was completed in May 1997.

Since then, DART expanded the light rail system considerably. DART currently operates a total of 93 miles of light rail. The most recent opening was a 2.6-mile extension of the Blue Line south to UNT-Dallas that opened on October 24, 2016.



DART operates a commuter rail service, which also opened in 1996, jointly with Trinity Metro along a 34-mile rail corridor between the cities of Dallas and Fort Worth. Exhibit 6 on page 32 details the DART System Map.

Mission Statement – DART’s mission statement defines the purpose for which the Agency was created:

The mission of Dallas Area Rapid Transit is to benefit the region by providing a sustainable system of innovative, affordable, reliable, and safe mobility options for our riders that enhances the quality of life and stimulates economic development.

Vision Statement – To help achieve the Board’s mission and strategic priorities, the Board has approved a vision statement to address DART’s customers and stakeholders:

Transforming our region with mobility options that connect people, communities, and destinations.

DART Board Strategic Priorities

The DART Board has adopted strategic priorities to guide Agency initiatives; these priorities are the foundation for the FY 2023 Annual Budget and Twenty-Year Financial Plan.

Strategic Priorities

1. Enhance the service and safety 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

DART Organizational Values

DART’s Strategic Plan is grounded in DART’s Values Statement, as follows:

- **Focused on Our Customers**
 - We are dedicated to meeting our customers’ needs
 - We strive for continuous improvement



- We deliver quality
- **Committed to Safety and Security**
 - We require safety and security to be the responsibility of every employee
 - We are committed to ensuring the safety and security of our passengers and employees
- **Dedicated to Excellence**
 - We demonstrate a high regard for each other
 - We are committed to innovation and learning from our experiences
 - We hold ourselves accountable
 - We coach, reinforce, and recognize employees
 - We foster an environment promoting diversity of people and ideas
- **Good Stewards of the Public Trust**
 - We responsibly use public funds and property
 - We maintain open communication with customers and stakeholders
 - We respect the environment
 - We strive to mitigate risk
- We demand integrity and honesty

Governance and Management Structure

The Board of Directors

A 15-member Board of Directors governs DART. The governing bodies of the participating municipalities appoint members to our Board according to the ratio of the population of each municipality to the total population within our service area. A participating municipality having a population that entitles it to make a fraction of an appointment may combine that fraction with one or more other participating municipalities to make one appointment, but no participating municipality may appoint more than 65% of the members of the Board. The Board can be restructured whenever there is a change in the participating municipalities or every fifth year after the date census data, or population estimates become available.

Each Board member serves at the pleasure of the governing municipal unit(s) that appoints the member. Board members serve staggered two-year terms. Eight of the member terms begin July 1 of odd-numbered years, and seven of the member terms begin on July 1 of even-numbered years. Each member is entitled to receive \$50 for each Board meeting attended and is reimbursed for necessary and reasonable expenses incurred in the discharge of the member's duties. Exhibit 1 sets forth information regarding our current Board of Directors.

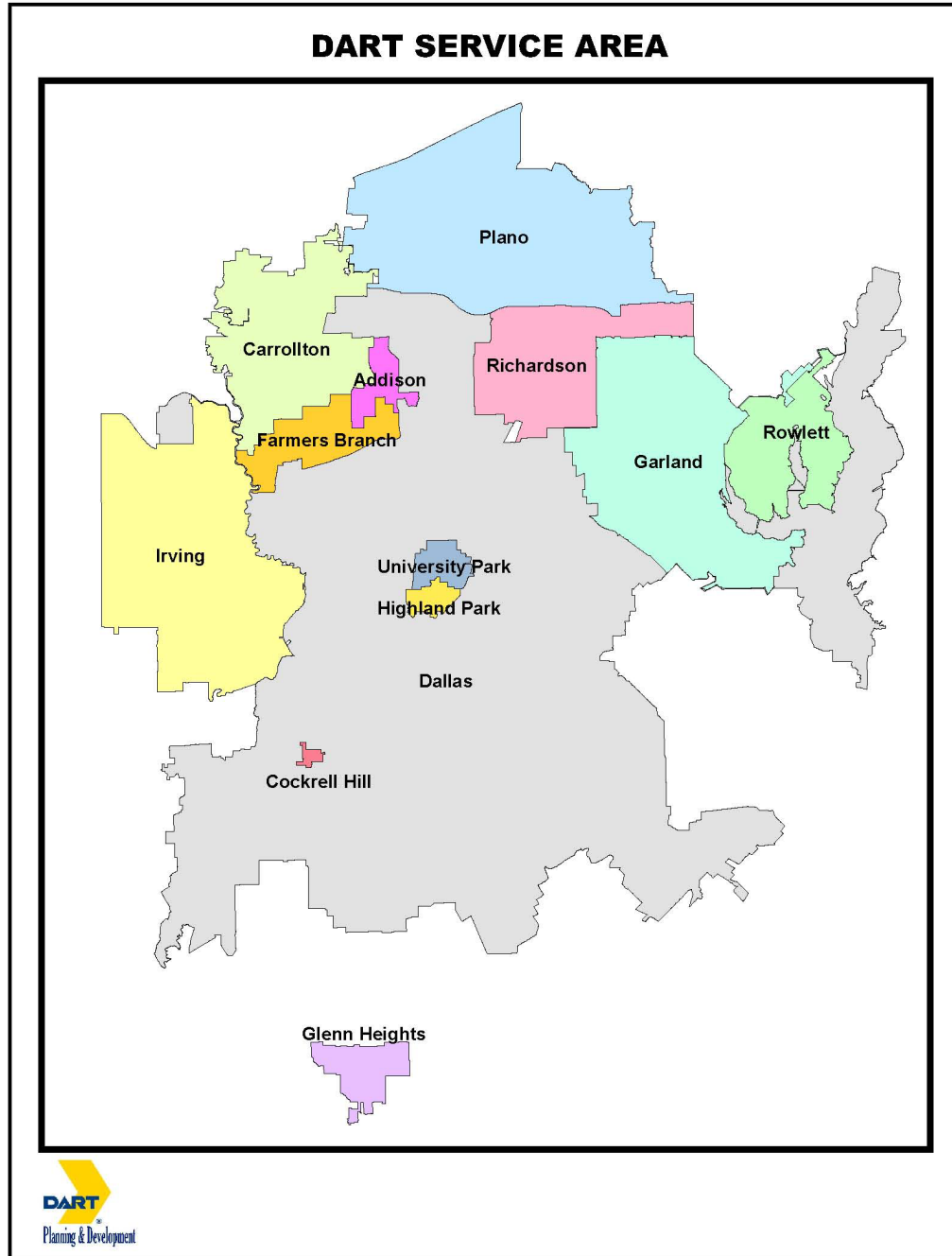
The Board elects from its members a chair, vice chair, secretary, and assistant secretary as shown below. These elections are held in October of each year.

Exhibit 1: DART Board of Directors

| Name | Represents |
|------------------------------------|--|
| Michelle Wong Krouse, Chair | Dallas |
| Gary Slagel, Vice Chair | Richardson, University Park, Towns of Addison, and Highland Park |
| Rodney Schlosser, Secretary | Dallas |
| Glenn Calison | Plano and Farmers Branch |
| Mark C. Enoch | Garland, Rowlett, and Glenn Heights |
| Carmen Garcia | Dallas |
| Flora M. Hernandez | Dallas |
| Doug Hrbacek | Carrollton and Irving |
| Jonathan Kelly | Garland |
| Patrick Kennedy | Dallas |
| Jon-Bertrell Killen | Dallas |
| Eliseo Ruiz III | Dallas and Cockrell Hill |
| Rick Stopfer | Irving |
| Paul N. Wagerman | Plano |
| Hosanna Yemiru | Dallas |



Exhibit 2: DART Service Area



DART's Management

The Board selects our President & Chief Executive Officer. The President & Chief Executive Officer's duties include:

- Overseeing our daily operations, including hiring, compensation, and employee training
- Awarding contracts for services, supplies, capital acquisitions, real estate, and construction if the amount of any such contract does not exceed \$100,000, and contracts of up to \$250,000 for standard off-the-shelf commercial products
- Presiding over the growth of our transit system
- Providing regional leadership and national visibility regarding the transportation needs in North Central Texas

Exhibit 3 is a summary of our executive management team. Over the next few months, the President & Chief Executive Officer will make changes to the Leadership Roundtable and add new liaisons to the Board Committees.

Exhibit 3: DART'S Executive Management

| Name | Position | Joined DART |
|---|--|-------------|
| REPORTS TO DART BOARD OF DIRECTORS | | |
| Nadine S. Lee | President & Chief Executive Officer | 2021 |
| Chris Koloc | Director of Internal Audit | 2008 |
| Gene Gamez | General Counsel | 2002 |
| Lon Nickles | Board Administrator | 2017 |
| REPORTING TO PRESIDENT & CHIEF EXECUTIVE OFFICER | | |
| CUSTOMER CARE & SERVICE DELIVERY | | |
| Bernard Jackson | Sr. Executive Vice President, Chief Operations Officer | 2022 |
| Jaime Aleman Jr. | Interim Vice President, Rail Operations | 2007 |
| Doug Douglas | Vice President, Mobility Management Services | 1990 |
| Lisa Taylor | Interim Vice President, Rail Operations | 2008 |
| Alicia Walker | Interim Vice President, Bus Operations | 2019 |
| BUSINESS & INNOVATIVE SOLUTIONS | | |
| Vacant | Executive Vice President, Chief Administrative Officer | |
| Rosa Medina-Cristobal | Vice President, Human Resources | 2020 |
| Brad Cummings | Vice President, Procurement | 2021 |
| Gregory Elsborg | Vice President, Chief Innovation Officer | 2019 |



| Name | Position | Joined DART |
|---|---|-------------|
| Nevin Grinnell | Vice President, Chief Marketing Officer | 2011 |
| Julius Smith | Vice President, Chief Information Officer | 2016 |
| GROWTH/REGIONAL DEVELOPMENT | | |
| Deanna Leggett | Executive Vice President, Growth/Regional Development | 2022 |
| David Ehrlicher | Interim Vice President, Capital Design & Construction | 2002 |
| Bonnie Murphy | Vice President, Commuter Rail | 2017 |
| Kay Shelton | Vice President, Capital Planning | 2000 |
| Rob Smith | Vice President, Planning & Development | 2006 |
| DEPARTMENTS REPORTING TO PRESIDENT & CHIEF EXECUTIVE OFFICER | | |
| Jenny Barket | Chief of Staff to President & Chief Executive Officer | 2022 |
| Gabriel Beltran | Interim Vice President, Diversity & Inclusion | 2001 |
| Charles Cato | Chief of Police Emergency Management | 2022 |
| Edie Diaz | Vice President, Government and Community Relations | 2019 |
| Donna Johnson | Vice President, Chief Safety Officer | 2004 |
| Elizabeth Reich | Chief Financial Officer | 2022 |

Employees and Employee Relations

There are 3,762 full-time salaried and hourly positions included in the FY 2023 Annual Budget.

The Amalgamated Transit Union, Local 1338, represents most of our operators, mechanics, and call center personnel. As a Texas governmental entity, we are not legally permitted to collectively bargain or sign labor contracts with these employee representatives. However, we meet and confer with these representatives on hourly employee issues, compensation, and benefits.

DART is organized broadly along the following functional lines (“organizational units”; see Exhibit 4).

- Business & Innovative Solutions looks to maximize Agency resources through innovative technology, dynamic marketing, effective procurement, and engaging talent management.
- Chief of Staff is responsible for administrative functions of the Executive Office, external relations, and special programs.

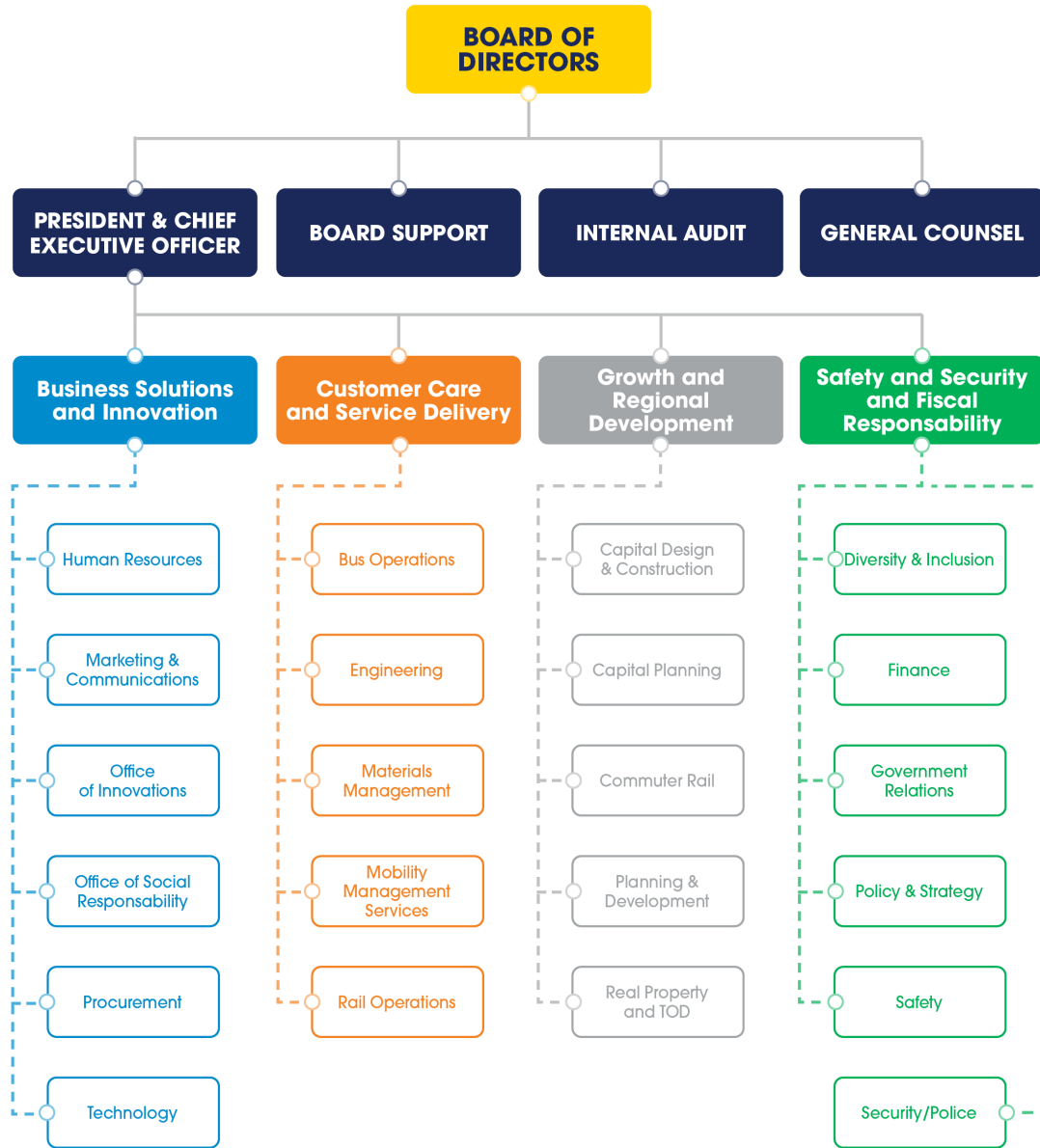


- External Relations serves as the voice of the Agency. This includes media relations, social and digital media, community relations, and transit education.
- Government and Community Relations is the Agency's key liaison with federal, state, regional, and local elected officials and stakeholder and community groups.
- Customer Care and Service Delivery is charged with providing efficient, effective, safe, and secure transportation service.
- DART Safety Office ensures a safe environment for customers, employees, and people on DART property and construction sites.
- Diversity and Inclusion is responsible for DART's Equal Employment Opportunity (EEO), Minority & Women Business Enterprises (MWBE), and diversity programs.
- Finance acts as a strategic business partner to its internal and external customers, influencing major business decisions and providing astute fiscal management.
- Growth/Regional Development oversees the planning and development of the overall system.

Exhibit 4 also illustrates that the staff positions Board Support, Director of Internal Audit, and General Counsel report directly to the Board of Directors.

The Organizational Units section, beginning on page 35, provides more detailed information.

Exhibit 4: DART Functional Organization Chart





The DART Transportation System

Our current public transportation services include:

- Bus Transit service, including GoLink services;
- Light Rail Transit service;
- Commuter Rail service;
- Mobility Management services, including ADA Complementary Paratransit services;
- Rideshare matching services for carpools and vanpools (discontinued in March 2022); and
- Special Event service, provided through the modes listed above.

Exhibit 5 highlights total system ridership by mode for the last ten years along with budgeted ridership for the Fiscal Year FY 2022 and FY 2023.

Exhibit 5: Ridership by Mode (in Millions)

| Fiscal Year | Bus | LRT* | Commuter Rail | Paratransit | GoLink | Vanpool | Total ** |
|-------------|------|------|---------------|-------------|--------|---------|----------|
| 2012 | 38.7 | 27.7 | 2.3 | 0.8 | N/A | 1.0 | 70.5 |
| 2013 | 38.0 | 29.5 | 2.1 | 0.8 | N/A | 0.9 | 71.3 |
| 2014 | 37.4 | 29.5 | 2.3 | 0.8 | N/A | 0.9 | 70.8 |
| 2015 | 36.5 | 29.9 | 2.2 | 0.8 | N/A | 0.9 | 70.3 |
| 2016 | 33.7 | 29.8 | 2.1 | 0.8 | N/A | 0.8 | 67.1 |
| 2017 | 32.1 | 30.1 | 2.1 | 0.8 | N/A | 0.7 | 65.8 |
| 2018 | 30.3 | 29.0 | 2.0 | 0.8 | N/A | 0.6 | 62.7 |
| 2019 | 38.7 | 28.6 | 2.0 | 0.9 | N/A | 0.6 | 70.8 |
| 2020 | 27.8 | 20.3 | 1.3 | 0.6 | N/A | 0.3 | 50.3 |
| 2021 | 20.1 | 14.6 | 0.8 | 0.6 | N/A | 0.0 | 36.1 |
| 2022B | 22.2 | 16.4 | 1.0 | 0.6 | 0.2 | 0.1 | 40.5 |
| 2023B | 25.8 | 19.9 | 1.2 | 0.8 | 0.4 | 0.0 | 48.1 |

* Streetcar ridership is included in the LRT totals.

**Reporting of HOV ridership was discontinued effective 10/01/2015. Without HOV, Total Agency Ridership will not match previously reported totals.

Bus Transit (53.1% of total system ridership in FY 2022)

DART implemented the New Bus Network on January 24, 2022. The New Bus Network provides frequent, local coverage, express, and shuttles.

Frequent routes serve high-ridership corridors that are integral to the DART service network, including a mix of bus and rail services. These routes are characterized by higher service frequencies, a wider span of operating hours, and broader stop spacing.



Local routes are fixed-route, fixed-schedule services, with frequent peak and 30-minute service at other times. Local coverage routes are fixed-route, fixed-schedule services that cover areas with lower residential and/or commercial densities but where ridership levels are sufficiently high to support fixed-route service rather than on-demand GoLink service.



Express routes have terminal points within the Dallas CBD or at other destination-oriented concentrations of employment or commercial activity. They may provide service over a route segment with local stops.

Shuttles are often operated and primarily funded by partner organizations that directly link the DART rail network or transit centers for their employees, students, or customers.

To ease the impact of the bus operator shortage, bus route frequency changes were implemented on June 13, 2022, to 31 of our 97 routes. DART implemented a five-minute temporary reduction in frequency on most routes currently operating every 15 minutes to restore service reliability and dependability for all riders. Some routes with 20-minute midday and early evening service changed to 30-minute service. The FY 2023 Operating Budget includes the restoration of the January 24, 2022 service with the anticipation that the Operator shortage will be resolved.

Light Rail Transit (41.9% of total system ridership in FY 2022)

Light Rail Transit is an electrically powered rail system that primarily operates at grade. Listed below are the phases and various openings of the 93-mile light rail system.

- September 1996 through May 1997 - A 20-mile “Starter System” opened in phases, with lines from South and West Oak Cliff through downtown Dallas and along the North Central Expressway corridor to Park Lane in Dallas.
- In 2001-2002, DART’s light rail was extended to North Dallas, Garland, Richardson, and Plano. In 2009, the first phase of the Green Line opened southeast of downtown Dallas with the remainder opening in 2010.
- In December 2010, Lake Highlands Station was opened as DART’s first infill station on the Blue Line.
- July 2012 DART opened the first 5-mile segment of the Orange Line to Irving.



- December 2012 DART opened the second phase of the Orange Line and the Blue Line extension to Rowlett .
- In August 2014, Rail service opened at DFW International Airport.
- In October 2016, the extension of the Blue Line to UNT-Dallas opened.
- The newest infill station, Hidden Ridge Station, is DART’s 65th Station in the network. Hidden Ridge Station opened on April 9, 2021, and began revenue service on April 12, 2021.



The FY 2023 Operating Budget includes the restoration of the January 24, 2022 service with the anticipation that the Operator shortage will be resolved.

Commuter Rail (2.6% of total system ridership in FY 2022)



Our commuter rail system, referred to as Trinity Railway Express (the “TRE”), provides diesel-powered commuter railroad services on the TRE Corridor between Dallas and Fort Worth in mixed traffic with freight and passenger railroad operations. The 34-mile corridor is jointly owned by DART and the Fort Worth Transportation Authority, which brands itself as Trinity Metro.

TRE service is provided pursuant to an interlocal agreement between DART and Trinity Metro. This agreement was originally entered into in 1994 and was restated and adopted by both Boards in 2003 and 2021. Pursuant to Trackage Rights Agreements, the Burlington Northern Santa Fe, Dallas, Garland and Northeastern, the Union Pacific, and Amtrak railroads pay a fee for the right to operate on the TRE corridor.

Through its contractor Herzog Transit Services, Inc., TRE provides dispatching, maintains the corridor, runs the service, and maintains the rolling stock used in the service. The FY 2023 Operating Budget includes a modest change to service hours over the FY 2022 service plan.



Paratransit (1.7% of total system ridership in FY 2022)

DART is responsible for providing complementary paratransit services in accordance with the Americans with Disabilities Act of 1990 (the "ADA"). In FY 2019, we renewed our contract with MV Transportation, Inc. (MV) to provide paratransit service. MV provides, operates, and maintains a fleet of 80 Starcraft vehicles in dedicated service. MV also oversees and manages a fleet of 116 Dodge



Enter vans outfitted by Braun, which are taxi vehicles provided and operated by Irving Holdings.

Mobility Management Services continues to work to improve the service received by our customers while striving to provide the most cost-efficient service

for the Agency and to be good stewards of public funds. The department is focused on delivering the highest freedom of mobility to our customers.

The department offers several options for customers to learn what options are available to them and to assist them in learning to use each. The Travel Ambassador Program provides free training to any DART customer, regardless of mobility status, to promote additional fixed-route ridership in the system.

GoLink (0.7% of total system ridership in FY 2022)



GoLink provides DART customers personalized curb-to-curb service anywhere within 31 pre-defined zones covering a service area of 232 square miles using a variety of vehicles and service providers.

Each Zone is anchored at a DART rail station or Transit Center, affording customers connections to and from the transit facility.

GoLink customers may book a trip via DART’s GoPass phone application or call the GoLink reservations call center.

The FY 2023 operating budget includes adjustments to hours of service for all zones.

Special Events Service

We operate special event services (bus, light rail, and TRE) to the State Fair of Texas, the New Year’s Eve celebration in downtown Dallas, concerts, basketball, hockey games, and a wide variety of other events. Consequently, most special event services are provided on the light rail and commuter rail systems, with bus involvement generally restricted to supplementing the rail system’s capacity during periods of very high usage.

Exhibit 6: DART System Map



DART in the Industry

DART is an established leader within the transit industry. Board members and staff are involved in key transit industry associations in many significant ways. Since 2019, President & Chief Executive Officer Nadine Lee has served as a member of the Leadership APTA Committee. The American Public Transportation Association (APTA) is a nonprofit international association of more than 1,500 public and private organizations involved in transit. Ms. Lee is also a past director of the WTS International board.



A complete list of DART's industry awards earned in 2021 follows:

Forbes

America's Best-In-State Employer

Government Finance Officers Association

Distinguished Budget Presentation Award

South West Transit Association (SWTA)

2021 SWTA Spotlight Award

Campaign Awards

South West Transit Association (SWTA)

2021 SWTA Hit the Spot

Special Events Awards

South West Transit Association (SWTA)

2021 SWTA Hit the Spot

Social Media Awards

DFW Clean Cities Fleet

2021 DFW Clean Cities Shining Star for both NOX & GGE reductions

Gold Fleet Awards



Organizational Units

- Unit Goals
- Key Initiatives
- Mission, Vision and 5-Star Values

Organizational Units

Overview

This section contains key performance indicators, budget details by mode, and organizational unit goals and functions. DART has the following organizational units:

Customer Care & Service Delivery

Charged with providing effective, efficient, safe, and secure transportation service.

- 5 Star Service Program
- Bus Operations Division
- Light Rail Operations Division
- Engineering
- Training and Technology
- Materials Management
- Mobility Management
- System Police and Security

Workforce & Customer Safety

Providing a structure for a safe transportation network for customers and citizens of the DART Service Area, and the safest work environment for employees, customers, and people on DART property and construction sites.

- Operations
- Customers Growth/Regional Development

Planning & Development of the Overall System.

- Planning & Development
- Capital Planning
- Capital Design & Construction
- Commuter Rail and Railroad Management
- Real Property and Transit Oriented Development (TOD)

Business & Innovative Solutions

Maximizing Agency resources through innovative technology, dynamic marketing, effective procurement, and engaging talent management.

- Technology
- Marketing & Communications
- Procurement
- Human Capital
- Innovation

Workforce Leadership & Development

Providing effective leadership.

Finance

The Finance Department provides world-class, creative, responsive financial thought-leadership and solutions to propel DART's growth and sustainability, with accountability to all DART's valued shareholders

Business Planning & Analysis

- Treasury
- Accounting
- Revenue Administration and Operations
- Risk Management

External Relations

Serves as the voice of the agency. The varied activities of this group reach customers, prospective customers, and stakeholders. Staff are responsible for ongoing media relations support as well as public meetings required by statute. Transit Education staff are in the field daily reaching "students" of all ages with DART information as well as teaching them about the value of public transit in North Texas.

- Media Relations
- Social & Digital Media
- Community Relations
- Transit Education

Functional Units Reporting Directly to the Board of Directors

The **Office of the General Counsel** represents the Agency in all judicial and administrative proceedings, including Equal Employment Opportunity Commission, employee grievances, and procurement and construction disputes. The Office provides advice, guidance, and counsel to the Board of Directors and Agency staff on ethics, transactional, real estate, procurement, labor/employment,



and regulatory matters. The Office manages the Open Records function in coordination with representatives of the various agency departments.

In accordance with DART's Audit Committee Charter and the Internal Audit Department Charter, the **Office of Internal Audit** operates as an independent appraisal function within DART, reporting to the Board of Directors through the Audit Committee of the Board. The Internal Audit Department conducts audits of operational functions, including technology, to assess the control of the risks to business objectives and audits of contracts for compliance.

The **Office of Board Support** provides administrative support to the Board of Directors. The primary functions of this office are to disseminate information in a variety of formats to each Board member, to assist in handling Board member requests, coordination of Board/Committee meeting materials, coordination of meeting schedules for Board members, and maintaining official documents of all Board/Committee meetings as well as confidential Board personnel files. The Director of Board Support is also responsible for serving as Secretary to the Trial Board and as Administrative Law Secretary. Administrative support is provided to the Trial Board members, who hear and render decisions on the final appeal on employee grievances, and the Administrative Law Judges, who hear and render decisions on DART contract disputes.

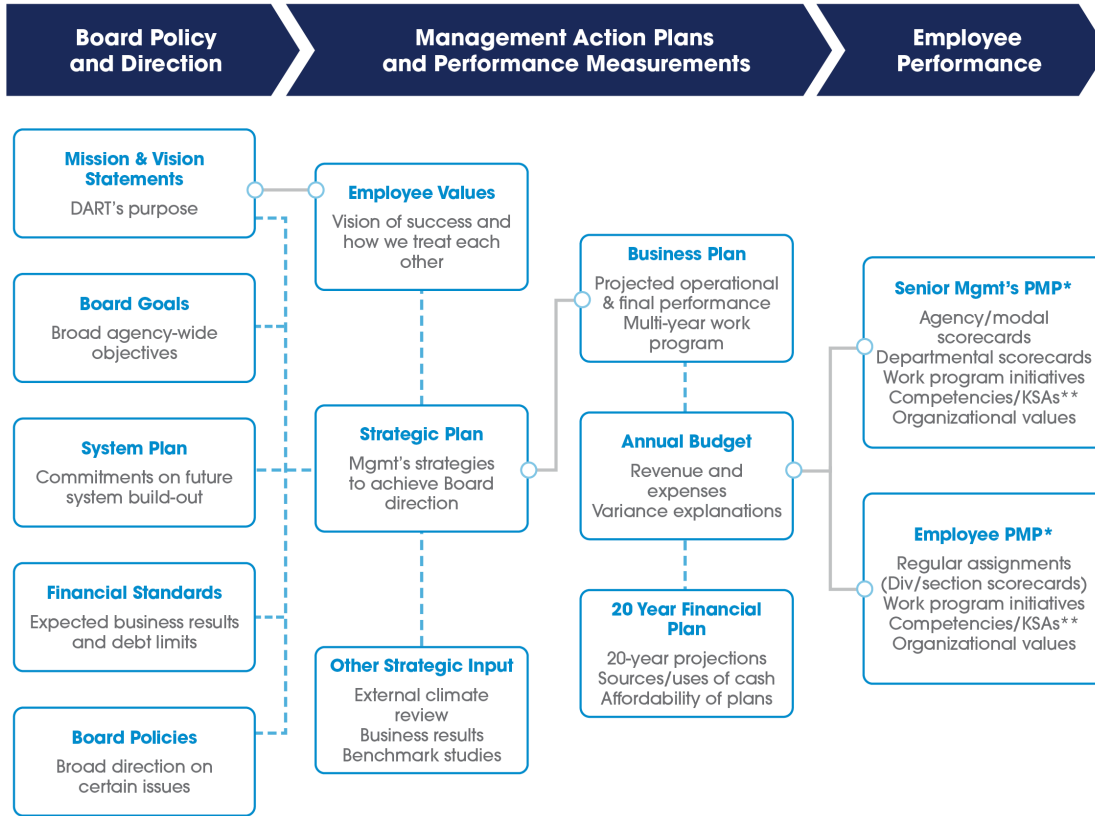
The FY 2023 Operating Budget and Positions by Department are shown in the *FY 2023 Annual Budget* section.

Development of Unit Goals

DART's leadership uses a framework of aligned strategic planning tools to ensure DART employees understand how their jobs and performance are linked to the Agency's mission statement, direction, and strategic priorities. DART's Strategic Alignment Structure is shown in Exhibit 7 below.

Performance measurements are incorporated into tracking and reporting processes at all levels of the Agency. The major components of the leadership system are described in more detail in the remainder of this section.

Exhibit 7: DART’s Strategic Alignment Structure



Customer Care & Service Delivery

Overview

Customer Care & Service Delivery (CCSD) is charged with providing effective, efficient, safe, and secure transportation services. The Sr. Executive Vice President reports to DART’s President & Chief Executive Officer and is the management liaison for the Board’s Customer Service, Safety, and Mobility Committee. The Sr. Executive Vice President, Chief Operations Officer, oversees the following Departments: Bus Operations, Light Rail Operations, Mobility Management Services, Materials Management, and Engineering.

Customer Care and Service Delivery comprises 2,800+ positions dedicated to providing safe, convenient, and reliable transportation with 5 Star Service to internal employees and external customers. The organization operates 24/7, 365

days a year. Bus and rail services operate 22 hours daily across 700 square miles of the DART Service Area.

CCSD reorganized to improve performance, organizational alignment, and transparency several years ago. Under new leadership, the organization continues its transformation to build new competencies, methods, and frameworks in FY 2023. Priorities include service delivery, culture change, leadership behaviors, quality assurance standards and practices, designs for a pandemic environment, skilled communication, launching the transit operations academy, new technology, innovation, and ongoing efficiencies.

FY23 Key Initiatives

- Partner with Innovation Group on the Idea Box Program
- Review Program Pillars, Star-Level Definitions, and
- Continuous Improvement Team Metrics

5 Star Service Program

This program is a major cultural transition for DART. For FY 2023, the program will continue to emphasize a change in employee behavior, high-performance teams, and greater accountability. Employee engagement and feedback opportunities is used to hear from employees regarding ideas for improvement, innovation, and creativity.



Employees at every level of the organization have a role in facilitating change and demonstrating the ownership needed for making true progress, both for the individual and department.

Ongoing 5 Star Service Program Projects

- Continued focus on improving the customer experience of the DART system.
 - The Mystery Rider Program examines the customer experience from a whole system perspective down to the individual employee encounters.
 - Concierges riding trains to assist customers with their journey has been a successful practice over the past two years; this will continue in 2023.
- The 2022 Customer Experience Officer (CEO) class focused on Operations leadership; future courses in 2023 are slated for supervisors and newly hired management personnel.



-
- Continuous Improvement Teams (CIT) are problem-solving groups that include approximately 10-20 employees at any given time, selected by departments to solve technical problems, improve processes, or create new ways to improve working relationships within the agency or with the agency's customers. Twenty-one teams have implemented their projects to date.
 - The Practicing, Leading and Serving (PLS) Toolbox course is available in the DART Learning Management System for newly hired supervisors and management personnel.
 - Transit Operations Academy will continue to roll out technical skills training for new operations supervisors and managers.
 - The Culture Change Management Series invites guest speakers each year to discuss a wide range of culture-related topics. For FY 2023, this will transition to a virtual series.
 - Customer Service Events are a series of direct interaction activities at rail stations, transit centers, divisions, departments, and special occasions. These events were suspended through the COVID-19 pandemic and could be relaunched in FY 2023 if deemed safe.

The 5 Star Service Program has five components:

1. Culture Change
2. Center of Excellence
3. Improved Services
4. High Performance and Recognition
5. Image and Brand

Bus Operations

Overview

The Bus Operations Department is responsible for the delivery of a safe, reliable, and courteous service to DART customers. This team directs the daily operation of a fleet of 570 vehicles that serve 79 bus routes throughout a 700 square mile service area and transports, on average 138,300 passengers each weekday. To deliver this service, the Bus Operations Department budgets 1,290 bus operators and 532 support and administrative staff (hourly and salaried).

DART fixed route bus service operates from three divisions (East Dallas, Northwest, and South Oak Cliff) located strategically across the service area. Bus Operations strives to improve our system's customer experience, quality, reliability, and safety daily. In 2023, identifying efficiencies throughout the Department is a priority.

FY23 Key Initiatives

- Develop labor management strategies and train Bus Operations, Staff
- Service delivery goal is 97%, with 3% missed trips
- Track system detours; collaborate with the Technology Department for On-Time Performance adjustments
- Increase operations visibility through the Rider Assessment Plan to include monthly trips on bus service by management staff
- Increase Transit Center Services staff visibility to customers on vehicles
- Implement work instructions for productivity and equipment reliability
- Improve quality assurance monitoring of equipment and facilities against the standards
- Restructure Bus Operations Training, including operator hiring, recruitment, and training programs
- Evaluate the Customer Satisfaction Survey and improve on the metrics



Employee Recognition

In Bus Operations, we are proud to recognize employees through the 5 Star Service Program – “5 Star Friday Messages” which honors employees for acts of kindness, courtesy, customer service, and heroism.

Bus Operations Support

This operation ensures the availability of qualified and trained operators to meet daily service requirements, operator performance management, customer relations, on-time performance, service disruption restoration, emergency response, and safety compliance. The Bus Operations Support team is responsible for support operations and is comprised of the following sections:

- Employee Engagement;
- Bus Operator Training; Transit Operations Academy (TOA);
- Bus Dispatch Control Center, the nerve center of bus communication; and
- Transit Center Services provide concierge services to DART customers.

Bus Operations Employee Engagement

The Bus Employee Engagement Group comprises a manager, two specialists, two representatives, and a coordinator. This team manages all programs, processes, and communications that engage our Bus employees. One unit within the section administratively handles all employee grievances and complaints, from submission to resolution. Another unit manages all the Bus employee activities, from competitions, recognitions, employee meetings, and appreciation events to uniform management and Department participation in overall DART programs.



The major programs managed are the Efficiency Awards, Division Level Measurement (DLM), Document Management & Retention, Uniform Contract, Employee Meetings, and Appreciation Days. All team members are responsible for managing employee communications.

Bus Operations Training

Bus Operations Training is responsible for providing technical, behavioral, and customer service skill training for 1,290 bus operators. There are seven training supervisors, one training specialist, ten training instructors, and 62 bus operator instructors. Below is a list of the courses and the average number of operators taught annually.

- New Operator Training – initial, seven-week program for fixed route bus.
 - The average number of operators trained annually: 250



- Collision Avoidance Courses – provided to operators involved in preventable accidents.
 - The average number of operators trained annually: 150
- Return to Work Training – provided to operators classified as absent for 30 or more days.
 - The average number of operators trained: 160
- Advance Customer Service Training – training for operators who accumulate three verified conduct complaints.
 - The average number of operators trained annually: 25
- Refresher Operator Training Courses (Refresher Training) – are provided to all bus operators to review basic Bus Operations knowledge, policies, and regulations. Topics include 5-Star Customer Service, defensive driving, fatigue awareness, de-escalation techniques, disability awareness sensitivity training, and dispatch support. All bus operators are required to attend Refresher Training at least once every two years.
 - The average number of operators trained annually: 350

Bus Operations Training is also responsible for assessing and interviewing the best-skilled candidates for the bus operator position. To have a more effective process, the team transitioned from the standardized interview process to an innovative, interactive, skill-based interview process, encompassing prescreening behavioral assessment, skill demonstration, and live customer service behavioral scenarios.

Transit Operations Academy

The Transit Operations Academy (TOA) trains leaders to be innovative, value each other, excel, and exceed in performance.



TOA provides a proactive approach to equipping operations personnel who are new or aspiring leaders. This team is an agent of change, providing targeted operations employees with core competency training, leadership assessments, and maintaining state-of-the-art operations software system applications.

TOA is committed to providing training programs that ensure successful training outcomes and foster accountability through the following:

- Provide a meaningful curriculum that promotes operations employees' professional growth and development.
- Competency training relevant to specific positions will increase employee skill, performance, and knowledge transfer into action.
- Support and monitor training effectiveness using job performance, industry standards, best practices, advancements, and innovation.
- The TOA provides training initiatives targeted toward succession planning program criteria and assessments.
- Equip leaders to share power and create a culture of accountability by putting the needs of our people first while helping them to develop and perform at a higher standard.

The Transit Operations Academy provides various courses specifically designed to address the needs of aspiring, new, and existing operations leaders. These courses are categorized as follows:



Operations Onboarding, Operations Computer Skills, On-the-Job Training, and Operations Soft Skills. TOA supports training and development exclusively for the departments under the direction of the Sr. EVP Operations.

Bus Dispatch Control Center

The Bus Dispatch Control Center operates 24 hours a day, 365 days a year, with 14 dispatchers and two Assistant Managers overseeing, coordinating, and communicating the on-street bus service operation. The Center's primary responsibility is to provide two-way radio communication support to bus operators, field supervisors, and maintenance service trucks. This includes notification to field personnel of situations impacting scheduled service, assisting with accident information, bus delays, service disruptions, maintenance road calls, and street closures. Exhibit 8 below is an overview of the performance report for the Dispatch Center scorecard.

Exhibit 8: Dispatcher's Radio Performance

| Dispatcher's Radio Response Times (Avg/seconds) | | | | |
|---|----------|----------|----------|---------------|
| Fiscal Year | FY19 | FY20 | FY21 | FY22 (8 mos.) |
| Total Radio Calls | 158,393 | 125,626 | 89,077 | 52,124 |
| Monthly | 13,199 | 10,468 | 7,423 | 6,516 |
| Peak RTT < 4 Mins* | :31 | :26 | :28 | :35 |
| Off Peak RTT < 3 Mins | :27 | :20 | :23 | :24 |
| PRTT < 1 min** | :13 | :08 | :09 | :09 |
| Covert < 1 min | :20 | :10 | :10 | :10 |
| Not on Target | 1% | 1% | 1% | 1% |
| Overall | 99% | 99% | 98% | 99% |
| Star Level | 5 | 5 | 5 | 5 |

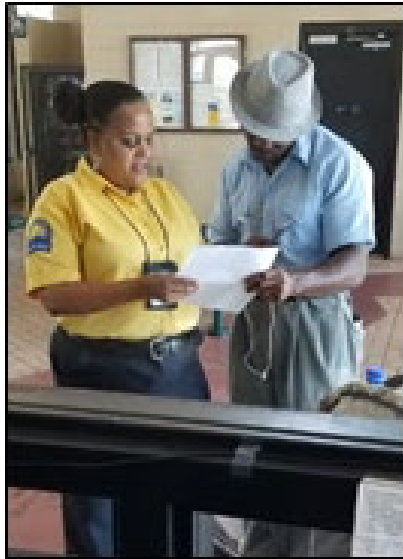
| Range From | Star | Level |
|------------|------|---------------|
| 96-100 | 5 | Spectacular |
| 90-95 | 4 | Top Quality |
| 86-89 | 3 | Above Average |
| 80-85 | 2 | Routine |
| 0-79 | 1 | Embarrassing |

*RTT = Request to Talk, *Peak Times: 6:30 am – 9:30 am and 3:30 pm – 6:30 pm, Monday-Friday

**PRTT = Priority Request to Talk

The team also coordinates responses to internal and external agencies regarding incidents and accidents by notifying EMS for medical support, DART Police for traffic control, DART's media liaison as appropriate, and safety and operations management team members via alpha page. They monitor bus headway/schedule adherence to ensure on-time performance and assist operators with on-time arrivals and departures at key time points. All incidents/accidents, service delays, and vehicle problems are tracked and reported through the Bus Control Center.

Transit Center Services



Transit Center Services' (TCS) primary responsibility is proactively managing a transit center and/or rail station while actively engaging and providing an extraordinary customer experience to the public. This includes attending to patrons of DART bus and rail services as well as any individual that traverses a DART facility. TCS has a staff of 27 station concierges, five field supervisors, and two customer support representatives. Station concierges and supervisors are located at 19 transit centers and rail stations five days a week for the span of service and part-time on weekends.

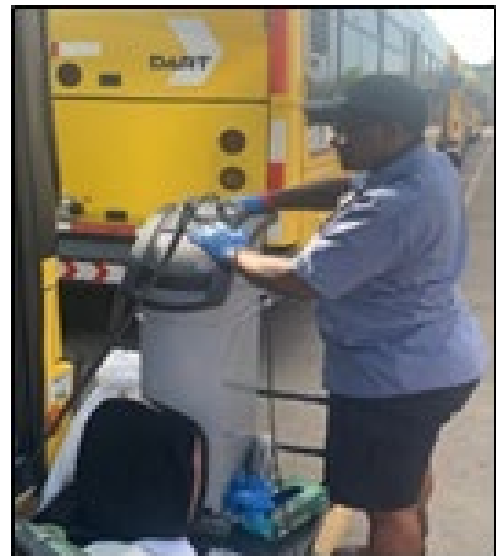


TCS participates in several special events and service changes including, but not limited to, the State Fair of Texas, Texas vs. OU football game, all service disruptions for DART light rail and TRE, Back to School events at Fair Park, plus various marketing and other community affairs events as needed. Staff is part of the Agency's "Ask DART" initiative to create better staff visibility for customers who may have questions at some point in their DART journey.

Bus Maintenance

Bus maintenance is responsible for the repair, maintenance, and upkeep of all bus operating facilities, approximately 570 fixed-route buses, and 700+ support vehicles and equipment. The bus maintenance team is comprised of 361 budgeted hourly personnel and 44 supervisors. Bus service facilities operate in all three bus garages and operate 24/7. The non-revenue vehicle maintenance shop is in a stand-alone facility.

Bus Maintenance's primary functions are performing preventive maintenance, corrective maintenance, campaigns, fleet modifications, and the servicing, fueling, and cleaning of the DART-operated bus fleet.



Additionally, each bus fleet service section is responsible for the repair and maintenance of its operating facility, including all associated buildings and equipment such as air compressors, vehicle lifts, pumps, vehicle washers, service stations, and other structures.

Zonar, a maintenance tracking system installed in 2018, is being used to improve operator compliance in the reporting of vehicle defects to ensure timely maintenance and better vehicle reliability.

Central Support

Central Support is responsible for scheduled bus maintenance, rebuilding major and small vehicle components, major campaign modification support, and capital program support for the DART-operated bus fleet. This unit ensures new buses are ready for revenue service and determines when buses are to be retired from service. Team members perform mid-life bus rehabilitation, revenue vehicle campaigns, and heavy corrective repairs.



Bus Body Support is responsible for the preventive maintenance, accident repair (minor and major), and upholstery rebuilding for the bus fleet

Non-Revenue Vehicle (NRV) Service

This section is responsible for preventive and corrective maintenance, fleet campaigns and modifications, servicing, new vehicle make ready, retired vehicle disposal, and cleaning of the DART-operated support vehicle fleet. Other responsibilities include management of NRV vehicle procurements, development of vehicle specifications, and vehicle configuration management. Additionally, NRV Services is responsible for the repair and maintenance of its operating facility including all associated buildings and equipment, which includes air compressors, vehicle lifts, pumps, and other structures.



FY 2023 Key Performance Indicators (KPIs)

Bus Operations Key Performance Indicators (KPIs) are presented in scorecard format in Exhibit 9. These KPIs measure our success towards achieving the goal of providing effective, efficient, safe, and secure transportation service. Fiscal years 2020 and 2021 indicate actual values. Fiscal Year 2022 Third Quarter represents the nine-month period ended June 30, 2022. Fiscal Year 2023 represents budgeted numbers.

Exhibit 9: Bus Scorecard – Key Performance Indicators

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|-------------------------------------|---------|---------|-----------------|-----------------|---------|
| Customer Quality | | | | | |
| Ridership (M) | 27.76 | 20.09 | 16.54 | 16.44 | 24.26 |
| Revenue Miles (M) | 24.24 | 11.61 | 15.96 | 18.80 | 25.26 |
| Passengers per Mile | 1.15 | 1.73 | 1.04 | 0.87 | 0.96 |
| Farebox Recovery Ratio | 8.8% | 5.4% | 6.0% | 6.5% | 5.6% |
| Complaints per 100K Passengers | 52.1 | 84.4 | 89.6 | 50.0 | 50.0 |
| On Time Performance | 83.6% | 81.8% | 77.6% | 83.0% | 83.0% |
| Mean Distance Between Service Calls | 7,302 | 8,929 | 9,690 | 7,000 | 7,000 |
| Veh. Accidents Per 100K Miles | 1.86 | 2.25 | 2.65 | 2.25 | 2.25 |
| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
| Financial Efficiency | | | | | |
| Expenses - Fully Allocated (M) | \$294.2 | \$273.3 | \$197.7 | \$210.4 | \$333.7 |
| Revenues (M) | \$20.9 | \$14.2 | \$17.7 | \$21.4 | \$21.2 |
| Net Subsidy (M) | \$273.3 | \$259.1 | \$180.0 | \$189.0 | \$312.5 |
| Subsidy Per Passenger | \$9.85 | \$12.90 | \$10.89 | \$11.50 | \$12.88 |
| Cost Per Revenue Mile | \$12.14 | \$23.53 | \$12.39 | \$11.19 | \$13.21 |

On-Time Performance Initiatives – Bus Operations will use the data provided by the radio system to improve the reliability of connections for bus customers.

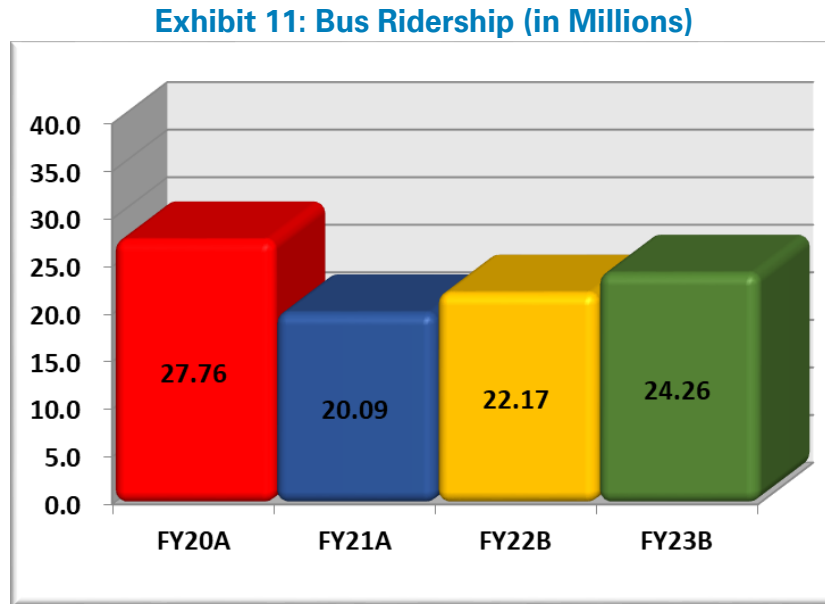
Fatigue Management – In 2023, Bus Operations will continue to focus on increasing safety by reducing operator fatigue through improvements to scheduling operator work hours and rest time between one workday and the next.

Exhibit 10: Bus Overview

| Overview | FY20A | FY21A | FY22B | FY23B |
|----------------------------------|---------|---------|---------|---------|
| Allocated Operating Expenses (M) | \$292.9 | \$273.3 | \$308.9 | \$333.7 |
| Capital Expenditures (M)* | \$10.1 | \$10.2 | \$36.2 | \$10.2 |

* These amounts are the actual or budgeted capital for this mode only and do NOT include an allocation of Agency-wide capital.

Exhibit 11 highlights Bus Ridership. Fiscal Years 2020 and 2021 indicate actual values, Fiscal Years 2022 and 2023 are the target values for those years:



Please see the *Reference Section* for discussion of ridership trends.

Light Rail Operations

Overview

The Light Rail Operations Department includes the Rail Operations Division, Rail Fleet Maintenance Division, and the Ways, Structures and Amenities Division. In FY 2023, DART will operate and maintain 93 miles of light rail, including 64 stations, 163 modern light rail vehicles, 2.5 miles of the Dallas Streetcar rail system, and 4 modern streetcars. There are also two rail operating facilities, the Central Rail Operating Facility (CROF) and the Northwest Rail Operating Facility (NWROF); the CROF location houses streetcar's operation and maintenance.



FY23 Key Initiatives

- Deliver quality light rail service
- Provide 5 Star Service
- Improve department performance
- Enhance employee training

Fatigue Management

The department will continue to focus on strategies to mitigate operator fatigue. One element of Fatigue Management has been the reconfiguration of the Extra Board (those operators who work fill-in assignments to cover vacations or sick time) into an AM and PM Extra Board, providing operators with improved consistency in the span of their work hours and providing greater assurance of adequate rest time between one work day and the next. These modifications have enhanced safety, as well as employee health and quality of life.

Rail Operations Division

Rail Operations has a team of salaried and hourly personnel. The management team oversees service delivery, personnel scheduling and assignments, operator training, service monitoring, performance analysis and evaluation, and staff compliance with rules and procedures.



The department is focused on improving the customer experience in FY 2023. The KPI goals consist of On Time Performance 93%, Mean Distance Between Failures 21,000 miles, and customer complaints, 19.5 complaints per 100,000 customers.

Initiatives to increase customer satisfaction include:

- Enhance data analysis and evaluation of rail service and personnel success measures, deviations, failures and trends by using tools such as the Survey 123 data collection program. This program collects data from Field Supervisors in real time on operator performance, efficiency testing, and customer interactions at stations.
- Improve On Time Performance tracking and monitoring by supervisors, especially in locations where trains run early/late.
- Expand the field supervisor's role to become the point of contact for customer feedback and complaints. Monitor Supervisor engagement with customers at the stations using Survey 123.
- Provide accurate data for on time performance via weekly reports utilizing the Vehicle Business System (VBS).
- Improve vehicle reliability and performance through weekly Light Rail Vehicle Performance and Reliability meetings with stakeholders; identify trends and repetitive mechanical defects and causes. Improve business rules related to uncontrollable incidents that adversely affect on time performance.
- Communicate on time performance updates to all divisions weekly, recognize high performers monthly.
- Improve communication on Light Rail Vehicles via the Passenger Announcement Interface Device system. The Operator will provide service information to passengers during service disruptions and include alternative travel options when applicable.
- Review customer service complaints weekly; use video and audio recordings to validate customer complaints and/or incidents.
- Monitor KPI categories to determine if the established metrics and goals are accurate.
- Maintain CCTV cameras in all 163 Light Rail Vehicles.
- Upgrade Supervisory Control and Data Acquisition (SCADA) train control system.
- Improve lighting at all rail stations and park-and-ride lots to increase passenger safety and security.

Rail Operations will also concentrate on providing a 5 Star Service culture for employees by enhancing employee training and programs, implementing Succession DART and career ladder programs, and adding maintenance employee recognition as a part of the existing Efficiency Awards Program.



The Rail Operation Division supports these initiatives through three main groups:

- Rail Operations Support
- Train Control Center
- Rail Operations Training

Rail Operations Support

This section employs hourly and salaried personnel, to include a manager and rail supervisors. Since 2021, the senior management team has utilized Practice, Leading and Serving training to improve employee PMP performance evaluations, work practices and processes of the department to improve performance and accountability internally and externally.

To assist with improving accountability, all supervisors are attending the Practicing, Leading and Serving class to ensure they receive and understand the expected standards for the future. Staff has responsibility for scheduling, monitoring, and evaluating operator performance in compliance with all applicable rules and procedures.

Emergency management will focus on standard operating procedures, communication with key stakeholders, and emergency coordination protocols. Rail technical support reviews and tracks signal safety operations for compliance and coordination. Operations Support also directs and manages train movement between the two rail yards.

Train Control Center

The Train Control Center monitors and controls train and streetcar movement along the alignment and responds to Traction Electrification System, tunnel ventilation, and facility-related issues. Train Control provides an integrated environment for coordinating and communicating travel alerts and important DART announcements at rail stations, onboard light rail vehicles, and with other internal departments. The team oversees and directs troubleshooting of defective equipment and transportation and maintenance personnel during incidents, accidents, and other abnormal conditions.

Rail Operations Training

This section serves to ensure adequate training for all rail operators, yard office and field supervisors. Responsibilities include training and certifying new employees and retraining and recertifying active employees. In addition, the unit focuses on all areas of service delivery, safety, collision avoidance, and customer service.

Rail Fleet Maintenance Division

The primary function of Rail Fleet Maintenance is to perform condition-based, corrective, campaign, and fixed scheduled maintenance activities on DART's light rail vehicles, the Dallas Streetcars, as well as on the CROF (Central Rail Operating Facility) and NWROF (Northwest Rail Operating Facility) buildings.



These functions are handled by three groups with subgroups within the Rail Maintenance Team.

- Rail Maintenance Administration
- Rail Fleet Services
 - Rail Fleet Maintenance
 - Rail Facility Maintenance
- Rail Central Support

Rail Maintenance Administration

This section organizes and develops programs, resources, and activities through creative and strategic planning in the maintenance of light rail/streetcar, and central shop maintenance functions. The group is responsible for oversight of the general repair and maintenance of its operating facilities including all associated buildings and equipment. The establishment of goals, policies, and procedures for accomplishing the division work programs fall under this group.

Rail Fleet Services

Rail Fleet Services has a team of employees that include skilled/non-skilled hourly personnel, senior managers, technical professionals, and support staff.

This section is responsible for maintaining a state of good repair of approximately \$6.0 billion in assets.

Rail Fleet Maintenance

The primary functions of Rail Fleet Maintenance are to perform preventive maintenance, through condition-based, corrective, campaign, and fixed scheduled maintenance activities including fleet modifications, and servicing of the DART-



operated rail fleet. This team strives for continuous improvement with a specific focus on vehicle reliability as measured through the Mean Distance Between Service Calls. Lead the replacement of LED head signs on LRV.

Rail Facility Maintenance

Within the reporting structure of Rail Fleet Services is a small facilities maintenance group. This group is responsible for the general repair and maintenance of its operating facility including all associated buildings and equipment, which includes air compressors, vehicle lifts, pumps, vehicle washers and other structures.

Rail Central Support

The Central Support section is responsible for the scheduled maintenance of the rail fleet, rebuilding major and small vehicle components, structural and electronic support, upholstery rebuilding, and capital program support for the Light Rail and Dallas Streetcar fleets.

Ways, Structures, & Amenities Division

The Ways, Structures, & Amenities Division provides maintenance for DART's 211.16 miles (including sections that are double tracked, yard track and Streetcar track) of light rail train (LRT) right-of-way systems, including the Dallas Streetcar, Bus/LRT/Commuter Rail passenger facilities, major administrative facilities, and agency-wide radio communications systems. The Division consists of the following seven sections:

- WSA Administration
- Rail Maintenance Training
- Track & ROW
- Passenger Amenities/Facility Services
- Traction Electrification System
- Signal Systems
- Communication & Control Systems

WSA Administration

This section oversees the administrative programs, resources and activities of personnel engaged in the maintenance of the light rail transit (LRT) and streetcar right-of-way, Bus/LRT/Commuter Rail Passenger Facilities functions for DART's Ways, Structures, and Amenities Division.

The group is responsible for business processes, programs, activities, budget, Board agenda coordination and personnel. The team performs research, technical

review and evaluation for various projects and then prepares and provides reporting and correspondence both external and internal to the Agency's departments and vendors, including State & Federal reporting.

Rail Maintenance Training

This section develops training policies, programs, and schedules based on identified training needs, production processes, business systems, or changes in products, procedures, and services.

The team selects and procures, as necessary, appropriate instructional procedures and methods such as individual training, group instruction, self-study, lectures, demonstrations, simulation exercises, role play, and computer-based training.



The group organizes, develops, and maintains on-line training manuals, reference library, testing and evaluation procedures, multimedia visual aids, and other educational materials.

Track and Right-of-Way

This section inspects, maintains, and repairs all light rail and Dallas Streetcar track. Time-based, corrective, and condition-based maintenance and repairs are performed on all track turnouts/switches, 183 road crossings, various right-of-way track-related structures, culverts, and other rail related facilities along the right-of-way.

Additionally, this section is responsible for maintaining a zero tolerance graffiti program for DART property.

Passenger Amenities/Facility Services

This section inspects, maintains, and repairs passenger facilities for DART's Bus, Rail, Dallas Streetcar, and Commuter Rail services.

Time-based, corrective, and condition-based maintenance and repairs are performed on 15 transit centers, 54 LRT at-grade rail platforms, nine LRT aerial platforms, one LRT subsurface platform, six commuter rail platforms, six Dallas Streetcar sheltered stations, two park & rides, two passenger transfer locations, two



transfer centers, 20 enhanced shelters, 31 crew quarters, 1,200 bus shelters, 1,000 benches, 11,000 bus stops/trail blazers, multiple information pylons, guide-a-rides, and tunnel equipment maintenance including fire life safety equipment.

The section is also responsible for the property management of DART Headquarters, DART Police Administrative Facilities and Police sub-stations (building maintenance and repair), Agency moving services, coffee services, cubicle reconfigurations, furniture procurement, space planning, vending services and the parking garage management at Headquarters.

Traction Electrification Systems

This section maintains the traction electrification system for DART's light rail train system.

Time-based, corrective, and condition-based maintenance and repairs are performed on 208 miles of overhead catenary (including 3.6 miles for the Dallas Streetcar), support structures, conductors, cable, hardware, 78 DC-traction power substations (including two substations for the Dallas Streetcar) providing power to the light rail trains and electrical power to the communication and signal systems, nine AC power substations for the tunnel system and facilities maintenance, Bus Operations electric bus network automated electric bus charging station, maintenance facility electric bus charger, and 3,040 station canopy and tunnel alignment lights.

Signal Systems

This section inspects, tests, and conducts preventive maintenance for DART's signal systems to ensure safe, scheduled train operations.

The section also maintains the switches, signals, Train-to-Wayside Control System (TWC), and traffic pre-emption along the Dallas Streetcar segment. Time-based, corrective, and condition-based maintenance and repairs are performed on 266 main line switches, 136 automatic highway grade crossing warning signals, 639 wayside signals/indicators, train coming signals and green bands, 134 yard switches, 40 signal power distribution centers, 102 TWC interrogators, and approximately 10,000 relays, cab signaling equipment, and other electromagnetic apparatus, cables, and train stop apparatus.

Communication & Control Systems

This section provides two-way radio and data communications to support the Bus Operations, Light Rail Operations, and DART Police departments. Communications support is also provided to DART Marketing, Technology, and City of Dallas



emergency services. This section maintains real-time data communication links from field units such as traction power substations and signal houses via a Supervisory Control and Data Acquisition (SCADA) system to the Train Control Center (TCC) and real-time data via the Trapeze Transit Master CAD/AVL system to Bus Dispatch.

The section also maintains SCADA, the Communications Transmission System, and all communication devices along the right-of-way for the Dallas Streetcar line segment. Time-based, corrective, and condition-based maintenance and repairs are performed on all communications-related hardware including 52 communication houses, 147 communication interface cabinets, 7 remote radio sites, and a fiber optic communications network.

Other systems supported include the digital voice recording system, approximately 1,700 CCTV cameras, 156 public address/visual message boards, Harris Open Sky Radio System (including 1,900 portable radios, 334 LRV radios, 330 NRV radios and 649 bus radios), and 186 passenger emergency call phones. Control System Programmers provide system administration and programming on all software applications, databases, and operating systems used to support Train Control and Bus Dispatch operations.

Light Rail Scorecard – Key Performance Indicators

Exhibit 12 highlights LRT's Key Performance Indicators (KPIs) presented in scorecard format. These KPIs measure our success towards achieving the goal of providing effective, efficient, safe, secure transportation service. The numbers in the columns for fiscal years 2020 and 2021 indicate actual values. Fiscal Year 2022 Third Quarter represents the nine-month period ended June 30, 2022. Fiscal Year 2023 represents budgeted numbers.



Exhibit 12: Light Rail Scorecard – Key Performance Indicators

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|-------------------------------------|--------|--------|-----------------|-----------------|--------|
| Customer Quality | | | | | |
| Ridership (M) ^[1] | 20.27 | 14.63 | 13.05 | 12.29 | 21.43 |
| Revenue Miles (M) | 9.80 | 4.47 | 4.47 | 6.98 | 10.20 |
| Passengers per Mile | 2.07 | 3.28 | 2.92 | 1.76 | 2.10 |
| Farebox Recovery Ratio | 9.8% | 6.9% | 6.1% | 6.6% | 8.6% |
| Complaints per 100K Passengers | 16.0 | 10.2 | 8.5 | 19.5 | 19.5 |
| On Time Performance | 92.1% | 93.2% | 90.9% | 93.0% | 93.0% |
| Mean Distance Between Service Calls | 18,247 | 23,848 | 20,829 | 21,000 | 21,000 |
| Veh. Accidents Per 100K Train Miles | 0.24 | 0.44 | 0.43 | 0.75 | 0.75 |

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|--------------------------------|---------|---------|-----------------|-----------------|---------|
| Financial Efficiency | | | | | |
| Expenses - Fully Allocated (M) | \$188.4 | \$181.7 | \$143.0 | \$151.3 | \$205.0 |
| Revenues (M) | \$25.3 | \$19.3 | \$14.0 | \$17.7 | \$21.6 |
| Net Subsidy (M) | \$163.1 | \$162.4 | \$129.0 | \$133.7 | \$183.4 |
| Subsidy Per Passenger | \$8.05 | \$11.10 | \$9.88 | \$10.88 | \$8.56 |
| Cost Per Revenue Mile | \$19.23 | \$40.68 | \$32.01 | \$21.68 | \$20.11 |

Exhibit 13 is an overview of the uses of funds related to operating expenses and capital expenditures for Light Rail. To determine allocations, each department identifies the percentage of time and money spent on each mode to determine how the expenses and positions are allocated.

Exhibit 13: LRT Overview

| Overview | FY20A | FY21A | FY22B | FY23B |
|----------------------------------|---------|---------|---------|---------|
| Allocated Operating Expenses (M) | \$187.1 | \$180.7 | \$189.4 | \$205.0 |
| Capital Expenditures (M)* | \$30.2 | \$34.1 | \$125.2 | \$73.0 |

* These amounts are the actual or budgeted capital for this mode only and do NOT include an allocation of Agency-wide capital.

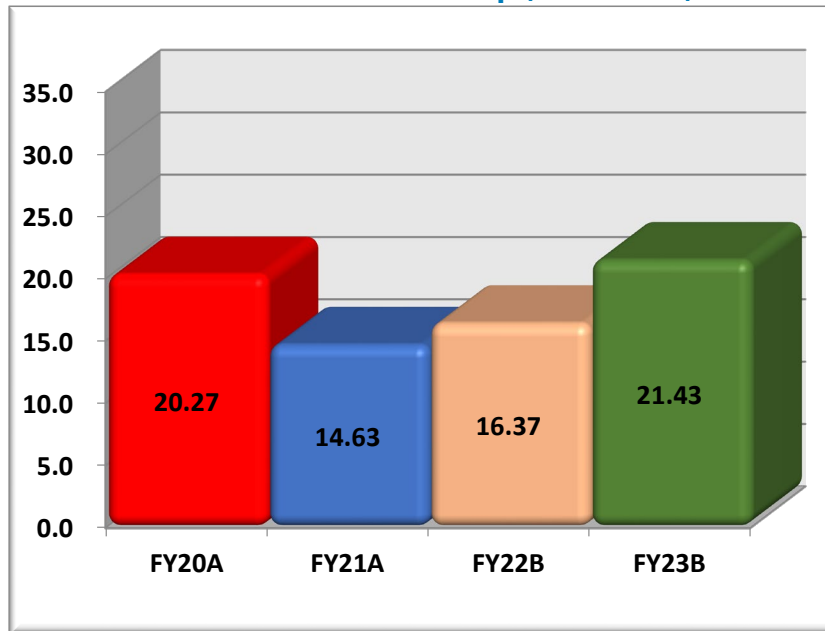
** Allocated positions are based on budgeted position counts.

LRT Ridership

Exhibit 14 highlights LRT Ridership. Fiscal Years 2020 and 2021 indicate actual values, Fiscal Years 2022 and 2023 are the target values for those years.



Exhibit 14: LRT Ridership (in Millions)



Please see the *Reference Section* for a discussion of ridership trends.

Engineering

Overview

The Engineering Department provides engineering and technical services support to Dallas Area Rapid Transit. Engineering also supports the Agency's mobility services for compliance with the equipment maintenance requirements of the contract, and it provides on-call construction management services to all Operations Divisions. Additionally, it provides liaison and project management oversight support for all systems integration and/or changes to passenger amenities, operating facilities, vehicles, right-of-way, and equipment. This includes:

- 570 Buses (includes 3 Buses leased to UTD)
- 163 Light Rail Vehicles (LRVs) + 4 Dallas Streetcars
- 568 Non-Revenue Vehicles
- 93 Miles of Track / Rail Guideway
- 12 Miles of Yard Lead Tracks
- 3.2 Miles in Tunnel
- 100 Light Rail Train (LRT) Bridges
- 19 Administrative / Operations & Maintenance Facilities
- 65 Passenger Facilities/LRT Stations

Engineering's objective is to improve operations performance and maintain compliance in five areas: Asset Availability; Asset Management; Regulatory Compliance; Customer Initiatives; and Safe Workplace. These areas are at the core of the Operations mission and allow a clear direction for the Engineering Sections in their service delivery and staff development. The Sr. Assistant Vice President, Engineering directs the overall activities of the department and reports directly to the Sr. Executive Vice President/Chief Operations Officer.

FY 2023 Key Initiatives

- Complete procurement actions for the Consolidated Dispatch and Command Center
- Support DART's involvement in the AECOM Automated Bus Consortium, moving towards the acquisition milestone(s) of Level-4 Automated Buses; complete charger installation plan
- Complete Arboc fleet replacement by initiating planning scope for longer-range Battery Electric 35' transit buses and chargers
- Execute solicitation for new LRV procurement of up to 95 light rail cars
- Initiate solicitation for electronic LED destination sign replacement on LRVs

- Complete LRV and Bus seat material retrofit (cloth-to-vinyl)
- Install backup generators at various operating facilities for the severe weather initiative
- Complete FTA milestones for DOT Technology Demonstration Project for drone, LiDAR, virtual reality headset, and innovative technology solutions in the condition assessment of transit assets and infrastructure
- Conduct State of Good Repair activities to include condition assessments, inspections, and repairs of DART facilities, assets, bridges, tunnels, and energy savings initiatives
- Complete 50% of the Passenger Information Display Systems installation
- Continue support of the Enterprise Asset Management System integration

Functional Engineering Divisions and Sections are:

- Fleet Engineering (FE) Division
 - Bus Fleet Engineering Section
 - Rail Fleet Engineering Section
- Facilities & Systems Engineering (FSE) Division
 - Bridges & Tunnels Section
 - Facilities Design Section
 - On-Call Construction Services Section
- Standards, Performance & Monitoring (SPM) Division
 - Asset Management (AM) Section
 - Operations Document Control (ODC) Section
 - Operations Services Support (OSS) Section
 - Warranty & Maintenance Services (WMS) Section
- Reliability Engineering –Configuration Management (RECM) Division (New in FY2023)
 - Change Control Board / Configuration Management Section
 - Accident / Incident Condition Assessment Coordination Section
 - Next Generation Technology Development Section

Fleet Engineering (FE) Division



This Division provides electrical and mechanical engineering support to Bus and Rail Fleet Maintenance Divisions and various Operations Departments, along with other Agency departments as projects dictate. Additionally, the sections help troubleshoot all vehicle systems and components to isolate causes of failure and develop and document equipment configuration

changes when required. Specifications, procedures, and requirements for the purchase, maintenance, and improvement of vehicles and equipment are developed by the sections as well. In addition, the team develops, reviews, and approves all technical information related to rolling stock assets to ensure they are maintained in accordance with the manufacturer’s and/or industry recommended procedures and manages the CNG Fuel contract.

Facilities & Systems Engineering (FSE) Division

This Division provides civil, electrical, and mechanical engineering support to various Operations Departments and other Agency departments as projects dictate. The Facilities Design Section assists Operations teams in troubleshooting facility, structural, electrical, and mechanical systems to isolate cause of failure analysis. The Construction Section performs smaller projects directly through the On-Call Construction Services (OCCS) contract and larger contracts through a general solicitation. This group houses the FSE Bridge & Tunnel Inspection program, which follows the National Bridge Inspection & TxDOT Standards for infrastructure assets State of Good Repair.



Standards, Performance & Monitoring (SPM)



The SPM Division establishes uniform standards for DART’s fleet and facilities state of good repair, ensures operational consistency for on-time performance standards, and conducts quality assurance audits. Programs include: the Transit Asset Management Program, Warranty Administration, the Fluids Analysis Program, and the Mystery Rider & Quality Assurance Program.

This team is responsible for document management and maintains and processes documents to support a Configuration Management System. The group developed and continues to maintain the Online Equipment Manual system and the Operations Document Control Workflow used to review and approve all Operations key documents. The team also manages department contracts for Tire Leasing, Non-Revenue Vehicle (NRV) Fuel Management, Uniforms, Pest Control,



Janitorial/Custodial Services, Bus Towing, and LRV and Bus Cleaning & Disinfecting Services.

This division assumed early responsibility for assessing, receiving, training, and deploying COVID-19 Disinfecting technology for the Agency and its partners. It continues to act as lead to assess new COVID-19 related technologies, as well as provide COVID-19 related treatments for Light Rail Vehicles rolling stock and DART Administrative and Operating Facilities.

Materials Management

Overview

The Materials Management department has the primary responsibility of managing the ordering, receiving, distribution and disposal of materials and equipment for the agency. Materials Management manages an inventory of over 16,020 various parts valued at more than \$40 million.

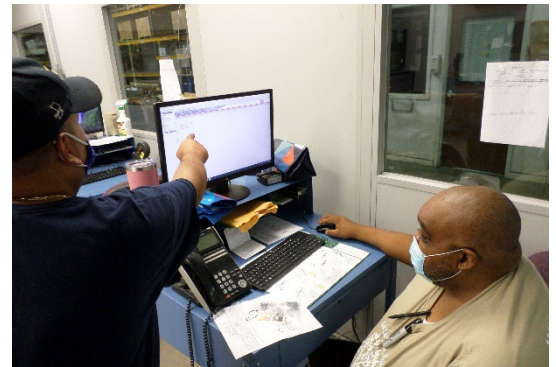
Materials Management is organized into four sections: Administrative, Materials Management and Planning, Receiving and Distribution and Warehousing and Distribution. The inventory is maintained at the main distribution center located in Irving, Texas and in seven satellite locations and one rail yard.

The Assistant Vice President of Materials Management directs the overall activities of the department and reports directly to the Senior Executive Vice President/Chief Operations Officer.

FY 2023 Key Initiatives

The key initiatives we will focus on in 2023 are:

- Facilitate staff training and maintain the integrity of DART's inventory.
- Implementation of Maximo, the new Enterprise Asset Management (EAM) computer system of record.
- Continue to automate warehouses to increase the accuracy and efficiency of storing and retrieving inventory and increasing storage capacity.
- Begin bar coding and serialization of all parts.
- Achieve KPIs and improve the availability of parts.
- Improve vendor relationships to better understand how they are set up and conduct business. Ensure vendors understand DART processes as well.
- Improve parts availability of supply chain lines as a result of the pandemic disruption.



FY 2022 Key Performance Indicators (KPIs)

Materials Management Key Performance Indicators (KPIs) are presented in scorecard format in Exhibit 15, representing the KPI measures of the Department's success towards achieving the Agency's goal of providing effective, efficient, safe, and secure transportation service. Fiscal years 2018 through 2021 indicate actual



values. Fiscal Year 2022 First and Second Quarter Average represents the periods ending December 31, 2021 and March 31, 2022.

Exhibit 15: Materials Management Scorecard – Key Performance Indicatorss

| Key Performance Indicators | FY18 | FY19 | FY20* | FY21* | FY22* Qtr 1 & 2 Avg |
|--|--------|--------|--------|--------|---------------------------|
| Buses Down for Parts (Stocked) - Average Per Day | 96.70% | 89.57% | 82.90% | 41.14% | 35.40% |
| LRVs Down for Parts (Stocked) - Average Per Day | 74.30% | 83.38% | 81.89% | 93.91% | 72.08% |
| Parts Availability % | 99.90% | 99.88% | 99.24% | 99.04% | 98.95% |
| Inventory Accuracy % | 99.70% | 99.64% | 99.45% | 82.90% | 98.48% |

*Results affected by Covid-19 Pandemic

Mobility Management Services



Overview

The Mobility Management Services (MMS) Department provides a broad range of transportation choices, innovative solutions, vehicle communication, and equipment enhancements geared toward mobility options for persons

with disabilities, older adults, veterans, and those with limited incomes, in order to enhance the customer experience.

Mobility Management Services provides accessible, origin-to-destination and door-to-door public transportation services within the DART Service Area in accordance with the Board-approved Accessible Services Policy and the Americans with Disabilities Act of 1990 (ADA). The department is responsible for managing GoLink, the Rider Assistance Programs (RAP), Parkland and UTD Shuttle services for the agency. The department also manages the fixed route Reduced Fare Program for Persons with Disabilities.

The Vice President of Mobility Management Services directs the overall activities of the department and reports directly to the Senior Executive Vice President/Chief Operations Officer. This department has a budget of approximately \$48 million and is separated into two divisions: Administration and Operations/Contract Compliance. DART's contract with MV Transportation, Inc. sets forth for the provision, operation, and maintenance of a fleet of over 260 vehicles, operating ADA Paratransit, GoLink and RAP.

FY23 Key Initiatives

In Fiscal Year 2023, the key initiatives of the department are:

- Transition of the Rider Assistance Program software platform from Routematch to Spare Labs.
- Collaborate with the contractor, MV Transportation, to vet and determine feasibility and timeline of implementation of a long-term technology solution for all MMS services.
- Solicit a consultant to complete a comprehensive review of the ADA Paratransit certification and eligibility process.



- Continue work on the MV Transportation contract to provide an improved customer experience.
- Develop a Request for Proposal for contract services performed by Mobility Management Services effective October 1, 2024.
- Maintain responsibility for field supervision, contract compliance, eligibility, outreach, travel orientation and training, coordinated transportation services, administration of the Fixed-Route Reduced Fare Program for Persons with Disabilities, and management of DART’s RAP, GoLink, Parkland and UTD Shuttle services.
- Restart and refresh of the Mobility Ambassador Program to assist customers with information and training about all of the services that DART offers.
- Partner with MV Transportation to research methods of adding Wheelchair Accessible Vehicles (WAV) to DART’s On-Demand Pilot Program for ADA Paratransit riders.

Administration Division

Mobility Management Services Administration is comprised of 27 salaried exempt and non- exempt positions. The team has responsibility for the oversight of Rider



Assistance Programs, Reduced Fare Program for Persons with Disabilities, Certification and Eligibility, the Mobility Ambassador Program, Travel Training, Customer Relations, and Budget Planning and Spending Oversight. The major initiatives of this section are:Rider

Assistance Programs

DART Rides is an on-demand rider assistance program for registered residents of qualified cities or ZIP codes who are age 65 or over or have a qualifying disability.

Collin County Rides is a rider assistance program for registered residents of Wylie, Allen, and the Town of Fairview. This service is for registered residents that are age 65 or over or have a qualifying disability.

These programs provide customers with the ability to request a ride via a Transportation Network Company (TNC) or an accessible vehicle and allows the customer to pay through a virtual wallet using funds supplied by the customer (25%) and matched (75%) by either the local government or by DART.

Reduced Fare Program for Persons with Disabilities

For those individuals who do not qualify for ADA Paratransit services due to a disability or proximity to fixed-route services, DART offers the Reduced Fare



Program. Persons that have qualifying disabilities can apply to receive a Reduced Fare ID that will allow them to travel through the DART fixed-route system at a discounted rate.

Mobility Ambassador Program and Other Community Training Options

The goals of the Mobility Ambassador Program are to: 1) increase the familiarity and comfort level of older adults, persons with disabilities, and the general public with DART's fixed-route system; and 2) encourage Health and Human Services caseworkers, non-profit transportation providers, and the public seeking transportation for persons with disabilities, to consider the fixed-route system as their first choice. The Mobility Ambassador Program is open to the general riding public, not just Paratransit riders, and can educate on fixed-route services as well as services offered by Mobility Management Services, including Paratransit.

For customers: The service includes travel orientation for individuals as well as groups. Mobility Ambassadors work with customers to help them become familiar, and comfortable, with using the fixed-route service through group trips and/or accompanying first-time users on customized transit trips. Customers that have gone through the Mobility Ambassador Program but require more than a few trips to feel comfortable using fixed-route services are referred to the Travel Training Program. The Travel Trainers continue to work with customers with disabilities requiring more intensive and detailed assistance.

For caseworkers and agencies: Mobility Management Services personnel conduct training to increase awareness of alternatives to DART Paratransit services, the ease of using fixed-route services, and the goals of service coordination between transportation providers and the Health and Human Services community. The Mobility Ambassador Program also offers group training for human service agencies and other trainers through a train-the-trainer program.

As of July 2022, 722 individuals and 208 groups have been trained since the start of this program. Due to COVID-19, training was suspended in March 2020 to allow for social distancing. The Mobility Ambassador Program resumed training in July 2022.

Paratransit Eligibility and Travel Training

Per the ADA, passengers must be certified by DART to use Paratransit services, and passengers' certifications are updated every one-to-three years. DART certifies passengers in person, thereby providing the most accurate assessment of an

applicant's ability to use fixed-route buses and trains. In-person eligibility assessments were suspended due to COVID-19 in the middle of FY 2020 and are anticipated to resume in late FY 2022. The eligibility process determines whether a person can use fixed-route services, or if a disability prevents that passenger, unconditionally or under certain circumstances, from using fixed-route services.

The number of certified riders for FY 2023 is projected to be approximately 11,600. This represents a 4% increase from the number of certified riders at the end of second quarter of FY 2022. As of May 2022, approximately 11,178 riders were eligible to use Paratransit services.

Eligibility and Training Specialists assess applicants' abilities to use fixed-route services and provide travel training, when indicated. Travel Training enables DART to transition eligible individuals to less costly fixed-route services. The Travel Training Program includes specialized instructions tailored to meet specific needs and skill levels for people with disabilities to successfully transition to fixed-route services. Travel Training requires daily and repetitive instruction until riders feel confident in their ability and can demonstrate competency for complete independence in the use of public transit.

Orientation and Mobility Training

Orientation and mobility training by a certified instructor became available for Paratransit riders with vision disabilities in the fourth quarter of FY 2013. The Orientation and Mobility Specialist provides instruction to people with vision disabilities on how to utilize DART's bus and rail services. This service is provided through a contract.

On-Demand Pilot Program

Mobility Management Services is piloting an on-demand program for ADA registered riders through the Uber Technologies platform. As of July 2022, there are 314 riders on the pilot. Using the Uber application, customers book their own trips and pay a base fare, with an additional amount subsidized by DART.

Operations/Contract Compliance Division

Mobility Management Services Operations/Contract Compliance is comprised of 22 salaried exempt and non-exempt positions. The team has responsibility for the oversight of the Purchased Transportation Contract that includes ADA Paratransit, GoLink, Rider Assistance Program, Parkland and UTD Shuttle Services and Technology. This division is also responsible for Field Supervision and Quality Assurance. The major initiatives of this section are:

Purchased Transportation Contract

The current purchased transportation contract with MV Transportation began on July 1, 2019 and runs through September 30, 2024. The contract includes two, two-year option periods, the first of which begins on October 1, 2022.

The service model utilizes a broker, MV Transportation, Inc., that operates on the software platform to bring on transportation providers, using a variety of vehicle types, to operate the Paratransit, RAP and GoLink services, as well as connect and integrate with other contracted services. MV Transportation also provides technology, maintenance, reservations, scheduling and dispatching functions.

In the future, the entire platform will connect through DART's GoPass Mobile Application to enable mobile payments, as well as other functionality, including comprehensive trip planning.



Fleet-wide DriveCam Installation

Starting with the new MV Transportation contract in FY 2019, every dedicated vehicle operating ADA Paratransit and GoLink services under the contract, has the Lytx DriveCam system installed.

These camera systems identify unsafe and inefficient driving behaviors among operators, provide a reference point to coach drivers, and reduce risk, thereby enhancing customer safety and security.

The non-dedicated service vehicles, such as Uber and some taxicabs, do not have the DriveCam system installed.

Parkland Paratransit Shuttle Operation

Mobility Management Services operates a shuttle for Paratransit customers from Parkland Hospital through the contract with MV Transportation. The on-demand service is available, with a staff member present, Monday through Friday, from 10:00 a.m. to 6:00 p.m., and provides Paratransit customers at Parkland Hospital a ride home within an hour.

UTD Shuttle (Comet Cruiser)

The MMS Operations/Contract Compliance Division oversees the contract for the University of Texas at Dallas shuttle. The shuttle operates seven days a week



between the Cityline/Bush Station and UT Dallas campus, with service to surrounding neighborhood areas.

Mobility Management Services Scorecard – Key Performance Indicators

Exhibit 16 highlights the Key Performance Indicators (KPIs) for Mobility Management Services. These KPIs measure our success towards achieving the goal of providing effective, efficient, safe, secure, and customer friendly transportation service.

Fiscal Years 2020 and 2021 indicate actual values. Fiscal Year 2022 Third Quarter represents the period ending June 30, 2022. The numbers in the columns for Fiscal Year 2023 are the target values.

Exhibit 16: MMS Scorecard – Key Performance Indicators

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|---|--------|--------|-----------------|-----------------|--------|
| Customer Quality | | | | | |
| Actual Ridership (000) | 644 | 571 | 530 | 459 | 761 |
| Actual Trips (000) | 530 | 446 | 397 | 598 | 772 |
| On Time Performance | 90.9% | 86.1% | 84.8% | 92.0% | 92.0% |
| Preventable Accidents Per 100K Miles | 0.8 | 0.5 | 0.9 | 2.0 | 2.0 |
| Percentage of Trips Completed | 99.8% | 99.3% | 99.3% | 99.0% | 99.0% |
| Passenger Canceled Trips Ratio | 28.5% | 18.0% | 26.0% | 20.0% | 20.0% |
| Passenger No Shows Ratio | 4.5% | 6.9% | 4.3% | 4.0% | 4.0% |
| Complaints Per 1K Trips | 3.60 | 4.15 | 3.75 | 3.00 | 4.00 |
| Service Level - Scheduling (3 minutes) | 95.0% | 99.0% | 95.2% | 93.0% | 93.0% |
| Service Level - Scheduling (5 minutes) | 99.0% | 98.6% | 99.1% | 97.0% | 97.0% |
| Service Level - Where's My Ride (3 minutes) | 90.6% | 84.3% | 81.8% | 93.0% | 93.0% |
| Service Level - Where's My Ride (5 minutes) | 96.1% | 77.7% | 90.1% | 97.0% | 97.0% |
| Certified Riders | 12,553 | 11,773 | 11,229 | 12,100 | 11,600 |

| Indicators | FY20A | FY21A | FY22A YTD Q2 | FY22B YTD Q2 | FY23B |
|--------------------------------|---------|---------|-----------------|-----------------|---------|
| Financial Efficiency | | | | | |
| Expenses - Fully Allocated (M) | \$41.81 | \$38.86 | \$27.42 | \$31.60 | \$43.40 |
| Revenues (M) | \$1.61 | \$1.39 | \$1.14 | \$1.45 | \$1.83 |
| Net Subsidy (M) | \$40.20 | \$37.47 | \$26.28 | \$30.16 | \$41.57 |
| Subsidy Per Trip | \$75.86 | \$83.99 | \$66.15 | \$50.44 | \$53.84 |
| Subsidy Per Passenger | \$62.43 | \$65.59 | \$49.63 | \$65.67 | \$54.62 |

The purchased transportation contract with MV Transportation includes several KPIs to which the contractor is either assessed liquidated damages or paid incentives, based on their monthly performance. MV has committed to strive to meet KPI targets and continues to make improvements to the service.

Exhibit 17 is an overview of the uses of funds related to operating expenses and capital expenditures for the Mobility Management Services mode. Each department identifies the percentage of time spent on each mode of service to determine the expenses and positions allocated to the mode of service.



Exhibit 17: Mobility Management Overview

| Overview | FY20A | FY21A | FY22B | FY23B |
|----------------------------------|--------|--------|--------|--------|
| Allocated Operating Expenses (M) | \$41.8 | \$38.7 | \$43.4 | \$43.4 |
| Capital Expenditures (M)* | \$0.1 | \$0.0 | \$0.0 | \$0.3 |

* These amounts are the actual or budgeted capital for this mode only and do NOT include an allocation of Agency-wide capital.

** Allocated positions are based on budgeted position counts.

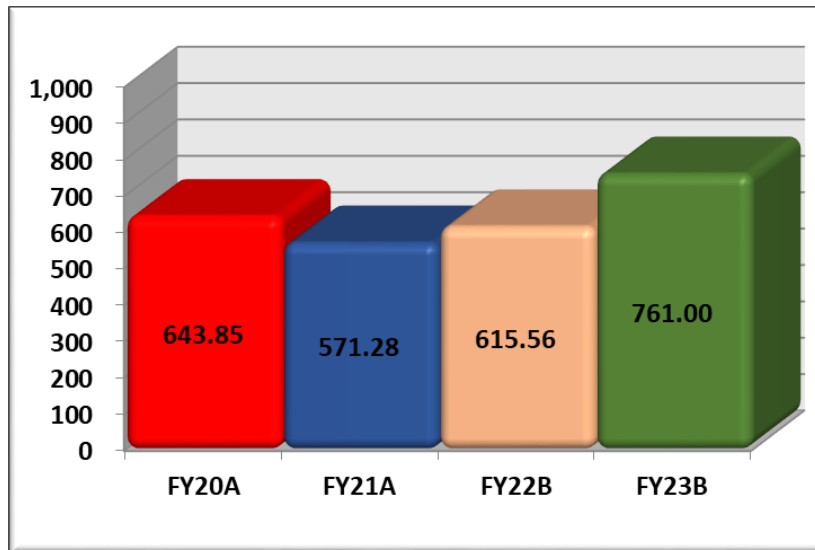
Paratransit Ridership

One of Mobility Management Services’ goals is to increase efficiency while delivering excellent customer service. The service delivery model consists of both dedicated and non-dedicated vehicles as well as a diverse fleet mix.

The increase in vehicles and flexibility that accompanied the MV contract has helped to ease the strain on available resources and has decreased customer ride times that had been increasing over several years prior to the change. Ultimately, this change has improved productivity and efficiency. Ridership continued to trend higher in the first half of FY 2020 before the effects of COVID-19. Ridership began returning in earnest in FY 2021 and is estimated to continue growing.

Exhibit 18 highlights Paratransit ridership. Fiscal Years 2020 and 2021 indicate actual values. Fiscal Years 2022 and 2023 are the target values for those years.

Exhibit 18: Paratransit Ridership (in Thousands)





Paratransit Costs and Subsidy Per Passenger

Exhibit 19 compares Paratransit cost and net subsidy actual results for FY 2020 through FY 2027 with budget and projections for FY 2022 through FY 2027. Net Subsidy represents the total cost of the service not covered by passenger fares. The calculation for Subsidy per Passenger takes this number and divides it by actual ridership.

Exhibit 19: Paratransit Net Subsidy Comparison

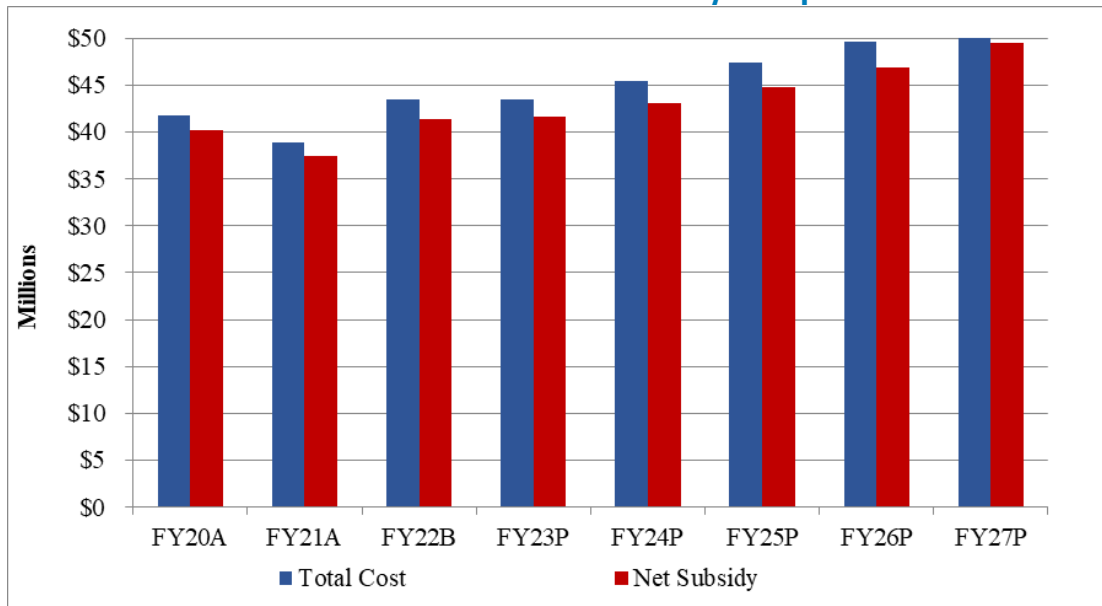
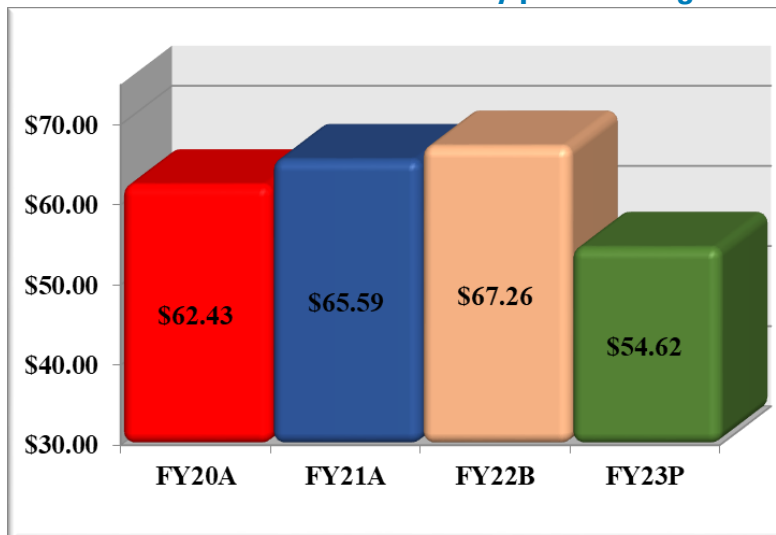


Exhibit 20 highlights Paratransit Subsidy per Passenger. Fiscal Years 2020 and 2021 indicate actual values. Fiscal Years 2022 and FY 2023 are budgeted and projection numbers.

Exhibit 20: Paratransit Subsidy per Passenger



Workforce & Customer Safety

Overview

DART has always considered the safety of our customers, employees, and contractors to be the top priority. We have developed and implemented a Public Transportation Agency Safety Plan (PTASP) designed to provide the safest transportation network for customers and citizens of the DART Service Area, and the safest work environment for employees.

A series of unfortunate public transit and commuter rail incidents around the country in years past has prompted Congress to adopt new compliance regulations, which have required DART to further enhance and emphasize safety throughout the organization. Under the Federal Transit Administration's adopted principles of a Safety Management System (SMS), DART is experiencing more safety oversight auditing and reporting obligations to both the State of Texas and the Federal Transit Administration.

In addition, with the implementation of Positive Train Control on our Commuter Rail system, there is a companion set of new compliance and reporting obligations. Under an Interlocal Agreement (ILA) with the City of Dallas we currently operate the Dallas Streetcar as a contractor and will continue our involvement throughout the term of the agreement. DART serves in a technical advisory capacity supporting the McKinney Avenue Transit Authority trolley.

The Vice President & Chief Safety Officer, reports to the CEO. The location of this position within the Agency's reporting structure emphasizes the importance safety should and does play in our daily operations.

Each DART department is directed and empowered to administer the PTASP and its specific activities for the prevention, control, and resolution of unsafe conditions and actions. DART's regular review and revision process of the PTASP helps to create a successful safety culture.

DART Safe Work Practices Policy

DART's safety policy is guided by the following principles:

- Injuries and occupational illness are preventable.
- Preventing injuries and incidents is good business and saves money.
- Operating exposures can be safeguarded.
- Management will train all employees to work safely.
- Appropriate safety equipment will be available to all employees.



- Safety is the responsibility of every employee.

DART's senior management is responsible for providing leadership in promoting safety and ensuring employees are committed to the safety of DART's customers, employees, property, and the general public who encounter the DART system.

The DART Safe Work Practices Policy voluntarily adopts Occupational Safety and Health Administration (OSHA) standard as the minimum standard for safe work practice. Audits covering safety related Standard Operating Procedures, as well as SMS components, are conducted to measure and record improvement with respect to prior audit findings and mitigation implementations.

To further support safe work practices, DART provides safety-specific training for DART operations. Safety rules and techniques are integrated into the task-specific training associated with each departmental discipline. DART's safety professionals provide safety specific training to ensure the delivery maintains continuity of the safety message. DART's Operations Safety

Training Program includes the following:

- Light Rail Worker Protection Program (LRWPP)
- DART Police
- Quarterly Safety Training
- Cardiopulmonary Resuscitation (CPR)
- OSHA related safety training

Mandatory quarterly safety training meetings are held each year for Operations department personnel. The topics and curriculum are based upon current events, recurrent training required by law, or training required by changes in safety-related laws, regulations, guidelines, DART policy, standard operating procedures, and work instructions. Over 6,000 individuals are trained annually.

Operations Safety Functions

DART's safety program includes the following:

- Audits of various components of the system regularly based on safety rules, operating practices, regulations for the Maintenance and Transportation departments, as well as other audits as requested.
- Light rail safety audits as mandated by the Federal Transit Administration (FTA) and State Safety Oversight.
- Job safety analyses to recommend mitigation strategies for the risks inherent in performing specific tasks. This, in turn, may affect the safety requirements within the Standard Operating Procedures and Work Instructions.



- Investigation of all collision accidents to determine preventability as well as an appeal process associated with preventability decisions.
- Involvement in integrated testing prior to the opening of new light rail sections.
- Leadership of the activities of the Rail and Bus Safety Committees, which report to the DART Safety Committee (DSC). The DSC is composed of DART executive management and is responsible for safety policymaking, performance accountability, oversight of the subordinate safety committees, and assignment of safety responsibilities throughout the agency.
- Oversight of changes in configuration to bus, rail, and other systems, ensuring adherence to change management principles and processes.
- Oversight and documentation of test results for lead and hexavalent chromium.
- Primary contact for all state safety oversight issues such as compliance with federal and state regulations and serious accident investigation and reporting.
- Primary contact to the National Transportation Safety Board.
- Development and implementation of accident reduction initiatives and implementation of operational policies and procedures.
- Coordination of the National Safety Council’s safe-driver recognition program and Rail Safe Operator program.
- Participation in the development and implementation of the safety initiatives of the American Public Transportation Association.

Bus and Light Rail Accidents per 100,000 Miles

Exhibit 21: Bus Accidents per 100,000 Miles

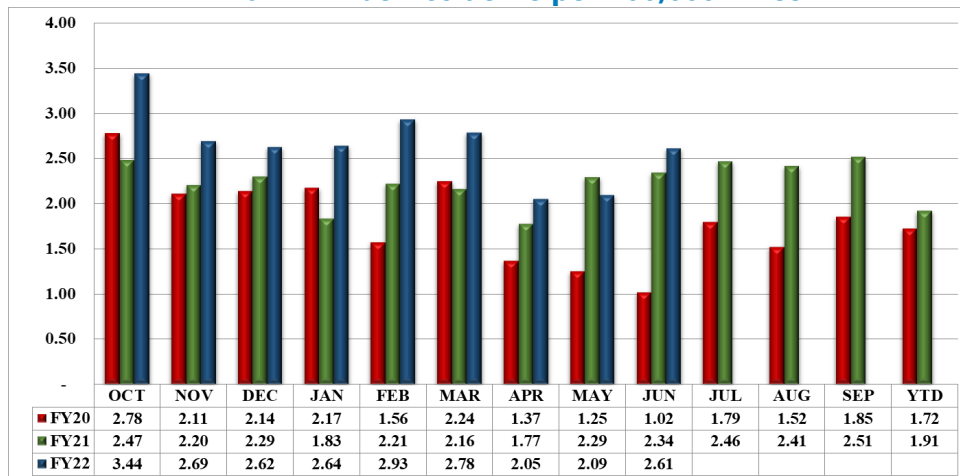
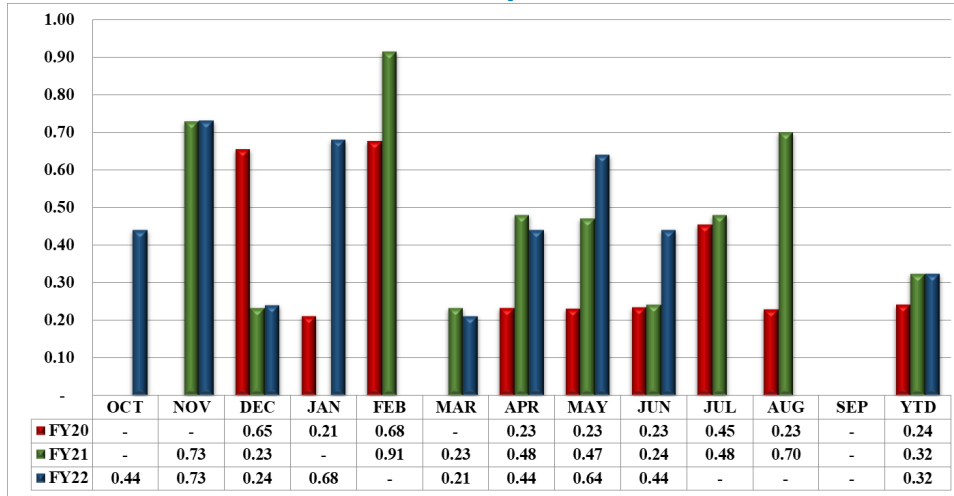




Exhibit 22: Rail Accidents per 100,000 Train Miles



Rail Program Development – Safety Program(s)

Safety and security are primary concerns that encompass all aspects of planning, design, construction, and subsequent operations of the DART Light Rail (LRT), Commuter Rail, Bus, Paratransit, Transportation, Maintenance, Dallas Streetcar System, and management facilities and assets. DART's Engineering and Construction staff, support staff, and rail consultants are charged with the responsibility of ensuring the safety and security of patrons, employees, and the general public who come into contact either directly or indirectly with DART transportation systems and facilities. Systems Safety elements are introduced into Authority designs for DART's transportation systems and management infrastructure for projects executed by the Capital Program Delivery department.

The Capital Program Support department independently supports development, deployment, and validation of the Systems Safety Program. The Systems Safety Program consists of three separate, but integrated, safety disciplines: Construction Safety, Systems Integration and Start-up, and Safety and Security Certification.

The Construction Safety and Security Program (CSSP) was established by DART to promote safety and security and to mitigate and control hazards and risks associated with construction, repair, maintenance, and related services for DART LRT, Commuter Rail, and Dallas Streetcar Systems.

Construction Safety provides oversight of all active GRD construction contracts to ensure contractor's compliance to DART's safety and security requirements and plans. Oversight includes but is not limited to field surveillance activities and contractor record documentation audits.



The Construction Safety team manages and coordinates Construction Safety Orientation (CSO) and Roadway Worker Protection (RWP) training programs for capital projects. They also support DART's Risk Management and the Owner Controlled Insurance Program (OCIP), as well as coordinate with DART Operations Safety when required by capital projects. Safety management activities include but are not limited to the following:

- Management, contractual, and contractor compliance, design integration, enforcement of federal regulations and statutes (OSHA, FRA, FTA), state regulations (TxDOT), National/Industry Consensus Standards (NFPA, IFC, IBC, NEC, ANSI, AREMA, ASTM, etc.), and agency safety requirements, policies, and procedures.
- The Comprehensive Inspection/Assessment and Inspection Program focuses on jobsite construction safety, workforce (personnel) safety, and environmental health. Detailed/specific safety element audits and validation of contractual compliance are conducted, and written reports with supporting photographic documentation are prepared for record-keeping requirements.
- Investigations of accidents/incidents and property damage claims. Identifying causal factors, determining abatement, and follow-on actions. Develops and implements accident reduction initiatives and implementation of operational policies and procedures.
- Management of comprehensive bilingual safety education and training programs, i.e., Construction, Systems Safety, Storm water Protection Awareness, and the Federal Railroad Administration (FRA) Roadway Worker Protection (RWP).
- Establishment and participation in Safety Committees; Construction Safety and Security Advisory Committee (CSSAC); DART Safety Committee (DSC); and several subordinate safety committees, e.g., Bus, Rail, Commuter Rail (TRE), Fire Life Safety Committee (FLSC), and System Safety Certification Readiness Team (SSCRT) as required.

As a result of these construction safety processes, DART has achieved an unprecedented low worker injury rate. Since the mid-1990s, DART's construction projects have now exceeded 33+ million man-hours. The team of seasoned construction professionals has created a culture that promotes a high level of safety awareness that permeates every aspect/element of work being performed.

Exhibit 23 depicts scope increases and cost successes of the Construction Safety Program since the initial introduction of the LRT system, from the earliest phases (Starter System) to the currently active construction projects of Silver Line, RBPE, and Hidden Ridge.



Exhibit 23: Construction Safety

| DART Construction Safety Program | | | | | | |
|----------------------------------|--------------------|---------------|------------------------------|-------------|---------|--------------|
| | LRT Starter System | LRT Phase I | LRT Phase II & III (to date) | Cotton Belt | RBPE | Hidden Ridge |
| Total Man-Hours Worked | 8,115,525 | 6,372,080 | 18,165,223 | 440,295 | 270,009 | 33,357 |
| Total "Recordable" Accidents | 982 | 321 | 144 | 1 | 4 | 0 |
| Total "Lost Time" Accidents | 271 | 46 | 37 | 0 | 1 | 0 |
| Total "Cost" per Man-Hour | \$1.31 | \$0.58 | \$0.34 | \$0.00 | \$0.64 | \$0.00 |
| Program Costs | \$900 M | \$900 M | \$1.9 B | | | |
| Construction Costs | \$500-\$600 M | \$500-\$600 M | \$1.5 B | | | |

The Systems Integration and Startup Program is responsible for start-up and integrated testing activities that include interface management, operations and maintenance planning, system safety, and integrated testing and startup coordination of GRD capital projects. The Systems Integration Group (SIG) ensures through the Integrated Test Plan that systems elements are properly integrated into the existing operating transit system according to design, specification, and other applicable project requirements. Interface management includes coordination with DART Operations on design and construction issues, in addition to all turnover activities for revenue service. The SIG works concurrently with Safety and Security Certification activities to ensure compliance with DART, SSO and FTA program requirements for turnover of capital projects to revenue service. SIG activities vary by project and include but are not limited to the following:

- Identifies and conducts integrated testing activities prior to the start of revenue service. Testing includes safety functions of major system elements: traction power, overhead catenary system, communications, signals, fare collection, and the interoperability of these systems. The published Integrated Test Plan (ITP) includes descriptions of each system’s elements test, personnel required to perform the test, and criteria for determining successful completion of the test.
- Supports development, implementation, evaluation, and revision of policies, procedures, standards, and publications relative to system integration testing (Integrated Test Plan) programs. Supports development of hazard analysis processes, programs, and methodologies as defined in PHA, OHA, FMEA, TVA, MIL-STD-882
- Develops technical reports, formal presentations, etc. Interfaces with Federal (FTA and FRA) and State of Texas Safety Oversight (SSO), and Project Management Oversight Committee (PMOC) representatives and officials as needed.
- Management of the agency’s Capital Start-Up, and Integrated Testing programs. Establishes processes and methodologies for formalized testing,



evaluation, and acceptance for transportation, subsystems, i.e., Traction Power Substations (TPSS), Overhead Catenary System (OCS), Communications, Signals, and Fare Collection, in conjunction with other critical rail related systems.

- Collaborates on development and implementation of plans and procedures to efficiently transfer completed capital projects to the DART Bus, Light Rail, Commuter Rail, and Streetcar projects. Coordinates with capital rail program management during rail-related projects and design development.

System Safety Certification Program (SSCP) is the process of verifying compliance with a predetermined and approved set of formal safety and security requirements. The Systems Safety and Security Certifications team ensures compliance with DART, Federal Transit Administration (FTA), Texas State Safety Oversight (SSO) Program Standard requirement and other local, state, and federal Fire Life Safety code requirements for GRD capital projects. This includes coordination with State Safety Oversight in the delivery and certification of design and construction of the capital projects for turnover to revenue service.

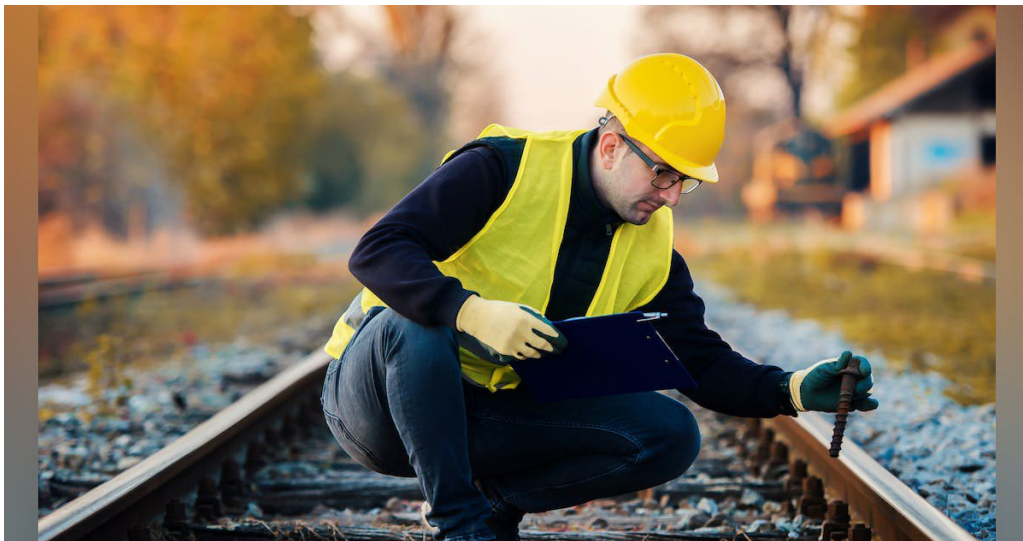
The Systems Safety and Security Certification (SSC) team coordinates with project stakeholders throughout the life cycle of the projects. Coordination with DART stakeholders and Authorities Having Jurisdiction (AHJ) is accomplished through the DART Safety and Security Certification Review Team (SSCRT) and the Fire Life Safety Committee (FLSC) throughout the life cycle of GRD capital projects. The team also coordinates with DART Operations Safety to support DART Operations safety program requirements. SSC team activities vary by project and include but are not limited to the following:

- Identifies processes whereby projects will be formally certified as being safe to operate in revenue service. Safety and Security Certification verifies that DART systems, as designed and constructed, meet or exceed the stated requirements (Federal, State, and Local codes, specifications, manufacturers' criteria, design documents, etc.) for safe operation, security, and maintenance prior to entering revenue service.
- Emphasizes security requirements through a collaborative effort with the DART Police. Accordingly, the SSCP addresses safety and security as the project progresses from planning, to design, through construction, installation, testing, and finally revenue service. The primary objective is to achieve a state of acceptable risk parameters that achieve a major system security obligation that helps to minimize or eliminate threats and vulnerabilities to the most practical levels.
- Validates that safety and security design criteria and standards are properly incorporated into appropriate design drawings and contract specifications.

Project elements are reviewed for safety and security certification upon completion of design, construction/installation, and development of operating procedures when applicable. During design and final construction/installation, final verification activities are performed, which include inspections and integrated testing. Upon successful completion of the verification process, the project element is certified as being safe and secure for revenue service.

- Collaborates with Authority's Having Jurisdiction (AHJ), DART Bus and Rail and Police to conduct First Responder system familiarization training. Conducts federally mandated Readiness Drill program by developing exercise criteria and jointly stages and conducts simulated rail vehicle emergency situations

Collaboration and teamwork with DART personnel, contractors, subcontractors, and consultants has institutionally and effectively achieved a demonstrably high level of success in the workforce and systems safety environments. This collaborative effort has improved the overall integrated effectiveness of the agency's System Safety programs.



Growth/Regional Development

Overview

The Executive Vice President of Growth/Regional Development has oversight of the Growth/Regional Development.

The Executive Vice President of Growth/Regional Development has oversight of the Service Planning & Scheduling, Commuter Rail & Railroad Management, Capital Planning, and Capital Program Development Departments. The Executive Vice President reports to DART's President & Chief Executive Officer and is the management liaison for the Board's Planning and Capital Programs Committee for departmental matters.

Service Planning & Scheduling Department

The work plan for the Service Planning & Scheduling Department consists of a broad range of service planning and project development activities. These include refining the current bus system, developing concepts for future services, and advancing them to implementation. Service Planning & Scheduling Department activities also include planning, designing, and constructing various service-related capital projects.

The Vice President of Service Planning & Scheduling directs the overall activities of the department. The strategic workplan for FY 2023 includes the following programs and projects.

Bus Network Redesign/Bus Improvement Program

DART implemented a New Bus Network in January 2022, including ridership-oriented features like frequency improvements, wider service spans, and more weekend service, along with coverage-oriented features like GoLink expansion. We now plan to build upon that effort through the development of a comprehensive Bus Improvement Program that will guide service-related operating and capital improvements over the near- and long-term.

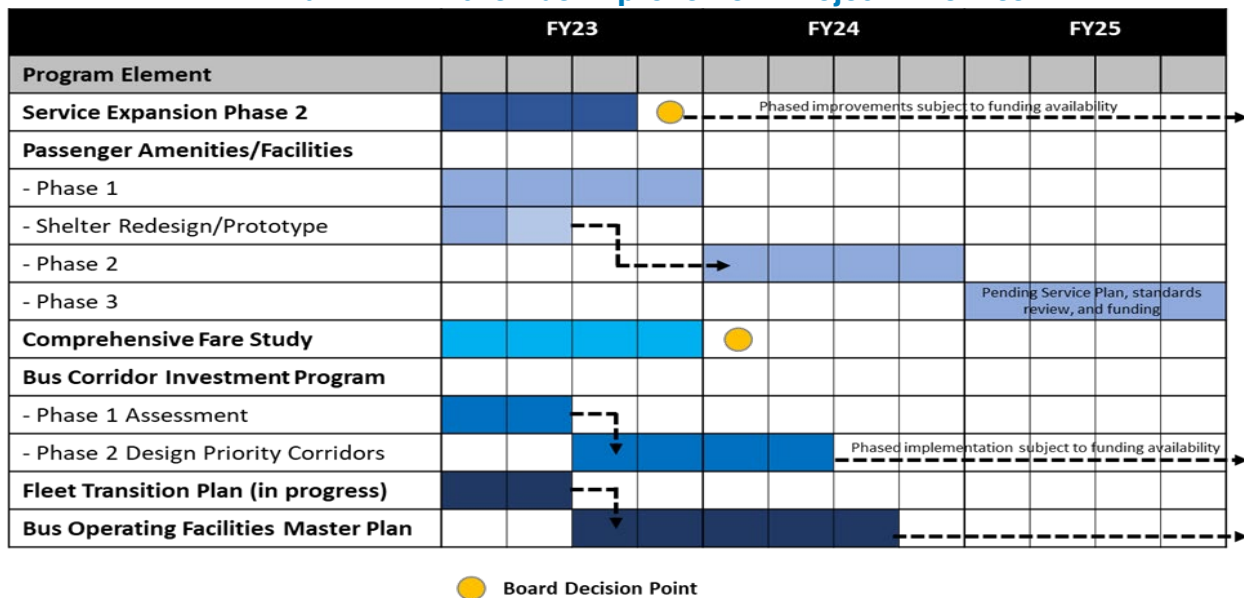
The Bus Improvement Program is intended to continue DART's focus on improving customer experience. The goal will be to enhance service, operations, and facilities, prepare for FY 2024 budget and You lost discussion, position DART for external funding opportunities, and align with DAR City plans and goals to enhance transit within the communities we serve. At least six (6) key program elements have been identified so far, including:



- Service Expansion: Phase 2 of the bus network redesign effort. Service Planning will manage this effort.
- Bus Corridor Investments: Defining capital investments in key bus corridors to enhance speed, reliability, and accessibility. Capital Planning will manage this effort.
- Passenger Amenities & Facilities: Actively deploy new passenger amenities and complete a design competition for the bus shelter of the future. Service Planning will manage this effort.
- Fleet Transition Plan: Address bus fleet needs for the future procurements, including technology options. Capital Planning will manage this effort.
- Operating Facilities Master Plan: Identify improvements and changes to existing DART operating support facilities. Capital Planning will manage this effort.
- Comprehensive Fare Study: Evaluate potential changes to DART’s fare policy and structure. Service Planning will manage this effort.

DART will be working on all six efforts simultaneously during FY 2023. The following table summarizes the anticipated timeline for these projects:

Exhibit 24: FY 2023 Bus Improvement Project Timelines



In addition, the introduction of the New Bus Network has included a great deal of customer feedback about the more limited hours of operations for GoLink services compared to local bus. The FY 2023 Operating Budget includes funding to equalize operating days and hours for GoLink service starting in early 2023; all 30 GoLink zones would operate 5am-midnight seven (7) days per week, matching current local bus service standards. DART will also expand the GoLink zone-to-zone pilot



program, which allows customers to travel between different GoLink zones in certain situations and locations.

Service Standards

DART Service Standards govern the planning of DART transit services and the evaluation of route performance. The current Standards were last revised in October 2020, including service changes implemented during the bus network redesign process. Further revisions may be considered for FY 2023, including refinement of standards for GoLink service.

Area Service Reviews and Service Changes

DART conducts periodic detailed service reviews in different sectors of the DART Service Area. When conducted, reviews include a careful analysis of the demographics and performance of services in the respective areas, looking for gaps in coverage, new service needs, and other changes that can be implemented in a three to five-year time horizon within budgetary constraints.

For FY 2023, Service Planning staff will focus on Phase 2 of the Bus Network Redesign process. This will include evaluation of the new network performance as well as addressing stakeholders and customer feedback from Phase 1 implementation. We do not anticipate conducting regular service reviews until work related to the Bus Network Redesign Phase 2 is fully complete.

Ridership Reporting and Performance Measures

DART develops ridership statistics and performance measures by mode at different time and geography levels based on FTA requirements, agency goals, and stakeholder requests. Specifically, DART completes monthly average day of week ridership counts within 15 business days of the end of each month, and quarterly ridership and route performance within one month after the end of the quarter. This effort will continue in FY 2023.

DART is now using Automatic Passenger Counters (APC) to report bus, streetcar, and TRE ridership. Light Rail (LRT) ridership is determined by statistically factoring APC sample data collected monthly. Paratransit ridership is compiled from daily trip manifests. During FY 2022, the APC, on all four (4) modes, will be FTA recertified DART APC counting based on FTA requirements and guidance. This allows DART to continue regular APC data collection processes until 2025, when the next recertification will happen.

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's FY 2023 workplan is to use newly-developed reporting tools to analyze schedules and improve scheduled runtimes between time periods, as well as time bands. These tools will be used to prepare a number of September 2022 and January 2023 schedule adjustments, followed by a careful analysis to assess the extent adjustments improve on-time performance.

On-Time Performance Project

On a monthly basis, DART analyzes bus on-time performance and recovery. Based on this review, routes that perform below DART's Service Standard for on-time performance are identified and evaluated for necessary adjustments. After suspension during the pandemic, DART has now reconstituted the On-Time Performance Task Force, a group of Service Planning, Operations, and other DART employees tasked with review of on-time performance data and identification of appropriate service or operational changes. The group will continue to meet during FY 2023.

Regional Service Policies and Operations

DART continues to offer limited 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. Agreements with Wylie, Allen, and Fairview provide services for seniors and disabled persons, which is branded as Collin County Rides; FY 2023 is expected to be the last year DART provides service under this program. We will be working with the three (3) cities to help transition away from the current DART-operated services.

DART also helps provide micro transit and late-night rider assistance services for the Inland Port Transportation Management Association (IPTMA). DART has fully implemented a program to provide micro transit service for the McKinney Urban Transit District (MUTD), and FY 2023 will be the first full year of operation for the MUTD program.

Mobility on Demand

DART has developed and now operates GoLink micro transit services within the service area, offering demand-responsive service in area where fixed-route bus operations are not practical or sufficiently productive. With the bus network



redesign, DART now operates thirty (30) GoLink zones. For FY 2023, DART plans to expand GoLink hours and days of operation to 5am-midnight, seven (7) days per week, effective in January 2023. This change will equalize hours of service for GoLink and regular local bus routes.

DART Rides Program

DART Rides is a rider assistance program that currently provides subsidized trips to the cities of Carrollton, Dallas, Plano, Rowlett, as well as identified zip codes in Addison, Farmers Branch, and Irving. These programs allow seniors and persons with disabilities that do not qualify for DART Paratransit the option to use another available service. Grants through the Federal Transit Administration (FTA) and North Central Texas Council of Governments (NCTCOG) allow DART to provide these services, potential higher subsidy, and more intensive marketing efforts.

Legacy Area Transportation Study

Due to the explosive employment and residential growth in the Legacy area of Northwest Plano, the City of Plano completed a major transportation study to evaluate options to reduce congestion and improve mobility in the area in FY 2016.

DART participated by preparing the transit element of the plan for Plano and the adjacent communities as part of our FY 2016 work program. DART implemented several recommendations in the Legacy Area Transportation Study including (1) several route changes in 2017; (2) micro transit options pilot since 2018.

With efforts ramping up following the pandemic, DART will continue to participate in and work with the Legacy Transportation Management Association (“Legacy Connect”), which was formed in 2016 and has focused on mobility options and congestion management for the Legacy area.

Site-Specific Shuttles

DART has engaged in several Site-Specific Shuttle Funding Agreements with various major employers, universities, member cities, and medical centers. These partner organizations will already have a shuttle service in place and can navigate in locations not practical for a traditional bus service. This is a low-cost, last mile answer to move employees, students, or customers to the DART Rail Network. Current partners include Texas Instruments, Baylor University Medical Center, Medical City, City of Richardson, Southern Methodist University, DFW Airport, McKinney Avenue Transportation Authority, and UT Southwestern Medical Center.

DART also entered into Site-Specific Shuttle Agreements in which DART is the primary partner and is either operating the service or has contracted out the service. Partners include the University of Texas Dallas, Amazon, and Parkland Hospital.

Parkland Hospital has chosen to discontinue their shuttle program, effective at the end of October 2022. DART staff is currently working on two (2) potential new programs for FY 2023: a new demand-responsive shuttle service in West Dallas, which has been funded by Toyota, and a potential circulator shuttle for the Red Bird Mall redevelopment.

Integrated Corridor Management (ICM)

The Integrated Corridor Management Project on US 75 has ended. Developed by the US DOT, Integrated Corridor Management (ICM) concepts may be applied in corridors with multiple transportation networks that are owned and operated by various providers. The program includes freeway management, arterial street monitoring, responsive traffic signal system, parking management, real-time transit vehicle and park-and-ride lot information, regional trip planner, weather information, and the 511DFW, which is the State's first multi-modal Traveler Information System.

The federally funded ICM Program is a joint effort of DART, TxDOT, North Central Texas Council of Governments (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 (2) 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. DART continues to maintain relevant systems and will do so throughout FY 2023.

Intelligent Transportation Systems (ITS)

ITS is an element of DART's Transit System Plan, which includes Smart Vehicle, Smart Traveler, and Smart Intermodal Systems. DART is working with other regional transportation providers, cities, counties, airports, and national organizations to develop a Regional Comprehensive ITS Program for the Dallas/Fort Worth Region. The program's purpose is to review, and if necessary, update the ITS plans for compliance with the ITS national architecture for interoperability and



funding purposes. The program is aimed at prioritized implementation of projects to improve transportation throughout the region.

It focuses on providing metropolitan areas ITS elements including Advanced Traveler Information Systems (ATIS), Advanced Public Transportation Systems (APTS), and Advanced Traffic Management Systems (ATMS). The goal of this project is to facilitate information exchange between the various ITS systems and to create a seamless intermodal transportation infrastructure across jurisdictional boundaries. This effort will lead to the implementation of the Regional ITS system being designed by the regional partners.

511DFW is a free service of the North Central Texas Council of Governments (NCTCOG), DART, and its partner agencies. The information in the 511DFW system comes from many transportation and police agencies in the Dallas/Fort Worth Area. The information is presented and made available to the public via a Website, Mobile App, and Interactive Voice Response (IVR) phone system. MY511DFW is a free, personalized service on the phone and web that allows you to customize 511DFW your way. Just like 511DFW, MY511DFW is available 24 hours a day, 7 days a week from anywhere within the 511DFW Calling Region.

Transit Signal Priority (TSP)

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 implementation of software and preemption from impacted traffic signals in Dallas and Plano. TSP will be implemented in two phases: Phase I-initiation is development of the specifications. For FY 2023, DART has engaged a consultant to design the system and work with participating cities on the pilot program corridors.

Road Improvement Programs

The following Road Improvement Programs represent all the Board approved road programs with cities in the service area and state agencies. Road Improvement Programs are recorded as non-operating expenses in the budget and Twenty-Year Financial Plan because DART does not take an ownership interest in most of these mobility improvements.



Exhibit 25 reflects the LAP/CMS and PASS funds remaining available to each service area city. The timing of the drawdowns is dependent upon the request from the service area cities with remaining balances.

Exhibit 25: LAP/CMS Program – Remaining Balances

| LAP/CMS and PASS Program Balances | |
|--|---------------------------------|
| City | Balance Remaining |
| Garland | \$628,733 (payment in progress) |
| Farmers Branch | \$45,531 |
| Irving | \$2,747 |

Local Assistance Program/Congestion Management System (LAP/CMC)

This agreement returned 15% of DART sales taxes collected in a city within the service area to that city until a contract was awarded for rail construction in that city. Irving was included at a 7.5% funding level because it was served by commuter rail. Additional allocations to the program ended for all cities within the service area in FY 2004. Cities with remaining balances may request the programming of LAP/CMS funds, as necessary, for projects that enhance transit.

Transit Principal Arterial Street System (PASS)

The Transit PASS Program was funded by DART, TxDOT (through the Federal Highway Administration), and eligible counties, and DART service area cities totaling over \$150 million of roads and transit improvement projects. A few projects in Farmers Branch, Garland, and Irving remain to be completed.

Transit Related Improvement Program (TRIP)

During FY 2017, DART approved Policy IV.15 Transit Related Improvement Program (TRIP), which is special funding allowable under Texas Transportation Code 452 to fund Complementary Transportation Services for cities where there is no rail in operation, or no rail is included within an approved financial plan. As approved by DART, the cities of Glenn Heights, Cockrell Hill, University Park, and Highland Park may request reimbursement for projects like street repair, traffic control and signal systems, public safety systems, sidewalks or other projects which augment and support a public transit system.

The maximum funding allowable for each city may not exceed 21% of the sales tax collected for the period of FY 2017 through FY 2025. The program automatically



expires after FY 2025. During FY 2018, DART approved interlocal agreements with each city to permit these funds to be provided to support these four (4) non-rails cities for the period permitted by the Policy.

Transportation System Management (TSM)

A total of \$6.49 million TSM funding remains available for the Street Repair Program as well as General TSM projects through FY 2025. TSM funding is available to repair streets damaged by buses and for minor enhancements such as intersection corner radius modifications, bus pads, and traffic studies/signal modifications. Projects have been completed in Dallas, Garland, Glenn Heights, Cockrell Hill, Richardson, Plano, and Highland Park. The remaining projects are in various stages of design or procurement.

Pathfinder Signage Plan

Pathfinder signs help direct motorists to DART and TRE Park & Ride lots from major regional highways and along frontage and arterial roads in the DART service area. During FY 2017, DART initiated and completed a major overhaul of the pathfinder and trailblazer signage to comply with updated US DOT and TxDOT Uniform Standards for highway signage. DART also created a GIS mapping program for all pathfinder locations allowing a more effective state of good repair and maintenance. In FY 2023, DART has programmed funds for installation of new pathfinder signs for several new DART transit stations as well as replacing missing and damaged signs with new compliant versions.

Capital Planning Department

The Capital Planning Department's primary responsibilities are to develop the Transit System Plan, provide policy and capital project coordination with regional partners, develop conceptual and preliminary engineering for projects identified in the Transit System Plan, and complete environmental clearance documents for a variety of transit projects. Capital Planning provides policy and technical support to all Agency departments for a wide range of activities including State of Good Repair, station area/TOD planning support, bus facilities, sustainability program planning, and other infrastructure improvements that support the DART Mission. The Vice President of Capital Planning directs the overall activities of the department.

Capital Planning consists of five program areas:

- System Planning and Programming, which focuses on development and updates to the Transit System Plan as well as broad policy initiatives both



locally and with regional partners. This includes coordinating capital improvement programs and monitoring new policies or guidelines affecting DART at the Local, State, and Federal levels, such as regulatory and funding programs.

- Corridor Planning, which focuses on conceptual planning, preliminary engineering, and environmental review for a range of transportation projects, including light rail, commuter rail, streetcar, or bus corridors. This program also provides support for new capital improvements, including State of Good Repair efforts and modernization.
- Mobility and Land Use Coordination Planning, which focuses on smaller capital program opportunities like mobility hub elements at transit facilities, new or enhanced transit facilities, station or facility pedestrian/bike access improvements, and related land support TOD and economic development program planning.
- Environmental and Sustainability Planning, including updates to the sustainability program and coordination, documentation of sustainability-related initiatives within the agency in accordance with APTA guidelines and agency goals. Capital Planning also ensures compliance with the National Environmental Policy Act (NEPA) for capital projects throughout the agency, including mitigation monitoring and coordination with agencies such as the Texas Historical Commission (TH
- Policy and Programming, which focuses on new policies and guidelines for DART consideration and adoption, and on Local, State, and Federal regulatory and funding programs.

Key Initiatives for FY 2023

Capital Planning priorities include:

- Advancement of key near-term actions in the Transit System Plan, which was adopted in January 2022, including annual progress report. The plan is built around five key themes to focus efforts: rider experience, service and expansion, mobility and innovation, land use and development, and collaboration.
- Complete the Value of Transit Study and communication materials.
- Initiate the 10-year Strategic Plan to establish DART's future vision and outline key priorities and goals to achieve them.
- Initiation of Bus Corridor Investment Program effort to define opportunities to improve speed and reliability in frequent bus corridors.
- Support for completion of Zero Emission Bus Transition Strategy Plan.
- Support for initiation of the Bus Operating Facilities Master Plan.



-
- Development of a 5-year Capital Improvement Program (CIP) to better communicate near-term capital program benefits and costs, including opportunities to package projects that maximize external funding opportunities.
 - Completion of Mobility Hub Guidelines that outline opportunities to enhance existing or develop new transit facilities through incorporation of innovation features, access improvements, and/or economic development that enhances mobility and community integration.
 - Development of a program and subsequent proposals or projects that can advance federal Justice40 priorities at a local level while improving mobility and service for disadvantaged communities throughout the service area in meaningful ways.
 - Downtown Dallas Second Light Rail Alignment (D2 Subway) corridor preservation based on DART Board direction, and initiation of design/environmental efforts for the revised east end alignment.
 - Conduct due diligence activities related to the D2 Subway including peak ridership load monitoring, scenario planning, and optimization studies that can help to inform project strategy and timing.
 - Monitor FTA Capital Investment Grant Program guidance changes and other grant programs to support future DART initiatives.
 - Coordination and technical support for the Dallas Streetcar Central Link, including entry into FTA Project Development program.
 - Support station area and land use planning with DART cities to help leverage the transit system and increase ridership.
 - Monitor local, regional, and state projects to ensure DART interests are considered and optimized. This includes High Speed Rail, TxDOT (Texas Department of Transportation) projects, regional transit opportunities, and projects such as proposed Dallas Convention Center Master Plan and associated Multi-modal Transportation Facility.
 - Mitigation monitoring for the Silver Line Regional Rail Project including environmental documentation for any project changes during design-build phase.
 - Submit application to APTA to go from Bronze-level sustainability commitment to Silver-level commitment, and continue to support, define, and advance sustainability-related initiatives agency-wide.
 - Texas Historic Commission/FTA coordination on Memoranda of Agreements (MOA) for historic resources.
 - Completion of Before Documentation of the Red and Blue Line Extensions project in accordance with the FFGA (Full Funding Grant Agreement).



Capital Program Development Department

Capital Program Development has the primary responsibility for the design, construction, real property acquisition, property management, environmental compliance, safety and security certification, testing and acceptance of the following DART projects:

- Light Rail Transit (LRT)
- Commuter Rail
- Real property acquisitions, leases, licenses, easements, relocation, demolition, and property management
- Environmental assessment and hazardous material abatement
- Bus operating and maintenance facility capital improvements
- Capital projects including State of Good Repair
- Other DART projects as required to support the DART Public Transportation Agency Safety Plan (PTASP)

Capital Program Development also serves to furnish engineering services and support DART Operations and other departments upon request. The department comprises of the following four divisions:

- Capital Design & Construction
- Real Estate
- Capital Program Support
- Transit Oriented Development (TOD)

Capital Design & Construction Division

The Capital Design & Construction Division has the primary responsibility for the design, construction, testing, and acceptance of capital projects including facilities, infrastructure, light rail and streetcar expansions, commuter rail, and other assigned projects, including State of Good Repair. The Vice President of Capital Design & Construction directs the overall activities of the section. This section is also responsible for management and coordination of engineering for facilities and systems designs, construction implementation oversight, real estate acquisition and relocation, utility relocation, property management, and environmental compliance efforts for the Agency.

Streetcar/Systems Engineering

Streetcar/Systems Engineering is responsible for preliminary design, coordination of final design, and construction management of streetcar and systems elements. Included are light rail, streetcar and commuter rail vehicles, traction power and



distribution system, overhead catenary and substations, signal system (train protection and highway crossing protection), communications (radio and hardline transmissions, SCADA, train control center, etc.), and fare vending equipment as well as technical support for DART's radio systems and Operations department engineering requests.

Facilities Engineering

Facilities Engineering is responsible for management and coordination of engineering design, architectural design, and construction document production efforts associated with the development of DART's fixed facilities. This includes stations, rail track guideways, bridges, service areas, and other improvements. Related activities include implementation of the Art & Design Program, Betterments Program, and coordination with public agencies regarding facility design, zoning, permits, and certificates of occupancy.

Construction Management

Construction Management administers a construction program including LRT, streetcar and commuter rail line sections with stations, aerial structures and guideway including track installation, bus and rail operating facilities, transit centers, and renovations of existing facilities.

The major elements of construction management are constructability analysis, construction planning, construction engineering, and safety engineering. Managing construction includes quality control/assurance, materials testing, contract administration, coordination of contracts, conflict resolution, quantity verifications, cost and schedule adherence, and interfaces with outside organizations during construction including the community and jurisdictional authorities.

Contract Administration

Efforts associated with solicitation preparation, contractor and consultant selection, document review for compliance with contract requirements, conflict resolution, dispute processing, claims management, invoice certification, acceptance of the work, and contract close-out.

Real Estate Division

Acquisition and Relocation

One function of the Real Estate Division is to make available, by acquisition, in compliance with Federal and State rules and regulations, lease, or licensing, land rights and rights-of-way necessary for Capital Projects and the development and operation of the DART bus, light rail transit and commuter rail systems.

The DART Board approves the value to be offered for real property and land rights (determination of just compensation by an independent State of Texas Certified Appraiser) for acquisition of land rights by agreement and/or administrative settlement; or seeks approval from the DART Board and other governmental entities to proceed with eminent domain proceedings through the courts.

Any business or residential owner, occupant and/or their personal property that is displaced because of the business or residential property acquisition will receive Federal Uniform Act Relocation Assistance as part of the acquisition process handled by the Real Estate Division.

The Assistance Vice President of Real Estate directs the overall activities of the division.

Utility Relocation and Coordination

For Construction Projects, the Real Estate Division provides Utility Coordination which includes oversight, pre-construction coordination, conflict analysis, QAQC and Buy America compliance for longitudinal and crossing franchise or municipal utilities.

Additional utility related activities include setting up new utility accounts during construction, transferring accounts to operations at revenue service and continue paying utilities for properties under the management of the Real Estate Division.

Property Management

Property Management functions include the processing of requests for access or use of DART property by third party individuals. The coordination of high-risk or significant third-party projects at or near DART facilities. The management of leases and licenses of property utilized by DART, the management of licenses and leases of DART-owned property used by others, and sale of property determined surplus to DART's needs.

Property Management is responsible for securing, management of property prior to demolition and construction, and demolition of structures down to the slab. They



are also responsible for grounds and vegetation maintenance of all DART-owned property that is not an operating facility and right-of-way managed by the Real Estate Division.

Property Management maintains, in a Central Real Estate Inventory System (CREIS), lease and license documents, all electronic records related to DART's real estate assets, and a Geographical Information System (GIS) mapping of all DART-currently owned property inventory as well as property sold from that inventory.

Environmental Compliance

The Real Estate Division also has the responsibility of providing resources for the agency for Environmental Compliance with various regulatory agencies.

Environmental Compliance activities include: Storm water inspection and assistance, Phase I & II environmental site assessments and investigations, waste reporting, remediation, lead paint and asbestos abatements, underground and above ground storage tank maintenance, addressing illicitly dumped materials and products, indoor air quality investigation, industrial hygiene support, and structural demolition as needed.

Environmental compliance reviews material safety data sheets (MSDS) for products used by the agency and maintains an on-line database of MSDS. They prepare and submit to the Texas Commission on Environmental Quality (TCEQ) the agency's annual municipal separate storm sewer system (MS4) report.

Environmental Compliance provides training to maintenance employees on asbestos, O&M, storm water, and underground storage tanks.

Capital Program Support Division

The Capital Program Support Division independently supports GRD capital projects, as well as other DART projects, and serves as a check and balance in the following project support functions.

Capital Program Support activities include Quality Program Oversight, Engineering Document Control (EDC) and Records Management, Configuration Management, Construction Safety, Safety and Security Certification, Systems Integration and Start-up coordination, Project Controls, and Information Technology support liaison for Growth/Regional Development Department (GRD).

The Assistant Vice President of Capital Program Support directs the overall activities of the division, reporting directly to the Executive Vice President of Growth/Regional Development.



Quality and Records

The Quality and Records Section is responsible for Quality Program Oversight, Engineering Document Control (EDC) and Records Management for capital projects. This section also serves as the Information Technology support liaison for GRD capital projects. Compliance is measured through audits of each respective program.

Quality ensures compliance with contract quality program requirements as well as Federal Transit Administration (FTA) requirements for capital projects.

Engineering Document Control (EDC) and Records Management ensure compliance with contract requirements for all capital project activities. The creation of databases and implementation of scanned images for records management (including web development, Raster, EDC, File Room, Real Estate and Environmental) are a significant part of this area.

Other activities include the administration, coordination, and preparation of the as-builts for civil construction capital projects as needed. Disaster recovery administration and other support is also provided for various GRD groups.

The records team support to other DART operational departmental records requests as well as supports open records request (ORR) activities with DART Legal and Copyright License Agreement (CLA) requests with other project stakeholders.

Construction Safety

Construction Safety provides oversight of all active GRD construction contracts to ensure contractor's compliance to DART's safety and security plans. Oversight includes field surveillance activities and contractor record documentation audits.

The Construction Safety team manages and coordinates Construction Safety Orientation (CSO) and Roadway Worker Protection (RWP) training programs for capital projects. They also support DART's Risk Management and the Owner Controlled Insurance Program (OCIP) and coordinate with DART Operations Safety when required by DART projects.

Systems Safety and Security Certifications

The Systems Safety and Security Certifications team ensures compliance with DART, Federal Transit Administration (FTA), Texas State Safety Oversight (SSO) Program Standard requirement and other local, state, and federal Fire Life Safety Code requirements for GRD capital projects. This includes coordination with State Safety Oversight in the delivery and certification of design and construction of the capital projects for turnover to revenue service.



This team supports DART Operations Safety with PTASP compliance efforts as required by other DART projects.

The Systems Safety and Security Certification team coordinates with project stakeholders through the DART Safety and Security Certification Review Team (SSCRT) and the Fire Life Safety Committee (FLSC) throughout the life cycle of GRD capital projects.

The team also coordinates with DART Operations Safety to support DART Operations safety program requirements.

Systems Integration and Start-Up

The Systems Integration Group (SIG) is responsible for start-up and integrated testing activities that include interface management, operations and maintenance planning, system safety, and integrated testing and start-up coordination of GRD capital projects.

The SIG ensures through the Integrated Test Plan that systems elements are properly integrated into the existing operating transit system according to design, specification, and other applicable project requirements. Interface management includes coordination with DART Operations on design and construction issues, in addition to all turnover activities for revenue service.

The SIG works concurrently with Safety and Security Certification activities to ensure compliance with DART, SSO, and FTA program requirements for turnover of capital projects to revenue service. This team also supports DART Operations Safety with PTASP compliance efforts as required by other DART projects.

Project Controls

Project Controls is responsible for program level scope, schedule, budget, and cost management, in support of GRD capital projects. Project Controls assembles program cost and schedule information of all projects managed by GRD.

Project Controls additionally provides program reporting to track project cost and schedule baseline adherence and provides independent cost estimates for validation of project and/or change costs.

The Project Controls team ensures compliance with contracts through the established Change Control Procedures. They also track funding partner requirements as well as FTA requirements for federally funded projects and works with the project management teams in Design and Construction to ensure reporting requirements are met. The Project Controls team also provides support to DART's Finance and Grants Management departments.



Transit Oriented Development (TOD) Division

- The Director of Economic Development undertakes the overall activities of the section. The section has the primary responsibility for: Maintaining an inventory of DART property with TOD potential
- Supporting the Goals and Objectives of the DART TOD Policy
- Adding value to the overall DART system
- Federal, Regional, and Local initiatives
- Working in a close partnership with service area cities to:
 - Identify and implement TOD opportunities
 - Generate new opportunities to create revenue for DART and environmentally sustainable liveable communities that are focused on transit accessibility

The economic impact of DART on the regional economy has been significant, exceeding \$16.1 billion, according to a study by the University of North Texas (UNT). The study, which was published in July 2020, looked at public and private transit-oriented development along the light rail corridor between 1999 to 2018. A copy of this study is included in Section F of the *Reference Section* of this document as well as on the DART website, www.DART.org.

Two of the objectives of the Agency, as stated in the DART Mission Statement, are to enhance the 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. Management continues to support DART's Economic Development staff and continues to monitor, identify, evaluate, and develop opportunities to collaborate with service area cities and the development community.

As noted above, DART Economic Development staff periodically engages the UNT Economics Research Group to monitor and assess the impact of all DART assets that have the potential for future Transit Oriented Development (TOD). The latest study was presented in July 2020.

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

Commuter Rail & Railroad Management Department

The purpose of this section is to highlight the Commuter Rail (Trinity Railway Express or more simply, TRE) business plan, including key indicators and strategic initiatives.

TRE passenger service is provided jointly with Trinity Metro pursuant to an Interlocal Agreement as restated by the two transit authorities in September 2003 and updated in 2021.

The Vice President of Commuter Rail & Railroad Management/Director of TRE, manages all activities on TRE.

Commuter Rail – TRE Scorecard – Key Performance Indicators

Exhibit 26 highlights Commuter Rail – TRE’s Key Performance Indicators (KPIs) presented in scorecard format. The numbers in the columns for fiscal years 2020 and 2021 indicate actual values. Fiscal Year 2022 Third Quarter represents the nine-month period ended June 30, 2022. Fiscal Year 2023 represents budgeted numbers.

To more accurately depict the true operating costs of TRE, the data shown includes combined revenues and expenses for both DART and Trinity Metro. By including all revenues and expenses, the information presented will provide the reader with data comparable to all other modes. Ridership is collected and reported for the TRE system. Therefore, KPIs associated with ridership are calculated as TRE totals.



Exhibit 26: Commuter Rail – TRE Scorecard (System Wide)

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|---|-------|-------|-----------------|-----------------|-------|
| Customer Quality | | | | | |
| Ridership (M) | 1.3 | 0.8 | 0.8 | 0.8 | 1.2 |
| Revenue Car Miles (M) | 2.2 | 1.3 | 1.4 | 1.3 | 2.2 |
| Passengers Per Revenue Car Mile | 0.91 | 0.59 | 0.58 | 0.59 | 0.57 |
| Revenue Train Hours (000) | 26.1 | 22.1 | 18.6 | 14.3 | 23.1 |
| Farebox Recovery Ratio | 23.7% | 16.4% | 9.1% | 14.0% | 8.1% |
| On Time Performance | 94.3% | 96.4% | 98.5% | 93.0% | 93.0% |
| Complaints per 100K Passengers | 6.0 | 6.4 | 2.7 | 5.5 | 5.5 |
| Accidents Per 100K Train Miles - TRE ^[1] | 0.40 | 0.72 | 1.90 | 1.00 | 1.00 |

[1] The measure has been restated from Accidents/Car Mile to Accidents/Train Mile and therefore will not tie to previous reports

| Indicators | FY20A | FY21A | FY22A YTD Q3 | FY22B YTD Q3 | FY23B |
|---|---------|---------|-----------------|-----------------|---------|
| Financial Efficiency | | | | | |
| Expenses - Fully Allocated (M) ^[2] | \$33.10 | \$38.05 | \$32.03 | \$33.55 | \$45.20 |
| Revenues (M) | \$12.31 | \$9.17 | \$5.63 | \$6.67 | \$8.15 |
| Net Subsidy (M) | \$20.80 | \$28.88 | \$26.40 | \$26.89 | \$37.05 |
| Subsidy Per Passenger | \$16.43 | \$36.28 | \$32.48 | \$35.66 | \$29.78 |
| Cost Per Revenue Car Mile | \$15.22 | \$28.21 | \$22.74 | \$26.15 | \$20.55 |

[2] Fully allocated expenses and revenues include overhead from Trinity Metro.

Exhibit 27 is an overview of the uses of funds related to operating expenses and capital expenditures for the Commuter Rail mode of service. For allocation purposes, each department identifies the percentage of time and money spent on each mode of service to determine the expenses and positions allocated to the mode of service.

Exhibit 27: Commuter Rail Overview

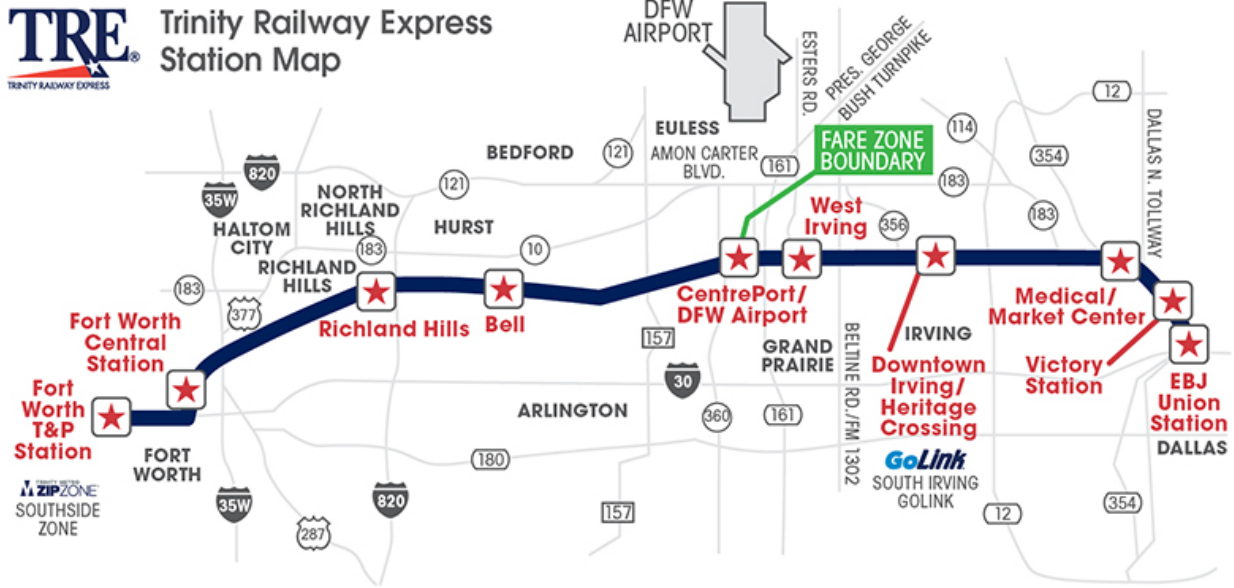
| Overview | FY20A | FY21A | FY22B | FY23B |
|----------------------------------|--------|---------|---------|---------|
| Allocated Operating Expenses (M) | \$33.0 | \$38.0 | \$36.4 | \$45.2 |
| Capital Expenditures (M)* | \$88.4 | \$160.7 | \$615.4 | \$382.0 |

* These amounts are the actual or budgeted capital for this mode only and do NOT include an allocation of Agency-wide capital.

** Allocated positions are based on budgeted position counts.

Exhibit 28 is a map that includes the TRE Corridor.

Exhibit 28: Trinity Railway Express Corridor



TRE Ridership and Subsidy Per Passenger

Exhibit 29 graphically depicts actual and budgeted TRE ridership and Exhibit 30 depicts TRE subsidy per passenger. In both exhibits, Fiscal Years 2020, and 2021 indicate the actual values, while figures for Fiscal Years 2022 and 2023 represent the target for those years.

Exhibit 29: TRE Ridership (in Millions)

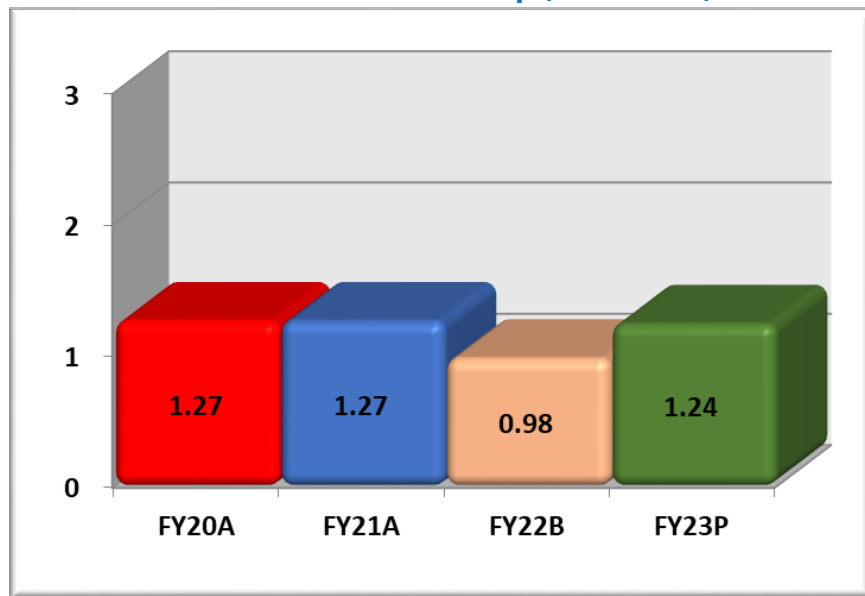
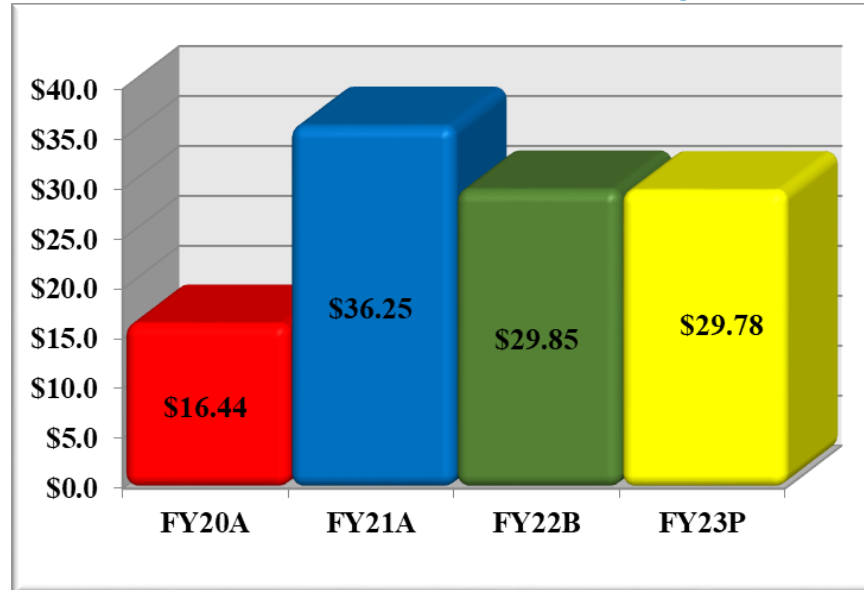


Exhibit 30: TRE Subsidy Per Passenger

Subsidy Per Passenger

While these costs will go down in the subsequent fiscal years, the overall subsidy per passenger will continue to fluctuate due to additional operating costs associated with operating contract escalation as well as with the federal mandate for Positive Train Control (PTC). Please see page 107 for more information on this program.

Revenue Contributions from the Mid-Cities

In FY 2002, the cities of Arlington, Bedford, Colleyville, Euless, Grand Prairie, Grapevine, Haltom City, Hurst, and North Richland Hills (the Mid-Cities) agreed through an Interlocal Agreement (ILA) with the North Central Texas Council of Governments (NCTCOG) to contribute to DART and Trinity Metro for TRE services that their citizens utilize.

None of the Mid-Cities currently belong to either DART or Trinity Metro. Several additional ILAs have been negotiated over the past few years. NCTCOG, DART, and Trinity Metro secured amendments to extend the 2007 Mid-Cities ILA to the period of October 2011 through September 2016 at the same 2007 funding level. This funding was not allocated by the Mid-Cities / NCTCOG in FY 2017; however, NCTCOG has proposed to reinstate the program in FY 2019.



Ensure Service Quality

There are several railroads using the TRE (Amtrak, BNSF, DGNO, FW&W, and UP) which presents a challenge to maintaining on-time passenger service. The TRE has consistently maintained this metric between 97% and 98%. On-time performance was targeted at 97% for FY 2022.

Weekday service improvements implemented in October 2016 added an additional 130 trains per week. Enhancements included 30-minute peak and 60-minute off peak headways, and a longer service day.

There is a commitment to our freight customers utilizing the corridor to move as much freight traffic safely without disrupting TRE service. There are currently 20-25 freight train movements per day along the corridor despite this being a predominantly single-track railroad. This is accomplished through careful coordination with the freight railroads and the TRE Operations and Maintenance contractor.

Amtrak's intercity passenger rail service was moved from the Union Pacific corridor to the TRE corridor in December of 2016.

Constant monitoring of the track and signal systems is essential to ensure safe and continued operation of the railroad. Eventually more sidings, double tracking, and bridge refurbishments and replacements will be required to support both current service levels and future service expansion. This project was partially funded from a grant provided to TxDOT via the Federal Railroad Administration, and grants from the CMAQ and STIP programs.

The major capital projects proposed over the next few years to maintain and improve service quality and safety of the TRE are listed under Departmental Emphasis on FY 2022 Strategic Priorities section below. TRE has developed a 20-year capital program that identifies both right-of-way and vehicle maintenance projects required to maintain a state of good repair for the service. Reserves are planned within DART's Twenty-Year Financial Plan to provide for both types of expenditures. These reserves will ensure the timely replacement and overhaul of assets, as well as allow for a certain amount of unanticipated future capital requirements.

Departmental Overview

The Commuter Rail Department is responsible for the operations and management of the TRE commuter rail service between Dallas and Fort Worth, the Madill Subdivision, and future commuter rail service on the Cotton Belt corridor.



Contract operation – DART, on behalf of DART and Trinity Metro, has contracted with Herzog Transit Services, Inc. (Herzog) to maintain the commuter rail rolling stock and railroad right-of-way, provide dispatching services for the corridor, and operate the commuter rail service on the corridor. During 2014, the operation and maintenance contract was resolicited. Herzog was awarded a ten-year contract commencing at the beginning of FY 2016. The contract expires on September 30, 2025.

Service – TRE service operates Monday through Saturday between downtown Dallas and downtown Fort Worth. This line covers a distance of 34.5 miles and includes a total of 10 stations, 5 of which are maintained by DART and 5 by Trinity Metro.

Operating Fleet – The operating fleet consists of 11 locomotives, 17 bi-level coaches, and 8 bi-level cab cars (all jointly owned by DART and Trinity Metro). In FY 2017, DART negotiated the sale of 12 of the 13 rail diesel cars (RDCs). The remaining RDC will be held by the agency with its future to be determined.

Sharing of Costs – The DART/ Trinity Metro ILA specifies that revenues generated on or by the TRE Corridor are joint revenues and are to be applied against TRE operating costs. After the application of these revenues, the remaining net costs are allocated to DART and Trinity Metro equally. Except for employees that are 100% dedicated to TRE, DART and Trinity Metro separately absorb their own staff, administrative, and station maintenance costs.

Madill Subdivision – The department is also responsible for the maintenance and operation of the Madill Subdivision, which is achieved through the contract with Herzog. This is currently a freight-only corridor. The City of Dallas deeded the northern section of the Madill Subdivision to DART in exchange for easements related to Hike and Bike Trails. The Madill Subdivision located between Irving and Carrollton is owned in its entirety by DART.

Departmental Emphasis on Strategic Priorities

Strategic Priorities that will be the subject of special emphasis during the year are:

- Strategic Priority 1: Enhance the safety and service experience through customer-focused initiatives
- Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations
- Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.



Major initiatives that are underway or proposed that are targeted at achieving the Board's Goals and at improving the overall safety, efficiency, and effectiveness of the Commuter Rail & Railroad Management services and operations are as follows:

Operations and Maintenance Contract – The current Operations and Maintenance (O&M) contract expires on September 30, 2025. The contract provides for a ten-year base contract with an additional ten-year option for providing long-term commuter rail services to the region, including but not limited to:

- General management
- Train operations, including crews
- Maintenance services for all TRE-owned rolling stock and equipment
- Train dispatching services
- Timely and accurate communications to customers, to DART and Trinity Metro, and to tenant railroads
- Provision of 5-Star Service to all commuter rail customers
- Maintenance of rights-of-way
- Maintenance of infrastructure, centralized traffic control (CTC), and voice radio system
- Maintenance and operations of PTC, including configuration management
- Provision of Federal Railroad Administration (FRA) required Roadway Worker Protection services for the maintenance of the corridors, capital projects, and other contractors on the corridors

The TRE operations and maintenance (O&M) contract provides O&M services for the TRE DFW Subdivision and the right-of-way maintenance of the Madill Subdivision. The Trinity Metro has separately procured an O&M contract with Herzog to provide O&M services on the TEXRail Corridor that was in service in December 2018. The agencies are sharing position costs for the Director of PTC, Director of Safety, and are exploring opportunities for shared positions on the Silver Line and the two existing services.

Positive Train Control (PTC) – The Rail Safety Improvement Act of 2008 defines PTC and mandated its implementation by December 2015. PTC is defined as a system designed to prevent train-to-train collisions, over-speed derailments, incursions into established work zone limits, and the movement of a train through a switch left in the wrong position. PTC is required for intercity passenger rail or commuter rail passenger main lines and will further enhance safety on the TRE. An implementation plan for TRE was submitted and approved by the FRA. Federal legislation was passed in December 2015 that extended the implementation deadline to December 2018 with an available two-year extension available to agencies showing positive progress in the proposed PTC implementation. TRE and



TEXRail jointly implemented the interoperable Electronic Train Management System (I-EMS) version of PTC on both railroads. TRE has completed all phases of the implementation and has been in Extended Revenue Service Demonstration since May 2019. TRE has completed interoperable testing with all their tenants. The PTC Safety Plan was submitted to the FRA in June 2020. TRE received a Letter of Conditional Certification in December 2020 with two Enclosures. TRE coordinated with the FRA and PTC System Integrator to address the two Enclosures by March 2021.

State of Good Repair and Capital Investment Plan – In 2016, The TRE performed a State of Good Repair (SGR) review that included the infrastructure, facilities and rolling stock that addressed the capital maintenance and capital improvement needs over the next twenty years through FY 2036. The Condition Assessment and Capital Investment Plan (CIP) are maintained by the Commuter Rail & Railroad Management Department and serve as the basis for budget planning each fiscal year and help to ensure that all operational and business assets are in working order and fulfill their intended use. The SGR analysis serves as the basis for a long-range capital asset replacement program and a 20-year financial forecast for both the TRE and Madill Subdivision. This enables DART and Trinity Metro to plan for adequate funding to maintain TRE service quality.

Rail and Tie Replacement Program – As a result of continued operations along the TRE and Madill lines, the rail and track ties have experienced wear and will need to be replaced over time to maintain a state of good repair and the desired operating speeds and track class. TRE is replacing 115-pound rail with new 136-pound rail and replacing wood ties with longer-lasting concrete ties to extend the life of the assets. This helps reduce capital and operating costs in the long term.

Bridge Management Plan and Bridge Replacement Program – On the TRE, two bridges in Dallas County (Noble Branch and Inwood) have been designed and may undergo construction beginning FY 2023; the I35/Stemmons freeway was repaired; the Medical Market Street bridge will be replaced in partnership with Dallas County, TxDOT, and the City of Dallas estimated to be completed in early 2023. The Trinity River Bridge construction was completed in May 2020.

Next Train Customer Communication System – To improve customer communications, the effort to expand the Next Train system to the TRE vehicles and train stations was completed in August 2016. This project includes automatic voice announcements of stops, variable message signs on-board vehicles, and the platforms at TRE stations. In FY 2013, Variable Message Boards (VMB) were installed at the ten TRE stations allowing for ad hoc messages to be sent to inform passengers of delays and other TRE-related information. In FY 2023 these systems will be replaced/upgraded with a new announcement and information systems.



Vehicle Maintenance – TRE awarded a contract to CAD Railways, Inc., in 2019 for the overhaul of four (4) coach cars with side sill repairs, three (3) coach car overhauls, and side sill only repair of up to eight (8) coach cars. TRE is repainting the existing fleet paint contractor has successfully repainted twelve (12) coach cars, three (3) cab cars, and two (2) locomotives. Two (2) additional locomotives were purchased in FY 2022. Locomotives 130 and 131 were placed into service in Q4 FY 2022.

Equipment Maintenance Facility – Total roof replacement of the EMF was completed in FY 2022. Upgrades to the TRE wash bay are scheduled to be completed in FY 2023. Upgrades and additions to the EMF yard lighting system are anticipated to be completed in FY 2023.

Cotton Belt Corridor

DART owns 54 miles of the Cotton Belt rail corridor from north Fort Worth to downtown Wylie. In 2016, Trinity Metro negotiated and signed a Full Funding Grant Agreement with FTA for the TEXRail project, which proposes to use the segment of the Cotton Belt west of DFW Airport, and continue south into downtown Fort Worth to the existing TRE Fort Worth Central Station and the Fort Worth T&P Station.

The project initiated service in December 2018. Plans include a future extension into southwest Fort Worth.



BUSINESS & INNOVATIVE SOLUTIONS

Human Resources • Innovation • Marketing & Communications
Procurement • Social Responsibility • Technology

Business & Innovative Solutions

Overview

The Business & Innovative Solutions (B&IS) organizational unit maximizes agency resources through dynamic marketing, enhanced innovation, advanced technology, effective procurement, engaging talent management, and ongoing community relationship and social responsibility efforts. This group also focuses on employee engagement and organizational change as key drivers of DART's culture.

B&IS also plays a significant role in shaping and maintaining the Agency's Customer Experience and Satisfaction vision. DART continues to lead within this landscape with the award-winning GoPass app, the launch of the highly successful on-demand GoLink services, and the expansion of the GoPass services platform to additional agency markets outside the Dallas-Fort Worth area.

FY23 Key Initiatives

Key Initiatives for the upcoming fiscal year include the following projects:

DART HQ – Moving Forward Together

- This project will identify current workplace needs and projected requirements for the DART Headquarters building. It will also provide recommendations for workplace strategies and an updated Post-COVID real estate market analysis with key findings and recommendations for consideration.

DART Culture Change

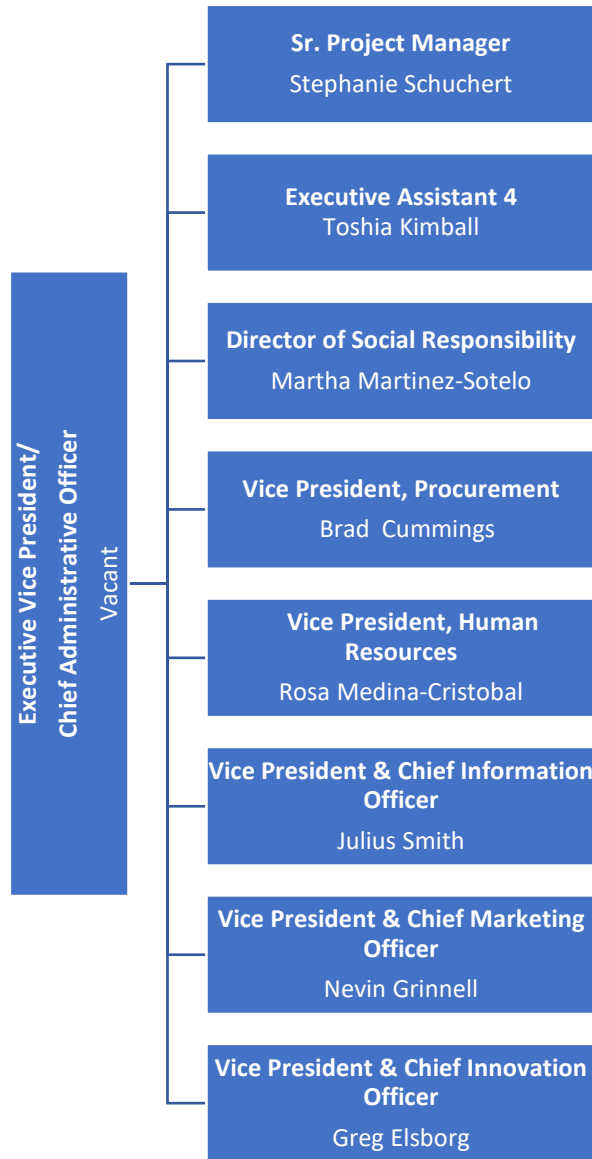
- This project will introduce a courage of culture, shared values, and collaboration throughout the Agency.



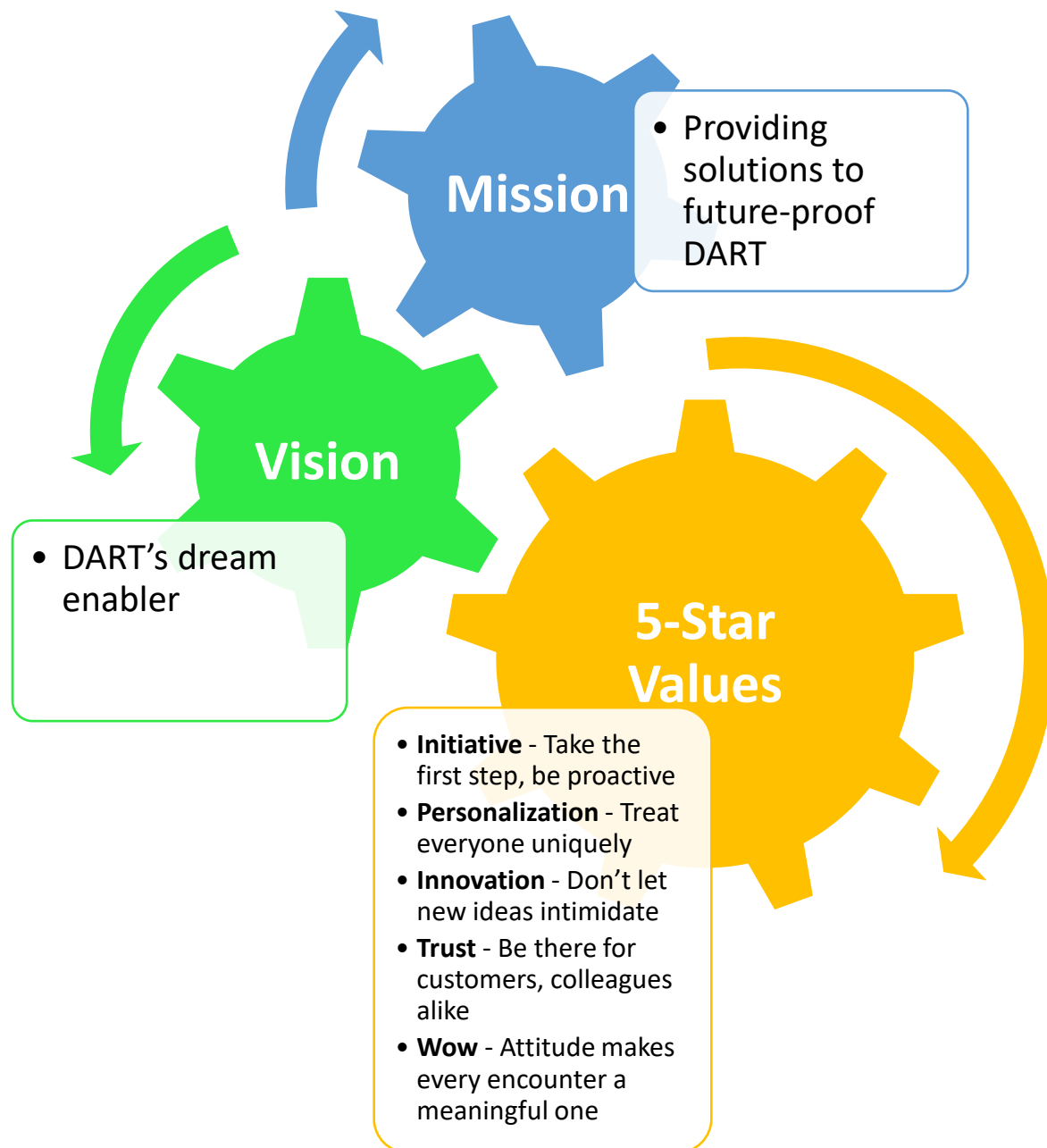
B&IS Organizational Structure

DART's B&IS group departments report to Executive Vice President and Chief Administrative Officer. It is comprised of the following departments:

- Human Resources
- Innovation
- Marketing & Communications
- Procurement
- Social Responsibility
- Technology



B&IS Mission, Vision, and 5-Star Values



Human Resources

Overview

DART's Human Resource Department (DART HR) serves as an integral partner in the continued care and preservation of overall organizational well-being for DART as an Agency. DART HR focuses on ensuring that DART's diverse and talented workforce has the necessary resources and guidance needed to succeed in their role. Thus, creating a core foundation fosters a best-in-class work environment for employees to thrive.

The primary focus of DART HR is to develop programs and initiatives to support and effectively enhance the employee work experience, such as the implementation of the following: Recruitment campaigns in partnership with Marketing, reinstating in-person employee engagements events (i.e., DART Holiday Event, Family Picnic, etc.), identifying and implementing Workday HCM for ease of connectivity, and continuous improvement efforts to enhance employee engagement through virtual and in-person activities.

DART HR is structured in the spirit of focusing on the entire employee experience life cycle, from external recruitment and new employee experience to employee development and work environment. DART HR is comprised of five core functional teams: Talent Acquisition, Benefits & Compensation, Employee Engagement, Organizational Development & Training, and Employee & Labor Relations.



Talent Acquisition

Talent Acquisition serves as the public-facing representation of DART's best-in-class working environment, with the prime focus on attracting and recruiting top candidates for the Agency. The Talent Acquisition team has worked closely with the Marketing Department to create branding campaigns that showcase DART as



an employer of choice and recent high-volume bus operator recruitment efforts. This team engages at the starting point of the employee's experience life cycle.

The team partners with the functional leaders to identify proactive recruitment efforts to meet workforce needs while considering the professional growth opportunities for the individual candidate within DART. As a result, the Talent Acquisition team assesses potential applicants for their ability to contribute to DART's business goals and organizational culture. This creates a sustainable long-term strategy for DART to continue sourcing from a diverse talent pipeline.

Recent efforts include:

- Employee Referral Bonus
- Bus Operator Hiring Effort – Bus Operator sign-on bonus
- Community Outreach – Working with DART member cities and the Hispanic Chamber of Commerce for hiring events
- Univision contract–Contracted services with Univision to increase the outreach to the Hispanic community through television, radio advertisement, and additional weekly communication highlights of DART jobs. Univision is an American Spanish-language free-to-air television network owned by TelevisaUnivision. They are the United States' largest provider of Spanish-language content.
- Veteran Outreach – In partnership with the Employee Engagement Team, team members are building relationships with various community groups and the VA (Veteran's Affairs) to identify and recruit our nation's veteran population.

Benefits Administration & Compensation

The Benefits Administration Team serves an important function within the employee experience lifecycle by preparing employee benefits and compensation packages to attract the best talent for DART. The team processes all the benefits offerings for over 3,400 DART employees. Benefits include medical, dental, vision, flexible spending insurance, pension plans, 401(k), 457, vacation time, sick time, and compensation.

The Benefits Administration team creates and maintains benefit profiles for every employee, keeping track of information such as the date hired, marital status, number of dependents, total hours worked, and attendance records. The programs offered by DART provide comprehensive coverage, considering special employee needs, part-time and temporary hires, as well as adherence to the changes in government regulations. The division is also accountable for continually investigating new benefits programs, exploring opportunities to improve existing



programs, designing employee benefit plans, and providing analytical and technical support in delivering the benefit programs. Ensuring DART remains competitive and provides the best possible benefits for the workforce. This team contracted a new medical insurance provider, Blue Cross Blue Shield, which provides employees with a better network and better coverage. During open enrollment, they offered "benefits connection," which connected with employees to help sign up for all their benefit plans.

The Compensation Team is responsible for maintaining and updating classifications for all positions at DART. The group also evaluates requests for reclassifications and salary market reviews. This team also reviews all new hires and promotional requests and makes recommendations for salary adjustments based on market factors and internal equity through research and evaluation.

The team works closely with DART's retirement plan administrators, including Vanguard, Northern Trust, and ICMA-Retirement Corporation (now MissionSquare Retirement), leveraging each vendor's service model to provide DART employees with outstanding benefits and to improve the overall efficiency of our retirement plans. This effort includes identifying and implementing industry best practices in all our retirement benefit services and activities.

Planned and in-process projects include rationalizing and updating the total compensation and benefits package to improve cost-effectiveness and ensure market competitiveness. This study and its recommendations will be shared by the end of the fourth quarter.

Organizational Development and Training

Organizational Development and Training are essential in continuing the employee experience through the deployment of DART's robust workforce development portfolio. This team provides new and existing employees resources to develop their skillsets and foster growth as each individual progresses through their professional career path. The recent Workday- Human Capital Management System licensing will allow DART HR to ensure that our workforce has continual learning opportunities.

Programs managed and currently under review for future enhancement include:

- New Employee Orientation
- People Leader 101 – A toolkit for the first time or new leaders within DART
- Supervisory DART – A 24-week supervisor certification program in partnership with the Dallas County Community College District. Employees are selected via a competitive application process.



- Management DART, Leadership DART, and Executive DART – Leadership development programs

Planned Projects

Institute training and development programs that engage employees to future-proof the leadership pipeline of the Agency, beginning with first-line supervisor/manager leadership training. The first-line supervisor/ manager leadership training program is scheduled to launch by the end of the second quarter.

Employee Engagement Team

The Employee Engagement team is unique. They are responsible for creating channels of communication and engagement during each stage of the employee experience life cycle through the operation of the Employee Resource Center (People Center) and Employee Services Center (Mail room & Reprographics). These centers provide live employee-facing opportunities to share Agency program information, benefits assistance, and counseling on resources offered by the DART Human Resources department. Following are a few ways that the Employee Resource Center assists employees:

- Champions employee concerns and assists with understanding issues affecting all employees.
- Strives to maintain active and open communication in conveying benefit plans.
- Acts as a subject matter expert, patiently explaining HR processes and procedures.
- Plans employee-centric events such as the Holiday Party, the Family Picnic, etc.
- Creates awareness of the rebranding efforts of HR for DART to be an employer of choice.
- Generates a monthly electronic newsletter. The newsletter highlights functional areas to provide updates and partners with internal departments, such as Risk, Safety, Technology, Procurement, and Marketing, to share updates.
- Improves the onboarding process by updating and redesigning the new hire orientation as needed.
- Updates service level agreements to focus on process improvements which lead to the ability to respond to issues quickly and resolve questions in a timely fashion.



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- Provides COVID-19 monthly booster shot events and sets up incentive programs to encourage employees to get vaccinated.
 - Enhances the Wellness Program by adding Omada Health which created a program for employees with diabetes, high blood pressure, and obesity and provided tools to monitor their health and wellness.
 - Increases the Wellness Program participation rate. Currently, 82-86% of the DART employee population is enrolled.
 - Partners with each department to develop an action plan to address feedback based on the previous employee engagement survey results. DART Employee Offboarding – Conducted exit interviews.

Planned Projects

Under the direct leadership of the Chief Administrative Officer, introduce a culture of courage, shared values, and collaboration throughout the Agency. Develop an internal communications strategy by the end of the third quarter; establish the Leadership Roundtable and develop a framework for conducting business in the first quarter; and define and disseminate shared beliefs and values for the organization by the fourth quarter.

Employee & Labor Relations

The Employee & Labor Relations (ELR) function of DART HR exists to create a safe and engaging work experience for all. The primary focus of this group is to serve as an agent/medium to build internal coalitions between staff and management. Such efforts are realized through various forms of intervention, including problem-solving, mediation, training, and counseling. ELR offers balanced advocacy to both management and individual employees to protect their respective rights and facilitate a more harmonious work environment.

Key services provided include:

- Conducts monthly meetings with the union to proactively address concerns before they are brought to the Board.
- Provides guidance and consultation on key employment practices to ensure a healthy work environment and reduce the likelihood of grievances.
- Assists in resolving workplace problems and conflicts before they escalate. Serves as the principal advisor for all staff grievance/administrative review procedures and resources.
- Conducts or assists the divisions in conducting objective and thorough investigations of employee conduct or complaints and grievances.



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- Serves as objective consultants to management to assure due process in determining potential corrective action or discipline.
 - Assists management in establishing performance expectations, carries out interventions and assures accountability to ensure productive employees and non-arbitrary work environments.
 - Serves as the objective hearing officer in matters involving employee grievances and represents/assists management or administers the process for appeals before various tribunals (e.g., arbitration)
 - Provides training as requested
 - Conducts the interactive process for requests for reasonable accommodation.
 - Represents DART in claims for unemployment insurance with the Texas Workforce Commission

The Impact of the Coronavirus on Human Resources and the New Normal of Work

The Human Resources department's response to the challenges of the Coronavirus (COVID-19) Pandemic in the workplace illustrates the department's ability to respond to a crisis and transform our personnel policies and practices to meet the needs of DART employees. Following are some of the initiatives implemented to address COVID-19:

COVID-19 Initiatives

Emergency Telework Program – HR implemented a Telework program for employees who have a formal agreement to work remotely, at a designated alternative workspace, such as their residence, for one day or more per week. The program does not apply to employees who work off-premises for a temporary, limited duration of time. Employees who telework are expected to meet all the responsibilities, perform all the duties, and comply with all the policies that apply to employees in similar roles, regardless of the location. The Executive Leadership Team returned to the workplace on June 7, at least on a part-time basis. Other staff members at DART who have returned to the physical workplace have been asked to fill out a new Remote Work Form signed by their EVP. *New work-from-home policy has been created due to the Emergency Telework Program.

COVID-19 and additional COVID II Pay Benefits – Pay Benefit authorized by the President/CEO to respond to the needs of employees who may experience hardship related to the COVID-19 outbreak. The benefit was available to be used when employees were absent from work for up to 80 hours because of



Precautionary Isolation or to provide Dependent Care. This benefit was in addition to existing leave benefits. COVID-19 Temporary Pay Benefit II was introduced in October 2021 to accommodate employees who had exhausted COVID I, FFCRA, and all their own leave time. *Had to have exhausted PTO (salaried)/ Vacation/Sick (hourly) time to get paid

COVID Corner on InfoStation – Communication section to provide current and up-to-date information on the Coronavirus and its impact on the workplace. "COVID Corner" includes the latest CDC guidelines and executive communications regarding the COVID-19 Pandemic.

Employee Vaccination Efforts – HR led efforts to provide the general employee population at DART with access to the COVID-19 vaccine. This was accomplished through partnerships with Parkland Hospital, Methodist Hospital, and ProSalutem. As part of these efforts, an incentive was offered to employees through our Wellness Program for proof of vaccination.

CORONAVIRUS (COVID-19) EMPLOYEE INFO

You can find all the latest information on COVID-19 here

DART-Specific Information

- [Employee Bulletins](#)
- [COVID Fatigue Resources](#)
- [Employee Assistance Program \(EAP\)](#)
(Use Company Code = dart)
- [Other Employee Information](#)
- [Related Policies & Plans](#)
- [Employee Self Report Travel Form](#)

Official Sources of Global and Local Information

- [CDC webpage](#)
- [World Health Organization webpage](#)
- [City of Dallas Coronavirus page](#)

Office of Innovation

Overview

The Office of Innovation (OOI) was established in 2019 with a focus on supporting the Agency through strategizing, developing, and implementing programs that support the following core areas of responsibility:

- Facilitating a Mobility Ecosystem that expands DART's capabilities
- Extending the Mobility ecosystem to develop revenue-generating partnerships
- Nurturing a culture and capacity to innovate at DART

Structure of the Office of Innovation



Vision

Create opportunities for innovation to flourish in support of DART's riders, employees, and service area.

Mission

- Develop a culture and reputation of innovation for DART facilitating new ways of thinking and opportunities to lead innovation nationally.
- Accelerate ideation, development, and execution of innovation and emerging technology-focused initiatives across DART.
- Drive customer experience, development, and scalability.



Office of Innovation Support for Board Goals

| DART Board Goal | Office of Innovation Support |
|---|--|
| <p>Enhance the safety and service experience through customer-focused initiatives.</p> | <p>Lead strategy and execution for continued improvements to customer experience in digital self-service rider technologies.</p> <p>Expand the capability of DART to support customer experience by developing programs that utilize digital technology to enhance the customer experience across multiple technologies (e.g., Mobile app, website, and kiosks).</p> |
| <p>Provide stewardship of the transit system, agency assets and financial obligations</p> | <p>Structured and Ad hoc support towards Agency resource planning/allocation initiatives, including:</p> <ul style="list-style-type: none"> * Severe weather capital project response requirements * DARTServes COVID-19 Agency community response. * Customer Experience playbook & capital project alignment |
| <p>Innovate to enhance mobility options, business processes, and funding.</p> | <p>Promotion of DART's capabilities and Mobility solutions regionally and nationally to garner partnerships that may support our Agency goals.</p> <p>Scale GoPass to multiple agencies and optimize revenue streams bringing funds to invest in the platform's future.</p> <p>Partnership with vendors to bring comprehensive Mobility solution enhancements to DART riders.</p> |
| <p>Pursue excellence through employee engagement, diversity, development, and well-being</p> | <p>Driving programs to solicit employee innovation, driving engagement, and empowering employees to share their voices for prospective structured and unstructured improvements to DART.</p> |
| <p>Enhance DART's role as a recognized local, regional, and national transportation leader.</p> | <p>Engage with agencies to promote GoPass and complementary programs. Engage with industry media to promote DART's capabilities and Mobility vision.</p> |

Projects Underway

The Office of Innovation supports agency objectives through a combination of direct responsibilities for core technologies and programs and brings a consultative support role in assisting with project scoping and development for various departments whose projects intersect with the digital rider experience.



The Office of Innovation is responsible for the product management and ownership of key rider-facing tools and technologies. Innovation acts as a lead party to key partnerships with Mobility vendors, developing win-win solutions that can facilitate customer experience improvements for DART riders while equipping the Agency to operate more effectively and efficiently.

The Office of Innovation focuses our energies on the activities listed below to drive value to the Agency, our riders, and our stakeholders:



Employee Empowerment



One of the three core areas of responsibility for the Office of Innovation is nurturing a culture of innovation at DART. Recognizing the opportunity to capture employee feedback in multiple manners, two distinct programs have been developed: **IDEAbox**, which focuses on unstructured, incremental improvements; and **IDEAstudio**, which focuses on larger, more formal new opportunities which may require funding and piloting before prospectively moving to enterprise project implementation.



IDEAbox was launched in May 2022 and has received over 30 suggestions within the first two months of launch. IDEAstudio is currently being prepared for a launch at a later date in 2022. Customer Experience

The Office of Innovation is heavily engaged in DART's Customer Experience development initiative. Staff from OOI are evaluating and reviewing the current quality of our customer experience, utilizing feedback and workshops to develop strategic plans, and aligning future prospective capital and operational improvements for DART toward the impact these projects will make on the customer experience while utilizing our services.

The output from this work will serve a dual purpose. First, we will develop an external document to share publicly the research we've done and the general direction we will take to shift the rider experience here at DART. Also, we will provide an internal document that shapes our new guiding principle for how we will adapt our capital and strategic plans to meet these rider needs.



Mobility Partnerships

OOI is responsible for many key partnerships with Mobility vendors who seek to align with DART. Our role spans from direct contract ownership to consultative partner across an array of vendors, including technology and service providers such as:



The Office of Innovation drives collaboration across the Agency when interfacing with Mobility vendors. It works to align its technologies to the Agency's vision, mission, and strategy related to evolving mobility services for our riders. This focused approach has led to the introduction of several industry-leading developments, such as the hugely successful GoLink on-demand transit program.

Service & Digital Capabilities

DART's service quality and capability to support riders' needs are directly tied to the Agency's digital capabilities. Strong digital capabilities enable entities to be agile and act proactively versus being entrenched and reactive.

The Office of Innovation is a key contributor to supporting the growth and expansion of DART's service offerings. This is accomplished by directly leading the development of rider-facing tools & utilities, and providing support for departments with primary responsibility for upstream and adjacent technologies, which are also responsible for driving outcomes that manifest through rider-facing tools & utilities.

The Office of Innovation provides consultation and support for decision-making and execution across multiple departments at DART, bringing a specialty in optimizing our vendor partnerships to solve challenges and improve customer outcomes by bringing an analytical and inquisitive view of digital functions across the Agency.

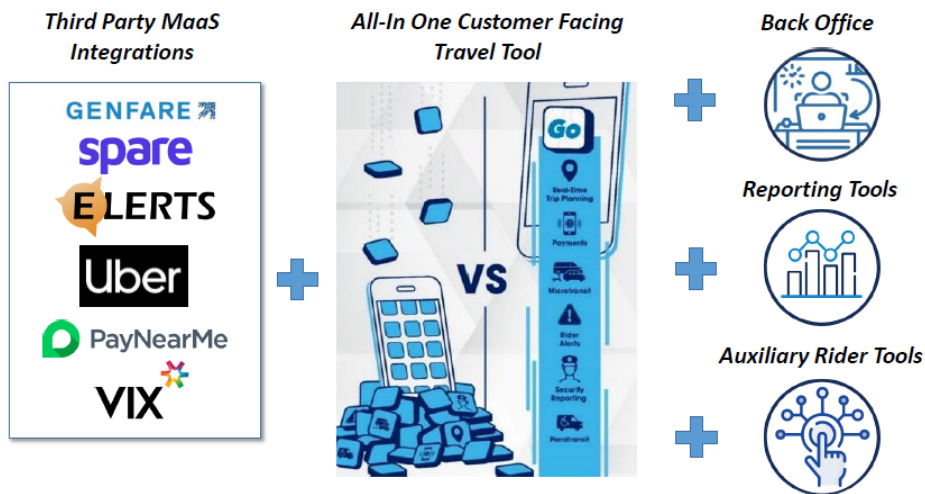
Rider Supporting Tools & Utilities

The Office of Innovation has both primary responsibility and a key supporting role in developing and deploying various rider-facing supportive tools & utilities that serve DART's riders. The prioritization and development of rider-facing tools and utilities are supported by both qualitative and quantitative customer research. This research is synthesized against the technical expertise of our staff to scope and deliver agile incremental improvements to key technologies, such as the GoPass Mobile Platform.

The Office of Innovation is the primary department at the Agency responsible for the development and delivery of the GoPass mobile application, which is utilized extensively by DART riders. GoPass is a flagship product for DART and facilitates trip planning, ticketing, payments, and more.

In the January 2022 DARTZoom service redesign, 55% of riders surveyed cited the GoPass App as the method through which they learned about DART's service redesign, reiterating the critical importance of this platform as a rider communication tool, as well as a functional utility responsible for approximately 30% of DART's fare revenue collection activities.

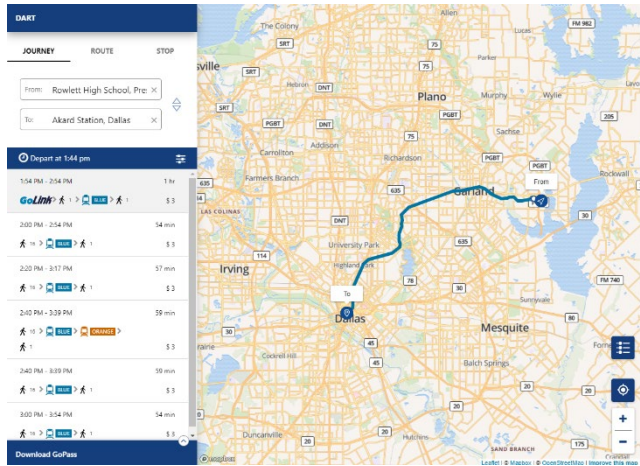
The GoPass App is also used extensively for booking on-demand trips by DART riders (70%+ of GoLink trips are booked in GoPass) and has found a place in the broader market through an innovative licensing model introduced by the Office of Innovation in 2020. Today, 10+ Agencies representing over 50 towns and cities utilize GoPass, in a scalable model that has reached a point of profitability within two years of pursuing this expanded licensing initiative.



Although the Office of Innovation has led and contributed to a broad set of digital rider-facing enhancements since its inception, below are a few key recent highlight initiatives.

The Office of Innovation has led internal and vendor partnerships to build and deploy additional rider-facing tools, such as DART's Web Trip Planner, which integrates both on-demand and fixed-route trip planning options into a rider-centric interface.

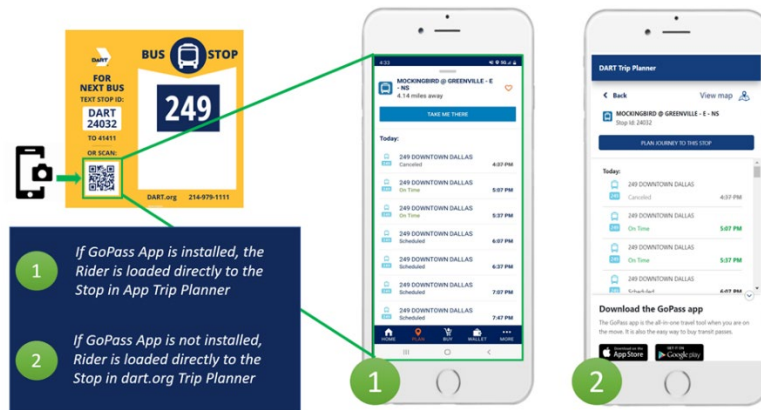
The Web Trip Planner was first launched in late 2021 as a comparative support tool to enable riders to look up the end-to-end impact on their trip planning of the DARTZoom Bus Network redesign. At the launch of this service change, the tool was integrated into dart.org and other digital channels as a real-time trip planning support interface.



Forty-five percent (45%) of riders surveyed cited DART's website(s) as responsible for learning about the DARTZoom service redesign. The comparative trip planner tool was a core asset within this educational toolset.

In 2021, the Office of Innovation collaborated with the Marketing, Technology, and Service Planning departments to securely develop and deploy QR codes to over 7,000 bus stops as part of the DARTZoom Bus Network redesign.

These QR codes, when scanned, immediately direct the rider to App or Web content related to the bus stop they're at, including real-time next bus arrival times. This is a valuable new rider utility, and these QR codes have been scanned over 125,000 times within the first six6 months of deployment.



Revenue Generating Partnerships

Since the founding of the Office of Innovation in 2019, staff have worked to develop and implement a strategy focused on broadening influence and impact of the GoPass Mobility Platform for DART's riders, the DFW region, and beyond.

Through this initiative, multiple licensing agreements have been formed with other transit Agencies, and we now have 10 Agencies utilizing the GoPass platform. The program has also moved into profitability in recent times, and as of July 2022, agreements have been signed worth a total value of \$2.32m, with DART revenue proportion from these agreements projected at \$1.13m. In July, the running balance of this program, taking incremental expenses into account, is \$506k.

Planned Projects

In addition to the continuation of the various projects and areas of key responsibility listed above, the Office of Innovation, in conjunction with the Marketing and Technology departments, plans to implement several exciting new projects in FY23.

Customer Service Chat Tools

Enhanced Customer Service Chat Tools will give riders real-time access to the answers they need to navigate DART services seamlessly. This will also broaden communication channels for customers to engage with DART so that our riders feel supported, especially when things don't go to plan.

Most frequently asked questions, such as trip planning requests, will be supported by a 24/7 automated chatbot service, freeing up customer service to address more value-add rider issues.

Enterprise Email Service Provider Integration (ESP)

DART currently utilizes multiple email service providers to support an array of activities, but our capabilities are limited across these vendors, and there is no holistic customer record for email communications.

DART's GoPass App is transitioning to Email being the primary account key, which brings an opportunity to build new proactive communications with riders, enhancing their engagement with DART's digital toolset. This would be achieved by procuring services of a new email service provider with links to DART's digital technologies and service-related data streams and also into DART's upcoming CRM deployment.

Enterprise Integration of Events, POIs, and Offers

The COVID-19 Pandemic has fundamentally changed the profile of DART's ridership and created new challenges for the Agency to attract new ridership. We have seen a marked reduction in riders utilizing our services to visit events and destinations around the service area, and we are seeking to build and deploy solutions that will encourage new ridership and discovery around the service area.

To this end, we aim to create an enterprise platform to manage the data associated with Events, Points of Interest (POIs) and Offers across multiple DART digital channels. Creating a unified source of truth for this data will streamline the management of these activities, making a more rider-friendly experience throughout the DART service area and developing a foundation to 'Level Up' our capabilities in local destination marketing. This project will include several features and functionalities that will be phased in for development and implementation.

Key Performance Indicators (KPIs) for FY 2023

- 5-day response window for GoPass RFP opportunities
- 100% GoPass RFPs decided upon within project deadlines
- Successful onboarding of sub-licensee agencies within three months of notice to proceed
- Ongoing management of IDEAbbox and IDEAstudio, with at least four concepts vetted to prototype through IDEAstudio in FY23

Marketing and Communications

Overview

The Marketing and Communications (Mar-Comm) Department supports agency goals by developing and implementing comprehensive communications, campaigns, and programs to connect DART's brand and initiatives with rider segments.

Through this effort, the department strives to increase overall rider satisfaction and customer experience by measuring and focusing the Agency on the identified satisfaction drivers, increasing brand regard as measured by the Net Promotor Score, and assisting in efforts to meet and exceed ridership goals.

Mar-Comm is guided by the principle of being the "customer voice" within the organization, ensuring that the Agency is responsive to the wants and needs of our riders. When we offer a rider experience that delivers on known and unanticipated needs, we provide people with a successful commute, which builds trust and confidence in DART. Delighted riders are more likely to ride DART for more uses and share their experience with others, thereby increasing ridership.

Mar-Comm has a front-line interface with riders, direct impact on quantifiable ridership, and generation of non-farebox revenue to the Agency. Our overlying goals focus on the following:

- Increase ridership within the cities we serve
- Increase farebox and non-farebox revenue
- Transform riders into brand champions to build brand regard

FY23 Key Initiatives

The goals of the department for the fiscal year include the following:

- Develop a Rider Experience action plan that will serve as the Agency's roadmap and function as a working document for budget considerations and organizational decision-making
- Leverage innovation and technology to provide an improved mobility experience for our riders
- Continue our rider research to uncover insights for DART riders
- Engage with DART functions earlier in the project implementation process to provide value-added support across the Agency
- Accomplish and support DART's objectives and initiatives

Structure of the Marketing & Communications Department



Administration

The Vice President of Marketing/Chief Marketing Officer is responsible for the overall annual marketing strategy, the annual work plan's development, and the department's direction. The department consists of six primary business functions that serve our riders:

- Marketing and Advertising
- Communications and Audiovisual
- Market Development and Sales
- Customer Service
- Customer research and Market Intelligence
- DART Retail

Marketing and Advertising

Responsible for strategic marketing planning, project management, and creative expression tied to agency goals and marketing initiatives. Marketing and Advertising develop action plans for most efforts within the Agency and consists of three primary areas: Marketing & Media Services, Creative Services, and Special Events

Marketing & Media Services:

- Leads strategic thinking and project management for planning and marketing support of DART goals and marketing-led activities.
- Creates campaigns and advertising to build awareness for DART programs.



- Directs the outside advertising agency's strategy, creative, and execution.
- Manages media advertising buys for the Agency to include notification of system and fare modifications, marketing promotions, procurement solicitations, and other programs.
- Manages the DART marketing and activity calendar.

Creative Services:

- Develops and delivers all in-house creative and concepts that support the Agency, marketing programs, and initiatives.
- Facilitates the printing, delivery, and installation of collateral, signage, internal communications, promotional materials, system maps, timetables, and other customer information.
- Manages the brand standards to ensure adherence and quality standards across all production projects, including vehicle livery and customer information.

Special Events:

- Establishes DART's participation strategy of events within our service area to ensure standards in service delivery and an overall customer experience.
- Manages the volunteer program for priority events, including recruiting, training, and administration.
- Cultivates relationships with key organizations throughout the service area — including convention and visitors' bureaus, chambers of commerce, community organizations, and hospitality industry associations — to cross-promote and enhance DART's presence

Communications and Audiovisual

Responsible for telling DART's story using a consistent brand voice and multichannel approach to reach rider segments and the development of communication plans to align with and amplify DART's marketing campaigns, projects, and initiatives. Communications & Audiovisual consists of three primary areas: Content Strategy and Copywriting, City Communicator Outreach, and Audiovisual, Photography, and Videography

Content Strategy and Copywriting:

- Leads and manages an editorial calendar that serves to galvanize all agency efforts for communications across multiple platforms.
- Produces publications including: Inmotion, Rider Insider, Insights, and Quarterly Report.



- Leverages Facebook, Twitter, Instagram, LinkedIn, YouTube, DART Daily blog, and the GoPass® app to reinforce brand messaging, amplify campaign messages, and support partnerships with other North Texas brands.

City Communicator Outreach:

- Reinforces a positive working relationship between DART and communications professionals in our service area and establishes a formal process for sharing information with the public.
- Hosts up to three communicator meetings a year. These meetings include communicators from cities, chambers, convention and visitors' bureaus, downtown associations, and higher education institutions within the DART Service Area.
- Collaborates with communicators on print and digital stories about joint initiatives.

Audiovisual/Photography/Videography:

- Provides comprehensive audiovisual support and solutions to ensure meetings for internal and external audiences run smoothly.
- Develops photographic and video content to humanize the DART brand and create opportunities for engagement.
- Manages requests for audiovisual, photography, and videography support and arranges services from outside vendors.

Market Development & Sales

Responsible for increasing ridership and revenue for the Agency through bulk sales of transit passes and advertising/sponsorship agreements, consisting of three primary areas: Corporate, Higher Education, and Group Sales, Advertising Revenue, and Naming Rights/Sponsorships

Corporate, Higher Education and Group Sales:

- Targets and sells DART transit passes in quantity to organizations including corporations; smaller companies; business associations, schools, groups, conferences and conventions, tournaments, and commercial and residential realty agencies.
- Drives nearly \$10 million in annual sales with approximately 50,000 passes through this program

Advertising Revenue and Naming Sponsorships:



- Manages \$4 million in advertising revenue through an agency that solicits advertising inventory across DART assets to include exterior and interior displays on buses and trains, facilities such as light rail stations, and kiosk.
- Solicits sponsorship rights across DART assets, primarily, but not limited to, rail stations and rail lines.
- Future opportunities may include advertising on our DART digital assets:
 - Bus and train INFOtransit digital screens
 - Station digital screens
 - Bus shelters

Customer Service

Responsible for responding to customers' needs in person, by phone, and on DART.org. Customer Service responds to more than 600,000 people a year. This primary business function consists of three primary areas: Customer Information, Customer Care, and Lost and Found.

Customer Information:

- Handles calls about DART local and regional trip planning, fares and passes, general DART information, special events, promotions, advertisements, and DART initiatives.
- Receives approximately 85% of the 500,000 calls, consisting of route planning and schedule information.
- Operates the DART Call Center 363 days a year, closing only on Thanksgiving and Christmas.
- Collects and categorizes incoming calls and interaction data to gain a more granular and immediate understanding of our customers' needs.

Customer Care:

- Addresses complaints, commendations, and suggestions, which are categorized to align with our drivers of satisfaction from the annual Customer Satisfaction Survey.
- Serves as the front-line support for GoPass® ticketing assistance.
- Lost and Found
 - Assists customers in recovering articles lost on DART vehicles and property.
 - Provides customers opportunities to come in person, call, or send a message through DART.org to inquire about their lost article(s).



Customer Research and Market Intelligence

Responsible for leading rider-focused research and building a rider intelligence database across the Agency. This division will focus on meeting the immediate needs for marketing specific project requirements and consumer intelligence and galvanizing the rider research across the Agency to provide a solid and transparent repository of customer information and rider intelligence. Duties include:

- Leads the annual Customer Satisfaction Survey
- Assists in customer intelligence for Web development
- Assists in Agency-wide rider intelligence measures
- Develops a rider/customer intelligence library for the Agency

DART Retail

Responsible for retail services across our headquarters retail location, DARTmart (formerly the DART Store), and all retail where DART pass products are sold, which include a network of approximately 900 retail locations. DART Retail is also responsible for internal and customer-facing merchandise fulfillment. This primary business function consists of two primary areas: Retail Services and Merchandise Fulfillment.

Retail Services:

- Manage DARTmart to sell transit passes, reload and checks balances, qualify seniors, students, and disabled persons for discount passes, and takes pictures for pass identification cards.
- Manages retail distribution network for GoPass Discount Tap card program consisting of approximately 500 retail locations.
- Over \$2.1 million in passes sold each year.

Merchandise Fulfillment:

- Serves as the central ordering and fulfillment provider for the Agency's merchandising. Responsible for advancing the e-commerce effort to streamline Agency wide orders and automate the process of merchandise inventory, selection, fulfillment, and payment.

Planned Projects

Rider Experience Action Plan

A rider's experience begins when they choose to use DART. That experience includes the ease of using the Agency's trip planning tools, purchasing a transit



pass, interactions with DART employees, perceptions of the comfort, cleanliness, and safety of transit stops and vehicles, and any information the person receives from DART while traveling. Working with executive leadership, Mar-Comm is developing a Rider Experience Action Plan that outlines how DART can maximize customer satisfaction, loyalty, and advocacy to help build brand loyalty. The Agency's action plan is built on four pillars: Services, Environment, People, and Information.

Website Redevelopment

As DART's website is often the first point of contact for riders, DART must take the opportunity to engage riders (and potential riders) with interesting, informative content that motivates them to experience all the places DART can take them. Working with Innovation, Technology, IT, Service Planning, and Communications, Mar-Comm seeks to redevelop our customer-facing website to match the demands of today's consumer -- creating a user-friendly, engaging, and responsive site for multiple platforms. Returning to DART

Mar-Comm will continue to promote the DART brand and reinvigorate ridership through consistent and transparent communication that addresses the key drivers of satisfaction. Mar-Comm will inform its core rider segments of DART's solutions-based products and services (e.g., kiosks, the GoPass[®] app, GoPass[®] Tap cards, GoLinkSM) as well as Mobility as a Service (MaaS). This positions DART as a modern mobility alternative.

Market DART as an Employer of Choice

Ask someone to envision a DART employee, and many would immediately picture a bus or train operator. Mar-Comm wants to shift the public's perception and position the organization as an employer of choice. Aligning with HR, Mar-Comm will develop a strategy and implementation plan to showcase the Agency's wide-ranging opportunities across all business functions.

Mar-Comm's mission is to promote cross-functional opportunities and make the organization more competitive so that DART can attract the talent it needs to move the business forward. Leveraging LinkedIn, DART will increase its visibility, broaden its reach, and optimize engagement with targeted audiences. DART will market its diverse career opportunities by connecting with these audiences, which include employees, recruiters, key stakeholders, military veteran organizations, minority businesses, small business owners, and affinity organizations.



Revamp the Corporate Sales Strategy

Since many corporate commuters have worked remotely for more than a year, this segment has unsurprisingly been among the slowest to return to riding. The DART Access corporate sales team will re-imagine their approach to better appeal to a changing landscape and recapture this significant rider segment. For 2023, the team plans to revamp and ignite its marketing campaign, selling tools, and pass offerings. In addition, they will leverage DART's full suite of mobility options -- bus, rail, GoLink, vanpool, etc. -- and simplify operating processes. Additionally, many employers have shifted to a hybrid work environment, presenting new challenges in how the DART Access team markets DART's products.

Enhanced Customer Communication and Engagement

projects and activities through the Quarterly Report (in concert with the agency submission). Continue production of the Inmotion stakeholder publication in digital and print format and Rider Insider, a brochure encouraging ridership by promoting DARTable events and destinations. All content is cross-pollinated across DART's digital and social media channels and in external consumer publications. DART's social media channels and the DART Daily blog provide a platform for delivering compelling storytelling. A key plank for communication going forward is executing an influencer social media strategy to amplify the brand story. Currently, we are deploying the influencer strategy against our key projects, and based on findings, we will look to deploy this across many other DART activities strategically.

Procurement

Overview

DART Procurement exists to connect internal needs with external solutions. We leverage our unique expertise to ethically and responsibly secure the resources needed to drive agency success. We succeed by delivering a high-quality work product, providing stellar customer service, and performing as a high functioning team.



Procurement is a contributor to all DART objectives and is proud to support all departments in the efforts to achieve DART's mission.

Specific missions assigned

| | | | | |
|--------------------------------|------------------------|-----------------------------|-----------------------|--------------------------------------|
| Acquisition Planning | Cost/Price Analysis | Contract Administration | Open Records Requests | Negotiations |
| Strategic Sourcing | Supplier Management | Professional Services | Small/Micro Purchases | Construction of All Capital Projects |
| Supply Chain Analysis | Revenue Contracts | Claims Management | Buy America | Supplier Relations & Management |
| Solicitation Prep and Issuance | Emergency Procurements | Contract Dispute Resolution | Wage Determinations | Policy and Procedure Analysis |
| Contract Development | Contract Awards | Procurement Outreach | Compliance Reporting | Unsolicited Proposal Portal |

DART Procurement – Rider-focused, Customer-centric

DART Procurement is comprised of two core divisions – Design-Construction Services and Strategic Sourcing – whose key collective focus is to procure a broad spectrum of commodities and services. While secured primarily for departments internal to the agency, these purchased acquisitions directly and indirectly benefit our customers and riders as they are implemented or used by our internal business partners in Operations and Administration.

Our skilled Procurement administrative team provides invaluable customer support to keep our suppliers and vendors engaged, while also enabling our internal

customers with the procurement systems and tools they require to serve DART riders.

For FY 2023, Procurement is targeting the following ridership-focused initiatives:

Design-Construction Services

In FY 2023, the design and construction team will continue to procure goods and services to support programs and projects that not only benefit the region, but will also provide innovative, affordable, reliable, and safe mobility options for our riders that enhances their quality of life. Major programs and projects to be supported in FY 2023 include, but are not limited to the following:

Silver Line Regional Rail Program

Continue to administer contracts and task orders that support the Silver Line Regional Rail program. This 26-mile commuter rail line will provide an affordable transportation option for riders traveling to/from Plano and DFW International Airport. Riders utilizing this mobility option will travel in the comfort and safety of DART's newest fleet of DMU vehicles equipped with positive train control (PTC).

D2 Subway

Continue efforts to collaborate, advise, and support DART Planning with entry into engineering and full funding grant agreement activities to support Downtown Dallas second Light Rail Alignment (D2). This mobility option, when implemented, will enhance rider experience by connecting riders to Dallas' downtown destinations.

Professional Services, General Planning Services, and Miscellaneous Construction Services

Continuing to fulfill the agency's A&E, Planning, and Construction services task order contracts on an as needed basis. Projected projects and programs will be implemented that improve DART stations facilities, amenities, and equipment; all to enhance the rider's comfort, safety, and accessibility.

Strategic Sourcing

Our DART Strategic Sourcing group focuses on three key areas of procurement: Capital Project, Business Services, and Materials Management/Small Purchasing (Supply Chain) — all vital to the daily bus/rail/mobility management services which keep the agency rolling on roads and track every day of the year. In FY2023 this team will focus on key deliverables that will support the various operational groups throughout the Agency and monitor market conditions that directly impact DART's procurements.

Capital Projects Team



The Capital Projects team procures and administers contracts that consists of a range of products, such as DART facilities LED lights, electricity, and renewable natural gas. This team also focuses on procuring a diverse group of services, like janitorial services, mobility management services, and operations and maintenance contracts.

Because of the unique nature of the services this team uses the best procurement strategies that matches the products/services award based on the best value that considers price and other technical factors and negotiates price and terms that are most advantageous to the Authority. We have impacted environmental air quality by creating a revenue-generating Renewable Natural Gas contract and awarding a state-of-the-art air purification system in response to the covid pandemic.

Rider's comfort, experience, and system reliability are enhanced by the team ensuring contract adherence on the TRE O&M contract, the systemwide lift equipment contract, Mobility Management contract, Micro-transit projects, UTD Shuttle service contract, to name a few.

In FY 2023, the Capital Projects team will procure up to nine 35-foot electric buses to improve fleet performance, environmental imprint and safety for the public. This team will award a contract to replace the Public Information and Display System (PIDS) on the light rail platform. In addition, the team will solicit and negotiate other high visibility procurements include a 5 to 10-year electricity contract from a renewable source, replacement of all passenger seats on Bus and Rail, exercising the option to extend the TRE O&M, and procuring Silver Line O&M services. Other activities include soliciting services for rail grinding, track geometry, ground maintenance and vegetation control, natural gas, nonrevenue vehicles, TRE locomotive, and pest control services.

The Capital Team primarily supports the TRE, DART LGC, the engineering department, WSA, Rail Maintenance, Planning, and Real Estate.

Business Services Team

The Business Services team is responsible for procuring goods and services that enable the authority to deliver 5-Star customer service to our riders. Business Services' internal customers include Human Resources, Marketing, and Information Services. Through the procurement and administration of contracts such as employee medical benefits, advertising services and IT goods and services, the



Business Services team is a behind-the-scenes force that helps keep the well-oiled machine known as DART running efficiently.

The GoPass software contract administered by the team provides our riders with an easy-to-pay payment system that integrates DART, Trinity Railway Express (TRE) and Trinity Metro systems. GoPass allows our riders to traverse the entire DFW metropolitan area without having to stop to pay additional fares whenever a service boundary is crossed, enhancing the service and safety experience.

The employee medical benefits contracts keep our drivers, mechanics, and rail technicians healthy, so they can keep DART services running uninterrupted and provide the unparalleled customer service DART is known for.

The IT supplies and services contracts keep DART technology functioning 24/7, allowing DART to continue its role as a recognized local, regional and national transportation leader.

With our eyes on FY 2023, the Business Services team will continue to improve DART with solicitations for:

- Staff Augmentation services that will allow DART to provide general staffing throughout the Authority as needed to keep the organization running smoothly.
- Marketing services, such as advertising and revenue-generating contracts, will keep DART services in the forefront of our customers' minds.
- Technology contracts such as CAD/AVL equipment and software which help to keep our buses and trains running to ensure our riders will get to their destinations safely, on time and happy.

Supply Chain Team

The Supply Chain team continually ensures timely purchase of goods and services that align with the cohesive strategies to improve (internal/external) customer predictability, optimize cost, mitigate risk, and analyze data to negotiate favorable contract terms, ultimately contributing to an excellent rider experience. The Supply Chain team assists the departments in DART by procuring goods and services to sustain essential functions and equipment Agency wide. This customer-motivated team of buyers and contract specialists impacts our riders' experience and safety by providing Blanket Purchase orders, contract, and small purchases that allow for the increased light-rail vehicle cleaning and disinfecting services on high touch-point surfaces, rail and bus parts, furniture, plus an array of miscellaneous services, which will continue into FY23. The contract modification for FY 2023 will expand to include increased cleaning services for DART's light rail vehicles and bus fleets.



In FY23 this team will continue to facilitate small order purchases, such as foggers, and sprayers, cleaning supplies, personal protective equipment (PPE), and services, and rail and bus parts, ensuring timely delivery to the Agency. In concert with these types of purchases the team will process contract modifications for several contracts in collaboration with the different Agency's departments.

Our riders experience bus and light-rail vehicle reliability and minimal service interruptions by the Supply Chain team continuously assessing the internal and external supply chain network to ensure light rail vehicle parts, bus parts, PPE, and repair services are available.

Procurement Administrative Team

The Procurement Administration team provides a comprehensive range of administrative support services linking the supplier community to procurement opportunities that maintain and enhance the rider experience.

Procurement Support is the agency's gateway to procurement information. This team attends supplier outreach events, handles public notices of procurement opportunities, manages the supplier, vendor, and innovation portals, and addresses technical supplier questions,

Procurement Support also helps its partner departments award contracts to ensure timely and safe operations by liaising between organizational units to provide administrative support, assist the Procurement department with a variety of projects including, but not limited to data entry, scheduling meetings, assisting with pre-bid a pre-proposal conferences, office management, onboarding staff, researching banking and contractor references, and drafting various levels of correspondence.

To ensure the agency's transparency with stakeholders, the team responds to procurement's open record requests, edits and drafts publicly viewable agenda reports, oversees records management compliance of procurement documents, drafts procurement policy, completes the contract close-out process, coordinates peer reviews, and manages procurement's portion of the FTA's triennial review.

Key Performance Indicators (KPIs) for FY 2023

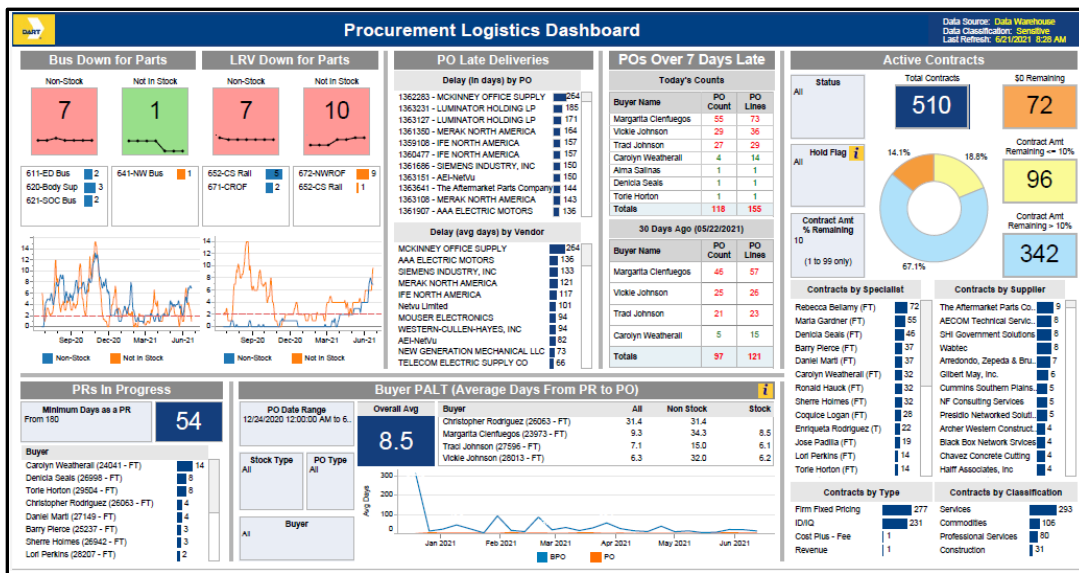
- 32% D/M/WBE participation
- 100% capital project contracts awarded on time and within budget
- 90% of contracts extended before the original expiration date
- 90% of contract extensions to Board 180 days or more before the expiration date



- 90% of customer satisfaction
- Three or more bidders on at least 90% of solicitations
- 100% of protests responded to on time
- 100% compliance with FTA requirements, where applicable

Key Performance Measurement

The management team in Procurement and other management teams in the agency receive an executive dashboard and a Procurement dashboard daily. The dashboards identify weekly measurements toward Key Performance Indicators (KPIs). Shown below is an example of the new Procurement dashboard page indicating vital logistics' data for purchase orders, contracts, requisitions, and parts.



Proactive Procurement Emergency Response to COVID-19 Pandemic

Since early March 2020, the Procurement department has been focused on protecting the safety of our employees and riders while continuing to perform other procurement activities without disruption.

Procurement staff immediately mobilized and invested more than 600 hours in that first quarter, establishing a global emergency preparedness supply chain and purchasing \$8.6 million in PPE and services, including:

- 18 halo foggers
- 40 electrostatic hand-held and back-pack sprayers
- 12 thermal imaging temperature scanners
- 30 hand-held, no-touch thermometers
- More than 600,000 protective masks

- More than 5,000 gallons of hand sanitizer
- Operator protective shields
- Barriers for the bus transfer stations
- 314 hand sanitizer dispensers
- 6,000 gallons of halo-mist sanitizer for the foggers
- 4,000 gallons of disinfectant for the sprayers
- 10,000 canisters of disinfecting wipes
- 100,000 pairs of protective gloves



Procurement issued 136 notices to design and construction contractors and maintained constant communication to comply with CDC guidelines and promote the health and safety of contractor personnel. This effort was accomplished in a very volatile global market, and the staff has been successful in obtaining competitive prices and quick delivery. The team also assisted other transit authorities and communities in obtaining PPE.



During this crisis, the procurement team conducted a risk assessment of suppliers, analyzed, and negotiated contract price and term reductions, actively engaged contractors to maintain delivery and performance schedules, and responded to contractor equitable adjustment requests. As a result of these efforts, there have been no contract delays or defaults, and all contract awards and modifications have been completed on time and under budget.

Office of Social Responsibility

In pursuit of the People's Transit Company, we're *Driving Communities Forward* through sustainable and equitable mobility for all.

The Office of Social Responsibility is passionate about ensuring DART employees, customers, and the community have access to equitable and sustainable mobility now and into the future. We deliver on this purpose through Social Mobility-focused activities utilizing DART's strengths and assets to better serve North Texas. But we can't do this work alone. We rely on collaborative partners externally and internally to execute a shared-impact response.

Employee Volunteer Program

Our transit company is built of purpose-driven individuals who are our company's greatest asset. They bring their strengths, energy, and hope beyond their formal capacities while spending their time giving back to many worthy causes.

Coming soon: DART employees will have many more forthcoming opportunities to bring joy to our communities through a robust Employee Volunteer Program for engaging with local, external non-profit organizations.

Social Mobility Focused

With over 36 million transit riders that utilize our system yearly and over 3,700 DART employees throughout our service area 24 hours/7 days a week, there's a substantial need for increased awareness of issues that impact an individual's ability to be socially mobile.

Our Social Responsibility pillars are our guiding force for facilitating safe environments for the betterment and mobility of DART's employees, customers, and communities.

Social Responsibility Pillars

- Homelessness
- Behavioral Health
- Human Trafficking
- Food Insecurity / Urban Farming

Structure of Social Mobility Department Pillars



Homelessness and Behavioral Health

Homelessness on transit is a well-known phenomenon acknowledged as a challenge by most U.S. transit operators.¹

Many individuals who use transit systems as their primary shelter face societal and structural obstacles elsewhere. DART employees and customers are also experiencing first-hand the downstream effects of these societal issues.

The care, safety, and security of all who intersect with our transit system are critically important. We are conscious of the complexities of homelessness and behavioral health emergencies exacerbated by the COVID-19 Pandemic. That's why we are determined to be a bigger collaborator alongside local social service providers and mental health experts to connect individuals with appropriate care services.

Public Transit Multi-Disciplinary Response Team (PT-MDRT) Safety Pilot Program

We have enlisted the help of the Meadows Mental Health Policy Institute to develop a community-oriented response pilot program for vulnerable populations who have taken refuge in the transit system.

Pilot Goals:

- Enable a safe, secure, and comfortable experience for DART riders and employees



- Maximize well-being assistance and outreach for vulnerable populations on the DART system
- Minimize the use of DART as a de facto shelter

Our goal is to have a fully-functioning pilot in FY23 to aid any of the 4,400+ individuals experiencing homelessness in Dallas and Collin counties or one of the millions of Texans with a mental health illness.

Community Connections

The Office of Social Responsibility proudly represents DART in the following working groups:

- Homeless Collaborative Continuum of Care (CoC)— Metro Dallas Homeless Alliance (MDHA) leads the local CoC, which comprises 90+ public, private, and non-profit members, working together to make the experience of homelessness in Dallas and Collin Counties rare, brief, and non-recurring.
- Vulnerable Populations and Transit Group— A national working group of transit agencies that support the development, implementation, and operation of transit programs that assist vulnerable populations such as people experiencing homelessness or mental health challenges.

Human Trafficking Advocacy

In September 2020, the Dallas Observer shared, "In Dallas, around 400 teens are sold for sex every night as part of a \$99 million human trafficking industry..."

Texas has the second-highest reported cases of Human Trafficking, according to the National Human Trafficking Hotline. DART is dedicated to helping drive communities forward for the better, and we understand that there's a significant need for more advocacy around Human Trafficking awareness, prevention, and detection. DART has a long legacy of being a strong advocate in the fight against human trafficking. As early as 2013, DART played a profound role in bringing public awareness to Human Trafficking. In 2013, DART officials signed the U.S. Department of Transportation's Transportation Leaders Against Human Trafficking initiative.

Trauma-Informed Training

Since 2014, our police officers, fare enforcement officers, and bus and rail operators have received training to spot and report possible indicators of Human Trafficking.

New, trauma-informed training will be introduced to DART employees and contractors on recognizing and reporting suspected human trafficking.

Safe Place

DART began a collaboration with Safe Place in 2015 to help runaways and other youth in danger who are often targets for human traffickers. As a partner of Safe Place, a national network of businesses and locations that agree to help youth during a crisis, DART helps transport youth escaping dangerous situations to the nearest QuikTrip convenience store, a designated "safe place." A "Safe Place" decal is prominently displayed on each type of DART vehicle's exterior and interior, advising youth that DART can help get them to safety.

New refresher training on Safe Place procedures to help youth in crisis will be introduced to DART employees and contractors from content provided by Jonathan's Place (the lead Dallas County Safe Place non-profit partner).

Food Insecurity / Urban Farming

Several neighborhoods within the DART Service Area are in food deserts. Riders often have no access to fresh produce in their communities and must travel long distances to access fresh fruits and vegetables. The Office of Social Responsibility has undertaken initiatives to help our riders and communities access fresh produce.



Hatcher Station Training Farm



Providing excess property to establish community gardens and training farms provides value to DART by preventing parcels that are not currently in use from going to waste. DART prevents its excess properties from being overrun with litter and illegal dumping by allowing communities to utilize the land. Simultaneously, DART provides a service by aiding the community in accessing fresh produce.

Working with our partners at Restorative Farms, the Hatcher Station Farm serves as the first in a series of farms that will work symbiotically to share resources and people while reinvesting the profits into the community.

DART will continue to work with Restorative Farms on the success of Hatcher Station Training Farm and with our partners across the North Texas region to collaborate on solutions for food insecurity and food deserts within the DART Service Area.

Technology

Overview

The Technology department provides strategic technology vision and enterprising solutions to help the Agency achieve its vision, service, and business goals. Through our comprehensive approach to technology, we can enhance customer confidence in DART's regional transit system. The Vice President and Chief Information Officer leads the technology transformation and directs the department's overall strategic activities, driving the organization toward adopting new capabilities and technology solutions.

Our Mission

We are dedicated to providing reliable and secure technology, creating unprecedented value, innovative solutions with extraordinary customer service.

Our Vision

Technology, your trusted advisor for DART technology solutions.

Our Guiding Principles

| | | |
|--------------|-----------------|---------------------|
| Integrity | Responsibility | Customer Commitment |
| Adaptability | Quality | Respect for People |
| Perseverance | Professionalism | Continuous Learning |
| Creativity | | |

DARTzoom – Bus Network Redesign



Technology is an essential component of bus network redesign. This team works collaboratively with other departments to support the project's requirements in enhancing customer experience in all 13 cities connected to DART's transit ecosystem.

Technology Strategy

DART Technology monitors the evolving global technology landscape, paying close attention to how technologies are being adopted by other agencies and planned by industry leaders.

Goals and research in technology include Mobility as a Service, universal payment platforms, cyber security's impact on transit, contactless technology, virtual and artificial realities, and converged networks.

Cloud Strategy



DART continues to transition its technology solutions to cloud solutions, with Software as a Service (SaaS) as the preferred solution, but also considering Platform as a Service (PaaS) and Infrastructure as a Service (IaaS) as viable solutions when a SaaS solution does not exist or is impractical.

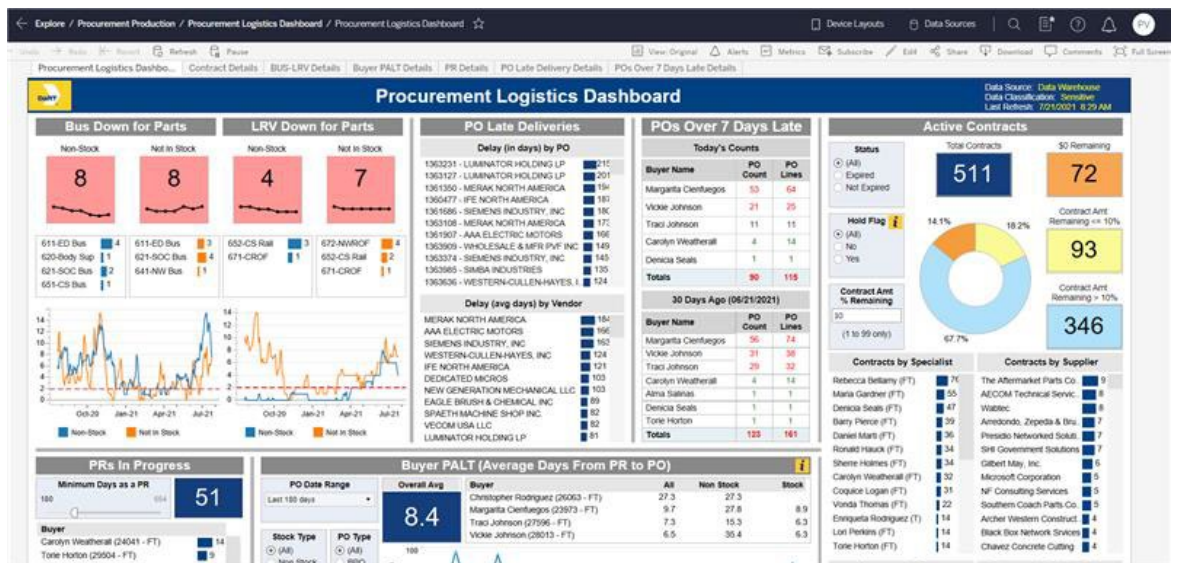
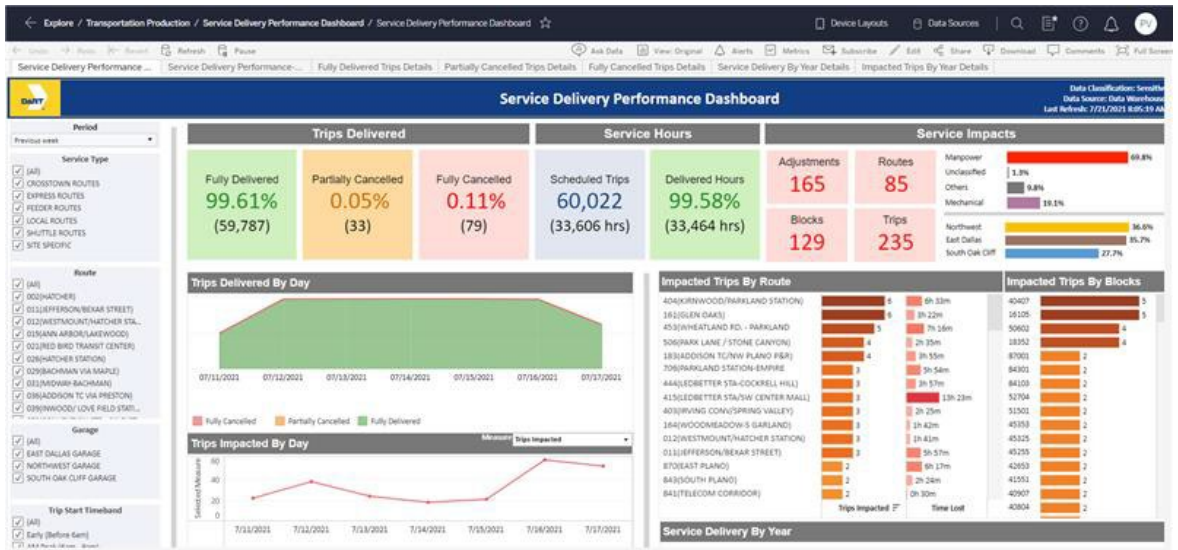
DART is well-positioned to take advantage of cloud solutions because of the extensive use of virtual machine (VM) technology. Outsourcing business processes can also be considered, with a good example being the comprehensive payment system.

FY23 Key Initiatives

Data Center Relocation - Relocating the hardware from the data centers to a secure colocation site will improve the operational reliability; minimize or transfer the operational risk, and allow the Agency to take advantage of the commoditized cost structure of the colocation vendor. This provides DART with a hardened Tier 3/Tier 4 compliant facility within the DART service area.

Oracle Database Appliance - Technology upgraded the Oracle Database Appliance to the latest version at the secondary data center and headquarters to strengthen the database management security and maintenance. To streamline and consolidate MS SQL Server operations at DART, the teams built a SQL Server cluster with Always ON and active-active architecture, enhancing database availability and disaster recovery capabilities.

Department Dashboards - Dashboards were designed and developed using user interface design principles, usability, ADA-compliant color, and font pallets. Dashboards provide KPIs at a glance and allow users to drill down into the insights and root causes – prescriptive and actionable.



Enterprise Learning Management System -

The Enterprise LMS consolidates records and creates a one-stop shop for all DART Learning. Instructors will have all their resources in one place. Managers will have an easy way to run reports and access dashboards.



Enterprise Document Management –

Established an agency-wide file plan based on DART records management control schedules. The application will apply classifications and retention rules to the program. The project provides an electronic records management process to identify all files eligible for destruction and requires review and sign-off by the department head. DART utilizes the IBM

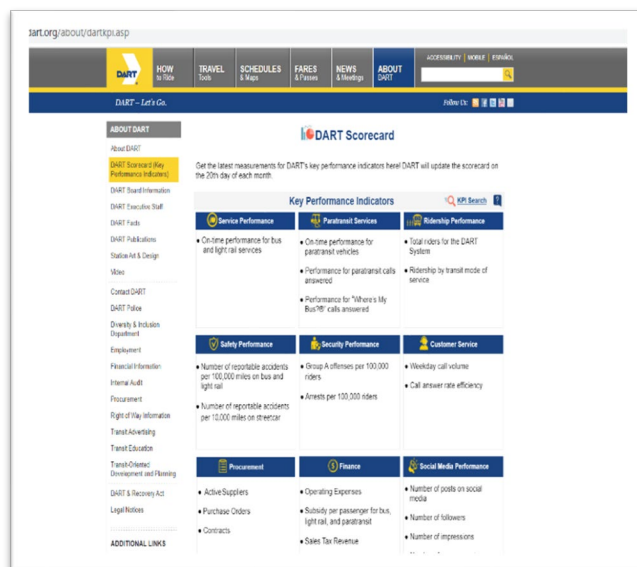
FileNet P8 platform to streamline and automate business processes and records management to help meet compliance needs.

Student Art Contest – DART hosts a student art contest at all grades level throughout North Texas each year. The competition challenges students to illustrate an annual theme through lines, color, and composition, the 2021 Contest theme – "Everyday Heroes Ride DART." Due to COVID, the team required a more sophisticated digital method to accomplish this. The Web team took to the drawing Board and delivered what is now the Virtual Gallery. The application allows everyone to view all student artwork submissions, vote, and enable external judges to participate. The fantastic feature added was that you could view the previous year's winners in the same place.

Severe Weather Enhancements and Health Monitoring is a cross-departmental effort to synchronize systems and operational processes. DART systems' health alert notifications, essential component management, and monitoring rely on an inherent framework that is sometimes inefficient or unreliable, reporting real-time information in onboard and customer-facing technologies.

Social Agency Application – The Agency required an application to incorporate a pass purchasing option for social agencies and non-profit organizations within DART's service area. The goal was to bring all corporate pass purchase programs under one platform in DART Access. Social agencies would have the ability to purchase day pass vouchers and paratransit coupons. DART Access is integrated with the CyberSource Payment channel to facilitate credit card payment. This payment channel will be extended to other transit pass programs available through DART Access.

DART Scorecard - To increase the transparency of DART KPIs and make it readily available at a one-stop location, from where both internal and external audiences can access them easily and release the DART Scorecard.



Future Endeavors

Customer Relationship Management

DART seeks to deepen our connection with our riders through personalized and relevant digital communications across all channels, enabled and supported by a data-driven customer relationship management (CRM) product suite. This product suite should be highly flexible to facilitate integration by Application Programming Interfaces (APIs) with several customer-facing systems currently utilized by DART and integrate with systems used by other partnering agencies.

Lawson ERP Replacement Program

The Agency implemented Lawson Enterprise Resource Planning in the 1980s. Infor is not adding any new features to the Lawson ERP and planning to discontinue it in its current form. The new ERP will deliver a secure and integrated platform capable of efficiently meeting DART needs, improving processes, facilitating data-driven decision-making, and empowering employees to perform daily activities. This will provide a unified HR service and information hub, ultimately improving employee satisfaction.

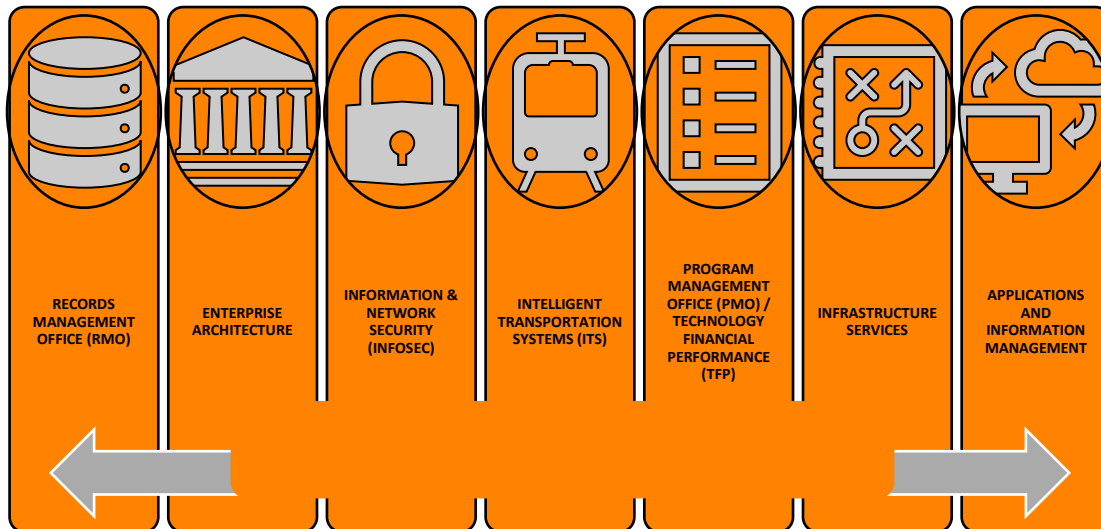
Upgrade LRV and Streetcar Vehicle Communication from 2G to 4G

The purpose of this contract is to upgrade the light rail and streetcar in-vehicle computer (COPILOTpc) with 4G LTE for reliable data transfer due to the end of 2G service by the cellular providers in December 2022. The system is responsible for displaying the train's schedule to the operator, determining estimated arrival time, onboard announcements, and transmitting train location and other pertinent information to the central system. The project provides an enhanced Light Rail and Streetcar in-vehicle computer (COPILOTpc) to provide upgraded hardware and security that conform to the DART Technology architecture standards.

Bus Technology Mobile Data Terminals (MDT) Upgrade

Technology and Bus Operations upgrade of new MDT hardware and device installation support services for 600 buses. The intended outcome is to equip the DART bus fleet with state-of-the-art hardware to improve the onboard information and communication system's accuracy, for operators and other staff, within DART operations.

Technology Teams Structure



Records Management Office (RMO)

The RMO is responsible for a wide array of DART records created, received, archived, and used by the Agency to conduct official business. The RMO facilitates efficient and systematic control of records' creation, receipt, maintenance, use, and disposition.

Enterprise Architecture

The primary objective of Enterprise Architecture (EA) is to ensure that DART's business strategy and processes are translated into well-defined future capabilities and technology plans that support DART's mission. A key component supporting this objective is the DART Enterprise Architecture. The enterprise architecture is a managed collection of principles, strategy, roadmaps, guidelines, and evaluation criteria produced by the Technology department to support DART's mission and goals.

Additional responsibilities include maintaining the currency of cloud strategy and cloud guideline documents and coordinating the annual updates to the Technology department's strategy. EA actively researches technology to identify trends and developments applicable to DART.

Network Security Operations (NSO)

The NSO provides cybersecurity for DART's enterprise network business ecosystem. The NSO team supports the overall vision and mission of DART by



enhancing its cybersecurity posture. The team is entrusted with identifying, protecting, and detecting any malicious activity against DART's enterprise network.

DART security team observes millions of unusual behavior events annually, detecting a network, system, or user activity defined as abnormal.

Intelligent Transportation Systems (ITS)

The ITS team contributes to the rider experience, vehicles, and traffic prioritization.

The team implements, manages, and maintains in-vehicle communication systems, passenger communications, light rail train traffic signal priority systems, and vehicle business systems while adding value to the operational business needs. These systems improve safety and responsiveness.

Program Management Office (PMO)/IT Financial Performance (ITFP)

The PMO is the backbone of a successful project management approach. The PMO provides decision-support information. The primary purpose of the PMO is to ensure that projects and programs run in a repeatable and standardized way. The team reinforces project delivery by ensuring that all business change is managed in a controlled manner.

Infrastructure Services

Infrastructure Services oversees data and voice networks, servers and storage, data centers and cloud computing infrastructure, desktop support, the Technology Service Desk, and ensures departmental service delivery.

Infrastructure Services consist of four core areas:

- Network Engineering
- Systems Engineering
- Client Services
- Infrastructure Applications

Applications and Information Management

This team is responsible for application management practices, including maintenance and support of ERP systems, information management, decision support systems, and web and mobile custom development, including the Agency's

intranet InfoStation) for the Technology department. Applications and Information Management activities and functions enhance DART and the customer experience.

Web and Mobile Application Development

The Web and Mobile Application Development group provides consulting and web and mobile application development for all DART departments. The group builds custom applications and workflows to support DART's day-to-day operations.

Customer Care Delivery Team

This team provides maintenance and support for DART's enterprise systems and several dedicated applications across various business towers. The primary application platforms supported are listed below.

- Trapeze
- Maximo
- Spear
- Fleet Watch
- Police Lenel On-Guard
- IDP CRASH

Information Management & Analytics (IMA)

The Information Management & Analytics division offers information management, business intelligence, advanced analytics, database management, and geographical information solutions, all under one umbrella. Our vision is to make DART a data-driven organization.

Enterprise Applications Delivery

The Enterprise Application Delivery division provides DART stakeholders with applications and technology solutions.

The application portfolio is comprised of the following:

- Enterprise Resource Planning (ERP) Infor Lawson
 - Financial management providing financial functionality and analysis reports
 - Human Resource management for personnel management, organization management, payroll management, and personnel development
 - Supplier and purchase order management and the supply chain process



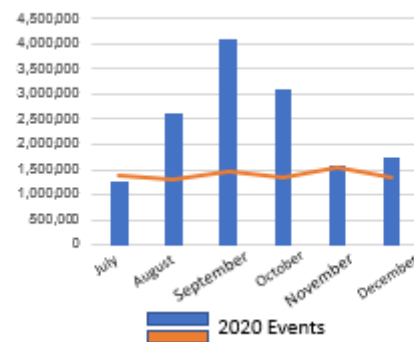
- Time and attendance for tracking employee time, attendance, and data collection
- Enterprise Document Management (EDM) IBM FileNet + Encapture
 - Provides DART with a solution that supports the maintenance of records retention and policies, enabling the Agency to manage its records, content, and documents
 - Includes lifecycle management, transactional content processing, document management, content consolidation, content-based application development, compliance, and governance
- Enterprise Project Management (EPM) Aurigo Masterworks
 - Provides DART an integrated business platform for all project management activity
 - Enhanced contract management functionality
 - Traceability of project issues, data, and documents
 - Real-time and proactive tracking – alerts, flags, scope, schedule, and budget
 - Electronic forms/functionality and approval routing
 - Comprehensive reporting and dashboarding function

COVID-19 Initiatives

Network Security Operations:

With the onset of the COVID-19 Pandemic, NSO observed increased attacks and attempts to compromise the DART network and systems. DART remains at 20% to 30% above normal levels of threat activity due to the COVID-19 Pandemic.

Security Events Year-over-year



Serving DART Employees and our Rider Segments

The Technology Department harnessed digital and tech solutions to maintain DART's service delivery during COVID-19. Technology strategic foresight identified the need for an Agency collaboration hub at the beginning of 2020. That insight led to the Agency's preparedness to pivot from a traditional work situation to a remote work environment and do it quickly.

The Technology Department ensured DART had the procedures, software applications, and infrastructure necessary to support operations, virtual meetings, and provide employees with the ability to perform their duties regardless of

location. In March 2020, when DART was faced with what has become the 'new normal,' we ensured the operation of the front-line systems and applications for over 1000 employees and Board members with the capability to perform their everyday responsibilities without being at a DART facility.



The Technology Department delivered employee-centric solutions that powered the 'new work' setting and remotely enhanced secure applications and data access. Citrix and Microsoft Teams were deployed quickly to meet these requirements, along with their supporting licensing and hardware. Technology configured and delivered hundreds of laptops to assist remote workers. We had virtual training sessions to train employees on the new applications and hardware implemented. Many dedicated Technology employees worked diligently to test and deploy these solutions in record time.

Moreover, we doubled DART's internet bandwidth, enabled telecommunications connections, and enabled features on the enterprise phone system that facilitated the rapid and efficient deployment of the Call Center and Customer Care Center. The Technology Department made several modifications to the telephony system enabling customer access to the latest schedules.

Dedicated Marketing dashboards with KPIs, including call volumes, customer hold times, and a dedicated report with train congestion levels and consistent analysis, were developed to support the Planning Department and Rail Operations during COVID-19.

The Technology software development team played a significant role in ensuring the new pay codes were deployed seamlessly across multiple systems, reports, and dashboards. The Human Resources Department and Finance Payroll section effectively integrated the new COVID-19 pay codes. Also, dedicated COVID-paid benefits dashboards based on attendance and payroll were developed by the Technology Department.

DART Technology efficiently restructured system modifications to support DART rider service changes. During these times, DART and TRE made several changes to their service schedules. Technology recognized the changing nature of our schedules, and the team automated the process of generating, validating, and distributing our schedule information (GTFS-Static). Since March 2020, the Technology team has published eleven schedule changes.

The Executive Office

Overview

The President & Chief Executive Officer has oversight of Government and Community Relations, Diversity & Inclusion, Safety, Office of Policy and Strategy, DART Police & Emergency Management, and Finance departments. The President & Chief Executive Officer reports to the DART Board.

Office of Policy and Strategy

The Office of Policy and Strategy was created in FY 2014 to provide agency-wide coordination and consistent management of policies and related processes. The Chief of Staff, directs the overall activities of the Office.

Strategic Planning leads and supports DART's strategic planning and development initiatives. Goal setting, policy analysis, policy development, organizational strategy, and high-level issue analysis are significant parts of the strategic planning process led by the Office. In FY 2022, the Office of Policy and Strategy will continue to refine processes to ensure that strategic planning, tracking, reporting, and revision is timely completed in meaningful ways. In support of the Strategic Plan, the Office will design, develop, lead, and facilitate projects and teams that plan, communicate, and implement strategic initiatives that are aligned with or that need to be brought into alignment with DART's Strategic Plan.

Policy Analysis, Review and Coordination focuses on the comprehensive review and analysis of DART's Administrative Policies and implementation of a system for regular review and updates. A separate but related activity focuses on making all strategic planning documents and Administrative Policies easily available to DART employees.

Support for Strategic Initiatives provides administrative and executive level strategic project management and support. This function requires highly responsible and responsive review and analysis of matters including governmental reports, regulations, and policies. Leadership, support, and management for other complex, high-priority administrative and executive level projects and initiatives is another function of the Office. The importance of consistency across Agency functions requires a high level of engagement, coordination with key decision-makers and executives, and broad knowledge of all aspects of the Agency's business.

Diversity & Inclusion



The Diversity & Inclusion Department is responsible for the development, evaluation, implementation, coordination, and monitoring of DART’s Disadvantaged Business Enterprise Program, Minority and Woman-Owned Business Enterprise Program (DMWBE), and Equal Employment Opportunity (EEO) Program. It is also

responsible for compliance with the Americans with Disabilities Act (ADA), Title VI and Title VII of the Civil Rights Act. The functional areas of the department are: Civil Rights, Diversity and Equal Employment Opportunity, and Outreach.

The Vice President of Diversity & Inclusion directs the overall activities of the department. The below chart illustrates the reporting structure of the Diversity and Inclusion Department.

Civil Rights

Responsible for managing and administering DART’s Disadvantaged Business Enterprise (DBE), Minority and Woman-Owned Business Enterprise (MWBE), and Small Business Enterprise (SBE) programs. This area is also charged with the responsibility of ensuring compliance with the Americans with Disabilities Act (ADA) and Title VI of the Civil Rights Act. Civil Rights ensures that transportation-dependent, underprivileged, minority and disability populations are treated fairly in all DART services, activities and programs.

Diversity and EEO

Responsible for developing and managing DART’s EEO Plan, investigating EEO discrimination complaints, providing EEO training, and developing a focused recruitment plan and diversity strategy.

Outreach

Responsible for general and contract-specific outreach designed to ensure DART achieves its DMWBE goals, offers educational workshops, seminars and a Small Business Academy. Additionally, this area engages in communication programs and maintains relationships with organizations representing the small business community.



Government and Community Relations

Government and Community Relations staff develops and implements the Agency's advocacy efforts. The team ensures that the exchange of information between DART and its 13 service area cities, the D/FW region, U.S. Congress, U.S. Department of Transportation, Texas Legislature, 30+ Chambers of Commerce, school communities, neighborhood and homeowner associations, and transportation advocacy organizations is accurate, consistent, and timely. The department monitors elections for impacts to DART and provides orientations, briefings and tours for elected officials and regional delegations. Staff represents the Agency through several transportation organizations and committees such as the American Public Transportation Association, South West Transit Association, Texas Transit Association, the Dallas Regional Mobility Coalition & the Regional Transportation Council and others. The team is engaged in numerous local and regional civic groups, meetings and events. Staff also manage the contracted Federal, State and Local consultants to help develop appropriate advocacy strategies for securing Agency goals and objectives.



Local & Regional Relations advances short and long-term local regional strategy and provides elevated communications with all 13 Service Area Cities, elected officials and their staff. Some of these communications include providing relevant Agency data, project updates and notices to officials and city staff. Staff coordinates around and an array of local and regional officials' and their constituent concerns and helps generate high-level responses from DART for the Executive Office. The team develops and maintains strong relationships with city staff, ensuring the timely resolution of concerns. To monitor impacts to DART, staff maintains a strong presence at service area city council meetings, transit and infrastructure and other council committee meetings and work sessions and attends numerous relevant to DART community meetings. Staff manages and monitors the DART local representation contract.

State and County Relations manages DART's state legislative agenda for each session of the Texas Legislature. The department actively monitors legislation that will impact DART and coordinates analysis with Agency staff accordingly. Staff engages in high-level communications with DART's 32-member state delegation and their staff to ensure DART's positions and concerns are effectively communicated. Legislation could potentially impact DART, its business operations,

assets, customers, employees, the 13 service area cities and regional partners such as Trinity Metro and DCTA, and the other metropolitan transit authorities in the state. Of the thousands of bills and resolutions filed during the state legislative session, staff will track approximately 500-2,000 bills each session. The team also prepares bill-tracking reports, and legislative updates for DART Executive staff and the Board, including written legislative analysis of priority bills for the Agency impacting DART. The staff manages and monitors DART's State Legislative Legal Services Contract. Staff also monitors the 6 service area counties' regulations and activities and coordinates responses to county officials' evolving from constituent concerns regarding DART.

Federal Relations develops DART's Federal legislative priorities, goals, and activities for each congressional session. Staff acts as the liaison to DART's 11-member congressional delegation to support these efforts and acts as primary contact to federal regulatory agencies, such as the Federal Transit Administration and the Federal Railroad Administration. Federal Relations coordinates with other Agency staff to develop and implement strategies to obtain federal funds for several DART programs, including capital projects, surface transportation programs, annual congressional appropriations and federal discretionary grants.

The staff provide weekly federal updates to the Executive Office for distribution to the DART Board, and analysis of current and future legislative activities that could impact DART. Additionally, staff prepares presentations and materials to be used for congressional testimony and talking points for Executive staff and members of Congress. The team prepares monthly reports, including monitoring and analyzing Federal legislation and corresponds with Agency staff on any impactful developments. Staff manages and monitors DART's Washington D.C. based consulting firm.

Community Relations includes Community Outreach and Transit Education. This team manages public involvement opportunities and support for capital projects, service change modifications, service planning and service plan amendments, Regional Growth and Development Design and Construction, fare changes, FTA Grants/Section 9 submissions for the Finance Department, and Title VI compliance for Diversity and Mobility Management Services.

The group coordinates public hearings and community meetings, open houses, charrettes, small groups and advisory committee briefings, and other sessions throughout the service area, which are primarily organized by Community Affairs Representatives. The Community Relations team is also responsible for assembling DART's Citizens Advisory Committee (CAC).

Transit Education Outreach provides transit education regarding DART services and project safety in DART’s service area cities’ schools, recreation centers, libraries, senior centers, faith-based institutions, and through community organizations. The outreach efforts are accomplished through on-site and virtual presentations in diverse communities and participation in community events including safety camps, health and back to school fairs, summer reading events, National Night Out activities, Cinco de Mayo celebrations, Science Day at the Zoo, and teacher orientations. Additionally, staff are responsible for DART signature events, including the Annual Student Art Contest and the Older Americans Information and Health Fair.



DART Police & Emergency Management

Overview

The DART Police Department is charged with implementing strategies addressing crime, fare enforcement, emergency preparedness, homelessness, and video surveillance for DART employees, customers, facilities, and vehicles throughout the 700 square mile service area. The Chief of Police and Emergency Management reports directly to the DART President and Chief Executive Officer. The department has an authorized strength of 429 police and civilian personnel with an operating budget of \$47.3M.

FY23 Key Initiatives

- Increase visibility through deployment and scheduling of available resources (e.g., Police Officers, Fare Enforcement Officers (FEO) and Security Officers).
- Increase recruitment for police, FEO, camera monitors, and telecommunicator positions.
- Replace, optimize, and improve Closed Circuit Television (CCTV) coverage of DART assets system wide.
- Improve and reduce customer vulnerability and exposure to crime through enhanced facility environmental designs, emergency preparedness and technology on DART vehicles and at DART facilities.
- Use of analytical crime mapping software to provide location hot spots to focus crime reduction measures.
- Ensure timely completion of State-mandated continuing education for police officers.
- Maintain competitive employee salaries, quality of life and work life balance.
- Seek Transit Security Grant Program funding for Emergency Preparedness full-scale and tabletop exercises, Counter Terrorist Team/Special Operations Team equipment and overtime funding for special events.
- Maintain the Best Practices Standards for the Texas Police Chiefs Association Foundation Accreditation Program. The department is one of only 184 law enforcement agencies in Texas out of the total of over 2,700 agencies that is accredited. The department received reaccreditation status in the Spring of 2022.

The DART Police Department is comprised of three major bureaus: Administrative Services, Field Operations, and Operations Support.

Administrative Services Bureau

The Administrative Services Bureau provides day-to-day services for employees, internal and external customers. These services are provided through the following areas:

Budget – In FY 2022, our budget for police services was \$47,361,728. This budget reflected our authorized strength of 429. In FY 2023, the DART Police Department projected budget is \$49,703,484.

Records Management – The Records section perform duties related to the storage and dissemination of police information while also focusing on providing excellent customer service. Staff enters and retrieves various types of data from files and automated law enforcement records management systems. The team compiles data for crime analysis, monthly statistical reports, and State and Federal reporting, to include the racial profiling report. Also, this section maintains and processes all offense reports, accident reports, and citations with the respective State and Justice of Peace Courts on a weekly basis. This section’s goals are to update Department records retention for FY 2022.

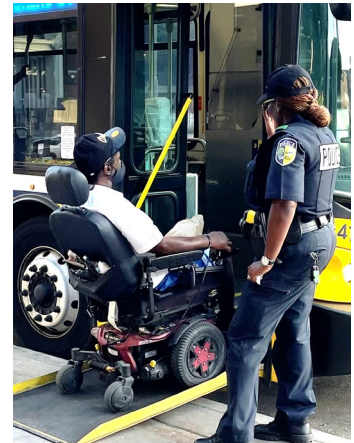


Exhibit 31: Police Records Section Transactions

| | Offense Reports | Crash Reports | Open Records & Internal Requests | Citations |
|-------------|-----------------|---------------|----------------------------------|-----------|
| CY 2014 | 6,049 | 467 | 1,336 | 53,440 |
| CY 2015 | 5,659 | 486 | 1,334 | 47,250 |
| CY 2016 | 5,738 | 462 | 1,300 | 41,752 |
| CY 2017 | 6,688 | 442 | 1,499 | 49,386 |
| CY 2018 | 6,236 | 443 | 1,376 | 31,759 |
| CY 2019 | 6,346 | 495 | 1,355 | 43,021 |
| CY 2020 | 4,522 | 385 | 924 | 10,972 |
| CY 2021 | 4,151 | 478 | 929 | 10,756 |
| CY 2022* | | | | |
| *YTD Totals | 1,998 | 202 | 521 | 4,136 |

*CY 2022: Year to Date (YTD) totals January - June 2022

Field Operations Bureau

The Field Operations Bureau provides police services for DART Light Rail, Bus Operations, Trinity Metro, Mobility Management Services, Dallas Streetcar and DART Facilities encompassing 700 square miles: officers cover 93 miles of light rail, 64 light rail stations, 30 miles of commuter rail, six (6) commuter rail stations, one (1) commuter rail operating facility, over 7,000 bus stops, three (3) bus divisions and two (2) light rail operating facilities. Field Operations is comprised of the following divisions:

Rail Operations – Fare Enforcement Officers (FEO) provide a uniformed police presence throughout the DART Light Rail and TRE commuter trains focusing on fare compliance, customer service and safety and security. The primary duties of FEOs are to inspect passengers for proper fare and provide customer service and assistance throughout the rail system. FEOs issue fare evasion citations when necessary and report disruptive behavior to DART Police Officers for police action. While FEOs possess no police power, they provide a uniformed presence on DART light rail and TRE trains while providing the highest level of customer service to patrons following our 5-Star Service Program training. FEOs initiatives include addressing quality of life issues on board the DART Light Rail Trains throughout the LRT system. In addition, they also provide customer service during periods of service interruptions.



Furthermore, there are armed Security Guards providing uniformed presence and the capability of immediate notification for a police response if needed assigned to various stations throughout the system.

Patrol Operations – Patrol Officers provide police services to bus and light rail operations, mobility management services, Trinity Metro and DART facilities. Officers board buses, patrol bus routes, conduct visits of bus stops, transit centers, passenger transfer locations, and park and ride facilities, as well as DART Administrative and Operations facilities. Patrol officers also respond to calls for service at rail facilities and provide support to rail officers, fare enforcement officers and contract security guards throughout our rail operating area. A permanent police presence is maintained in the Central Business District at the West End Station, Rosa Parks Plaza and the West Transfer Center to address crime and quality of life issues.



Special Operations consist of two categories: the Special Operations Team and Canine Handlers (K-9 Unit).



Special Operations Team (SOT) – Initially funded by The Department of Homeland Security, a four-person team for antiterrorism and domestic terrorism detection and prevention was established. The DART Police Department expanded the team to include four additional team members to reduce crime at identified hotspots and increase apprehension of felons who commit crimes on the system. The team also coordinates enhanced security presence at DART light rail stations, transfer centers, and on DART buses with Transportation Security Administration (TSA) Visible Intermodal Protection Response (VIPER) teams from Dallas/Fort Worth International Airport and Dallas Love Field Airport.

Canine Handlers (K-9 Unit) – Through a Transportation Security Administration (TSA) cooperative agreement, the department has four explosives-detection K-9 teams, which greatly enhance the Agency’s response and timely assessment of bomb threats against DART assets, decreasing the time an asset is out-of-service and service disruptions.



Operations Support Bureau

The Operations Support Bureau is comprised of criminal investigations, emergency preparedness, quartermaster, hiring and recruiting, special services, and public safety technology. In addition to operating many of the support functions of the police department, Operations Support is the lead bureau in maintaining our “accreditation” status by the Texas Police Chiefs Association Foundation Accreditation Program.

Quartermaster Division This division manages the DART Police vehicle fleet consisting of patrol, administrative, and specialized vehicles (vans, pick-up trucks, T-3’s and motorcycles). They also manage and maintain a “bench stock” of supplies and equipment for department personnel. They are responsible for the procurement, issuance, tracking and inventory of police equipment and uniforms.

Criminal Investigations Division (CID) is responsible for processing crime scenes, conducting criminal investigations, interacting with the medical examiners’ offices; gathering, preparing and distributing intelligence information, and preparing cases for court presentation. They are also the point of contact for other police agencies for access to DART’s CCTV video for use in the investigation and prosecution of criminal cases.

Emergency Preparedness Division is responsible for planning and preparing for emergencies, to include developing security actions in response to National Terrorism Advisory System threat alerts; applying for and overseeing Homeland



Security grants; conducting multi-jurisdictional, tabletop and full scale exercises; performing needs and threat analyses; conducting Crime Prevention through Environmental Design (CPTED) studies at DART facilities; and providing security awareness training for all DART employees. The Emergency Preparedness Division also oversees the updates on agency emergency

operations and security plans. Other duties of the section include managing the security guard contracts, DART employee identification cards and facility access programs. In the FY2022, most of the team's time was devoted to Emergency Preparedness full-scale and tabletop exercises. During July 2022, the team will be focused on Civilian Response to Active Shooter Events (CRASE) training.

Special Services Division consists of the Hiring and Recruiting Section and the Training Section.

The Hiring & Recruiting Division coordinates all hiring and recruiting for the department. This team is responsible for complying with all State and Federal requirements in the hiring of department personnel, as well as recruiting to fill vacant positions. In 2022, the Hiring and Recruiting section travelled to New York, New Jersey, and Pennsylvania to recruit police officers. For FY 2023, this section's goals are to step up recruitment efforts now there are no COVID 19 restrictions.



The Training Section provides state-mandated and specialized police training to all officers, including firearms, use of force, de-escalation, crisis intervention training, community policing and problem solving, etc. In 2022, our training unit supported the safety and security goals by ensuring all new police cadets were aligned with the first available training academy. This section's goal for 2023 is to continue preparing new officers, fare enforcement officers, and civilians for the ever-changing policing environment and to comply with the extensive State mandated training requirements for police officers.

The Police Telecommunications (Police Dispatch) section has an authorized strength of fourteen telecommunicators; they are responsible for receiving police calls for service (CFS), dispatching calls to DART Police Officers, monitoring police radio transmissions, and processing requests for National Criminal Information Center and Texas Criminal Information Center reports using the Texas Law

Enforcement Telecommunications System. The section also reports service disruptions, domestic and foreign terrorist incidents to the State of Texas, Transportation Security Administration and Department of Homeland Security.

Nine camera monitors assist telecommunicators by providing video footage to responding police and fare enforcement officers or other DART employees during an event impacting DART customers, services, and continuity of operation. This includes: incidents in progress, previously committed incidents, or review for violation of DART's Code of Conduct. Camera monitors also respond to



customers using our ELERTs app to report incidents or request police on DART trains, buses, and facilities. Because of the large area DART covers, both camera monitors and dispatchers work closely with outside agencies to ensure the safety of our customers and assets.

Public Safety Technology Division is responsible for soliciting, evaluating and implementing procurement actions for all DART Police technology projects and Agency closed circuit television (CCTV) projects for DART trains, facilities and park and rides. The section is comprised of eight public safety technicians who maintain the computer aided dispatch, records management system, body-worn cameras, mobile data computers and in-car camera systems as well as the hand-held electronic citation devices used by police and fare enforcement officers. Officers use multiple types of technology to complete their daily duties because DART Police embraces technology to support its operation and achievement of strategic goals.

By the end of the of FY 2022, the repair of cameras at stations will be underway. The goal is to replace those cameras that are completely out of service. The procurement of a new video management system is also currently underway. Then, the Department will begin an extensive and far-reaching plan which will include replacement of cameras at stations throughout the LRT system; this replacement project is to begin in FY 2023.

Finance

Overview

Vision – To be a collaborative, strategic partner, serving as innovative stewards of DART's financial resources.

Mission – Providing world-class, creative, responsive financial thought-leadership and solutions to propel DART's growth and sustainability; with accountability to all of DART's valued shareholders.



The Finance Department seeks to be a collaborative, strategic partner, serving as innovative stewards of DART's financial resources, influencing major business decisions, and providing astute fiscal management.

DART's Finance Department effectively collects passenger fares, manages DART's payroll, and fulfills other obligations on time, including payment obligations and collecting and providing financial information to internal and external stakeholders. The department comprises the following teams: Accounting (including payroll and accounts payable), Budgeting and Financial Planning, Revenue Systems and Administration, Risk Management, and Treasury. The department has 105 full-time equivalents (FTE) positions.

The Finance Department provides world-class, creative, responsive financial thought leadership and solutions to propel DART's growth and sustainability, with accountability to all DART's valued shareholders. Additionally, Finance seeks to be a collaborative, strategic partner, serving as innovative stewards of DART's financial resources, influencing major business decisions, and providing astute fiscal management.

Performance reporting from the various Finance Department sections is included in the DART Quarterly Operating and Financial Performance Report, which is available on DART's website, DART.org.

Accounting Division

The Accounting division maintains DART financial records, issues financial reports that help DART and its stakeholders make informed decisions, pays DART employees and vendors timely and accurately, and provides 5-Star customer service to DART employees and management. The Accounting division has 17 FTE positions and is divided into two main sections and is led by the Controller:

- Accounting and Financial Reporting



- Payment Services
 - Accounts Payable
 - Corporate Card Administration
 - Payroll

Summary of Accounting Functions

The Accounting and Financial Reporting section is led by the Assistant Controller. This section maintains proper accounting records per the Generally Accepted Accounting Principles (GAAP) and delivers consistent, accurate, and timely reporting of financial results, with the following goals:

- Building stakeholder confidence that DART is a good steward of public funds.
- Ensuring financial information is accessible to accommodate the interest of the purchasers and holders of debt issued by the agency.
- Assisting in tracking financial targets and goals.
- Providing financial data that enhances DART's ability to obtain grants

Additional responsibilities of this section include:

- Billing, collection, customer payment processing, and payment application
- Accounting for capital projects and capital (fixed) assets
- Accounting for cash and investments
- Preparing monthly and quarterly financial reports for DART and its business units, such as the Regional Rail Right of Way Company, Bus Services Local Government Corporation, and Trinity Railway Express
- Preparing annual financial reports
- Preparing annual comprehensive financial reports and submitting them to Government Finance Officers Association (GFOA) for the Excellence in Financial Reporting Award
- Managing the annual financial audit process by serving as a point of contact for external auditors
- Helping the agency obtain a clean audit opinion on DART's annual financial statements and receive the GFOA's award for excellence

Payment Services

The Payment Services section is responsible for paying employees and vendors timely and accurately per DART policies and procedures and federal and state regulations. The Director of Payment Services leads this section. The section includes Accounts Payable, Corporate Card Administration, and Payroll.



Accounts Payable

- Pays DART vendors and contractors timely and accurately in compliance with DART policies and procedures.
- Processes employee expense reports and travel requests.
- Issues 1099s annually.
- Processes and reports unclaimed property and makes payments to the State Comptroller.
- Maintains Accounts Payable-related documents following DART's document retention policy.

The Accounts Payable section processed about 29,000 invoices, issued 15,000 payments, and handled total spending of over \$604 million in 2022. Exhibit 32 highlights the activity for the Accounts Payable section:

Exhibit 32: Accounts Payable Activity

| Accounts Payable Summary by Invoice Type Fiscal Year 20221 | | |
|---|-------------------------|---------------------------|
| Type of Invoices | Number of Invoices Paid | Amount Paid (in millions) |
| Contracts | 4,885 | \$392.8 |
| Non-purchase orders | 1,483 | 15. 20 |
| Recurring payments | 4,575 | \$61.6 |
| Purchase Orders | 9,897 | 32.6 |
| Payroll deductions | 7,751 | \$2.0 |
| Expense reports | 333 | \$0.2 |
| Total | 29,07428,924 | 604.4 |

Corporate Card Administration

The Corporate Card program improves the efficiency of small purchases and manages corporate card transaction audits to build stakeholder confidence that DART is a good steward of public funds. There are over 330 cardholders in the organization. In FY 2022, this section handled over 15,000 corporate card transactions and over \$6.0 million in annual spending. The following are the responsibilities of Corporate Card Administration:

- Provides customer service to cardholders and approving officials.
- Handles issues related to new card issuance, activating accounts, suspending accounts, disputes, unallowed merchant codes, etc.
- Audits corporate cardholders and transactions



Exhibit 33: Corporate Card Activity

| DART Corporate Card Summary Information Fiscal Year 2022 | | | | |
|--|------------------|------------------------------------|-------------------|--------------------------------|
| Fiscal Year | # of Cardholders | # of Cardholders with Transactions | # of Transactions | FY 2022 Spending (in millions) |
| 2021 | 332 | 303 | 15,270 | \$6.0 |

Payroll

The Payroll section uses Kronos, a time and attendance system, to capture actual hours worked. The Kronos system is programmed with work rules and pay policies, resulting in improved service and an effective payroll process. Prompt and accurate processing of payroll, direct deposit, and other services give DART employees peace of mind. Following are the responsibilities of Payroll:

- Pays over 3,500 DART employees every two weeks timely and accurately
- Ensure employee payments comply with DART policies and state and federal regulations
- Pays federal employment taxes to the federal government every payroll
- Processes all statutory and non-statutory deductions
- Files quarterly employment tax returns (form 941 and related schedules)
- Issues W-2 to employees and files earning reports with the federal government
- Maintains employee payment records and reports required by DART and state and federal governmental agencies

Exhibit 34: Payroll Processing Activity

| Payroll Processing Fiscal Year 2022 | |
|--|---------|
| Total FY 2022 Payroll - Gross Pay (in millions) | \$264.7 |
| Total FY 2022 Payroll - Net Pay (in millions) | \$174.2 |
| Total number of payroll checks | 102,721 |
| Number of out-of-cycle payroll checks | 880 |
| Percentage of out-of-cycle payroll checks | 0.86% |
| Percent on time statutory reporting | 100% |
| Service request volume | 3,261 |
| Average service request turn-around time in days | 8.9 |
| Number of employees paid | 3,728 |

FY23 Key Initiatives

Workday Payroll implementation



Payroll is an essential function for DART. DART is replacing the Lawson payroll system with the Workday payroll system, with an expected "go live" date in Q4 2022. The overall project and software implementation impacts every business unit and employee of DART.

GASB 87 – Lease Accounting Implementation

The Governmental Accounting Standards Board (GASB) issued a new accounting and financial reporting requirement that guides lease contracts for non-financial assets – including vehicles, heavy equipment, and buildings. This reporting requirement became effective in the fiscal year 2022. DART acquired software from Deloitte LLP to track the agency's lease agreements and comply with the new reporting requirements. In addition to the software, the DART Accounting section reviews thousands of lease agreements, extracts relevant information and enters that information into the software.

GFOA's Award for Excellence in Financial Reporting

For the past 10 years, DART has applied for and won awards for excellence in financial reporting from the GFOA. This award is an outstanding achievement for DART. It demonstrates the quality of DART's financial reporting, compliance with reporting requirements, and recognition from its peers. The DART Accounting section prepares for the 2022 Annual Comprehensive Financial Reports (ACFR) and applies for this award.

Retirement Plans Financial Audit

DART has three retirement plans: DART Employees Defined Benefit Pension Plan and Trust (DB Plan), Capital Accumulation Plan and Trust (401k Plan), and Retirement Plan and Trust, e.g., Money Purchase Plan (MPP). Audited financial statements, demographics, and other relevant information are submitted annually to the Texas Pension Review Board, so meeting the reporting deadlines is critical for the agency. DART's Accounting and Human Resources departments worked together on the DB Plan audit. The 401k and MPP Plans will be the next collaborative project.

Business Planning and Analysis Section

The BPA division develops and manages the annual operating and capital budgets, long-range financial plans, and preparation of the annual business plan, as well as compiling the agency's quarterly operating and financial performance report. Additionally, this division is responsible for revenue tracking and reporting, business analysis project support, and performance reporting (e.g., key performance indicators). The BPA division has nine FTE positions.

The Operating Budget section implements financial target analysis reporting, collaborates with all departments to maintain budgets, and provides yearly monitoring assistance. The team is responsible for the Annual Business Plan, Quarterly Operating, Performance, and Compliance Report, and the Agency Division Level Measurement (DLM) program reporting.

The Capital Budget section provides maintenance and administration for the capital budget and the 20-Year Financial Plan. It thoroughly reviews the estimated final funding requirements for all current capital projects and the Agency's' State of Good Repair Program. Additional responsibilities include maintaining current tracking and delivering accurate and updated data for all capital project reporting. The team is responsible for the 20-Year Financial Plan, Sales Tax Projections, and Capital Project Reporting.

State of Good Repair

The DART Board adopted 5 Strategic Priorities for FY 2022. The adopted Strategic Priorities guide agency initiatives that drive the development of the Agency's Annual Budget and Twenty-Year Financial Plan ("the Plan"). Strategic Priority 2 states that DART will "Demonstrate stewardship of the transit system, agency assets, and financial obligations." This strategic priority includes maintaining DART's Assets in a State of Good Repair (SOGR).

The Plan includes sufficient financial resources to ensure proper maintenance and timely replacement of its capital assets. This program includes several processes that have been developed over several decades.





There are several processes involved in the SOGR program that has been developed over the last two decades, including:

- Asset inventory,
- Maintenance planning,
- Capital reserve development,
- Condition assessment,
- Annual budget/financial planning process and the Capital cash flow planning.

These processes are not one-time processes but continual, and ongoing processes. And while DART's processes were primarily developed before the Federal Transit Administration implemented the Transit Asset Management program in 2016, they dovetail nicely with that program's principles. They combine the best practices of both life cycle and condition-based maintenance planning.

Life Cycle Maintenance Planning

The initial maintenance planning occurs when an asset is acquired. The new acquisition is added to the inventory. At this time, the asset's custodian determines the asset's expected useful life and whether any additional capital maintenance (not regular repairs and maintenance, which are included in operating expenses) will be needed at some point(s) during the asset's life. The data derived from life cycle maintenance planning is used to feed the development of the capital reserves in the Financial Plan.

Asset Inventory

The Asset inventory is the foundation of the SOGR program. An asset inventory is a register or repository of an agency's assets and information about those assets. It is intended to provide accessible, consistent, and comprehensive information about that asset class. This inventory includes all capital assets. Major capital asset classes include vehicles, facilities, technology, track, systems, and equipment. As necessary, each asset class is broken down into discreet assets and even asset components. It ensures each asset is identified and its condition is documented. This inventory is refreshed on an ongoing basis.

As new assets are acquired, they are added to the Agency's asset inventory, and assets that are replaced or disposed of are removed. The Accounting Division of the Finance Department maintains this information.



Capital Reserve Development

Capital reserves are not actual monetary funds (such as the Financial Reserve or the Insurance Reserve); they are simply placeholders in the Financial Plan for expected capital outlays that will be required in future years.

The capital asset custodian works with the Finance Department (Business Planning & Analysis (BPA)) to incorporate the asset inventory and maintenance planning information into a set of capital reserves. These reserves include the estimated cost and timing of any capital maintenance that will be required during the lifetime of the assets and the replacement of each asset at the end of its expected useful life.

For example, a standard transit bus has an expected useful life of 12 years. When a bus is purchased, the reserves to be incorporated into the next financial plan include the replacement of that bus in 12 years and one mid-life engine and transmission overhaul. The cost of the overhaul and replacement are estimated in current year dollars and then inflated to the expected year of expenditure and incorporated into the capital reserves in the Plan. If that bus is replacing a bus already in service, an estimate for the overhaul and next asset replacement will already be in the Plan. The only impact on the Plan will be if the expected cost of the overhaul or replacement has changed.

Condition Assessment

As an asset approaches the date of required capital maintenance or replacement, a condition assessment is performed on that asset by the department that holds that asset. Every few years, an external vendor conducts a major assessment study that provides information to the custodian and Finance. Based on the results of both, a decision is made to either move forward with the capital maintenance or replacement of that item or, if the asset is in better-than-expected condition, the maintenance or replacement of that item is rescheduled for a later date.

The timing of the condition assessment depends on several factors, the most important being the lead time required to purchase that asset's replacement.

Annual Budget/Financial Planning Process

Capital projects may be requested each year for inclusion in the next year's annual budget and financial plan. Sometimes these are newly identified capital requirements, and sometimes, due to the life cycle planning and condition assessment, they are items already included in the capital reserves. Depending on the asset(s) to be replaced, this may be \$50 thousand or hundreds of millions of dollars in any given year if, for example, a bus or rail fleet is scheduled for a replacement that year.

For items for which the expenditure was scheduled, a new project is set up within the Plan for the estimated amount, and the capital reserves are decremented by that amount so that there is no impact on the bottom line of the Financial Plan.

With the implementation of a new Asset Management System (Maximo) and a new Enterprise Project Management System, the improvement of our assets and replacement will become more streamlined and transparent.

Capital Cash Flow Planning

At least twice per year, the Finance Department – BPA team meets with each department, budget coordinator, and project manager to review and adjust, if necessary, the projected cash flows for each capital project contained in the Plan.

Key Initiatives

Capital Budget – DART's capital budgeting processes focus on ensuring DART spends its available capital dollars on projects that benefit the service area most while maintaining cost-effective measures.

Operating Budget – Annual Budget corresponds to the first year of the DART 20-Year Financial Plan. The operating budget includes the expenses required to handle DART's revenue services, the maintenance of daily operations, and general mobility projects. Based on direction from executive management, departments prepare detailed budgets for each cost center.

20-Year Financial Plan – Demonstrates that DART has the financial capacity to meet the agency's Transit System Plan commitments and continue the programmed levels of bus, rail, and other transportation services based on current information and assumptions.



Revenue Section

The Revenue Division consists of two primary functions: Revenue Administration and Cash Revenue Systems. The division has 51 FTE positions.

The Revenue Administration section prepares monthly, quarterly, and annual ridership reports, financial data, and agency services and safety data to regulatory agencies such as the National Transit Database (NTD), American Public Transportation Association (APTA), and the Texas Department of Transportation (TxDOT). Revenue Administration also provides project management and implementation oversight for the Comprehensive Fare Payment System (CFPS)



project – DART's state-of-the-art integrated electronic fare payment, distribution, collection, and processing system.

The Cash Revenue Systems section includes all fare equipment dispatch responsibilities, revenue technicians, the maintenance personnel assigned to repair Ticket Vending Machines (TVM), and the count room. The fare equipment dispatch unit deploys available resources to bus or rail stations with equipment in need of service or repair daily.

The dispatchers log all revenue equipment issues, coordinate all TVM and tap card validator repairs, and track revenue technician and mechanical work progress throughout the day. They monitor all services under contract to Denton County Transportation Authority (DCTA). They regularly submit information to the Accounting division so that DCTA has the service information required to invoice those services. Section personnel investigates all customer complaints relating to TVMs.

The revenue technicians perform routine TVM service, including removing coins and currency from collection containers and replenishing pass stock, change supply, and receipt paper. This team also clears equipment jams and performs the first line of troubleshooting for any TVM problems.

The fare equipment maintenance personnel are responsible for all TVM field repair, including vault and probing systems at all bus divisions, as well as fare collection component rebuilds and TVM preventive maintenance. This section works closely with Fleet Service and Materials Management to ensure that parts are available to keep fareboxes working on the buses.

Exhibit 35 is an example of the Division Level Measurements for the revenue technicians assigned to TVM service and fare equipment maintenance personnel.

Exhibit 35: Division Level Measurement Scorecard – Revenue-TVM

| 2022 Goals | | | | | 2022 Results | | | |
|------------|--------|--------|--------|---|--------------|--------|--------|----|
| Q1 | Q2 | Q3 | Q4 | | Q1 | Q2 | Q3 | Q4 |
| 60.82 | 73.11 | 78.32 | 79.44 | Complaints - TVM/PV Issues | 55.67 | 26.33 | 43.33 | |
| 16.99 | 16.99 | 16.99 | 16.99 | Absenteeism (Days Per Person Annually) | 31.81 | 31.32 | 6.02 | |
| 90.00% | 90.00% | 90.00% | 90.00% | % TVMs In Service | 78.20% | 86.96% | 80.52% | |
| 98.80% | 98.80% | 98.80% | 98.80% | % PVs In Service | 97.97% | 97.36% | 98.30% | |
| 2,940 | 2,940 | 2,940 | 2,940 | Service Calls Completed | 1,987 | 1,636 | 2,429 | |
| 184 | 184 | 184 | 184 | PMIs Completed | 141 | 182 | 159 | |

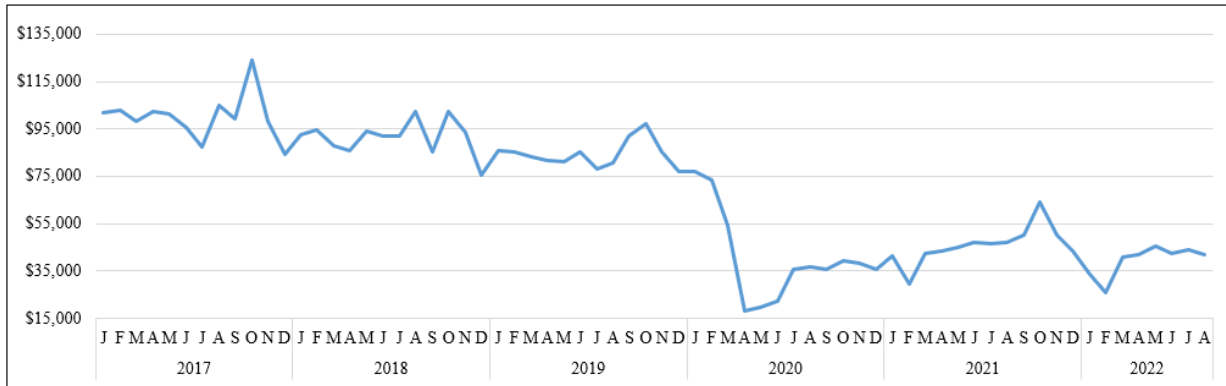
| 2022 Goals | | | | | 2022 Results | | | |
|------------|-------|-------|-------|--|--------------|-------|-------|----|
| Q1 | Q2 | Q3 | Q4 | | Q1 | Q2 | Q3 | Q4 |
| 25 | 25 | 25 | 25 | Absenteeism (8 Hour Days) | 33 | 31 | 8 | |
| 18 | 18 | 18 | 18 | Number of Hourly Employees | 13 | 13 | 15 | |
| 60.82 | 73.11 | 78.32 | 79.44 | Total Number of Complaints | 55.67 | 26.33 | 43.33 | |
| 2,940 | 2,940 | 2,940 | 2,940 | Number of Service Calls Completed | 1,987 | 1,636 | 2,429 | |
| 184 | 184 | 184 | 184 | Number of PMs Completed | 141 | 182 | 159 | |



The Count Room function is responsible for processing cash collected from fareboxes and ticket vending machines. A report is prepared that monitors cash processed to gain insight into the effects of fare increases, alternative pass sales methods, or significant changes to existing service revenue derived from cash.

Exhibit 36: Count Room Productivity

Count Room - Cash Processed per Working Day



Key Initiatives or Areas of Focus

Improve process in gathering accurate NTD compliance reporting.Improve customer experience in agency payment systems.Unify agency fare revenue strategyKey Decisions

- Define state of good repair plan for TVMs and payment systems
- Evaluate and determine whether to discontinue issuing passes on the farebox/buses.
- Determine the future of the current payment platform contract with Vix.
- Recommend fare policies and structure changes based on the outcome of the fare study consulting engagement.

Treasury Division

The Treasury Division is responsible for cash/ investment management, management, debt management, and securing/monitoring grants. The division has seven FTE positions.

This group strictly complies with Government Code Chapter 2256, the Texas Public Funds Investment Act (PFIA), Transportation Code 452.105, and DART Board resolutions for allowable investment types, qualitative ratings, and weighted average maturities and maximum individual maturities by managing the various portfolios. Unutilized collected tax revenue is presented with a customized benchmark of yields for specified investment durations. Treasury monitors Transportation Code 452.105 and the PFIA compliance through an extensive series



of reports prepared daily, monthly, and quarterly. The Government Treasurers of Texas have provided an Investment Policy Certificate of Distinction to DART consecutively, since March 2013, in recognition of the outstanding Investment Policy and Procedures produced by the Treasury Division.

Treasury staff also maintain tight controls over all cash held by the depository bank or any other institution holding funds on DART's behalf. In addition, they maintain strict compliance with debt covenants, make all debt payments on time, and stay informed on industry changes resulting from economic factors or actions by Congress.

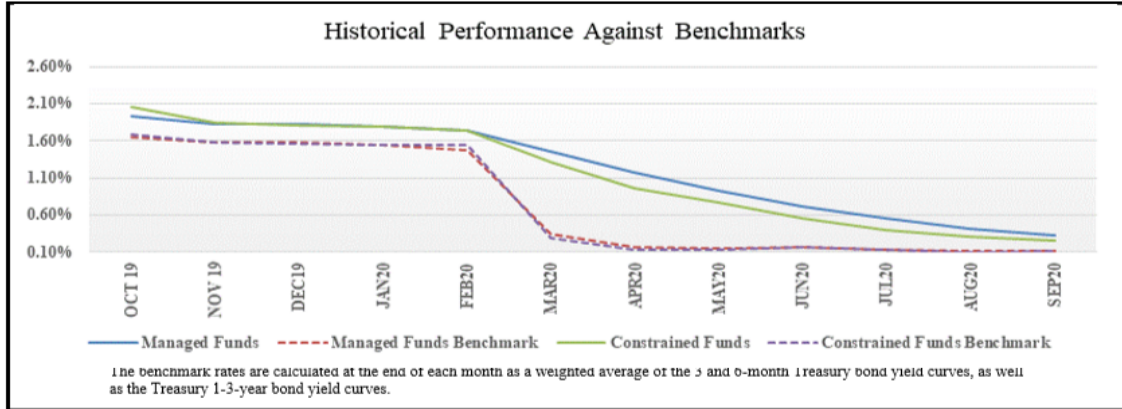
The Grants section handles all federal, state, and miscellaneous funding sources and ensures compliance with the regulations associated with each. Employees in this section search for new funding opportunities, prepare grant applications and submit them to the appropriate entity. Once funding is awarded, the grant information is entered into the Transportation Improvement Program/State Transportation Improvement Program system through the North Central Texas Council of Governments (NCTCOG) and into DART's accounting system for tracking. When expenditures occur, reimbursement requests are submitted, receipt of funds is monitored, and information is recorded correctly in DART's general ledger.

The Grants section takes the lead on all external federal and state funds audits and coordinates the responses to requests for information. The staff track expenditures funded by bond issuances, commercial paper, and designated funding sources such as the Dallas Streetcar operations and maintenance.

The Count Room function is responsible for processing cash collected from fareboxes and TVMs. A report is prepared that monitors cash processed to gain insight into the effects of fare increases, alternative pass sales methods, or significant changes to existing service revenue derived from money. The Count room is also responsible for supplying revenue components to the Revenue Technicians for TVM functionality (hoppers and coin tech packs (CTP)) that contain pre-loaded coins.

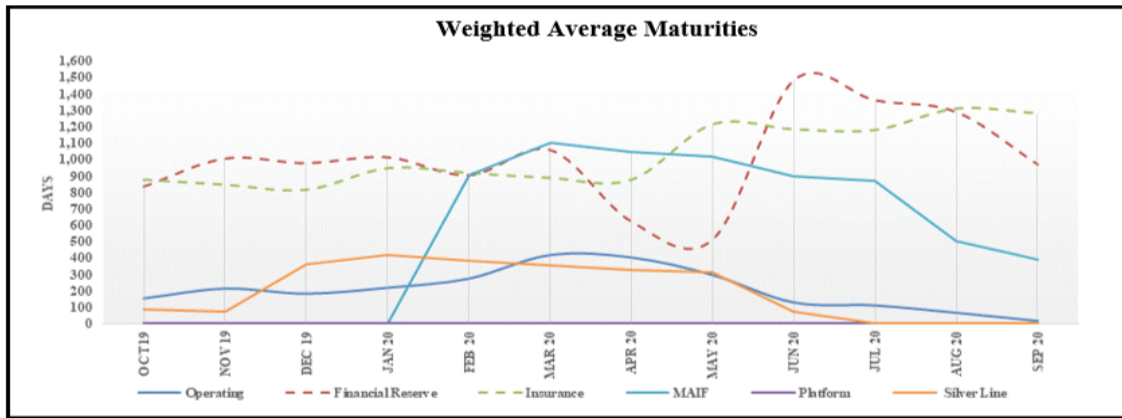
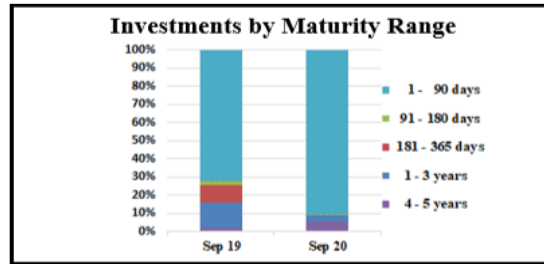


Exhibit 37: Fund Yields – Historical Performance Benchmarks



Average Yield to Worst All Funds

| | --- 12 months ending --- | | 12 months | |
|-----------|--------------------------|-------------|-------------|-------------|
| | FY17 | FY18 | FY19 | FY20 |
| Actual | 1.04% | 1.46% | 2.02% | 1.21% |
| Benchmark | 1.02% | 1.95% | 2.30% | 0.75% |



FY23 Key Initiatives

Integrate the Grants activities into the agency-wide Enterprise Resource Planning (ERP) platform. This will include the following:

- Change/modify the coding of the grant tracking database.
- Conduct analysis and identify tools needed for the grant processes, especially compliance.

Implement drawdowns on the federal loan for the Silver Line commuter rail project. This activity is not scheduled but is guided by financial market conditions.

To assist with debt planning, Treasury will work with Finance's Business Planning team and the Capital Planning department to develop a proposed five-year Capital Improvement Plan (CIP). The CIP, if approved, would identify capital projects and equipment purchases, provide a planning schedule, and identify funding options for the plan.

Risk Management Division

The Risk Management division consists of four units focusing on cost containment and risk reduction and 5 Star service to internal and external customers. The division has 17 FTE positions.

Insurance Programs

The Insurance Programs section manages DART's property and casualty insurance programs, Owner Controlled Insurance Program for Capital Construction Projects, and vendor insurance recommendations and compliance. This team also reviews operating agreements, including licenses, leases, and trackage rights, to identify and recommend appropriate risk allocations. The Insurance Programs section is responsible for the development and oversight of cost-effective programs to manage the unique risks associated with significant construction projects and the facilitation of contract and insurance program closeouts for completed contract and construction projects.

Liability Claims

The Liability Claims section staffs a manager, four liability claims adjusters, one subrogation specialist, and one administrative support person. This team is responsible for the intake, management, and resolution of all bodily injury and property damage claims arising from DART operations. In addition, the Liability Claims team responds to open records requests, identifies and maintains video evidence from the SmartDrive camera system, and subrogates or recovers damages from responsible third parties.

Medical Compliance

The Medical Compliance section is responsible for pre-employment physicals and drug and alcohol testing required by the Department of Transportation (DOT)/Federal Transit Administration (FTA) and DART policy.

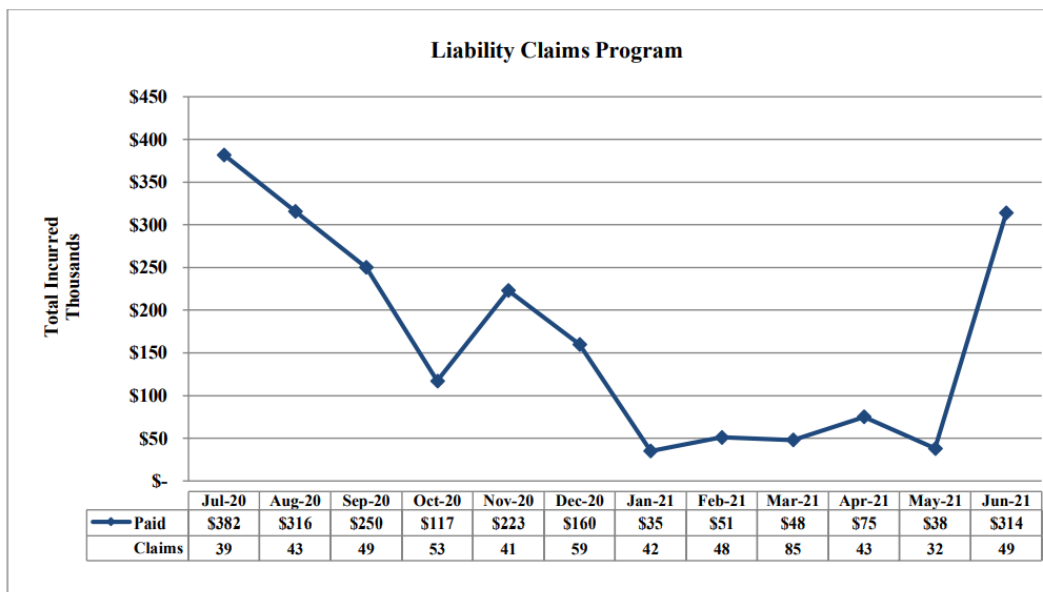
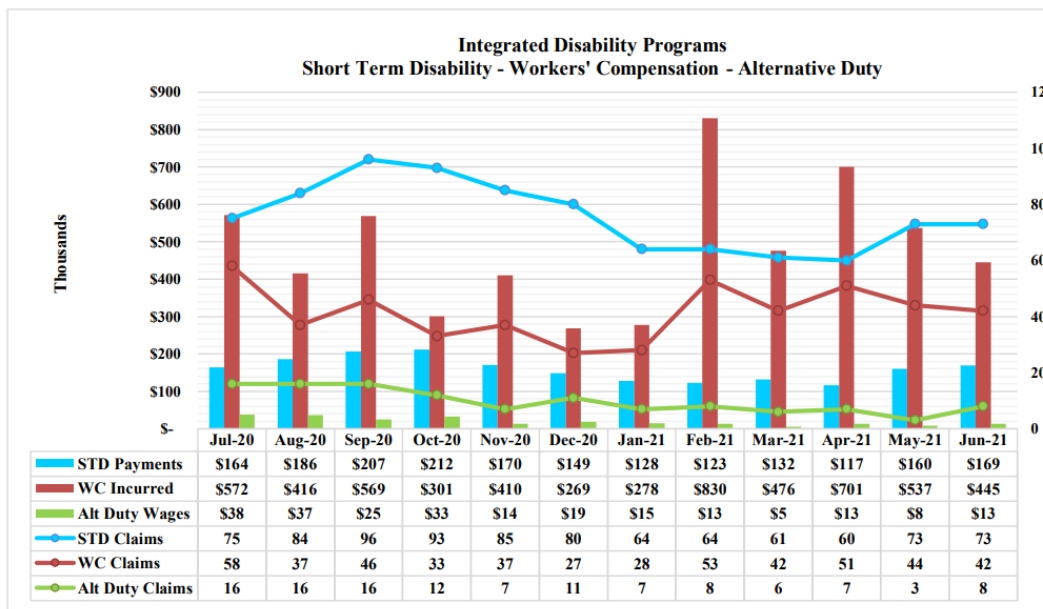
The Medical Compliance team also handles Certified Driver's License (CDL) recertification physicals, mandatory employee drug awareness, reasonable

suspicion supervisor training, medical surveillance physicals, and rehabilitation opportunities.

Integrated Disability Programs

The Integrated Disability Programs section staffs two managers, a project manager, and one specialist. The team is responsible for the Workers' Compensation Program, Alternative Duty (Return-to-Work) Program, and the Employee Assistance Program (EAP). They also manage the Short-Term and Long-Term Disability Programs and the federally mandated Family and Medical Leave Act Program.

Exhibit 38: Risk Management Rolling Annual Trends





Risk Management's primary objectives include the following:

- Reduce the cost of employee injuries through timely, appropriate medical care
- Promote return-to-work initiatives
- Ensure compliance with Workers' Compensation and Family and Medical Leave Act statutory requirements
- Maintain a ratio of one claim closed for every claim opened, and actively pursue recovery of the cost of damage to property and injuries to employees by responsible third parties
- Support hiring initiatives and DOT requirements
- Apply equitable risk allocation mechanisms to ensure that the agency's cost of risk stays within industry norms

Key Initiatives

- Create and sustain a regional Rail Liability Insurance Program that includes Trinity Metro (TEXRail), Denton County Transportation Authority (DCTA), and Grapevine Vintage Railroad (GVRR)
- Create and obtain Board approval for a Master Self-Insurance fund that consolidates previously approved self-insurance funding to meet all insurance needs
- Provide the Board with periodic Workers' Compensation My Texas Direct doctor panel briefings emphasizing the approval of new doctors and program expedites and the delivery of medical care.

Key Decisions

- A regional Rail Liability Insurance Program partnership with Trinity Metro™ for TEXRail, GVRR, and DCTA was implemented in 2021. All parties signed a memorandum of understanding (MOU). DART is working with the public entities to extend the MOU through 2023.
- Determine if the agency should create a more comprehensive self-insurance fund to protect DART from fluctuations in a volatile insurance market.
- Continue to provide Workers' Compensation program metrics detailing claims costs, updates on adding doctors, and medical outcomes to determine if the Board approves DART to continue with the program.

○

Key Performance Indicators (KPIs)

| KPIs | Measure | FY 2021 Results |
|-----------------------|-----------------------------|-----------------|
| Workers' Compensation | Cost per claim | \$6,444 |
| Workers' Compensation | Claims counts | 508 |
| EAP | Employee utilization | 19% |
| Medical Compliance | Random Drug & Alcohol Tests | 1,639 |
| Liability Claims | Cost per claim | \$2,105 |

Definitions:

- Workers' Compensation cost per claim indicates the program's success in delivering quality medical care that helps injured workers recover and return to work safely.
- Workers' Compensation claims count measure indicates the agency's safety culture.
- EAP utilization measure indicates 'employees' confidence in the program. Additionally, it indicates how well the program integrates into the agency's business plan and the effectiveness of the program communications.
- Medical Compliance Random Drug and Alcohol testing is federally mandated, and non-compliance may impact funding.
- Liability Claims cost per claim measurement indicates the agency's success in mitigating the losses associated with our operations.





FY 2023 Proposed Twenty-Year Financial Plan

- Budget and Financial Plan
- Sources of Funding
- Uses of Funds

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FY 2023 Proposed 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.

The Proposed FY 2023 Twenty-Year Financial Plan demonstrates that DART has the financial capacity to meet commitments to our major programs and to provide the programmed levels of bus, rail, and other transportation services based on current information and assumptions.

Financial Plan Format

Each category in the FY 2023 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 we used to develop the FY 2023 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, due to rounding, certain schedules may not tie exactly or add properly. 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.



Exhibit 39: Proposed FY23 20-Year Financial Plan (\$ in Millions – Inflated Dollars)

| Line | Description | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|-------------------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SOURCES OF FUNDS | | | | | | | | | | | |
| 1 | Sales Tax Revenues | \$818.9 | \$859.9 | \$894.3 | \$921.1 | \$921.1 | \$958.0 | \$1,005.8 | \$1,066.2 | \$1,119.5 | \$1,164.3 |
| 2 | Operating Revenues | 49.6 | 58.1 | 65.6 | 67.6 | 73.7 | 74.7 | 75.7 | 82.1 | 82.8 | 83.6 |
| 3 | Interest Income | 24.5 | 35.3 | 33.1 | 29.6 | 26.1 | 25.1 | 29.2 | 32.5 | 34.2 | 34.0 |
| 4 | Formula Federal Funding | 89.7 | 87.2 | 87.2 | 87.2 | 88.0 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 |
| 5 | Discretionary Federal Funding | 15.8 | 34.8 | 37.8 | 70.2 | 59.1 | 35.9 | 521.7 | 247.4 | 219.7 | 187.6 |
| 6 | Long-term Debt Issuances | 360.8 | 733.2 | 280.0 | 196.1 | 360.0 | 360.0 | 200.0 | 300.0 | 200.0 | 215.7 |
| 7 | Commercial Paper Issuances | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 8 | Other Operating Contributions | 17.5 | 18.6 | 21.4 | 23.0 | 22.0 | 22.6 | 23.3 | 23.9 | 24.6 | 25.3 |
| 9 | Other Capital Contributions | 10.3 | 26.9 | 24.5 | 41.3 | 33.2 | 27.2 | 14.4 | 17.5 | 10.4 | 9.0 |
| 10 | Total Sources of Funds | \$1,387.2 | \$1,853.9 | \$1,543.9 | \$1,536.1 | \$1,683.2 | \$1,692.9 | \$1,959.6 | \$1,859.1 | \$1,780.7 | \$1,809.0 |
| USES OF FUNDS | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | |
| 11 | Bus | \$333.7 | \$341.5 | \$349.5 | \$356.3 | \$367.6 | \$377.8 | \$392.9 | \$402.1 | \$411.7 | \$421.1 |
| 12 | Light Rail Transit | 203.2 | 207.9 | 212.5 | 216.0 | 222.3 | 226.4 | 232.1 | 238.0 | 243.7 | 249.2 |
| 13 | Streetcar | 1.9 | 1.9 | 2.0 | 4.8 | 5.8 | 5.9 | 6.1 | 6.2 | 6.3 | 6.5 |
| 14 | Commuter Rail/RR Management | 45.2 | 47.6 | 69.3 | 76.6 | 78.8 | 81.0 | 83.3 | 85.6 | 88.1 | 90.5 |
| 15 | Paratransit | 43.4 | 45.5 | 47.4 | 49.6 | 52.5 | 54.2 | 55.9 | 57.6 | 60.3 | 63.0 |
| 16 | GoLink | 10.5 | 11.9 | 12.2 | 12.4 | 12.7 | 13.0 | 13.3 | 13.6 | 13.9 | 14.3 |
| 17 | Total Operating Expenses | \$637.9 | \$656.4 | \$692.9 | \$715.8 | \$739.8 | \$758.3 | \$783.5 | \$803.2 | \$824.0 | \$844.5 |
| | <i>Operating+P&D+Start Up</i> | <i>\$653.8</i> | <i>\$683.2</i> | <i>\$711.1</i> | <i>\$733.4</i> | <i>\$757.3</i> | <i>\$776.3</i> | <i>\$801.9</i> | <i>\$822.0</i> | <i>\$843.3</i> | <i>\$864.2</i> |
| Capital Projects and Non-Operating: | | | | | | | | | | | |
| 18 | Agency-Wide | \$34.5 | \$41.7 | \$44.4 | \$34.8 | \$25.1 | \$23.4 | \$16.7 | \$13.6 | \$14.7 | \$20.2 |
| 19 | Bus | 10.2 | 29.6 | 120.2 | 152.2 | 129.0 | 89.2 | 35.9 | 29.3 | 16.1 | 65.2 |
| 20 | Light Rail Transit | 73.0 | 125.9 | 332.2 | 214.3 | 396.4 | 442.5 | 447.4 | 454.9 | 426.6 | 356.1 |
| 21 | Streetcar | 4.3 | 12.1 | 31.7 | 37.0 | 18.4 | 0.0 | 0.0 | 0.1 | 0.3 | 0.0 |
| 22 | Commuter Rail/RR Management | 382.0 | 370.5 | 285.5 | 183.0 | 132.0 | 102.6 | 50.5 | 36.4 | 27.2 | 17.3 |
| 23 | Paratransit | 0.3 | 0.5 | 0.0 | 0.0 | 0.0 | 0.5 | 0.0 | 0.8 | 0.0 | 0.3 |
| 24 | General Mobility - Road Impr./TTS | 4.4 | 6.5 | 8.0 | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25 | Non-Operating | 4.9 | 10.9 | 1.3 | 3.4 | 0.2 | 3.8 | 0.2 | 4.9 | 0.2 | 4.0 |
| 26 | Capital P & D, Start-Up | 16.0 | 26.8 | 18.2 | 17.6 | 17.5 | 18.0 | 18.4 | 18.8 | 19.3 | 19.7 |
| 27 | New Programs (Distribution to Service Area Cities) | 214.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 28 | Ridership Improvement | 110.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 29 | Total Capital and Non-Operating | \$854.1 | \$624.4 | \$841.5 | \$643.4 | \$718.8 | \$680.1 | \$569.0 | \$558.9 | \$504.4 | \$482.8 |
| Debt Service | | | | | | | | | | | |
| 30 | Principal Payments - Long-term Debt | \$78.0 | \$76.0 | \$79.1 | \$82.2 | \$84.1 | \$86.8 | \$93.9 | \$103.7 | \$112.3 | \$129.5 |
| 31 | Long-term Debt Interest Expense | 145.2 | 146.5 | 154.9 | 166.1 | 176.3 | 193.5 | 207.7 | 215.8 | 224.9 | 230.9 |
| 32 | Commercial Paper Interest Expense | 0.0 | 0.0 | 1.8 | 5.3 | 8.8 | 12.3 | 14.0 | 12.3 | 8.8 | 5.3 |
| 33 | Debt-Related Fees | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| 34 | Total Debt Service Costs | \$223.7 | \$223.1 | \$236.3 | \$254.1 | \$269.8 | \$293.2 | \$316.3 | \$332.4 | \$346.6 | \$366.3 |
| 35 | Commercial Paper Debt Repayment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 |
| 36 | Total Uses of Funds | \$1,715.7 | \$1,503.9 | \$1,770.7 | \$1,613.2 | \$1,728.4 | \$1,731.6 | \$1,668.8 | \$1,794.5 | \$1,775.0 | \$1,793.7 |
| 37 | Net Inc (Dec) in cash | (\$328.5) | \$350.0 | (\$226.8) | (\$77.2) | (\$45.2) | (\$38.7) | \$290.8 | \$64.6 | \$5.7 | \$15.3 |
| 38 | Change in Balance Sheet Accts | 60.1 | 1.4 | 50.2 | (39.7) | 12.0 | (7.6) | (79.9) | 12.5 | (16.5) | (9.4) |
| 39 | Cash, End of Period | 724.0 | 1,075.3 | 898.7 | 781.8 | 748.7 | 702.3 | 913.3 | 990.4 | 979.6 | 985.4 |
| 40 | Less: Cash Reserves & Restricted Funds | (81.8) | (81.7) | (81.7) | (81.7) | (81.7) | (81.6) | (81.5) | (81.4) | (81.3) | (81.1) |
| 41 | Less: Working Cash Requirement | (159.5) | (164.1) | (173.2) | (178.9) | (185.0) | (189.6) | (195.9) | (200.8) | (206.0) | (211.1) |
| 42 | Less: Mobility Assistance and Innovation Fund | (108.8) | (113.2) | (117.2) | (121.3) | (125.5) | (129.9) | (134.4) | (139.1) | (144.0) | (149.1) |
| 43 | Unrestricted Cash (Net Available Cash) | \$373.9 | \$716.3 | \$526.6 | \$399.9 | \$356.5 | \$301.2 | \$501.4 | \$569.0 | \$548.3 | \$544.1 |
| 44 | External Coverage Ratio | 3.67 | 3.86 | 3.82 | 3.71 | 3.54 | 3.42 | 3.33 | 3.34 | 3.32 | 3.23 |
| 45 | Internal Coverage Ratio | 1.61 | 1.80 | 1.74 | 1.66 | 1.50 | 1.47 | 1.46 | 1.54 | 1.56 | 1.53 |
| 46 | Total CP O/S End-of-Year | \$0.0 | \$0.0 | \$100.0 | \$200.0 | \$300.0 | \$400.0 | \$400.0 | \$300.0 | \$200.0 | \$100.0 |
| 47 | Total Long-Term Debt O/S End-of-Year | \$3,870.6 | \$4,527.7 | \$4,728.6 | \$4,842.6 | \$5,118.4 | \$5,391.6 | \$5,497.7 | \$5,694.0 | \$5,781.7 | \$5,867.9 |



**Exhibit 39: Proposed FY23 20-Year Financial Plan (\$ in Millions – Inflated Dollars)
(cont.)**

| Line | Description | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
|-------------------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| SOURCES OF FUNDS | | | | | | | | | | | |
| 1 | Sales Tax Revenues | \$1,199.2 | \$1,199.2 | \$1,247.2 | \$1,309.5 | \$1,388.1 | \$1,457.5 | \$1,515.8 | \$1,561.3 | \$1,561.3 | \$1,623.8 |
| 2 | Operating Revenues | 90.0 | 90.8 | 91.6 | 98.6 | 99.5 | 100.4 | 108.1 | 109.1 | 110.1 | 118.5 |
| 3 | Interest Income | 31.8 | 29.1 | 30.0 | 32.4 | 33.0 | 33.5 | 32.5 | 28.8 | 24.7 | 31.6 |
| 4 | Formula Federal Funding | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 | 89.5 |
| 5 | Discretionary Federal Funding | 116.1 | 72.2 | 79.3 | 0.0 | 0.0 | 17.7 | 18.3 | 9.0 | 6.6 | 0.0 |
| 6 | Long-term Debt Issuances | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 300.0 |
| 7 | Commercial Paper Issuances | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 8 | Other Operating Contributions | 26.0 | 26.8 | 27.5 | 28.3 | 29.2 | 30.0 | 30.9 | 31.8 | 32.7 | 33.7 |
| 9 | Other Capital Contributions | 6.9 | 15.7 | 12.4 | 10.6 | 7.2 | 15.9 | 8.4 | 9.4 | 9.1 | 4.8 |
| 10 | Total Sources of Funds | \$1,559.5 | \$1,523.2 | \$1,577.6 | \$1,569.0 | \$1,646.5 | \$1,744.5 | \$1,803.5 | \$1,838.8 | \$1,833.9 | \$2,201.9 |
| USES OF FUNDS | | | | | | | | | | | |
| Operating Expenses: | | | | | | | | | | | |
| 11 | Bus | \$430.9 | \$440.7 | \$451.2 | \$460.7 | \$471.1 | \$480.1 | \$491.4 | \$502.9 | \$514.7 | \$526.4 |
| 12 | Light Rail Transit | 255.1 | 260.7 | 266.9 | 287.4 | 298.9 | 305.5 | 312.6 | 318.3 | 325.1 | \$332.6 |
| 13 | Streetcar | 6.6 | 6.8 | 6.9 | 7.1 | 7.3 | 7.4 | 7.6 | 7.8 | 7.9 | \$8.1 |
| 14 | Commuter Rail/RR Management | 93.1 | 95.7 | 98.5 | 101.1 | 103.9 | 106.8 | 109.9 | 112.9 | 115.3 | \$118.4 |
| 15 | Paratransit | 65.8 | 68.7 | 71.9 | 75.0 | 78.4 | 81.8 | 85.6 | 89.4 | 93.4 | \$97.5 |
| 16 | GoLink | 14.6 | 14.9 | 15.3 | 15.6 | 15.9 | 16.3 | 16.7 | 17.0 | 17.4 | \$17.8 |
| 17 | Total Operating Expenses | \$866.2 | \$887.5 | \$910.7 | \$946.9 | \$975.5 | \$997.8 | \$1,023.7 | \$1,048.3 | \$1,073.9 | \$1,100.9 |
| | <i>Operating+P&D+Start Up</i> | <i>\$886.3</i> | <i>\$908.1</i> | <i>\$939.9</i> | <i>\$971.2</i> | <i>\$997.6</i> | <i>\$1,020.4</i> | <i>\$1,046.8</i> | <i>\$1,071.9</i> | <i>\$1,098.1</i> | <i>\$1,125.6</i> |
| Capital Projects and Non-Operating: | | | | | | | | | | | |
| 18 | Agency-Wide | \$33.5 | \$29.7 | \$37.9 | \$25.7 | \$84.4 | \$56.0 | \$28.7 | \$33.0 | \$18.3 | \$25.7 |
| 19 | Bus | 33.0 | 27.3 | 11.2 | 5.9 | 126.4 | 170.4 | 135.1 | 95.4 | 38.9 | 77.4 |
| 20 | Light Rail Transit | 229.1 | 121.1 | 104.6 | 46.7 | 47.9 | 40.4 | 219.9 | 368.4 | 344.5 | 140.3 |
| 21 | Streetcar | 0.1 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.2 | 0.4 | 0.0 |
| 22 | Commuter Rail/RR Management | 19.5 | 28.4 | 21.9 | 16.4 | 13.9 | 20.6 | 18.2 | 26.6 | 22.5 | 14.2 |
| 23 | Paratransit | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 1.2 | 0.2 | 0.3 | 0.0 | 0.1 |
| 24 | General Mobility - Road Impr./TTS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25 | Non-Operating | 3.2 | 4.3 | 1.6 | 4.5 | 0.3 | 5.1 | 0.3 | 6.7 | 0.3 | 5.4 |
| 26 | Capital P & D, Start-Up | 20.2 | 20.6 | 29.2 | 24.3 | 22.1 | 22.6 | 23.1 | 23.6 | 24.2 | 24.7 |
| 27 | New Programs (Distribution to Service Area Cities) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 28 | Ridership Improvement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 29 | Total Capital and Non-Operating | \$338.6 | \$231.4 | \$206.4 | \$123.9 | \$295.0 | \$316.3 | \$425.6 | \$554.2 | \$449.1 | \$287.8 |
| Debt Service | | | | | | | | | | | |
| 30 | Principal Payments - Long-term Debt | \$142.0 | \$151.1 | \$162.9 | \$180.1 | \$199.2 | \$218.6 | \$226.9 | \$237.7 | \$247.1 | \$256.8 |
| 31 | Long-term Debt Interest Expense | 234.2 | 228.5 | 222.4 | 215.9 | 208.8 | 200.8 | 192.2 | 183.4 | 174.2 | 166.5 |
| 32 | Commercial Paper Interest Expense | 1.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 6.5 |
| 33 | Debt-Related Fees | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 |
| 34 | Total Debt Service Costs | \$378.6 | \$380.3 | \$386.1 | \$396.8 | \$408.7 | \$420.2 | \$419.9 | \$421.9 | \$422.1 | \$430.7 |
| 35 | Commercial Paper Debt Repayment | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 36 | Total Uses of Funds | \$1,683.4 | \$1,499.2 | \$1,503.2 | \$1,467.6 | \$1,679.2 | \$1,734.3 | \$1,869.2 | \$2,024.4 | \$1,945.2 | \$1,819.4 |
| 37 | Net Inc (Dec) in cash | (\$123.9) | \$24.0 | \$74.4 | \$101.4 | (\$32.7) | \$10.2 | (\$65.8) | (\$185.5) | (\$111.3) | \$382.4 |
| 38 | Change in Balance Sheet Accts | (29.0) | (22.5) | (16.7) | (17.1) | 24.5 | (0.1) | 17.7 | 28.4 | (15.1) | (46.7) |
| 39 | Cash, End of Period | 832.6 | 834.0 | 891.6 | 975.9 | 967.8 | 977.9 | 929.8 | 772.7 | 646.3 | 982.1 |
| 40 | Less: Cash Reserves & Restricted Funds | (80.9) | (80.7) | (80.4) | (80.1) | (79.7) | (79.3) | (78.8) | (78.3) | (77.2) | (76.0) |
| 41 | Less: Working Cash Requirement | (216.5) | (221.9) | (227.7) | (236.7) | (243.9) | (249.5) | (255.9) | (262.1) | (268.5) | (275.2) |
| 42 | Less: Mobility Assistance and Innovation Fund | (154.3) | (159.7) | (165.3) | (171.0) | (177.0) | (183.2) | (189.6) | (196.3) | (203.1) | (211.0) |
| 43 | Unrestricted Cash (Net Available Cash) | \$380.8 | \$371.8 | \$418.3 | \$488.1 | \$467.1 | \$465.9 | \$405.4 | \$236.0 | \$97.5 | \$419.9 |
| 44 | External Coverage Ratio | 3.19 | 3.16 | 3.24 | 3.31 | 3.40 | 3.48 | 3.62 | 3.71 | 3.71 | 3.84 |
| 45 | Internal Coverage Ratio | 1.52 | 1.44 | 1.49 | 1.54 | 1.63 | 1.70 | 1.80 | 1.83 | 1.77 | 1.88 |
| 46 | Total CP O/S End-of-Year | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| 47 | Total Long-Term Debt O/S End-of-Year | \$5,725.9 | \$5,574.8 | \$5,411.9 | \$5,231.7 | \$5,032.6 | \$4,814.0 | \$4,587.1 | \$4,349.4 | \$4,102.3 | \$4,145.5 |



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 Proposed FY 2023 Financial Plan. This can be seen on line 18 (highlighted in blue) in Exhibit 40, noting that no cash needs to be used from reserves or debt to be issued in order to pay for operating expenses during any year of the Plan. For example, FY 2023 operating expenses are \$637.9 million.

These ongoing obligations are funded by annual sources of funds, including operating revenues (\$49.6 million), interest income (\$25.3 million), federal formula funds for preventive maintenance (\$82.7 million), local funding contributions for TRE (from Trinity Metro) and Streetcar (from the City of Dallas) operations, other sources (\$17.5 million), and sales taxes (\$462.6 million). Exhibit 40, on the following page, illustrates how DART's sources of funds will be applied to uses of funds over the next 20 years.



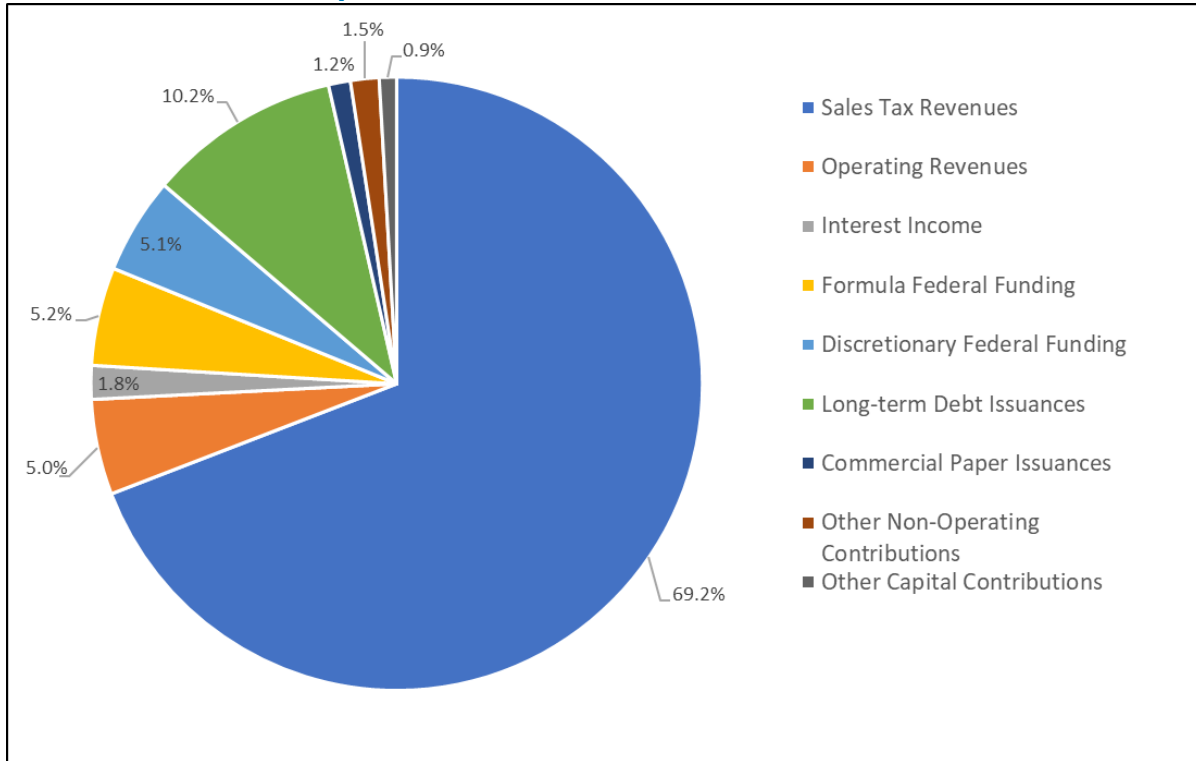
Exhibit 40: FY23 – FY42 Structural Budget Balance (\$ in Millions)

| | Category | 2023 | 2024 | 2025 | 2026 | 2027 | Near-Term | Long-Term (2028-2042) | 20 Years 2023- 2042 |
|-----------|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|------------------------|
| 1 | Total Sources of Funds | \$1,387.2 | \$1,853.9 | \$1,543.9 | \$1,536.1 | \$1,683.2 | \$8,004.4 | \$26,399.6 | \$34,403.9 |
| 2 | Sales Tax Revenues | \$818.9 | \$859.9 | \$894.3 | \$921.1 | \$921.1 | \$4,415.3 | \$19,376.8 | \$23,792.1 |
| 3 | Operating Revenues | 49.6 | 58.1 | 65.6 | 67.6 | 73.7 | 314.7 | 1,415.7 | 1,730.4 |
| 4 | Interest Income | 24.5 | 35.3 | 33.1 | 29.6 | 26.1 | 148.5 | 462.2 | 610.7 |
| 5 | Formula Federal Funding | 89.7 | 87.2 | 87.2 | 87.2 | 88.0 | 439.3 | 1,342.2 | 1,781.6 |
| 6 | Discretionary Federal Funding | 15.8 | 34.8 | 37.8 | 70.2 | 59.1 | 217.6 | 1,531.5 | 1,749.1 |
| 7 | Long-term Debt Issuances | 360.8 | 733.2 | 280.0 | 196.1 | 360.0 | 1,930.1 | 1,575.7 | 3,505.8 |
| 8 | Commercial Paper Issuances | 0.0 | 0.0 | 100.0 | 100.0 | 100.0 | 300.0 | 100.0 | 400.0 |
| 9 | Other Operating Contributions | 17.5 | 18.6 | 21.4 | 23.0 | 22.0 | 102.6 | 416.7 | 519.3 |
| 10 | Other Capital Contributions | 10.3 | 26.9 | 24.5 | 41.3 | 33.2 | 136.2 | 166.0 | 302.2 |
| 11 | Operating Expenses | \$637.9 | \$656.4 | \$692.9 | \$715.8 | \$739.8 | \$3,442.8 | \$13,845.0 | \$17,287.7 |
| | Funding Sources: | | | | | | | | |
| 12 | Operating Revenues | \$49.6 | \$58.1 | \$65.6 | \$67.6 | \$73.7 | \$314.7 | \$1,415.7 | \$1,730.4 |
| 13 | Interest Income | 24.5 | 35.3 | 33.1 | 29.6 | 26.1 | 148.5 | 462.2 | 610.7 |
| 14 | Formula Funds | 82.7 | 82.7 | 82.7 | 82.7 | 83.5 | 414.5 | 1,275.2 | 1,689.7 |
| 15 | FWTA TRE Ops / Dallas Streetcar Contributions | 15.1 | 16.0 | 18.4 | 19.9 | 20.7 | 90.1 | 394.0 | 484.2 |
| 16 | Other Non-Operating Sources | 2.4 | 2.6 | 3.0 | 3.1 | 1.3 | 12.5 | 22.7 | 35.1 |
| 17 | Sales Taxes allocated to Operations | 463.5 | 461.6 | 490.1 | 512.8 | 534.4 | 2,462.4 | 10,275.2 | 12,737.6 |
| 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 | \$637.9 | \$656.4 | \$692.9 | \$715.8 | \$739.8 | \$3,442.8 | \$13,845.0 | \$17,287.7 |
| 20 | Capital/Non Operating Expenditures | \$854.1 | \$624.4 | \$841.5 | \$643.4 | \$718.8 | \$3,682.1 | \$6,023.5 | \$9,705.7 |
| | Funding Sources: | | | | | | | | |
| 21 | Formula Funds | \$6.9 | \$4.5 | \$4.5 | \$4.5 | \$4.5 | \$24.8 | \$67.1 | \$91.9 |
| 22 | Discretionary Grant Funds | 15.8 | 34.8 | 37.8 | 70.2 | 59.1 | 217.6 | 1,531.5 | 1,749.1 |
| 23 | Current Debt Issuances | 294.7 | 558.3 | 380.0 | 296.1 | 195.4 | 1,724.5 | 1,337.3 | 3,061.8 |
| 23 | Other Capital Sources | 10.3 | 26.9 | 24.5 | 41.3 | 33.2 | 136.2 | 166.0 | 302.2 |
| 24 | Sales Taxes Allocated to Capital | 131.8 | 0.0 | 167.9 | 154.2 | 116.9 | 570.7 | 2,316.0 | 2,886.8 |
| 25 | General Operating Fund/Prior Debt Issues | 394.6 | 0.0 | 226.8 | 77.2 | 0.0 | 698.5 | 605.7 | 1,304.2 |
| 25 | Existing cash/prior year Excess Sales Tax | 214.3 | 0.0 | 0.0 | 0.0 | 0.0 | 214.3 | 0.0 | 214.3 |
| 26 | Ridership Improvement | 110.3 | 0.0 | 0.0 | 0.0 | 0.0 | 110.3 | 0.0 | 110.3 |
| 26 | Total Funding Sources | \$854.1 | \$624.4 | \$841.5 | \$643.4 | \$409.0 | \$3,372.3 | \$6,023.5 | \$9,395.9 |
| 32 | Debt Service Costs (incl CP repayment) | \$223.7 | \$223.1 | \$236.3 | \$254.1 | \$269.8 | \$1,207.0 | \$6,120.1 | \$7,327.1 |
| | Funding Sources: | | | | | | | | |
| 33 | Sales Taxes Allocated to Debt Service | \$223.7 | \$223.1 | \$236.3 | \$254.1 | \$269.8 | \$1,207.0 | \$5,720.1 | \$6,927.1 |
| 34 | CP Retirement (existing cash/prior year sales taxes) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 400.0 | 400.0 |
| 35 | Total Uses of Funds | \$1,715.7 | \$1,503.9 | \$1,770.7 | \$1,613.2 | \$1,728.4 | \$8,331.9 | \$25,988.6 | \$34,320.5 |
| 36 | Net Differential Between Sources and Uses | (\$328.5) | \$350.0 | (\$226.8) | (\$77.2) | (\$45.2) | (\$327.5) | \$411.0 | \$83.5 |

Sources of Funds

Total sources of funds for the period FY 2023 through FY 2042 are projected to increase \$3.38 billion (10.9%) from the same period in the FY 2022 Plan. This reflects the net effect of several items. The details of the changes by category are shown in Exhibit 40. Exhibit 41 illustrates the distribution of DART’s sources of funds for the period FY 2023 – FY 2042. Each source of funding is detailed below.

Exhibit 41: Proposed FY23 – FY42 Distribution of Sources of Funds



Sales Tax Revenues (line 1 of the Financial Plan)

Sales tax revenues comprise 69.2% of DART’s total projected sources of funds through FY 2042 (78.0% of total sources excluding debt issuances). This is greater than the percentage as contained in the FY 2022 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. Even though sales tax receipts were below forecast during the COVID-19 pandemic during 2019 & 2020 financial years; in general sales taxes have



trended above forecast for the last three years (2019-2021), with year-over-year difference averaging 4.73%

As the impact of COVID-19 began to be felt initial estimates assumed a loss of 50% of sales taxes for March – September 2020 and a 25% reduction in total for FY 2021. This represented a loss of over \$340 million between FY 2020 – FY 2021, and \$1.3 billion between 2020 and 2039. There were significant uncertainties during the early stages of the pandemic around the impact on sales tax revenue.

The actual experience has turned out to be not as dire as feared. Actual FY 2019 and FY 2020 collections were 0.6% and 2.0% below the projected amounts respectively. FY 2021 sales tax revenues did not decline as DART had expected, plus a retroactive adjustment was made leaving the Agency with an increase of 16.7% and 11.7% from the FY 2021 approved budget and from the FY 2021 amended budget respectively. FY 2022 sales tax receipts year-to-date through June receipts show an increase of 16.3% from the same period of FY 2021. Beyond 2024, DART still bases its sales tax projections from The Perryman Group, with conservative principles applied to them.

DART has taken a different approach from previous years regarding incorporating sales taxes into the Financial Plan beginning in FY 2016. 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 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. Still, the overall growth rate over the 20year life of the Plan is significantly lower and results in total sales tax revenues of \$3.18 billion (13.4%) less than if we had strictly used Perryman’s projected growth rates for the next 20 years.

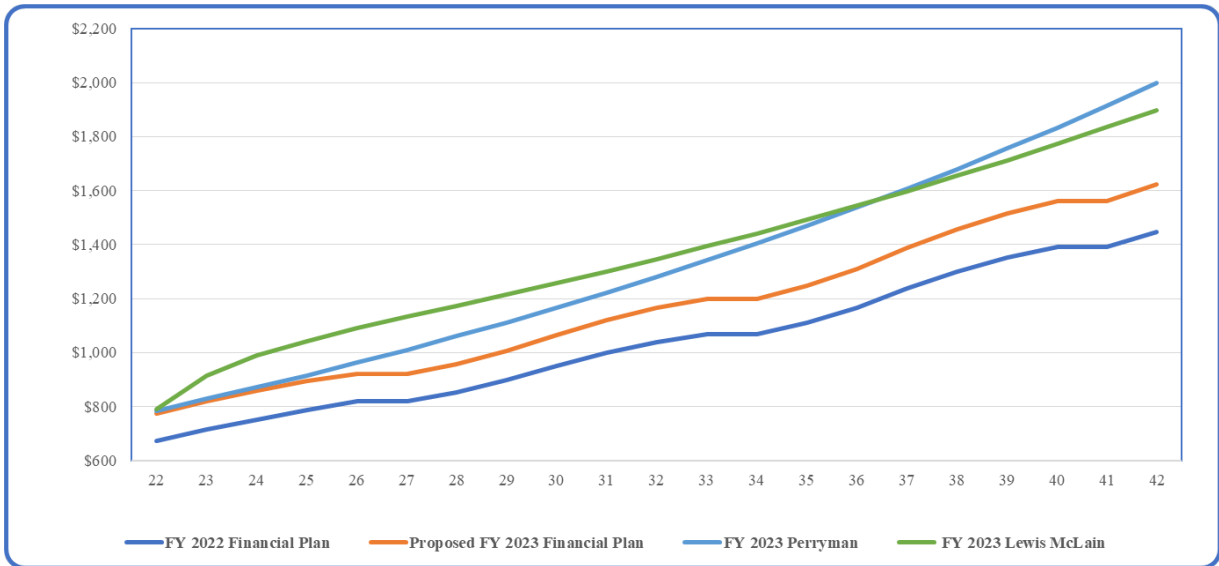
A comparison of projected sales tax growth rates from the FY 2022 Plan, the FY 2023 draft Plan, and the Perryman projections is shown in Exhibit 42.



Exhibit 42: 20-Year Sales Tax Projection FY23 – FY42 (\$ in Millions)

| Year | FY 2022 Financial Plan | | FY 2023 Draft Financial Plan | | FY 2023 Perryman | |
|----------------------|------------------------|-------------------|------------------------------|-------------------|------------------|-------------------|
| | % | \$ | % | \$ | % | \$ |
| 2022 | 0% | \$673.2 | 0% | \$772.6 | 0% | \$785.0 |
| 2023 | 6.0% | 715.0 | 6.0% | 818.9 | 5.3% | 828.7 |
| 2024 | 5.0% | 751.2 | 5.0% | 859.9 | 4.9% | 871.3 |
| 2025 | 5.0% | 788.8 | 4.0% | 894.3 | 4.8% | 915.7 |
| 2026 | 4.0% | 820.4 | 3.0% | 921.1 | 4.8% | 961.8 |
| 2027 | 0.0% | 820.9 | 0.0% | 921.1 | 4.8% | 1,009.9 |
| 2028 | 4.0% | 854.0 | 4.0% | 958.0 | 4.7% | 1,059.9 |
| 2029 | 5.0% | 896.7 | 5.0% | 1,005.8 | 4.7% | 1,111.9 |
| 2030 | 6.0% | 950.5 | 6.0% | 1,066.2 | 4.6% | 1,165.9 |
| 3031 | 5.0% | 998.1 | 5.0% | 1,119.5 | 4.6% | 1,222.1 |
| 2032 | 4.0% | 1,038.0 | 4.0% | 1,164.3 | 4.6% | 1,280.4 |
| 2033 | 3.0% | 1,069.1 | 3.0% | 1,199.2 | 4.5% | 1,341.0 |
| 2034 | 0.0% | 1,069.1 | 0.0% | 1,199.2 | 4.5% | 1,403.9 |
| 2035 | 4.0% | 1,111.9 | 4.0% | 1,247.2 | 4.4% | 1,469.2 |
| 2036 | 5.0% | 1,167.5 | 5.0% | 1,309.5 | 4.4% | 1,536.9 |
| 2037 | 6.0% | 1,237.5 | 6.0% | 1,388.1 | 4.4% | 1,607.2 |
| 2038 | 5.0% | 1,299.4 | 5.0% | 1,457.5 | 4.3% | 1,680.0 |
| 2039 | 4.0% | 1,351.4 | 4.0% | 1,515.8 | 4.3% | 1,755.4 |
| 2040 | 3.0% | 1,391.9 | 3.0% | 1,561.3 | 4.3% | 1,833.5 |
| 2041 | 0.0% | 1,391.9 | 0.0% | 1,561.3 | 4.2% | 1,914.7 |
| 2042 | 4.0% | 1,447.6 | 4.0% | 1,623.8 | 4.2% | 1,999.0 |
| 20-Year Total | | \$21,171.0 | | \$23,792.1 | | \$26,968.4 |

Exhibit 43: 20-Year Sales Tax Projection FY23 – FY42 (\$ 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. DART received

overpayments of sales taxes of approximately \$13.2 million in 2006, \$3.6 million in 2008, and \$4.1 million in 2019. 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) for the 2006 overpayment. The State Comptroller’s Office agreed to extend the \$824,000 repay for the 2008 overpayment, then in 2019 it was determined that DART was overpaid in the amount of \$4.1 million and was scheduled to be paid back between 2020 and 2023.

These repayment obligations had been incorporated into the Plan, and all reported sales tax revenues in the Plan (and discussed in this document) were net of these repayments. As of August 12, 2022, DART has repaid all outstanding overpayment amounts owed to the Texas Comptroller of Public Accounts, ahead of schedule.

Operating Revenues (line 2 of the Financial Plan)

Operating revenues are projected to contribute \$1.7 billion (5.0%) of DART's sources of funds through FY 2042.

Exhibit 44: Operating Revenues (\$ in Millions)

| Operating Revenues | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Fixed Route Passenger Revenues | \$34.6 | \$42.1 | \$48.8 | \$50.3 | \$55.7 | \$56.3 | \$56.9 | \$62.5 | \$62.8 | \$63.1 |
| Other Passenger Fares | 2.1 | 2.7 | 3.0 | 3.1 | 3.5 | 3.5 | 3.5 | 3.9 | 4.0 | 4.1 |
| Total Passenger Revenues | \$36.7 | \$44.8 | \$51.9 | \$53.4 | \$59.1 | \$59.8 | \$60.4 | \$66.4 | \$66.8 | \$67.1 |
| Leases & Rentals | \$7.5 | \$7.7 | \$7.9 | \$8.1 | \$8.3 | \$8.5 | \$8.7 | \$9.0 | \$9.2 | \$9.4 |
| Advertising | 4.7 | 4.8 | 5.1 | 5.3 | 5.5 | 5.6 | 5.7 | 5.9 | 6.0 | 6.2 |
| DCTA Access & Impact Fees | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Operating Revenues | \$49.6 | \$58.1 | \$65.6 | \$67.6 | \$73.7 | \$74.7 | \$75.7 | \$82.1 | \$82.8 | \$83.6 |

| Operating Revenues | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 20-Year Total |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|
| Fixed Route Passenger Revenues | \$68.7 | \$69.0 | \$69.3 | \$75.4 | \$75.7 | \$76.1 | \$82.8 | \$83.2 | \$83.5 | \$90.9 | \$1,307.5 |
| Other Passenger Fares | 4.4 | 4.5 | 4.7 | 5.1 | 5.2 | 5.3 | 5.8 | 5.9 | 6.1 | 6.7 | 87.1 |
| Total Passenger Revenues | \$73.1 | \$73.5 | \$73.9 | \$80.5 | \$80.9 | \$81.4 | \$88.6 | \$89.1 | \$89.6 | \$97.6 | \$1,394.6 |
| Leases & Rentals | \$9.7 | \$9.9 | \$10.2 | \$10.4 | \$10.7 | \$11.0 | \$11.2 | \$11.5 | \$11.8 | \$12.1 | \$192.7 |
| Advertising | 6.4 | 6.5 | 6.7 | 6.9 | 7.1 | 7.2 | 7.4 | 7.6 | 7.8 | 7.6 | 126.0 |
| DCTA Access & Impact Fees | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 14.4 |
| Other | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 2.4 |
| Total Operating Revenues | \$90.0 | \$90.8 | \$91.6 | \$98.6 | \$99.5 | \$100.4 | \$108.1 | \$109.1 | \$110.1 | \$118.1 | \$1,730.0 |

Passenger revenues are the primary component of operating revenues, representing approximately \$1.39 billion, or 80.6% of operating revenues. Passenger revenues continue to struggle. Because of the recent decline in average fare and delaying the scheduled fare increase from FY 2023 to FY 2024, this represents approximately a \$475.5 million reduction from the same 20-year period in the FY 2022 Financial Plan. Ridership & passenger revenue reflects the recent bus network redesign but has been revised downward. The proposed FY 2023 Financial Plan reflects more modest growth in ridership.

Actions to improve passenger revenue

- DARTzoom service improvements and promotion EMV (Europay, MasterCard, and Visa)
- Introduction of new programs on the Fare Policy such as the flexible corporate program and loyalty program
- Continuous Station fare reinforcement 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

Improvement in, and expansion of GoLink service. 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, with each resulting in an increase of approximately 9% to the average fare.

In the FY 2022 Plan, the next fare increase was scheduled to occur in FY 2023 but with the effect of Covid-19 on ridership continuing, the financial plan defers this increase by one year, to FY 2024. 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. Even though a slight ridership rebound was observed during FY 2021 and FY 2022, the increase was on the reduced fare customers. As we continue to recover from the pandemic, ridership may continue to increase but long-term travel patterns remain unclear. This change in average fare may be due to changes in the base fare, changes in pass pricing, discount eligibility, or changes in behavior or pass product use by passengers. As ridership recovers, average fare is also expected to rise, even without a fare increase. This is presented in Exhibit 45, which details the projected fixed-route average fares by mode over the life of the Plan.

Exhibit 45: Projected Fixed Route Average Fare

| Year | Bus | LRT | CR | Silver Line | Streetcar | Fixed Route |
|-------------|--------|--------|--------|-------------|-----------|-------------|
| FY23 | \$0.56 | \$0.81 | \$1.76 | \$0.00 | \$0.37 | \$0.76 |
| FY24 - FY26 | \$0.61 | \$0.88 | \$1.92 | \$0.88 | \$0.37 | \$0.82 |
| FY27 - FY29 | \$0.67 | \$0.97 | \$2.10 | \$0.97 | \$0.37 | \$0.89 |
| FY30 - FY32 | \$0.73 | \$1.06 | \$2.30 | \$1.06 | \$0.37 | \$0.97 |
| FY33 - FY35 | \$0.80 | \$1.15 | \$2.51 | \$1.15 | \$0.37 | \$1.06 |
| FY36 - FY38 | \$0.87 | \$1.26 | \$2.74 | \$1.26 | \$0.37 | \$1.15 |
| FY39 - FY41 | \$0.96 | \$1.38 | \$3.00 | \$1.38 | \$0.37 | \$1.26 |
| FY42 | \$1.04 | \$1.51 | \$3.28 | \$1.51 | \$0.37 | \$1.38 |

Operating revenues other than fare revenues include items such as advertising revenue, lease & rental income, contract service revenues from cities outside the service area, and shuttle service agreement revenue from UT-Dallas, Parkland Hospital, and Dallas County DART Rides.

Interest Income (line 3 of the Financial Plan)

Interest income is projected to contribute \$610.7 million (1.8%) of total sources of funds for the next 20 years. This is a \$71.4 million (3.1%) increase from the amount contained in the FY 2022 Plan, primarily reflecting upwardly revised interest rates and higher invested (cash) balances.

Interest income rates are estimated to average 3.0% throughout 2023, increasing up to nearly 4% by 2024 before sliding slightly to 3.5% from 2024 onwards. Long-term 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.

Federal Funding

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

Formula funds include the following: Urbanized Area Formula program (UAFF), 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 received \$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 \$1.78 billion (5.2 % of total sources of funds) through FY 2042.

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)

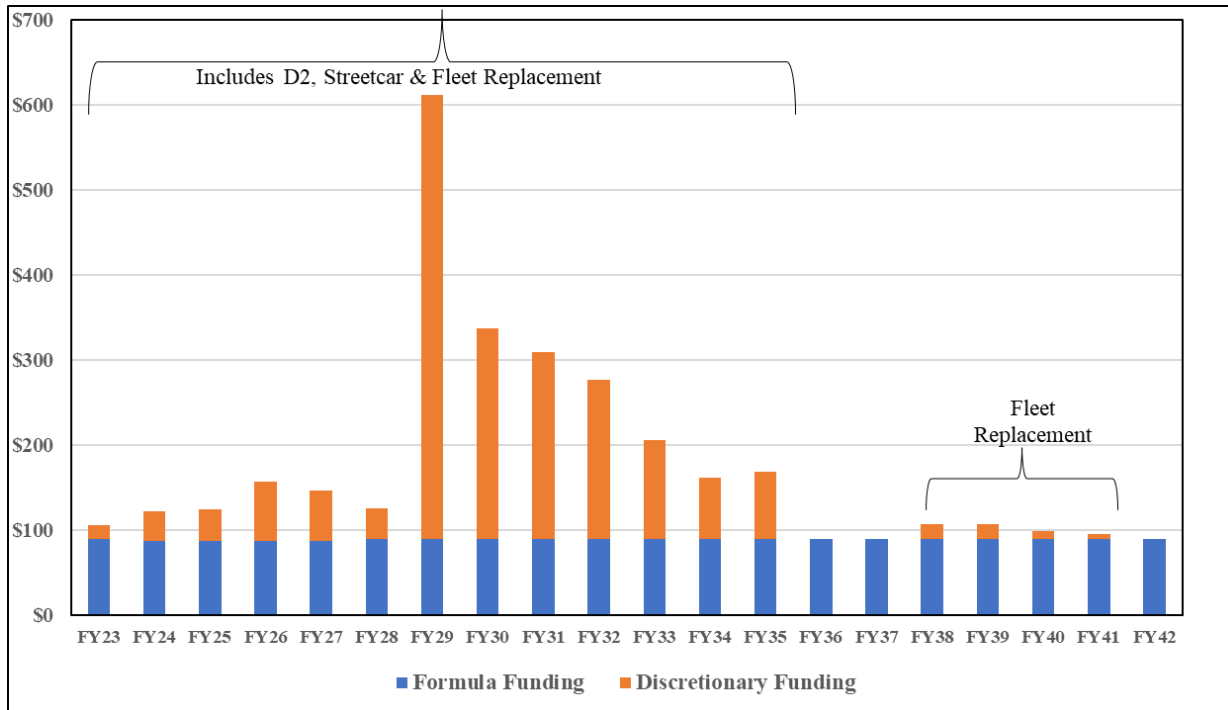
Discretionary federal funding comprises \$1.75 billion (5.1% of total sources) through FY 2042. This is a \$547.1 million (5.7%) increase over the FY 2022 Plan. The increase is primarily due to a larger grant value assumption for the second rail corridor through downtown Dallas (D2). The FY 2023 Plan assumed a \$1.434 billion grant for the D2 subway. If the grant is awarded the money will be expected to be received between 2029 and 2035.

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 \$216 million mainly for core capacity and streetcar system expansion and various projects (2023 – 2027), \$97 million between 2028 and 2042 for replacement of the bus and commuter rail vehicle fleets.

Exhibit 46 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 46: Anticipated Capital Grant Funding (FY 2023 – FY 2042) (\$ in Millions)



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

DART plans to issue approximately \$3.5 billion in new long-term debt over the next 20 years. The issuances include \$1.4 billion during FY 2026 - FY 2032 for D2 & Streetcar Line mentioned above, \$1 billion for light rail vehicle rehab and replacement, and \$186 million for the Silver Line project.

The long-term debt issuance also includes \$148 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 for construction of the Silver Line. Approximately \$50,000 of which has been received to date.

Commercial Paper Issuances (line 7 of the Financial Plan)

DART will issue \$400 million through 2028 as initial funding 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.

DART has a bank-backed CP program with a maximum authorization of \$125 million. The bank-backed CP program is a program that has a third-party bank that promises to provide the funds if the seller cannot repay them. The third-party bank

provides a revolving credit facility or letter of credit dedicated to commercial paper note repayments.

The 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. And lastly, 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. Under the CPSL an investor that purchases a commercial paper note from DART has an expectation that when the note matures DART will return the par value of the note plus interest. DART maintains a reserve balance of at least two-time the CPSL debt service outstanding to repay CP notes. The ability to meet DART's CPSL debt service obligation is monitored by rating agencies and is reflected in the DART's short-term debt rating.

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 \$519.3 million between FY 2023 and FY 2042 and represent 1.5% of total sources of funds for that same period. This category of funds increased \$5.0 million (1.7%) compared to the same period in the FY 2022 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)

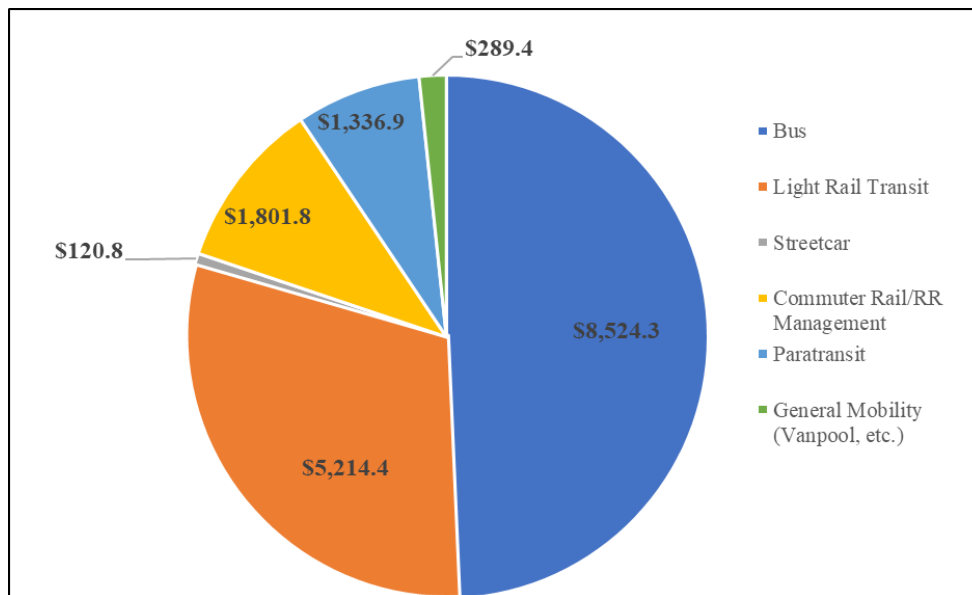
DART implemented a complete Bus Network Redesign effective January 2022 consistent with the FY 2022 Budget and 20-year financial plan. Looking a little further down the road, the Plan includes even more service enhancements; a new infill station along the Orange Line in Irving (Loop 12), Commuter Rail 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 2023 through FY 2042 are projected to be approximately \$17.3 billion, an increase of \$1.9 billion (12.6%) from the amount in the FY 2022 Plan over the same period of time, primarily due to service changes of DARTzoom and the compensation study implementation. DART’s FY 2023 Operating Budget is \$637.9 million, which is \$57.5 million greater than the FY 2022 operating budget of \$580.4 million.

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 47: Operating Expenses by Mode FY 2023 – FY 2042 (\$ in Millions)



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

Exhibit 48 compares the projected 20-year modal operating expenses (2023 - 2042) based on the Proposed FY 2023 Financial Plan.

Exhibit 48: 20-Year Modal Expense Comparison FY 2023 – F Y 2042 (\$ in Millions)

| | FY22 FP | Proposed FY23 FP | \$ Variance FY22 to FY23 | % Variance FY22 to FY23 |
|---------------------------------|-------------------|---------------------|-----------------------------------|----------------------------------|
| Bus | \$7,598.1 | \$8,524.3 | \$926.2 | 12.2% |
| Light Rail Transit | 4,697.0 | 5,214.4 | 517.5 | 11.0% |
| Streetcar | 138.3 | \$120.8 | (17.4) | (12.6%) |
| Commuter Rail/RR Management | 1,541.7 | \$1,801.8 | 260.1 | 16.9% |
| Paratransit | 1,323.0 | \$1,336.9 | 13.9 | 1.0% |
| General Mobility - TDM/GoLink* | 55.4 | \$289.4 | 234.1 | 422.8% |
| Total Operating Expenses | \$15,353.4 | \$17,287.7 | \$1,934.3 | 12.6% |

* The General Mobility -TDM is replaced by GoLink in FY 2023. The Vanpool service was suspended during FY 2022. 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.

Bus expenses represent the largest modal portion of DART's operating costs (49.3%) over the next twenty years. Twenty-year bus modal costs have increased by \$926.2 million (12.2%) from the FY 2022 Financial Plan as a result of service changes (DARTzoom and the impact of the cost per mile and hour (fuel and labor)).

Light rail operating costs have continued to represent an increasing percentage of DART's budget. FY 2023 Light rail operating costs have increased by 30.2% from the FY 2022 budget, mainly due to the impact of cost per mile and hour and the service impact of DARTZoom.

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.

The Proposed FY 2023 Operating Budget includes funding to equalize operating days and hours for GoLink service starting in early 2023; all 30 GoLink zones would operate 5am-Midnight seven days per week, matching current local bus service standards. DART will also expand the GoLink zone-to-zone pilot program, which allows customers to travel between different GoLink zones in certain situations and locations.

Capital and Non-Operating Expenditures (lines 18 – 29 of the Financial Plan)

Exhibit 49, below, compares capital expenditures by mode for the 20-year period 2023 – 2042 from the FY 2023 Plan to the FY 2022 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 49: Comparison of 21-Year Capital Expenditures (2023 – 2042) (\$ in Millions)

| Description | FY22 FP | Proposed FY23 FP | \$ Variance FY22 to FY23 | % Variance FY22 to FY23 |
|--|------------------|------------------|--------------------------|-------------------------|
| Agency-Wide | \$517.5 | \$641.8 | \$124.3 | 24.0% |
| Bus | 1,228.6 | 1,397.9 | 169.3 | 13.8% |
| Light Rail Transit | 4,046.2 | 4,932.2 | 886.0 | 21.9% |
| Streetcar | 104.8 | 104.8 | 0.0 | 0.0% |
| Commuter Rail/RR Management | 1,212.9 | 1,789.3 | 576.4 | 47.5% |
| Paratransit | 5.1 | 4.6 | (0.4) | (8.8%) |
| General Mobility - Road Impr./ITS | 20.0 | 20.0 | 0.0 | 0.0% |
| Non-Operating | 22.4 | 65.6 | 43.2 | 192.7% |
| Capital P & D, Start-Up | 376.3 | 424.9 | 48.6 | 12.9% |
| New Programs (Distribution to Service Area Cities) | 15.0 | 214.3 | 199.3 | 1,328.5% |
| Ridership Improvement | 0.0 | 110.3 | 110.3 | n/a |
| Total Capital Expenditures | \$7,548.7 | \$9,705.7 | \$2,156.9 | 28.6% |

Capital and Non-Operating expenditures are budgeted at \$854.1 million for FY 2023 and \$9.7 billion for the 20 years through FY 2042. This is 28.6% more than the FY 2022 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 52, on page 213.



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 \$20.0 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 \$4.9 million in FY 2023 and \$65.6 million through 2042.

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 \$16.0 million for FY 2023 (1.7% of the operating budget), and \$424.9 million over the 20-year period of the Plan.

There are no Start-up expenses programmed for 2023. Start-up costs over the life of the plan total \$23.3 million, including costs for the Silver Line, D2 and the Dallas Streetcar expansion.

New Programs (Distribution to Service Area Cities) (line #27 of the Financial Plan)

This year, the budget and financial plan includes a \$214.3M budget from the excess Sales Tax Revenue Funds in the Fiscal Year 2023 Budget and Fiscal Year 2023



Twenty-Year Financial Plan for Board Consideration for Allocation of Funds to Service Area Cities for the public transportation system or for complementary transportation system purposes consistent with Chapter 452 of the Texas Transportation Code.

During the COVID pandemic, DART received federal relief operating funds which the agency used according to federal guidelines for COVID-related supplies and cleaning, as well as regular operating expenses, and to replace fare revenue. As a result of these federal funds, DART did not utilize all sales tax collections. These offset sales tax revenues, previously unallocated, will now be distributed to the cities to be used for the public transportation system or complementary transportation system purposes which include:

- Special transportation services for a person who is elderly or has a disability,
- Medical transportation services,
- Assistance in street modifications as necessary to accommodate the public transportation system,
- Any other service that complements the public transportation system, including providing parking garages

Ridership Improvement (Security, Cleanness and Reliability) (line 28 of the Financial Plan)

The Mobility Assistance and Innovation Funds (MAIF) established in FY 2021 has a balance of \$110.3M as of December 31, 2021. The Board has directed staff to allocate the funds in the Fiscal Year 2023 budget & Twenty-Year Financial Plan for the purpose of providing on an equitable basis enhanced security, cleanliness, and reliability of the DART System.

State-of-Good Repair (SGR) 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 2023 Financial Plan includes \$5.76 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 59.4% of the total 20-year capital project expenditures.

Capital Projects Summary

The capital projects for FY 2023 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 2023 Financial Plan includes \$3.5 billion for expansion (the Silver Line, D2 and Streetcar Expansion), and \$5.76 billion for maintenance/SGR.

Exhibits 50 and 51 provides summaries of all capital projects in the FY 2023 Plan.

Exhibit 50: Capital Projects Summary (\$ in thousands)

| Maintenance, Replacement, and Improvement | | | | |
|--|------------------|----------------------|-----------------------|-----------------------------------|
| Category | FY 2023 | 20-year Total | External Funds | Operating Expense (Saving) |
| Agency-Wide | | | | |
| Administrative Building | \$3,575 | \$81,262 | \$0 | \$0 |
| Communication/ Information Systems | 22,513 | 447,148 | 0 | 0 |
| Fare Revenue Collection Equipment | 905 | 1,852 | 0 | 0 |
| Maintenance Building | 4,464 | 27,685 | 0 | 0 |
| Passenger Stations | 325,897 | 327,534 | 0 | 0 |
| Service Vehicles (non-revenue) | 1,702 | 80,930 | 0 | 0 |
| Total Agency-Wide | \$359,055 | \$966,411 | \$0 | \$0 |
| Bus | | | | |
| Administrative Building | \$0 | \$1,065 | \$0 | \$0 |
| Communication/ Information Systems | 415 | 118,218 | 0 | 5,509 |
| Fare Revenue Collection Equipment | 0 | 34,946 | 0 | 0 |
| Guideway | 0 | 37,138 | 0 | 0 |
| Maintenance Building | 3,851 | 99,844 | 0 | 46 |
| Passenger Stations | 1,716 | 71,857 | 0 | 1,867 |
| Revenue Vehicles | 4,231 | 1,034,783 | \$94,773 | 1,087 |
| Total Bus | \$10,212 | \$1,397,850 | \$94,773 | \$8,509 |
| Commuter Rail | | | | |
| Communication/ Information Systems | \$0 | \$51,782 | \$26,002 | \$0 |
| Guideway | 2,837 | 252,073 | 134,973 | 0 |
| Maintenance Building | 710 | 64,979 | 7,603 | 0 |
| Passenger Stations | 0 | 38,417 | 0 | 0 |
| Revenue Vehicles | 5,163 | 338,590 | 162,979 | 0 |
| Total Commuter Rail | \$8,710 | \$745,842 | \$331,556 | \$0 |



Exhibit 51: Capital Projects Summary (\$ (in thousands))

| Category | FY 2023 | 20-year Total | External Funds | Operating Expense (Saving) |
|---|------------------|--------------------|--------------------|----------------------------|
| LRT | | | | |
| Administrative Building | \$5,957 | \$24,886 | \$0 | \$0 |
| Communication/ Information Systems | 6,703 | 117,578 | 1,387 | 330 |
| Fare Revenue Collection Equipment | 0 | 46,147 | 0 | 0 |
| Guideway | 3,965 | 124,416 | 0 | 0 |
| Maintenance Building | 12,410 | 183,647 | 0 | 0 |
| Passenger Stations | 10,764 | 293,183 | 14,471 | 0 |
| Revenue Vehicles | 476 | 1,819,345 | 0 | 0 |
| Service Vehicles (non-revenue) | 569 | 17,791 | 0 | 0 |
| Total LRT | \$40,845 | \$2,626,993 | \$15,858 | \$330 |
| Paratransit | | | | |
| Maintenance Building | \$340 | \$4,614 | \$1,242 | |
| Total Paratransit | \$340 | \$4,614 | \$1,242 | \$0 |
| Streetcar | | | | |
| Revenue Vehicles | \$0 | \$1,593 | \$1,593 | \$0 |
| Total Streetcar | \$0 | \$1,593 | \$1,593 | \$0 |
| Road Improvement | | | | |
| Total Guideway Road Improvement | \$4,363 | \$19,977 | \$0 | \$0 |
| Total Maintenance, Replacement and Improvement | \$423,526 | \$5,763,280 | \$445,022 | \$8,839 |
| Non-Operating | | | | |
| Total Other | \$4,888 | \$65,602 | \$0 | \$0 |
| LRT | | | | |
| D2 | \$32,175 | \$2,305,256 | \$1,434,403 | \$18,119 |
| | \$32,175 | \$2,305,256 | \$1,434,403 | \$4,893 |
| Commuter Rail | | | | |
| Silver Line | \$373,301 | \$1,043,441 | \$39,996 | \$23,807 |
| | \$373,301 | \$1,043,441 | \$39,996 | \$23,807 |
| Streetcar | | | | |
| Streetcar Link & Northern Extension | \$4,266 | \$103,194 | \$55,097 | \$3,296 |
| | \$4,266 | \$103,194 | \$55,097 | \$3,296 |
| Total Expansion | \$409,742 | \$3,451,891 | \$1,529,496 | \$31,996 |
| Additional Capital-Related Costs | | | | |
| Total Capital P&D, Start-up Costs | \$15,959 | \$424,900 | \$0 | \$0 |
| Grand Total | \$854,115 | \$9,705,672 | \$1,974,519 | \$40,835 |

FY 2023 Major Capital Project List

Exhibit 52 contains a listing of major capital projects with their budgeted costs.

Exhibit 52: Major Capital Projects (\$ in Millions)

| # | Project Description | Total Project Budget |
|----|---|----------------------|
| 1 | Second Downtown Rail Line (D2) | \$2,363.5 |
| 2 | Silver Line Construction | 1,899.0 |
| 3 | TRE Vehicle Replacement | 295.1 |
| 4 | Red and Blue Lines Platform Level Boarding | 192.3 |
| 5 | Dallas Central Streetcar Link | 96.2 |
| 6 | Amenity Replacement and Expansion | 49.5 |
| 7 | CROF and NWROF Facility Upgrades | 32.8 |
| 8 | COMMS P25 Radio System Upgrade | 30.0 |
| 9 | City Place Escalator Replacement | 27.1 |
| 10 | Walnut Hill- Design & CM service-PH2 | 25.3 |
| 11 | Consolidated Dispatch Facility | 15.0 |
| 12 | Bus Onboard Passenger Information System | 12.0 |
| 13 | Loop 12 Station | 12.0 |
| 14 | 35ft Battery Electric (EV) Long Range Buses | 11.7 |

Dallas CBD Second Light Rail Alignment (D2 Subway)

Total Budget: 2,363,472,478

Funding Source(s): Grant: \$1,434,402,860; Debt/General Fund: \$929,069,618

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 North Central Corridor just north of the Southeast Junction. It would increase LRT capacity through Downtown Dallas, relieving congestion on the existing Bryan/Pacific Transit Mall and on the Downtown junctions, and increase capacity systemwide. It also would enhance operational flexibility and serve new markets.

An Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS) was completed in May 2010. The second phase of the AA effort was completed under an FTA grant to address comments and suggestions received during the AA/DEIS. That effort culminated with the DART Board's selection of a Locally Preferred Alternative (LPA) in September 2015. That decision led to the initiation of Project Development (PD) on the LPA in early 2016. On October 25, 2016, the Board approved the FY 17 Financial Plan, which included \$1.3 billion for development of an all-subway D2. This action marked a departure from the direction previously provided with the selection of the LPA. The new direction required a refinement of the LPA, where options that had been considered during the original AA/DEIS and possibly other corridors would be evaluated. This effort concluded with the Board approval of the Commerce via Victory/Swiss



Alternative as the LPA on September 26, 2017. PD was re-initiated on the new LPA in Fall 2017. On March 20, 2018, FTA denied DART's request to extend PD to November 2019. At the same time, it withdrew the project from the Capital Investment Grant (CIG) program. FTA recommended that DART reapply to enter their Engineering phase after all required activities were completed.

The Project Development effort on the Commerce via Victory/Swiss Alternative, which included Preliminary Engineering to 30% design and a FEIS/ROD was completed on April 9, 2021. On March 24, 2021, the Dallas City Council approved the western half of the alignment (referred to as Zone A) but directed that staff review D2 project refinements, enhancements, and/or modifications for the area in Zone B

(eastern half of the alignment). In response, DART jointly completed the evaluation with TxDOT, the City of Dallas, and NCTCOG between May and September 2021. This effort concluded with the approval of a preferred alignment (Option 3-7a) for the eastern half of the project which is reflected on the project map as the revised LPA. The revised LPA was approved by both the Dallas City Council and the DART Board on February 9 and February 22, 2022, respectively.

Assumptions in the initial FY 21 Twenty-Year Financial Plan reflected \$1.4 billion project cost and a conservative \$650 million external grant. The 30% project cost estimate is \$1.7 billion (2021\$) and \$1.9 billion (YOE). The Financial Plan was amended on May 25, 2021, to reflect the most recent estimate.

Project Status

The last Capital Investment Grant (CIG) Core Capacity submittal in September 2017 was based on the Commerce Alternative. The D2 submittal and project received a Medium-High rating. A submittal was made on August 27, 2021, to obtain an updated project rating to support Entry into Engineering. Upon conclusion of the technical phase of the East End Evaluation, DART submitted a letter to FTA on October 20, 2021, informing them about the postponement of the request to Enter the Engineering phase of the D2 Subway project.



As part of the request to enter Engineering, DART submitted several draft Readiness Documents to FTA. These documents include Project Management Plan (PMP), Risk and Contingency Management Plan, Constructability Review Report, Risk Register, Value Engineering Report, and an Independent Cost Review (ICR).

These documents can be refreshed and updated when DART decides to move the project back into the CIG program.

The current project status is focused on preparing a scope of work to advance the new east end alignment to 30% design and gain environmental clearance. This would start summer of 2022 and be an 18–24-month process and include a new cost estimate. The DART Board will continue discussions on project timing. During this timeframe, opportunities for corridor preservation will be discussed and brought to the Board for consideration.

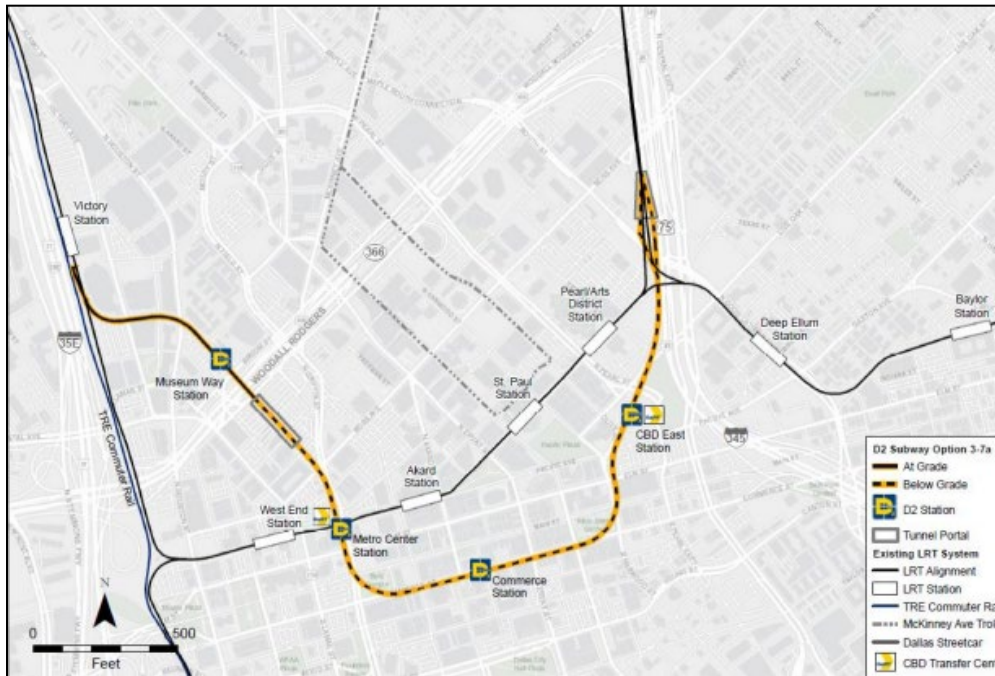
Project Issues

Key issues include the potential inclusion of non-revenue track in the Victory Park area and Board direction on corridor preservation opportunities.

DART is also taking the necessary steps to amend the Service Plan.

Agency technical and legal staffs from TxDOT, NCTCOG, City of Dallas, and DART continue to work on the finalization of an Interlocal Agreement/Memorandum of Understanding for review and approval by their respective decision-making bodies (DART Board, Dallas City Council).

Map-Revised LPA (approved 2/22/22)



Silver Line Corridor Regional Rail Project

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

Funding Source(s): Grant: \$144,325,599;

Funding Partners/Debt/General Fund: \$846,674,401; Railroad Rehabilitation & Improvement Financing (RRIF): \$908,000,000

Project Description

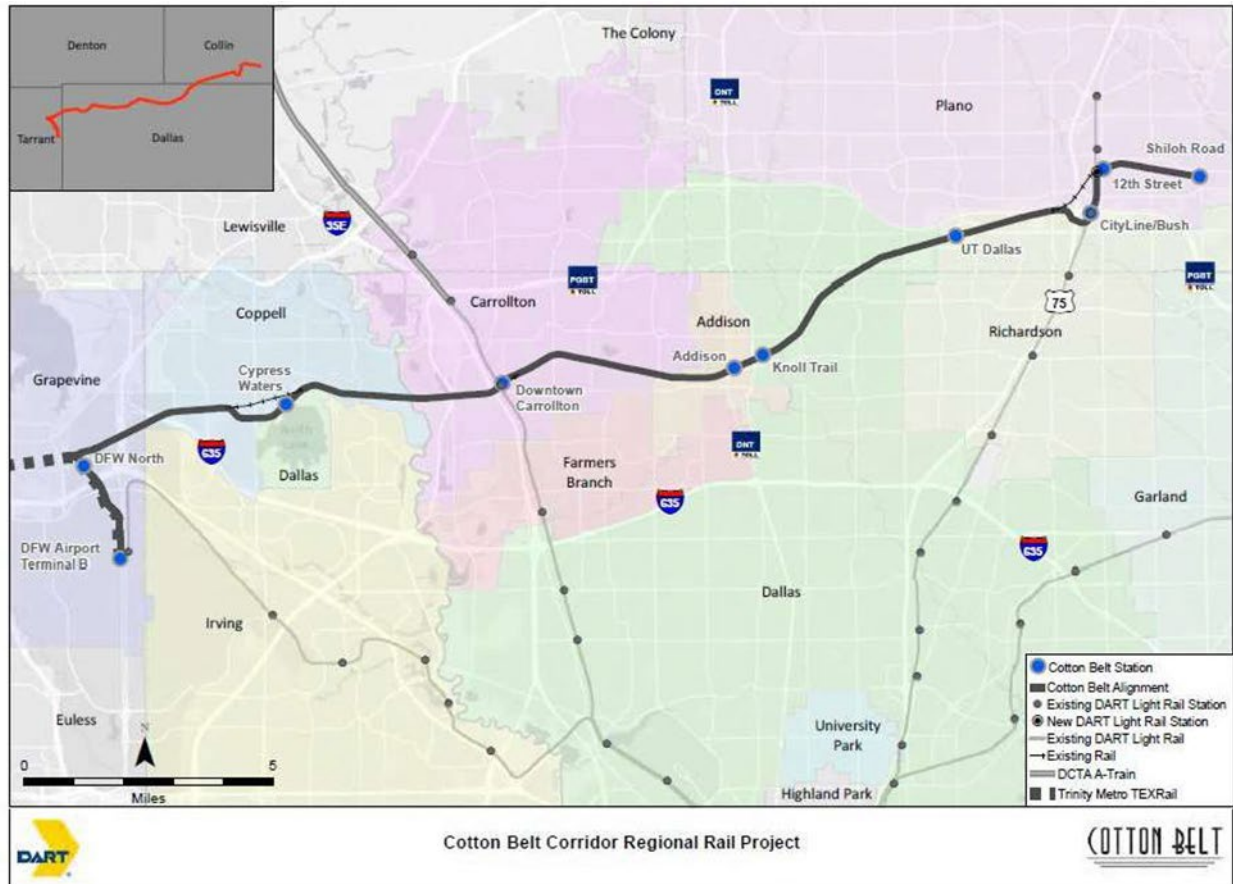
The 26-mile regional rail Silver Line (aka Cotton Belt) Corridor extends from Dallas-Fort Worth International Airport (DFWIA) through the northern portion of the DART Service Area to Shiloh Road in Plano. The corridor passes through the cities of Grapevine, Coppell, Carrollton, Addison, Dallas, Richardson, 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 the oversight of the Silver Line Project. The Federal Transit Administration (FTA) serves as the 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. 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 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. Bi-annual meetings are being conducted to update the public on construction progress and discuss Landscaping betterments. These meetings started in June 2021. The design-builder is progressing the design development including the current status as reflected in the table below.

| Design Packages | Qty | 100% Submittal | | IFC Submittal | | RFC* Submittal | | Takeoffs @ IFC | Forecast Updated |
|----------------------------|------------|----------------|------------|---------------|------------|----------------|------------|----------------|------------------|
| | | Qty | % | Qty | % | Qty | % | | |
| Franchise Utilities | 67 | 67 | 100% | 64 | 96% | 64 | 96% | 64 | 64 |
| Standards & Specifications | 5 | 5 | 100% | 5 | 100% | 5 | 100% | 5 | 5 |
| Guideway | 16 | 16 | 100% | 16 | 100% | 14 | 88% | 16 | 16 |
| Bridges | 34 | 34 | 100% | 34 | 100% | 31 | 91% | 31 | 31 |
| Stations | 11 | 11 | 100% | 11 | 100% | 10 | 91% | 10 | 10 |
| Systems | 117 | 28 | 24% | 13 | 11% | 12 | 10% | Sub | Sub |
| TOTALS | 250 | 161 | 64% | 143 | 57% | 136 | 54% | 126 | 126 |

* 39 Approvals are conditional pending 3rd party approval

Construction of the Phase I 60" water line at the new Mercer Yard is completed and Phase II is in progress. Franchise utility relocations continue to progress along the corridor with grading and grade beam installation at various stations. Bridge construction has also commenced.

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. The design of the Coit and Hillcrest intersections are in RFC stage and awaiting City of Dallas permitting to start construction. City has requested Hillcrest to be redesigned from 6 lanes to 4 lanes. This change to scope is being negotiated with the design-builder.

Discussions are being held with TxDOT and the City of Richardson on the aesthetic arch for the US 75 bridge in the City of Richardson. Conceptual designs are complete. DART is discussing plans and funding considerations for execution of the next phases of the project including final design and construction. Final design negotiations have been completed and final design is in progress. Construction activities for the basic bridge structure, including bridge pier installation, are in progress.

Along with a Financial Plan Amendment, DART sought DART Board authorization to create an allowance and a supplemental contract contingency in the design-builder's contract to address the known and anticipated 59 changes requested by the design-builder. DART Board approved the financial plan amendment and

addition of \$237 MM to AWH's contract as an allowance for the changes noted in May 2021. The individual changes are under negotiations with the design-builder.

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 2019, 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 December 2021, car bodies for the first four vehicles and the trucks for the first three vehicles had been completed and delivered to Salt Lake City, UT for assembly. The car bodies for vehicles 5 and 6, and the trucks for vehicle 4 were shipment to Salt Lake City. Vehicle final assembly is in progress in Salt Lake City with the production of vehicles 1 and 2 being 65% and 40% complete, respectively.

Due to the significantly high Irving EMF construction cost estimates received from the CM/GC, a decision has 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.

In October 2021, the DART Board approved a resolution authorizing the President & Chief Executive Officer to enter an ILA with DCTA for the expansion of the DCTA's OMF in support of the receiving, testing, and commissioning, as well as the operations and maintenance of the Silver Line vehicles. As of December 2021, an ILA and a lease agreement were being developed for the expansion and use of the DCTA facility.

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, Boring, and SUE investigations on airport property. Legal staff from DART and DFW are working on the final version of key agreements to allow DART's contractor to enter into and begin work on DFW property. On September 17, 2021, DART received a letter from DFW authorizing construction of the DART Silver Line

facilities to commence on all DFWIA property. DFW approved a compensation agreement that must be approved by the cities of Dallas and Fort Worth to convey the parcels required for the Silver Line. Final plan approval by DFW will trigger to issue a permit allowing the start of construction by contractor while the easements are being approved by the cities, minimizing construction delays.

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. KCS agreements have been drafted and are under review by railroads and DART. DART continues to work through third-party agreements with the railroads. DGNO agreement is finalized, and KCS Transitional Operation Agreement was also completed. KCS requests at-grade configuration; DART response is under consideration. UPRR/FWWR agreement for October 2021 is tracking late and is now anticipated to be completed in February 2022. On August 31, 2021, all parties reached an agreement on siding approach, freight issues, and alignment on the 4th Amendment.

The operating agreement is under negotiation with UPRR/FWWR and BNSF.

Agreements with Service Area Cities

Discussions are ongoing to develop agreements with Jurisdictional Authorities to address design requirements, design review, responsibilities, and funding mechanisms. DART is working with the design-builder to align anticipated dates for agreements with the project schedule.

DART is also progressing an ILA with the City of Carrollton and amendments to ILAs with the cities of Plano and Richardson, as well as following up with the City of Coppell on executing an agreement.

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 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). Thirty percent (30%) design has been completed and reviewed by all parties. The 100% design was authorized and is in progress. Changes to the design-build contract being explored include the

following: Based on review of 30% Design, dated August 30, 2021, stakeholders including NCTCOG, Coppell, Carrollton, Dallas, and Richardson are exploring changes to alignment in five locations that, in some cases, will eliminate or reduce bridges, with resultant changes to design schedule:

- Change from February 28, 2022; Change to July 22, 2022 – Anticipated date of 100% Design Submittal
- Change from June 7, 2022; Change to October 21, 2022 – Anticipated date of Issuance for Construction for solicitation of Phase 2 construction
- Phase 1 Construction with design-builder with the original budget
 - Original DNT Bridge
 - Add Dallas Bridges (White Rock Creek, Osage Creek near Park, Hillcrest)
- Add Plan Bridges and Street Crossings
- Phase 2 Construction of key bridges with another contractor with original funding phases 3 Construction of remainder of trail with funding and schedule to be determined

City of Dallas Design Issue

The 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. City of Dallas continues to withhold issuing construction permits. City has now released most of the design reviews and permits but continues to hold permit for the Cypress Waters Station. City is also holding design approval for several intersections including McCallum and Hillcrest.

Acquisition of New TRE Fleet

Total Budget: \$ 295,142,038.

Funding Source(s):50% Grant. All local funding will be shared equally by DART and Trinity Metro (50% DART and 50% Trinity Metro)

Project Description

TRE proposed to replace the current aging fleet with 10 new diesel-electric locomotives, 10 new bi-level cab cars, and 17 new bi-level coach cars. This acquisition will be bifurcated between a locomotive procurement and a procurement for passenger cars. DART will issue a competitive solicitation for the purchase of 10 new diesel-electric locomotives. A separate solicitation will be issued for the purchase of the 10 new bi-level cab cars and 17 new bi-level coach cars.

Project Status

This project has yet to be approved by either DART or Trinity Metro. Once the project is approved by both Transit Authorities, a statement of work will be prepared for each of the two solicitations and the procurement process will commence.

With an October 1, 2022, project approval, it is possible to complete the steps necessary to award the first of the two procurements as early as November 1, 2023.

Project Issues

The number of "buy America, FRA compliant" locomotive manufactures available to bid on the locomotive acquisition is sufficient to satisfy a competitive solicitation. However, there are no "buy America, FRA compliant" passenger car manufactures available to offer a bi-level passenger vehicle compatible with the current fleet TRE will retain for operations. Bombardier/Alstom is manufacturing newer model Bi-level coach and cab cars at their Thunder Bay facility in Ontario, Canada. TRE has an outstanding case for a Buy America waiver given the characteristics of our ridership and the construct of our infrastructure. However, it appears the Biden/Buttigieg USDOT has informally frozen the waiver process and is not entertaining waivers for rolling stock.

Red and Blue Lines Platform Level Boarding

Total Budget: \$192,306,151

Funding Source(s): Sales Tax

Project Description

Station platform modifications are required at 23 existing Red and Blue Line platforms to raise the boarding area from 8 inches above top of rail to 15-½ inches above top of rail to accommodate new level boarding at light rail vehicles that will facilitate level boarding at every door of every car of the new vehicle. The project includes, but is not limited to, removal of existing unit pavers and setting bed (or other platform finishes); removal and replacement of glass fiber reinforced concrete (GFRC) warning strips; surface preparation and concrete fill at existing slab on grade; repairs, modifications, and resetting to uncovered elements and amenities such as grounding wire, seating, and trash receptacles, and rework to sloped walkway at end of platforms to maintain accessible paths; and resetting unit pavers and platform finishes. The project construction will be phased to accommodate pedestrian traffic controls and ongoing service using different train berthing locations.

Project Status

This project is in pre-design and project initiation phase. The design for a recently completed project at 8th and Corinth and other stations will serve as a guide for design at the remaining 23 stations.

Project Issues

This project is required to support the new LRV fleet procurement program. Based on the preliminary schedule for fleet replacement prepared by AECOM dated 2nd Quarter 2022, DART will accept the first vehicle of new fleet in January 2026. Otherwise, new fleet vehicles will be limited to use on the Green Line and older vehicles will need to remain in service for longer period to serve the Red, Blue, and Orange Lines.

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 of Dallas 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 city review of the Convention Center Loop design/cost to determine if all or part of the project will be integrated into Central Link.

Completion of the Draft Streetcar Master Plan in Summer 2022, pending Dallas city staff and council feedback.

Timely approval of request to enter Project Development once submitted to FTA, anticipated in 2023, pending City of Dallas O&M funding sources study in 2022, and coordination with the D2 Subway project.

Amenity Replacement and Expansion

Total Budget: \$ 49,498,746.00

Funding Source(s): General Fund

Project Description

Amenities at bus stops allow for the following benefits: provide passenger convenience, increase ridership, and support the 5 Star Service Program. The amenity expansion program is a DART Board goal and additional capital funding is needed to allow it to continue.

The project scope is to reinstall 554 amenities discontinued because of DART Zoom at existing bus stops that meet the 2021 Service Standards amenity warrants. Also, it is to allow for 250 next generation shelters, 300 free standing lights and 455 next generation benches to be purchased and installed at stops that meet the warrants.

Project Status

Amenity pads, sidewalks, and ADA ramps must be constructed before amenities can be installed. These items will be constructed as part of the On Call Construction contract which was approved by the DART Board of Directors in June 2022. The existing and new amenities will be installed via the new amenities contract that was approved by the DART Board of directors in April 2022.

We have partnered with the University of Texas-Arlington School of Architecture to develop the next generation shelter design. The design kick off will begin on August 22nd.

Project Issues

Without approval of the requested capital funding of \$49,498,746 none of the above improvements cannot be implemented within the timeframe of Board mandate.

CROF and NWROF Facility Upgrades

Total Budget: \$32,750,030

Funding Source(s): Sales Tax \$21,967,088, General Fund \$10,728,942

Project Description

Facility upgrades are required for the Service and Inspection Buildings at CROF and NWROF to accommodate new level boarding light rail vehicles. It is anticipated that the new vehicle configuration will include additional roof-mounted equipment. Facility upgrades include, but are not limited to, furnish, and install specialized wheel truing equipment, 3-ton cranes, modifications to foundation and floor to support new equipment and cranes, workshop modifications, fall protection, other modifications recommended by car-builder.

Project Status

This project is in the pre-design and project initiation phase. The project scope outlined above is based on a needs assessment report, dated March 2022, prepared by AECOM for DART Engineering.



Project Issues:

This project is required to support the new LRV fleet procurement program. Based on the preliminary schedule for fleet replacement prepared by AECOM dated 2nd Quarter 2022, DART will accept the first vehicle of new fleet in January 2026.



COMMS P25 Radio System Upgrade

Total Budget: \$30,000,000

Funding Source(s): State of Good Repair (SGR) Reserve

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) has provided DART Procurement with a Fixed Firm Price. Procurement has processed a Sole Source contract with a NTE of \$26,950,000. This contract passed the first DART Board review on May 10th by a consent vote. The next Board meeting is May 24th where the contract will be voted for final approval. There are some secondary project tasks that DART will conduct outside of the L3Harris contract that will be funded with the remaining balance of the capital project amount.

Project Dependency

DART has sold its 900 MHz radio spectrum to Anterix as part of an FCC mandated frequency reband. Due to this contract, DART is obligated to vacate this spectrum by December 31st, 2023. The DART Bus Operations group, which currently operates on 900 MHz, will be moved to 800 MHz as part of this P25 Radio System Upgrade.

City Place / Uptown Station Escalator Replacement

Total Budget: \$27,093,122

Funding Source(s): SGR Reserve: 24,720,000 General Fund: \$2,373,122

Project Description

The six escalators at the City Place/ Uptown Station were installed when the station was built in 1997. The escalators are aging and include a controller that was designed by the O&K Escalator Company which is no longer in business. The software and hardware components of the controller designed and provided by O&K are obsolete and not currently supported.

There are no direct replacement components or spare parts for this type of escalator controller. We are having difficulty keeping the escalators running and finding parts to repair the escalators overall. If we lose a controller, the escalator will be down indefinitely. This project is for a full replacement of all six escalators.

Project Status

The architects designed the City Place station with the longest escalators west of the Mississippi River. Everything is custom made for the size, duty cycle, stresses, weight, and usage. The escalators when originally installed were craned into place in three sections. We will not have that luxury. The new escalators will need to be built in place.

This will be an extremely labor-intensive endeavor that will take 6 to 8 months per unit. Not only do we need to install the new hardware, but we must also de-construct the existing units as we move through the project. We will also use the parts from the existing escalators as we replace them as spare parts for the remaining escalators until we have them all replaced. The overall project will take 3 to 4 years to complete from Notice to Proceed.

Project Dependency

DART will maintain and continue operations at the City Place/ Uptown station during this project. We will de-construct and replace one escalator at a time to minimize the impact to our patrons. However, it will still be a major inconvenience to our customers and there is nothing preventing another escalator from going down during the project. The alternative of doing nothing is not an option.



Walnut Hill – Design & CM Service – PH2

Total Budget: \$25,267,077

Funding Source(s): General Fund

Project Description

The project is a combined facility for DART NW Police Substation, Finance Count Room, and Agency Training facility located on DART property adjacent to the Walnut Hill/Denton Station on Green Line. The project includes a new 40,000 square-foot, single-story building on existing slab-on-grade and foundation of former building. Improvements to existing utility entrance and surface parking areas are included.

Project Status

This project is in the final design phase. The current approved project scope and budget is for final design services, related capital project support costs for design phase and future professional services for construction management and design services during construction, pending funding approval for construction phase. A Budget Revision has been submitted to incorporate construction cost and soft cost for construction phase, including capital support costs for construction safety oversight, quality management oversight, document control and configuration management, project controls, and testing, certification, and commissioning.

Project Issues

The existing training facility was destroyed following tornado event in fall of 2019. The NW Police Substation will facilitate efficient deployment of police resources in DART service area. The Finance Count Room and workshop will allow for relocation and expansion from existing space at DART HQ.

Consolidated Dispatch & Command Center [CDCC] Relocation

Total Budget: \$15,463,764

Funding Source(s): General Fund

Project Description

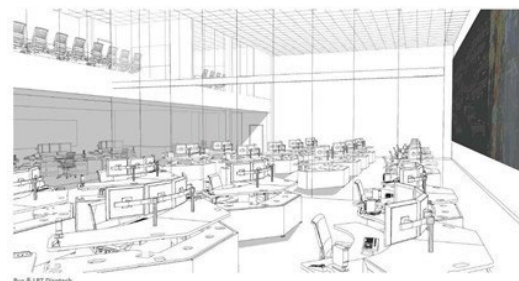
The Critical Functions Facility Project is intended to develop a facility with the following goals:

- Ensure all critical functions are sustainable and consistent with COOP/EOP
- 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% feasibility study, and a 30% design review in order to identify any fatal flaws in relocating the CDCC functions to NWROF. Finding that the CDCC relocation to NWROF is feasible and there were no identified fatal flaws, 100% design was authorized and completed in November 2021. Staff is currently pursuing construction of this project. The expected start date for construction is February 2023.



Bus Onboard Passenger Information System

Total Budget: \$12,015,000

Funding Source(s): General Fund

Project Description

Two (2) new Interior Visual Display Monitors, and one compatible controller will replace the existing interior monitors for enhanced communications during severe weather events and emergency notifications to DART riding public. DART is procuring a turnkey solution, where the OEM responsible for installation / integration function testing and validation. Training, Manuals, Spares are included in this capital request. This updated technology will also monitor the passenger cabin, so DART may assess whether passengers are still on the vehicle in case of an emergency.

Project Status

This project will be competed as a Request for Quote. In process by Procurement. Anticipated to go to the Board February 28, 2023, with Notice of Award March 7, 2023.

Loop 12 Rail Station

Total Budget: \$12,000,000

Funding Source(s): City of Irving

Project Description

DART and the City of Irving have discussed a future infill station along the operating Orange Line to serve future development at the former Texas Stadium site near Loop 12 in Irving. The City of Irving has coordinated with TxDOT and other parties to complete a bridge over SH 114 that incorporates site access improvements. DART's planning and design activities for the station will be initiated after an interlocal agreement (ILA) with the City of Irving is executed.





35ft Battery Electric (EV) Long Range Buses

Total Budget: \$11,669,094

Funding Source(s): SGR Reserve: \$11,669,094

Project Description

The project replaces the current 112 ARBOC Medium Duty Buses which were retired in 2022, to align with the revised projected Bus Fleet Reduction and Replacement Strategy. This will include a purchase of a minimum of ten (10) 35-foot, heavy-duty, battery electric (EV) buses and the supporting infrastructure. Infrastructure will include a minimum of five (5) dual-dispenser pedestal charging stations, plus installation and support.

Project Status

Procurement will be competed as a definite delivery, definite quantity, fixed firm price as a Request for Proposal. The Scope of Work will include costs for installation on all buses. The solicitation package is currently in process. Procurement is drafting the solicitation documents. Requisition is in review.

Project Dependency

Coordination will be required with the On-Call Construction group (Facilities and Systems Engineering) for the construction of concrete pads, wiring, and electric power supply for the chargers and dispensers.

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 a reserve balance 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 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 obligations and to access variable interest rates when the financial markets dictate that strategy to be advantageous. Long-term bonds are used as the final capital financing instrument for assets with a useful life of seven (7) years or more such as buildings and rail lines.

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. Currently, DART has up to a maximum authorized amount of \$375 million with plans to increase the authorization amount to meet DART's anticipated needs in fiscal year 2023.



DART has a bank-backed CP program with a maximum authorization of \$125 million. The bank-backed CP program is a program that has a third-party bank that promises to provide the funds if the seller cannot find a buyer. The third-party bank provides a revolving credit facility or letter of credit dedicated to commercial paper note repayments.

The Extendible CP program enables DART to issue up to \$125 million in 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.

DART has established a \$125 million maximum authorization Commercial Paper Self-Liquidity (CPSL) Program. Under the CPSL an investor that purchases a commercial paper note from DART has an expectation that when the note matures DART will return the par value of the note plus interest. DART maintains a reserve balance of at least two times the CPSL debt service outstanding to repay CP notes.

The ability to meet DART's CPSL debt service obligation is monitored by rating agencies and is reflected in the DART's short-term debt rating.

Additional CP issuances are planned 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 4.50% in 2023, decreasing to 3.25% by 2042.

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 DART’s best interest at that time.

Exhibit 53 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 53: FY 2023 Financial Plan Debt Assumptions Build America Bonds (BABs) and Federal Budget Cuts –

| Description | Paper (CP) | | Long-Term Debt (LTD) | |
|---|----------------------------------|--|----------------------|-----------------|
| | FY 2023 | 2024 - 2042 | FY 2023 | 2024 - 2042 |
| Term | Rolling for up to 7 years | Rolling for up to 11 years | 30 years | 30 years |
| Interest rates + fees | 4.50% | 3.25%-4.00% | 5.50% | 5.50% Fixed |
| Principal Repayment | \$0.00M | All outstanding (Self-Liquidity) CP is retired | \$78.00M | \$3.42B |
| New CP* / Total Long-Term Debt issued** | \$0.00M | \$400.00M | \$361.00M | \$3.15B |
| End of Year - Maximum debt outstanding | \$0.00M | \$400.00M | \$3.49B | \$6.64B |
| Year of maximum debt outstanding | n/a | FY 2025-2028 | 2023 | FY 2049 |
| Cash reserves required? | Yes | Yes | No | No |
| Uninsured Debt Rating assumed | A-1+/P-1 | A-1+/P-1 | AA+/Aa2/AAA | AA+/Aa2/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

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 2022, the expected subsidy was reduced by a total of \$16.1 million. Projecting future reductions based on the 2022 reduction percentage of 5.7%, DART

estimates that the total unrealized subsidy reduction is approximately \$10.3 million over the remaining 9-year period of the sequester.

Debt Service Costs (lines 30 - 35 of the Financial Plan)

Exhibit 54 illustrates debt service costs for all existing and projected debt issuances contained in the FY 2023 Financial Plan. Interest expense payments are shown net of the (BABs) subsidy, thus showing only DART’s net interest cost.

Exhibit 54: FY 2023 Financial Plan Principal and Interest Payments (\$ in Millions)

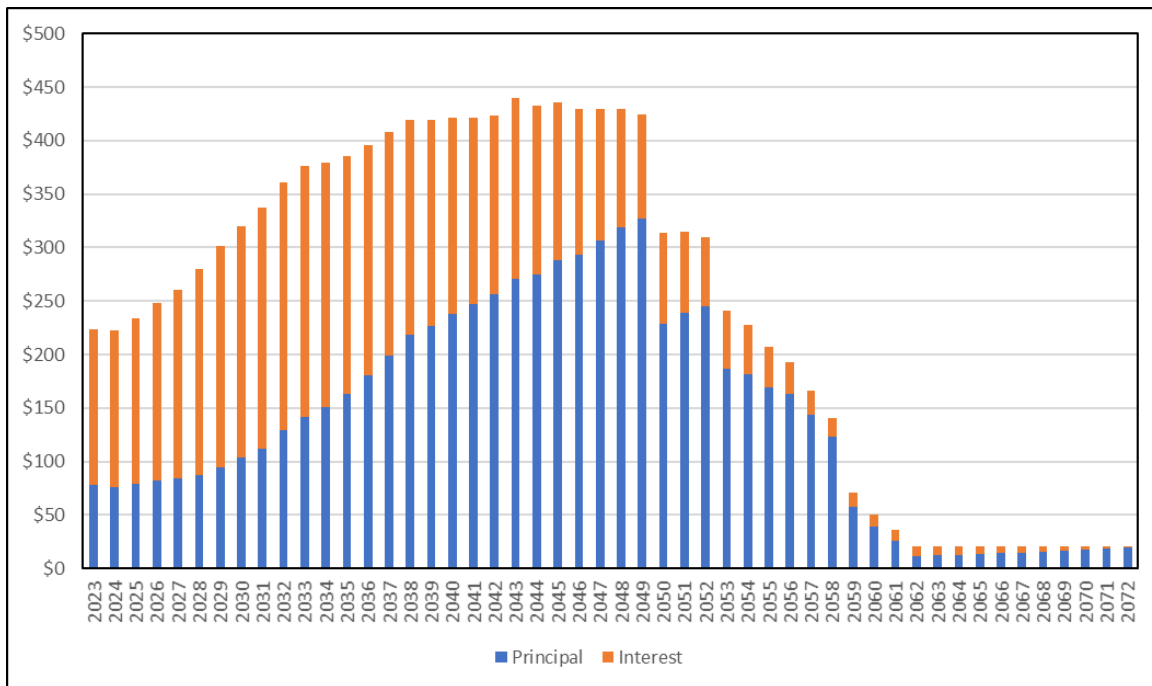


Exhibit 55: Interest Rate Assumptions 2023 – 2042

| Year | Commercial Paper Rate | Long-Term Debt Rate | Interest Income rate |
|------|-----------------------|---------------------|----------------------|
| 2023 | 4.50% | 5.50% | 3.00% |
| 2024 | 4.00% | 5.50% | 4.00% |
| 2025 | 3.50% | 5.50% | 3.50% |
| 2026 | 3.50% | 5.50% | 3.50% |
| 2027 | 3.50% | 5.50% | 3.50% |
| 2028 | 3.50% | 5.50% | 3.50% |
| 2029 | 3.50% | 5.50% | 3.50% |
| 2030 | 3.50% | 5.50% | 3.50% |
| 2031 | 3.50% | 5.50% | 3.50% |
| 2032 | 3.50% | 5.50% | 3.50% |
| 2033 | 3.50% | 5.50% | 3.50% |
| 2034 | 3.50% | 5.50% | 3.50% |
| 2035 | 3.50% | 5.50% | 3.50% |
| 2036 | 3.50% | 5.50% | 3.50% |
| 2037 | 3.50% | 5.50% | 3.50% |
| 2038 | 3.50% | 5.50% | 3.50% |
| 2039 | 3.50% | 5.50% | 3.50% |
| 2040 | 3.50% | 5.50% | 3.50% |
| 2041 | 3.50% | 5.50% | 3.50% |
| 2042 | 3.25% | 5.50% | 3.85% |



Supplemental Financial Information

Net Increase (Decrease) in Cash and Change in Balance Sheet Accounts (lines 37- 38 of 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 Balance Sheet for each of the twenty years of the Financial Plan is included in exhibits 56 & 57.

Exhibit 56: Proposed FY 2023 Financial Plan 20-Year Balance Sheet (\$ in Millions)

| Line | Description | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|-----------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | ASSETS | | | | | | | | | | |
| | CURRENT ASSETS | | | | | | | | | | |
| 1 | Cash and cash equivalents & Investments | \$724.0 | \$1,075.3 | \$898.7 | \$781.8 | \$748.7 | \$702.3 | \$913.3 | \$990.4 | \$979.6 | \$985.4 |
| 2 | Sales taxes receivable | 142.5 | 149.6 | 155.6 | 160.3 | 160.3 | 166.7 | 175.0 | 185.5 | 194.8 | 202.6 |
| 3 | Transit revenue receivable, net | 2.4 | 2.6 | 3.0 | 3.3 | 3.4 | 3.4 | 3.7 | 3.8 | 3.8 | 4.1 |
| 4 | Due from other governments | 10.6 | 12.2 | 12.5 | 15.7 | 14.7 | 12.5 | 61.1 | 33.7 | 30.9 | 27.7 |
| 5 | Material and supplies inventory | 40.6 | 41.7 | 42.8 | 43.9 | 45.1 | 46.3 | 47.5 | 48.7 | 50.0 | 51.3 |
| 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 | \$922.9 | \$1,284.4 | \$1,115.6 | \$1,008.1 | \$975.1 | \$934.2 | \$1,203.6 | \$1,265.1 | \$1,262.1 | \$1,274.1 |
| 8 | Notes Receivable & Investment in Joint Venture | \$6.2 | \$5.3 | \$4.3 | \$3.4 | \$2.4 | \$1.4 | \$0.5 | \$0.0 | \$0.0 | \$0.0 |
| 9 | Property, Plant & Equipment, Net | 5,888.9 | 6,216.9 | 6,767.8 | 7,118.4 | 7,539.0 | 7,914.9 | 8,176.4 | 8,424.5 | 8,614.7 | 8,780.0 |
| 10 | Restricted Assets held to pay Capital Lease Liabilities | 8.5 | 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 | 0.3 | 0.3 | 0.3 | 0.3 |
| 12 | Deferred Outflows of Resources | 54.0 | 36.0 | 35.1 | 34.3 | 33.4 | 32.6 | 31.8 | 31.1 | 30.3 | 29.6 |
| 13 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$6,880.9 | \$7,542.9 | \$7,923.1 | \$8,164.4 | \$8,550.2 | \$8,883.4 | \$9,412.5 | \$9,720.9 | \$9,907.4 | \$10,084.0 |
| | LIABILITIES AND EQUITY | | | | | | | | | | |
| | CURRENT LIABILITIES | | | | | | | | | | |
| 14 | Accounts payable and accrued liabilities | \$209.7 | \$230.1 | \$275.6 | \$244.1 | \$262.0 | \$258.4 | \$243.0 | \$244.7 | \$238.6 | \$238.4 |
| 15 | Commercial Paper notes payable | 0.0 | 0.0 | 100.0 | 200.0 | 300.0 | 400.0 | 400.0 | 300.0 | 200.0 | 100.0 |
| 16 | Current portion of Long-term Debt Payable | 78.0 | 76.0 | 79.1 | 82.2 | 84.1 | 86.8 | 93.9 | 103.7 | 112.3 | 129.5 |
| 17 | Retainage payable | 53.3 | 44.4 | 56.8 | 58.0 | 53.1 | 54.5 | 48.5 | 43.6 | 41.0 | 37.9 |
| 18 | TOTAL CURRENT LIABILITIES | \$341.0 | \$350.6 | \$511.6 | \$584.3 | \$699.2 | \$799.7 | \$785.4 | \$692.0 | \$591.9 | \$505.9 |
| 19 | Senior Lien Sales Tax Revenue Bonds Payable | \$3,736.0 | \$3,660.0 | \$3,580.9 | \$3,498.7 | \$3,414.6 | \$3,327.8 | \$3,233.8 | \$3,130.1 | \$3,017.9 | \$2,888.3 |
| 20 | Net Pension Liability | 19.7 | 18.7 | 17.7 | 16.7 | 15.7 | 14.7 | 13.7 | 12.7 | 11.7 | 10.7 |
| 22 | Capital Lease Liabilities | 8.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 23 | TOTAL LIABILITIES AND DEFERRED INFLOWS | \$4,105.2 | \$4,029.2 | \$4,110.1 | \$4,099.7 | \$4,129.5 | \$4,142.2 | \$4,032.9 | \$3,834.8 | \$3,621.5 | \$3,404.9 |
| 24 | NET ASSETS (EQUITY) | \$2,775.7 | \$3,513.7 | \$3,813.0 | \$4,064.7 | \$4,420.7 | \$4,741.2 | \$5,379.6 | \$5,886.1 | \$6,285.9 | \$6,679.1 |
| 25 | TOTAL LIABILITIES & NET ASSETS | \$6,880.9 | \$7,542.9 | \$7,923.1 | \$8,164.4 | \$8,550.2 | \$8,883.4 | \$9,412.5 | \$9,720.9 | \$9,907.4 | \$10,084.0 |



Exhibit 57: Proposed FY 2023 Financial Plan 20-Year Balance Sheet (\$ in Millions) (cont.)

| Line | Description | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
|------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | ASSETS | | | | | | | | | | |
| | CURRENT ASSETS | | | | | | | | | | |
| 1 | Cash and cash equivalents & Investments | \$832.6 | \$834.0 | \$891.6 | \$975.9 | \$967.8 | \$977.9 | \$929.8 | \$772.7 | \$646.3 | \$982.1 |
| 2 | Sales taxes receivable | 208.7 | 208.7 | 217.0 | 227.9 | 241.5 | 253.6 | 263.8 | 271.7 | 271.7 | 282.5 |
| 3 | Transit revenue receivable, net | 4.1 | 4.2 | 4.5 | 4.6 | 4.6 | 5.0 | 5.0 | 5.1 | 5.5 | 5.5 |
| 4 | Due from other governments | 20.6 | 16.2 | 16.9 | 8.9 | 8.9 | 10.7 | 10.8 | 9.9 | 9.6 | 8.9 |
| 5 | Material and supplies inventory | 52.6 | 54.0 | 55.4 | 56.8 | 58.2 | 59.7 | 61.2 | 62.7 | 64.3 | 65.9 |
| 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 | \$1,121.5 | \$1,120.0 | \$1,188.4 | \$1,277.0 | \$1,284.0 | \$1,309.9 | \$1,273.6 | \$1,125.0 | \$1,000.4 | \$1,348.0 |
| 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 | 8,794.7 | 8,695.6 | 8,559.8 | 8,343.2 | 8,293.7 | 8,258.5 | 8,328.8 | 8,523.9 | 8,610.0 | 8,530.9 |
| 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 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 12 | Deferred Outflows of Resources | 28.9 | 28.3 | 27.6 | 27.0 | 26.4 | 25.8 | 25.3 | 24.7 | 24.2 | 23.7 |
| 13 | TOTAL ASSETS AND DEFERRED OUTFLOWS | \$9,945.4 | \$9,844.1 | \$9,776.0 | \$9,647.5 | \$9,604.4 | \$9,594.4 | \$9,627.9 | \$9,673.9 | \$9,634.8 | \$9,902.8 |
| | LIABILITIES AND EQUITY | | | | | | | | | | |
| | CURRENT LIABILITIES | | | | | | | | | | |
| 14 | Accounts payable and accrued liabilities | \$216.4 | \$201.0 | \$200.7 | \$192.3 | \$228.2 | \$236.0 | \$260.3 | \$287.9 | \$273.6 | \$249.5 |
| 15 | Commercial Paper notes payable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 400.0 |
| 16 | Current portion of Long-term Debt Payable | 142.0 | 151.1 | 162.9 | 180.1 | 199.2 | 218.6 | 226.9 | 237.7 | 247.1 | 256.8 |
| 17 | Retainage payable | 31.3 | 21.2 | 15.5 | 11.1 | 14.9 | 22.7 | 27.8 | 37.3 | 38.2 | 27.5 |
| 18 | TOTAL CURRENT LIABILITIES | \$389.7 | \$373.2 | \$379.1 | \$383.6 | \$442.3 | \$477.3 | \$515.1 | \$562.9 | \$558.9 | \$933.8 |
| 19 | Senior Lien Sales Tax Revenue Bonds Payable | \$2,746.3 | \$2,595.2 | \$2,432.3 | \$2,252.2 | \$2,053.0 | \$1,834.5 | \$1,607.5 | \$1,369.8 | \$1,122.7 | \$865.9 |
| 20 | Net Pension Liability | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 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 | \$3,136.0 | \$2,968.5 | \$2,811.4 | \$2,635.7 | \$2,495.3 | \$2,311.7 | \$2,122.6 | \$1,932.7 | \$1,681.6 | \$1,799.7 |
| 24 | NET ASSETS (EQUITY) | \$6,809.4 | \$6,875.6 | \$6,964.6 | \$7,011.8 | \$7,109.1 | \$7,282.7 | \$7,505.2 | \$7,741.2 | \$7,953.2 | \$8,103.1 |
| 25 | TOTAL LIABILITIES & NET ASSETS | \$9,945.4 | \$9,844.1 | \$9,776.0 | \$9,647.5 | \$9,604.4 | \$9,594.4 | \$9,627.9 | \$9,673.9 | \$9,634.8 | \$9,902.8 |

Cash Reserves and Restricted Funds (line 40 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 \$21.3 million on September 30, 2022.

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.

Working Cash Requirements (line 41 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 42 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 2022 budget will be added to this reserve on or before December 31, 2022.

Unrestricted Cash (Net Available Cash) (line 43 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 2023 Financial Plan, the minimum value of Unrestricted Cash is \$97.5 million, occurring in 2041. 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 \$646.3 million in 2041.

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 44-45 of the Financial Plan)

Financial Standard D-7 requires DART to 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 2023 Financial Plan, the lowest external coverage value is 3.16 in 2034.

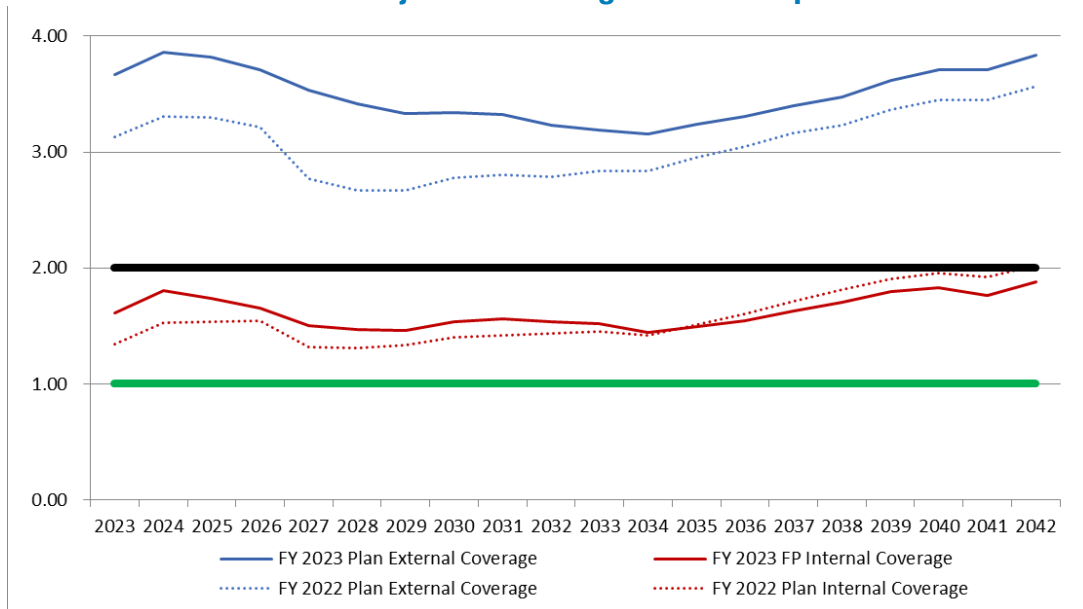
DART also has a goal to maintain another coverage ratio – the Internal Coverage Ratio. Standard D-7 states, “It is a goal of DART that for financial planning purposes, for long-term debt, sales tax revenues plus operating revenues, plus interest income, less operating expenses (excluding debt service 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 2023 Financial Plan meets this standard for all years, with a minimum value of 1.44 in 2034.

Exhibits 58 and 59 compare the projected annual values of the internal and external coverage ratios from the FY 2022 Plan to those in the FY 2023 Plan. The reduced coverage ratios in the later years are primarily a result of new debt service for D2.

Exhibit 58: Projected Coverage Ratio Comparison

| Year | FY 2022 FP | | FY 2023 FP | | Variance | |
|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | External Coverage | Internal Coverage | External Coverage | Internal Coverage | External Coverage | Internal Coverage |
| 2023 | 3.13 | 1.34 | 3.67 | 1.61 | 0.54 | 0.26 |
| 2024 | 3.31 | 1.53 | 3.86 | 1.80 | 0.56 | 0.28 |
| 2025 | 3.30 | 1.53 | 3.82 | 1.74 | 0.52 | 0.21 |
| 2026 | 3.22 | 1.55 | 3.71 | 1.66 | 0.49 | 0.11 |
| 2027 | 2.77 | 1.32 | 3.54 | 1.50 | 0.77 | 0.18 |
| 2028 | 2.67 | 1.31 | 3.42 | 1.47 | 0.75 | 0.16 |
| 2029 | 2.67 | 1.33 | 3.33 | 1.46 | 0.67 | 0.13 |
| 2030 | 2.78 | 1.40 | 3.34 | 1.54 | 0.56 | 0.14 |
| 2031 | 2.80 | 1.42 | 3.32 | 1.56 | 0.52 | 0.14 |
| 2032 | 2.79 | 1.43 | 3.23 | 1.53 | 0.44 | 0.10 |
| 2033 | 2.83 | 1.45 | 3.19 | 1.52 | 0.35 | 0.07 |
| 2034 | 2.84 | 1.42 | 3.16 | 1.44 | 0.32 | 0.03 |
| 2035 | 2.95 | 1.51 | 3.24 | 1.49 | 0.28 | (0.02) |
| 2036 | 3.05 | 1.60 | 3.31 | 1.54 | 0.26 | (0.06) |
| 2037 | 3.16 | 1.72 | 3.40 | 1.63 | 0.24 | (0.09) |
| 2038 | 3.23 | 1.82 | 3.48 | 1.70 | 0.24 | (0.12) |
| 2039 | 3.36 | 1.90 | 3.62 | 1.80 | 0.25 | (0.11) |
| 2040 | 3.45 | 1.95 | 3.71 | 1.83 | 0.25 | (0.12) |
| 2041 | 3.45 | 1.92 | 3.71 | 1.77 | 0.26 | (0.16) |
| 2042 | 3.56 | 2.02 | 3.84 | 1.88 | 0.27 | (0.14) |

Exhibit 59: Projected Coverage Ratio Comparison



Funds and Fund Balances

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.

Project Funds

Include monies designated for project financing greater than 90 days. The investment goals in this fund will be to provide capital preservation, liquidity needs, and investment return. The average dollar-weighted maturity of these portfolios are in the two to three year area with a maximum maturity for any single security of four years.

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.

State or Local Government-Provided Funds

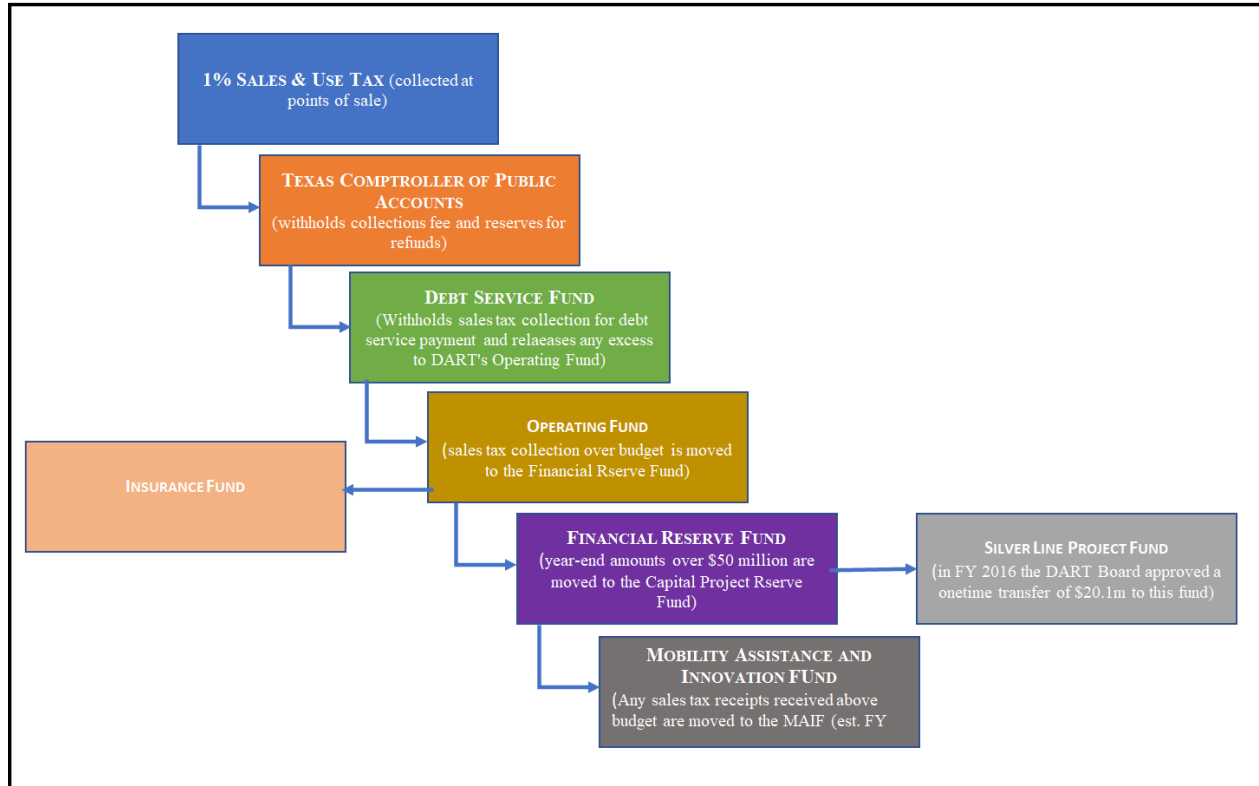
The deposits in these funds are provided by state, local governments, or other entities for specific projects. Preservation of capital and liquidity are the paramount investment objectives of these funds. Therefore, the deposits in these funds will be invested in AAA or United States Treasury money market 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 60: DART's Flow of Funds



Major Financial Plan Assumptions

Sources of Funds

Sales taxes have been resilient throughout of the last 9 months. Projections last summer had assumed \$8 million (1.2%) increase for FY 2022 from the approved FY 2021 Financial Plan. What we have in fact seen is a \$79 million or 15.8% growth from 2021 (through June). DART has projected 6% growth in sales taxes for FY 2023 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 3.8%.

The DART Financial Plan includes a fare increase of 9% every three years. The fare increase that had been programmed for FY 2023 (and all future fare increases) have been deferred to FY 2024.

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.



During FY 2020, 2021 and 2022 ridership was negatively affected by the pandemic. DART ridership has dropped by more than 45% since FY 2019. The Plan assumes a ridership growth of approximately 15% per annum for the next three years to return to pre-pandemic levels. However, fixed route ridership is projected to be lower than the FY 2020 Plan by approximately 10 million passengers annually. Moving forward, service levels, the speed and robustness of the recovery will also impact ridership.

It is assumed that, after the ridership recovery phase is complete by 2025, the increase of projection will approach to average 1.6% through 2030. All fixed route modes are projected to increase by 0.5% per year in years without a fare increase and the projected increase is assumed to remain flat in years when a fare increase occurs.

Additions to service will also have a ridership impact as DART expected around 1.7 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 9.5% per year through 2025. Beyond that, ridership is expected to increase by 2.5% annually over the life of the FY 2023 Financial Plan. FY 2023 ridership levels are projected at 761,000.

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, and DART projects an average interest income rate of approximately 3% for FY 2023 (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.

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 2023. 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 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 \$2.3 million is programmed to be received in FY 2023. 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 \$1.7 billion over the life of the Financial Plan, CMAQ and federal discretionary funding represents just over 20% of DART's \$8.9 billion 20-year capital program.

Beyond already existing discretionary grants, DART has assumed the following federal participation in future programs:

- \$1,434 million is assumed to be received between 2029 and 2035 for the D2 subway.
- All future bus purchases are conservatively assumed to be 10% grant funded. These future grants total \$94.7 million over the life of the Plan; and
- TRE fleet vehicle replacement is expected to be 50% funded with federal money and totaling \$147.6 million between 2024 and 2028.

DART projects \$315.0 million in other external capital contributions over the next two years, including:

- \$244.5 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 \$39 million through expiration in 2038.

Uses of Funds

Operating Expenses

With the restoration of service cuts made during the pandemic, and DART's operating budget will increase from \$580.4 million in the FY 2022 budget to \$637.9 million in FY 2023. Compared to the FY 2022 budget, the FY 2023 budget increased to fully fund the DARTzoom, the bus network redesign, starting in January 2023, to extend GoLink's hours beginning in January 2023 and to fund to implementation of the compensation study conducted.

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 2.5% - 3.8% per year over the life of the Plan. This means that DART-allowed inflation per this standard is roughly 2.25% - 3.39% per year.

TRE contract costs are programmed at contract rates for current service levels, and therefore total contract costs will grow by 3.0%.

DART will make \$10 million in contributions in FY 2023 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 2023 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 into DFW International Airport. This line is 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 and 60 minutes in the off-peak periods.

DART's is in the midst of a mid-life overhaul of its bus fleet. The total program cost is \$22 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 \$5.76 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 \$401.6 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 0.3% of the 20-year capital program.

Debt Service

DART 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 Extendible CP program. That \$40 million is scheduled to be repaid between 2030 and 2033.

\$2.36 billion in long-term debt is scheduled to be issued between 2023 and 2032 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. In addition, \$30 million in 2042 for part of the remaining vehicles.

\$148 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 had a significant effect on sales taxes. Still, that impact



was much less severe than initially anticipated in-depth, and each recessionary event embodies its unique characteristics.

Each event generates concerns about how deep the revenue losses will be, how long it will last, and how quickly the economy will 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.

In many ways, each of those recessions could be considered a somewhat regular economic cycle. This pandemic is entirely different and has many more layers of uncertainty. In addition to the direct economic impact, the pandemic will undoubtedly have long-term implications for how we work, live, and transportation needs.

Many businesses have transitioned to a work-from-home mentality, either partially or entirely. Will this impact be permanent, and how can DART meet those rapidly changing needs? DART must be highly vigilant to changing circumstances and agile enough to evolve with the changes.

Expansion of public transportation beyond the DART Service Area continues to be discussed as a means to meet community mobility needs and support sustainable growth patterns. Key issues are the lack of available sales tax capacity in non-DART cities to commit towards DART and the mobility options such as microtransit that can serve some jurisdictions' short-term needs.

DART Board Policy III.07 allows DART or its Local Government Corporation to provide contract services to a municipality or county outside the service area for up to 36 months, provided that 1) the entity pays for 100% of the cost of the contracted service (including capital costs, access and impact fees); 2) a transit system plan and 20-year financial plan is developed during the contract; and 3) a plan to become a DART member is developed, in which case service could continue beyond 36 months. The DART Board is considering policy amendments that would allow for contracts for eligibility-based microtransit or rider assistance programs that serve the most vulnerable community members be exempt from the 36-month contract term limitation.

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 2023 Plan includes \$87.2 million in annual allocations for each year and an additional \$2.3 million annually from the Silver Line operations beginning in FY 2027.

DART currently has a significant amount of discretionary federal funding (\$1.697 billion) programmed into the Financial Plan over the next 13 years. 85% of this (\$1.434 billion) 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 13-year window are an anticipated 10% contribution for future bus purchases, which totals only \$51.6 million.

But opportunity also exists in the area of federal funding. DART has received a total of \$658.1 million in additional federal funding for pandemic relief in three separate tranches. DART will continue to monitor emerging opportunities to bring additional federal funds to our region.

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 2.64% over the life of the Financial Plan. That means that 90% of those inflation projections fall in the 3.39% - 2.25% annual rate range. This operating expense target is challenging 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 increases 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 extended 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 prior three decades has been relatively benign at annual rates of 1% - 3%. However, the last 15 months, the inflation rate has exploded, with the highest annual value of more than 9% in June 2022. While higher inflation will undoubtedly have a negative impact on DART's operating and capital costs, it has also buoyed sales taxes. An additional benefit from high inflation is that DART's fixed rate obligations from the \$3.5 billion currently outstanding debt will be paid back with inflated or '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 for this reduction through service reductions, expense cuts, revenue enhancements 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.

The 30-year Treasury rate has not exceeded 5% since prior to June of 2011. However, to be conservative, DART's Financial Plan assumes that our long-term interest rate will rise to 5.5% in 2023 and remain at that level thereafter. Long-term rates are not predictable. DART may experience lower rates than what we project in debt issuances through 2032 (approximately \$2.3billion). A drop of fifty (50) basis points in the projected long-term rate saves DART approximately \$50 million in interest expense over the life of the expected debt.

Exhibit 61 is a summary of the changes in sources and uses of funds between the FY 2022 Financial Plan and the Proposed FY 2023 Financial Plan for the 20-year period of FY 2023 through FY 2042.



Exhibit 61: 20-Year Sources and Uses of Funds Comparison FY 2023 – FY 2042 (\$ in Millions)

| Line | Description | FY22 Plan | FY23 Plan | \$ Variance | % Variance |
|-----------------------------------|--|-------------------|-------------------|------------------|---------------|
| SOURCES OF FUNDS | | | | | |
| 1 | Sales Tax Revenues | \$21,171.0 | \$23,792.1 | \$2,621.1 | 12.4% |
| 2 | Operating Revenues | 2,301.9 | 1,730.4 | (571.5) | (24.8%) |
| 3 | Interest Income | 592.5 | 610.7 | 18.2 | 3.1% |
| 4 | Formula Federal Funding | 1,781.3 | 1,781.6 | 0.2 | 0.0% |
| 5 | Discretionary Federal Funding | 1,202.1 | 1,749.1 | 547.0 | 45.5% |
| 6 | Long-term Debt Issuances | 2,834.7 | 3,505.8 | 671.1 | 23.7% |
| 7 | Commercial Paper Issuances | 400.0 | 400.0 | 0.0 | 0.0% |
| 8 | Other Operating Contributions | 514.3 | 519.3 | 5.0 | 1.0% |
| 9 | Other Capital Contributions | 283.4 | 315.0 | 31.5 | 11.1% |
| 10 | Total Sources of Funds | \$31,081.2 | \$34,403.9 | \$3,322.7 | 10.7% |
| USES OF FUNDS | | | | | |
| Operating Expenses: | | | | | |
| 11 | Bus | 7,598.1 | 8,524.3 | \$926.2 | 12.2% |
| 12 | Light Rail Transit | 4,697.0 | 5,214.4 | 517.5 | 11.0% |
| 13 | Streetcar | 138.3 | 120.8 | (17.4) | (12.6%) |
| 14 | Commuter Rail/RR Management | 1,541.7 | 1,801.8 | 260.1 | 16.9% |
| 15 | Paratransit | 1,323.0 | 1,336.9 | 13.9 | 1.0% |
| 16 | General Mobility - TDM/GoLink* | 55.4 | 289.4 | 234.1 | 422.8% |
| 17 | Total Operating Expenses | \$15,353.4 | \$17,287.7 | \$1,934.3 | 12.6% |
| Capital and Non-Operating: | | | | | |
| 18 | Agency-Wide | 517.5 | 641.8 | \$124.3 | 24.0% |
| 19 | Bus | 1,228.6 | 1,397.9 | 169.3 | 13.8% |
| 20 | Light Rail Transit | 4,046.2 | 4,932.2 | 886.0 | 21.9% |
| 21 | Streetcar | 104.8 | 104.8 | 0.0 | 0.0% |
| 22 | Commuter Rail/RR Management | 1,212.9 | 1,789.3 | 576.4 | 47.5% |
| 23 | Paratransit | 5.1 | 4.6 | (0.4) | (8.8%) |
| 24 | General Mobility - Road Impr./ITS | 20.0 | 20.0 | 0.0 | 0.0% |
| 25 | Non-Operating | 22.4 | 65.6 | 43.2 | 192.7% |
| 26 | Capital P & D, Start-Up | 376.3 | 424.9 | 48.6 | 12.9% |
| 27 | New Programs (Distribution to member cities) | 15.0 | 214.3 | 199.3 | 1,328.5% |
| 28 | Ridership Improvement | 0.0 | 110.3 | 110.3 | na |
| 29 | Total Capital and Non-Operating | \$7,548.7 | \$9,705.7 | \$2,156.9 | 28.6% |
| Debt Service | | | | | |
| 30 | Principal Payments - Long-term Debt | \$3,228.5 | 2,948.1 | (\$280.4) | (8.7%) |
| 31 | Long-term Debt Interest Expense | \$3,665.2 | 3,888.8 | 223.6 | 6.1% |
| 32 | Commercial Paper Interest Expense | \$75.3 | 76.5 | 1.3 | 1.7% |
| 33 | Debt-Related Fees | \$12.9 | 13.7 | 0.7 | 5.6% |
| 34 | Total Debt Service | \$6,981.9 | \$6,927.1 | (\$54.8) | (0.8%) |
| 35 | Commercial Paper Debt Repayment | \$400.0 | \$400.0 | \$0.0 | 0.0% |
| 36 | Total Uses of Funds | \$30,299.0 | \$34,645.1 | \$4,346.1 | 14.3% |

* The General Mobility -TDM is replaced by GoLink in FY 2023. The Vanpool service was suspended during FY 2022.



FY 2023 Proposed Annual Budget

- Strategic Priorities
- Financial Plan Summary
- Operating Budget Highlight



FY 2023 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 using our resources. This discussion is followed by a breakdown of the FY 2023 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 2023 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 2023 Proposed Budget incorporates the following amounts:

| Item | Proposed FY 2023 |
|---|------------------------|
| Operating | \$637,869,000 |
| Capital & Non-Operating | 854,114,967 |
| Debt Service | 223,691,319 |
| Total FY 2023 Proposed Annual Budget | \$1,715,675,286 |

The FY 2023 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 2023 Proposed Annual Budget reflects the continued improvement in the efficiency, effectiveness, and quality of the services we deliver. The following pages 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 major capital projects is shown as Exhibit 52 in the Twenty-Year Financial



Plan Section of this document. The list reflects strength in the Plan of funding to keep the system in a state of good repair.

Notable capital projects in the FY 2023 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.

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.

Structural Balance of the Budget and Financial Plan

DART strives to maintain structural balance to its budget, meaning current period cash inflows match the outgoing cash requirements for operating and debt service costs. The FY 2023 proposed Budget and Financial Plan meet this test – demonstrating that DART has sufficient income to pay for ongoing operating costs and debt service in all years of the Plan. A more detailed discussion of structural balance can be found in the Financial Plan Section.

Budget Process

The budget process begins with Strategic Priorities and Board-approved Financial Standards that establish parameters within which Management must operate. An Agency target is established, maintained, and highlighted throughout this document.



The Agency target is set based on projections from the approved Twenty-Year Financial Plan and other known factors or programs (e.g., increases in health care, contract rates, or fuel costs). Based on direction from executive management, departments prepare detailed budgets for each of their cost centers. These budgets are, in turn, reviewed during meetings with the department head, Executive Vice President, the President & Chief Executive Officer, Chief Financial Officer, the Budget Office (Business Planning & Analysis unit in the Finance Department), and the Budget and Finance Committee of the DART Board to discuss the respective budgets as well as any changes. All new proposed programs are evaluated for effectiveness and efficiency.

The Budget Office then compiles the numbers, coordinates work programs to achieve strategies, and publishes the Business Plan, including the Annual Budget and Twenty-Year Financial Plan, for the legislatively required 30-day budget review period by the cities within the DART Service Area. The Board performs additional



reviews in August and September, as necessary, before approving the Budget and Twenty-Year Financial Plan in September.

Strategic Priorities as Framework for Agency Initiatives

The DART Board has adopted strategic priorities to guide Agency initiatives. 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.



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

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 beginning on page 261. This discussion is followed by the amounts for operating expenses, capital and non-operating costs, and debt service in the FY 2023 Proposed Budget to accomplish these initiatives.

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

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

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.

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 DART understands how they feel about and experience our brand. Every year, DART conducts a customer satisfaction survey to measure brand health. Survey goals are to identify any significant shifts in brand perception among consumer subgroups, and understand the drivers of customer satisfaction

5 Star Service Program

This program is a major cultural transition for DART. For FY 2023, the program will continue to emphasize a change in employee behavior, high performance teams, and greater accountability. Employee engagement and feedback opportunities will be used to hear from employees regarding ideas for improvement, innovation, and creativity. Employees at every level of the organization have a role in facilitating change and demonstrating the ownership needed for making true progress, both for the individual and department.

FY 2023 Initiatives

- Partner with Innovation Group on the Idea Box Program
- Review Program Pillars, Star-Level Definitions, and Continuous Improvement Team Metrics



Ongoing 5 Star Service Program Projects

- Continued focus on improving the customer experience of the DART system
 - The Mystery Rider Program examines the customer experience from a whole system perspective down to the individual employee encounters
 - Concierges riding trains to assist customers with their journey has been a successful practice in 2021 and 2022; this will continue in 2023
- The 2022 Customer Experience Officer (CEO) class focused Operations leadership; future classes in 2023 are slated for supervisors and newly hired management personnel
- Continuous Improvement Teams (CIT) are problem-solving groups that include approximately 10-20 employees at any given time, selected by departments to solve technical problems, improve processes, or create new ways to improve working relationships within the agency or with the agency's customers. Twenty-one teams have implemented their projects to date
- The Practicing, Leading and Serving (PLS) Toolbox course is available in the DART Learning Management System for newly hired supervisor and management personnel
- Transit Operations Academy will continue to roll out technical skills training for new operations supervisors and managers
- The Culture Change Management Series invites guest speakers each year to discuss a wide range of culture-related topics. For FY 2023, this will transition to a virtual series
- Customer Service Events are a scheduled series of direct interaction activities at rail stations, transit centers, divisions, departments, and special occasions. These events were suspended through the COVID-19 pandemic and could be relaunched in FY 2023, if deemed safe.

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 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.



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 2023 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
- New Marketing and Promotion Initiatives
- Improved Strategies for Responding to Service Disruptions

Improved Bus Service

DART implemented a New Bus Network in January 2022, including ridership-oriented features like frequency improvements, wider service spans, and more weekend service, along with coverage-oriented features like GoLink expansion. DART plans to build upon that effort through development of a comprehensive Bus Improvement Program which will guide service-related operating and capital improvements over the near- and long-term.

Enhancement of GoPass Mobile Ticketing Solution

The new cash-to-mobile option on GoPass aligns 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.



**Key Information on GoPass:**

- GoPass has over 1.7 million downloads (June 2022), having become a critical component of the agency's infrastructure.
- 70% of GoLink on-demand rides are booked through GoPass or linked through to Uber for fulfillment.
- 30% of DART fare revenue is collected through the GoPass app platform.
- The highest proportion of 'See Something' alerts are received through GoPass

GoPass operates as the only regional payment platform in DFW, supporting DART, DCTA, and Trinity Metro services – all with a single regional pass. GoPass also supports STAR Transit within the DFW region.

New Marketing and Promotion Initiatives

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

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.

Improved Strategies for Responding to Service Disruptions

Over the past few years, the Agency has implemented programs that have improved communications to our riders by implementing new technology and having more boots on the ground in emergency situations.

In-Transit Customer Communications – DART aims to keep customers informed 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 has 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 multiple times in February 2022. 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.

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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.



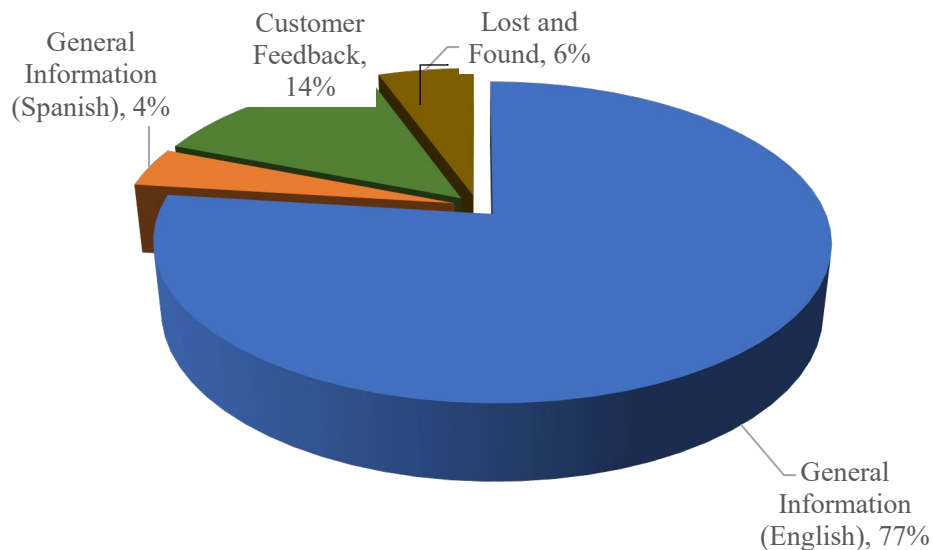
Customer contacts are identified as belonging to one of three categories: (see Exhibit 62)

- 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 can identify the breadth and depth of opportunities to enhance service and strengthen brand affinity. The DART Call Center is open 363 days a year and is closed on Thanksgiving and Christmas Day.

Exhibit 62: 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

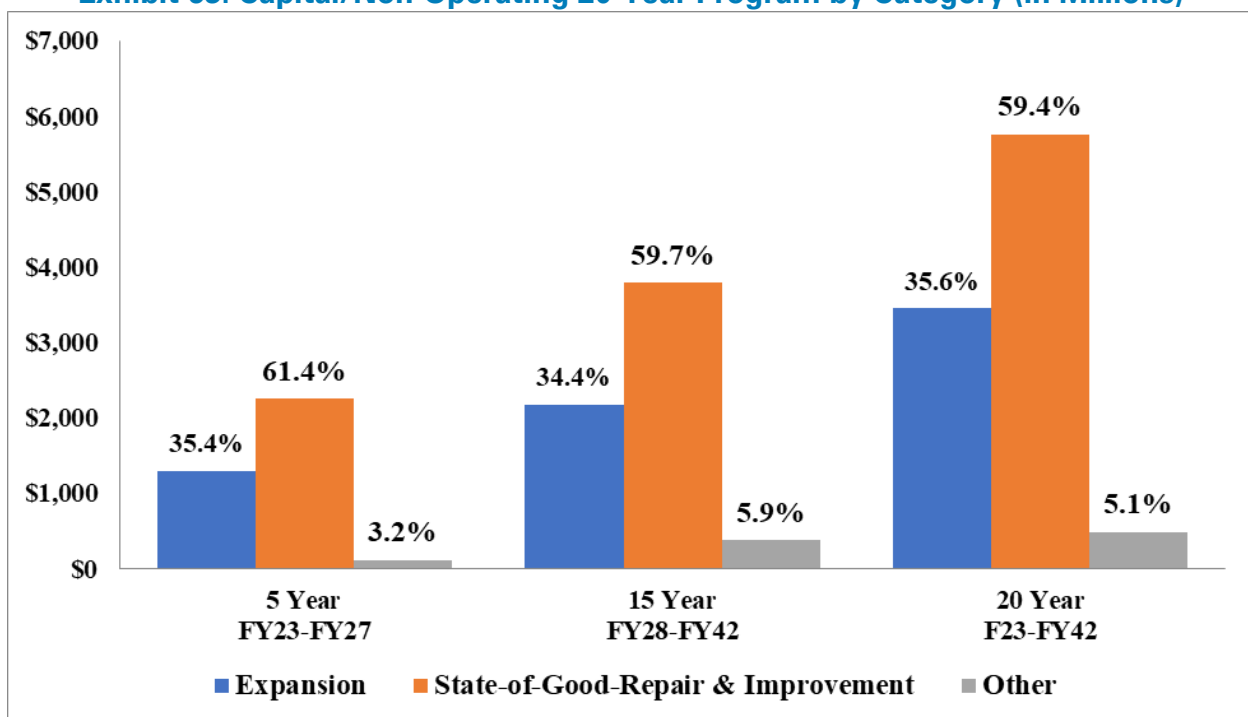
The Proposed FY 2023 Twenty-Year Financial Plan demonstrates that DART has the financial capacity to meet commitments to our major programs and to provide the programmed levels of bus, rail, and other transportation services based on current information and assumptions.

The FY 2023 Proposed Budget reflects both continued rail construction, 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 63 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 63: Capital/Non-Operating 20-Year Program by Category (in Millions)



The capital expenditures included in the Proposed FY 2023 capital/non-operating budget total \$854.1 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 and modernization improvements, including a second LRT alignment through downtown Dallas (known as D2 Subway) and capital improvements to support a transition to new low floor vehicles, which will allow level boarding at all doors for all riders.

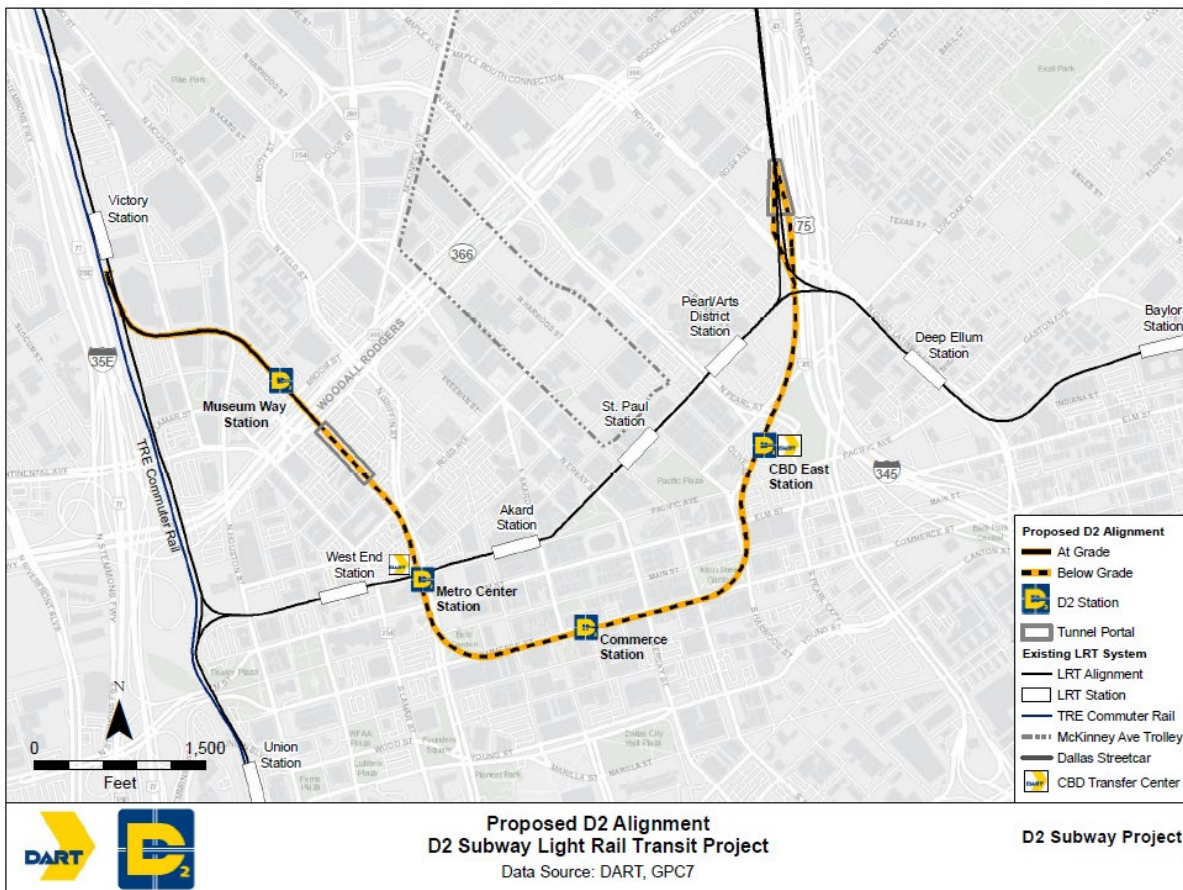
A recently completed core capacity improvement which supports the level boarding initiative is the Red and Blue Line LRT platform modifications. FTA awarded a Full Funding Grant Agreement (FFGA) for the Red/Blue platform extensions project in May 2019 under their Capital Investment Grant (CIG) program. The project modified 28 original Red/Blue line platforms to accommodate three-car trains and level boarding at specific locations. Five of the station platforms were fully raised. The project has been completed and is ready for three-car operations as of April 30, 2022. On April 14, 2022, the FTA issued a blanket waiver of level of service requirements which applies to the Red/Blue platform extensions project. At such time DART reinstates pre-pandemic service levels across the LRT system, which includes headways and capacity, DART will need to institute the service level requirements on the Red and Blue Lines as documented in the FFGA. Those requirements include operation of some three-car trains in the peak hour peak direction.

Part of the future LRT system modernization effort is replacement of the original light rail vehicle fleet with new low floor vehicles. To accommodate the vehicles, the remaining platforms will be fully raised and both the Central Rail Operating Facility (CROF) and the Northwest Rail Operating Facility (NWROF) will be modified to service the new vehicles. A unified signal system and weatherization treatments are also under study to enhance the reliability and resiliency of the system.

The D2 Subway project is another core capacity improvement that would also enhance resiliency, operational flexibility, and serve new markets in downtown

Dallas. DART completed 30% preliminary engineering (PE) for an alignment known as Victory/Commerce/Swiss, and FTA issued a Final Environmental Impact Statement/Record of Decision (FEIS/ROD) in April 2021. However, due to community concerns within the east end of the alignment, the City of Dallas did not approve the entire alignment and directed City staff to work with DART, the North Central Texas Council of Governments (NCTCOG), and the Texas Department of Transportation (TxDOT) on an East End Evaluation to explore potential enhancements, refinements, or modifications to address community concerns and optimize interface with IH-345 options under study by TxDOT. This evaluation was completed in Fall 2021 and both the Dallas City Council and DART Board approved a revised east end alignment in February 2022 (see Exhibit 64). While DART had been working with FTA to re-enter the FTA CIG program, the changes led DART to postpone the entry into the program until additional design and environmental clearance is obtained on the east end alignment, which is anticipated by the end of 2024. DART is also conducting corridor preservation activities and is monitoring ridership recovery and FTA CIG grant program changes to support a decision on project timing in the future. More information is at www.DART.org/D2.

Exhibit 64: 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 Proposed FY 2023 Financial Plan reflects funding for D2 Subway, platform modifications, and the streetcar central link.

Exhibit 65 provides historical and prospective data on light rail expansion projects.

Exhibit 65: 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. Since then, arriving passengers can plan their ground transportation on the interactive map and then text or email the directions to themselves.



To date, 300 Kiosks have been deployed across rail stations and transit centers across the service area. We are poised to deploy additional Kiosks with the buildout of the Silver Line. 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. The Kiosk provides real-time trip planning and alerts for emergencies and planned and



unplanned system interruptions. Additionally, as a result of the COVID-19 pandemic, the Kiosks have been equipped with QR codes to enable riders to view the content on their phone with minimal contact with the Kiosk.

The Kiosk can provide information in multiple languages and will generate advertising revenue for the agency.

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.

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 three phases. Phase I -Initiation is the development of specifications. The contract to develop the specifications was awarded in FY 2022. Specifications will be completed in early FY 2023. Phase II will be the procurement of TSP which will occur in mid-FY 2023. Phase III-The 5-year pilot will be kicked off in early FY 2024.

Big Data Analytics Services – DART has contracted with Cambridge Systematics to provide the required functionality of real-time predictions. The feed was integrated with DART GoPass mobile application in late FY 2021 and effectively improved on-time performance as well as providing more accurate predictive arrival time for the public. A series of reports have been created and are now in use, including a capability to predict scheduled run times on each route for different time periods based upon use of real-time data. This functionality was used to fine-tune and improve the new bus schedules that rolled out in January 2022, for the DARTzoom bus network redesign. Our goal is to use the various Cambridge tools to improve DART on-time performance.



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.

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

GoPass Mobile Ticketing – GoPass has had major updates in FY 2022, including developing a web-based trip planner, SDK-based See-Something incident reporting, deep linking paths facilitating 7,000 bus stop QR codes, On-Demand Multi-Org, and Multi-vendor support. In

FY 2023 DART anticipates the following enhancements: Service Alerts integration, Events Upgrade, CRM/Account upgrade to Email-based sign-on, expansion of Micromobility vendor support, and more. GoLink is a micro-shuttle that combines the low cost of public transportation with the convenience and technology of ride-sourcing. GoLink provides customers with personalized curb-to-curb service anywhere within a zone.

GoLink Mobility on Demand service includes operation in 30 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. The additional GoLink zones and expansion to some existing zones, proposed under the DARTzoom bus network redesign, was implemented in January 2022.



In addition, the introduction of the New Bus Network has included a great deal of customer feedback about the limited hours of operation for GoLink services compared to local bus. The Proposed FY 2023 Operating Budget includes funding to equalize operating days and hours for GoLink service starting in early 2023; all 30 GoLink zones would operate 5 am -Midnight seven days per week, matching current local bus service standards. DART will also expand the GoLink zone-to-zone pilot program, which allows customers to travel between different GoLink zones in certain situations and locations.



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 on serving our customers and creating a transit system that is an integral part of communities to enhance the 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 and 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 discuss 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. It 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. It 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/WBEs)

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 the integration of DMWBEs 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 DMWBEs 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 2020 and 2021, DART established an annual Agency goal of 32% for participation of minority and woman-owned business enterprises (M/WBE). In those years, M/WBE participation in all DART procurement activities exceeded that goal with 35% and 43% participation, respectively. Additionally, in 2022 the Diversity & Inclusion Department underwent FTA's Triennial Review, in which the DBE program received a rating of 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 is 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.



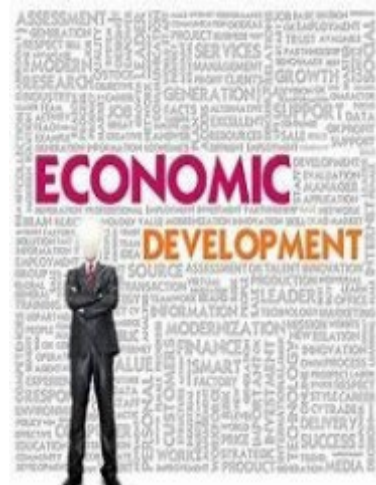
Additionally, DART's ongoing involvement with 26 minority chambers of commerce, minority contractor associations, and women and minority supplier development groups has created outreach touch-point opportunities for more than 2,500 individuals. The establishment of DART's Small Business Academy further 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 F 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.
- 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 2023, steps will be taken to achieve demonstrable improvement in customer service through the 5 Star Service Program and through improved employee engagement, talent acquisition, employee retention and leadership development.

- The commitment has been a guiding principle for the Leadership Round Table 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 with their total rewards, work environment and culture which then drives 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 with 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:



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- Assure that fair compensation and appropriate benefits (Total Rewards) meet the needs of all DART employees
 - 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
 - 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 2023

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 that motivates DART employees



to engage with Human Resources for information, problem solving, and learning opportunities.

Get the right people in the right jobs in a timely manner as well as bring structure and discipline to compensation management

- Continue Bus Operator Hiring Effort and offer Bus Operator sign-on bonus in support of the relaunch of DARTZoom Bus Network
- Community Outreach – working with DART member cities and Hispanic Chamber of Commerce for hiring events
- Univision contract–Contracted services with Univision (an American Spanish-language free-to-air television network owned by TelevisaUnivision. It is the United States' largest provider of Spanish-language content.) to increase the outreach to the Hispanic community by television, radio advertisement, and additional weekly communication highlights of DART jobs.
- Veteran Outreach – in partnership with Employee Engagement Team, team members are building relationships with various community groups and the VA to identify and recruit our nation’s veteran population.
- Implement the recommendations from the agency compensation study

Lead and support communication in the implementation of the employee engagement strategy

- Update and rebrand the New Employee Orientation to include a focus on agency culture
- Launch the agency Culture of Courage campaign
- People Leader 101 – Create and promote leadership toolkit for first time or new leaders within DART
- Supervisory DART – 24-week supervisor certification program delivered in partnership with the Dallas County Community College District. Employees are selected via a competitive application process.
- Management DART, Leadership DART, and Executive DART – Leadership development programs delivered in partnership with the SMU Cox School of Business.

Continue to develop and implement Standard Operating Procedures for all functions and change initiatives to improve effectiveness

Lead and support enhancements of the benefits function in order to ensure that benefit plans and programs meet the needs of DART employees

- Successfully implement Workday unifying a wide range of HR functionality i.e. benefits, talent management, payroll, time tracking, compensation, workforce planning and recruiting into a single system.

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. Provide guidance and consultation on key employment practices to ensure a healthy work environment and reduce the likelihood of grievances.

- Conduct Labor Management meetings that foster a safe and engaging work experience for all.
- Conduct People Leader Conflict Resolution and Employee Labor Relations training

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 2023, 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 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)
- Bus Maintenance Central Support Sections' personnel

Peer Group #3

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

Exhibit 66 is a sample of the DLM scorecard from the Third Quarter, FY 2022, 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.



Exhibit 66: Division Level Measurement (DLM) Program FY 2022, Third Quarter

| Category | South Oak Cliff | | East Dallas | | Rail | | Northwest | |
|---|-----------------|-------------------|-------------|-------------------|---------|-------------------|-----------|-------------------|
| | Actual | Percent to Target | Actual | Percent to Target | Actual | Percent to Target | Actual | Percent to Target |
| On-Time Performance | 77.1% | 92.89% | 75.6% | 91.08% | 92.5% | 99.5% | 74.5% | 89.76% |
| Complaints - Conduct | 52.67 | 100.00% | 55.33 | 99.01% | 6.00 | 65.97% | 52.00 | 100.00% |
| Complaints - Misses | 52.00 | 100.00% | 77.33 | 68.69% | 21.00 | 31.67% | 64.00 | 62.84% |
| Absenteeism (Days Per Person Annually) - Maint. | 11.50 | 90.66% | 9.68 | 100.00% | 9.74 | 100.00% | 12.31 | 77.36% |
| Absenteeism (Days Per Person Annually) - Oper. | 33.91 | 100.00% | 30.38 | 100.00% | 34.08 | 100.00% | 37.17 | 100.00% |
| Absenteeism (Days Per Person Annually) - WSA. | N/A | N/A | N/A | N/A | 10.22 | 100.00% | N/A | N/A |
| Fixed Schedule Programs Completed | N/A | N/A | N/A | N/A | 4.33 | 54.16% | N/A | N/A |
| Body PMIs Completed | N/A | N/A | N/A | N/A | 41.00 | 100.00% | N/A | N/A |
| Late Pullouts | 196 | 100.00% | 230 | 100.00% | 1.83 | 100.00% | 153 | 100.00% |
| Services Missed | 4,331 | 4.19% | 7,595 | 3.04% | 43.00 | 48.79% | 7351 | 3.16% |
| MDBSC - Mechanical - Large Bus | 9,286 | 100.00% | 12,121 | 100.00% | N/A | N/A | 9,811 | 100.00% |
| MDBSC - Mechanical - SMART Bus | N/A | N/A | N/A | N/A | N/A | N/A | 2,733 | N/A |
| Miles Between Service Calls - LRT | N/A | N/A | N/A | N/A | 16,513 | 78.63% | N/A | N/A |
| Miles Between Service Calls - Street Car | N/A | N/A | N/A | N/A | 762 | N/A | N/A | N/A |
| Accidents/100k Miles | 2.06 | 100.00% | 2.51 | 91.63% | N/A | N/A | 2.59 | 88.70% |
| Sfty Violations/100k Sched. Trm Mi. | N/A | N/A | N/A | N/A | 0.55 | 100.00% | N/A | N/A |
| Unit Cost Per Hour | \$54.72 | 100.00% | \$52.49 | 100.00% | 60.73 | 95.67% | \$53.90 | 100.00% |
| Unit Cost Per Mile | \$1.70 | 88.80% | \$1.80 | 91.98% | \$4.236 | 100.00% | \$2.03 | 78.36% |
| Overall Average for Quarter | | 88.78% | | 85.95% | | 83.88% | | 81.83% |

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

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.

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 strengthened 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. Revenue for the TRE corridor is projected at \$3.1 million for FY 2023. 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 67 provides a summary of actual and projected revenue from all activities for FY 2014 through FY 2023 (projected), excluding oil and gas leases which are shown in Exhibit 68.



Exhibit 67: Railroad Management Revenue (in Millions)

| Fiscal Year | TRE | DART | Total |
|---|---------------|---------------|---------------|
| 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 | 2.4 | 2.8 | 5.2 |
| 2022 projected | 3.0 | 2.7 | 5.7 |
| 2023 proposed | 3.1 | 2.7 | 5.8 |
| Total (Actual & Projected) | \$27.7 | \$25.2 | \$52.9 |

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 risen due to a rise in natural gas prices. FY 2022 is projected to be \$100,000, and FY 2023 is proposed at \$100,000.

**Exhibit 68: Oil & Gas Lease Agreements (in Thousands)**

| Fiscal Year | Amount |
|---------------------------------------|------------------|
| 2014 | 455.6 |
| 2015 | 50.4 |
| 2016 | 200.0 |
| 2017 | 106.6 |
| 2018 | 119.8 |
| 2019 | 85.0 |
| 2020 | 61.0 |
| 2021 | 136.0 |
| 2022 projected | 99.9 |
| 2023 proposed | 99.9 |
| Total (Actual & Projected) | \$1,414.2 |



Budget Structure/ Financial Plan Summary

Three major components comprise the agency's FY 2023 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 298) 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 69 provides a summary view of the FY 2023 Proposed Annual Budget. The Agency's overall budget increased by \$86.9 million (5.3%) from FY 2022. The Proposed FY 2023 Operating Expense budget is \$637.9 million, an increase of \$57.5 million (9.9%) from the FY 2022 Operating Expense budget. The Proposed Capital and Non-Operating budget increased by \$12.2 million (1.5%). The Debt Service budget is \$223.7 million, an increase of \$17.2 million (8.3%).

Exhibit 69: FY 2023 Annual Budget (in Millions)

| Item | FY 2022 Budget | FY 2022 Projected | FY 2023 |
|---------------------------|------------------|-------------------|------------------|
| Operating Expense | \$580.4 | \$563.3 | \$637.9 |
| Capital & Non-Operating | 841.9 | 548.1 | 854.1 |
| Debt Service | 206.5 | 203.7 | 223.7 |
| Total Expenditures | \$1,628.8 | \$1,315.1 | \$1,715.7 |

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 2023 Proposed Operating Budget:

Salary and Wage Assumptions:

- Hourly wage progressions based on tenure and training will continue
- Funding to implement the Agency compensation study

Benefits Assumptions:

- DART underwent a healthcare program restructuring to combat rising healthcare costs, focusing on increased accountability of cost and quality of care by providers. In FY 2022 Blue Cross and Blue Shield became the Agency's health insurance provider. The FY 2023 Proposed Budget reflects a projected decrease in the medical plan's 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 \$0.94 per DGE (diesel gallon equivalent). CNG fuel is also used for all vehicles providing Paratransit service.
- Diesel fuel is budgeted at \$3.16 per gallon for TRE services.
- Electricity rates per kWh are budgeted at \$0.0730 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 2023 is the eighth year of that contract.
- FY 2022 was the third year of the three-year contract with MV Transportation to deliver Paratransit services. The board approved executing the first two-year option, continuing the contract through September 30, 2024.

Service Levels:

- Bus: DART implemented a New Bus Network in January 2022, including ridership-oriented features like frequency improvements, wider service spans, and more weekend service, along with coverage-oriented features like GoLink expansion. We now plan to build upon that effort by developing a comprehensive Bus Improvement Program that will guide service-related operating and capital improvements over the near- and long-term.
- The Bus Improvement Program is intended to continue DART's focus on improving the customer experience, enhancing bus service, operations, and facilities, positioning DART for external funding opportunities, and aligning with DART City plans and goals to enhance transit within our communities served.
- Light Rail: Along with the new bus network implementation in January 2022, the Light Rail weekday service was fully restored to the pre-pandemic frequency and span of service.
- Streetcar: The Dallas Streetcar has been operating at the full-service level since FY 2021 and will continue throughout FY 2023.



- Commuter Rail: TRE service was restored to the pre-pandemic service level, and plans to continue at the same level throughout
- FY 2023.
- Innovative Services: The Innovative Services Program consists of site-specific shuttle services. In FY 2022, the reduced vanpool ridership, due to the COVID-19 pandemic, led DART to discontinue the vanpool service. Shuttle services also experienced large reductions in ridership. UTD service has been restored to pre-pandemic levels as the UTD campus is fully open.

Reserves:

- Funding in the amount of approximately \$650,000 is included in the FY 2023 Budget for possible cost increases or programs unknown during the budget process. These funds may or may not be used during the fiscal year and are controlled by the President/Executive Director

Exhibit 70: FY 2022 – Proposed FY 2023 Departmental Expense Comparison (in Thousands)

| Department | FY 2022 Budget | FY 2023 Proposed Budget |
|--|------------------|-------------------------|
| President Direct Reports | \$81,315 | \$87,415 |
| EVP Customer Care/Svc Delivery | 394,041 | 412,114 |
| EVP Business Solutions & Innovations | 53,727 | 58,212 |
| EVP Growth & Regional Svcs | 51,741 | 54,699 |
| Board Directs | 6,374 | 6,708 |
| Agency-Wide Benefits Allocation/Initatives | 7,738 | 34,679 |
| Total Departmental Expenses | \$594,936 | \$653,828 |
| Capital P&D and Startup | (\$14,572) | (\$15,959) |
| Total Operating Expenses | \$580,364 | \$637,869 |

Operating Budget Highlights

DART's FY 2023 Proposed Operating Expense Budget increased by \$57.5 million 9.9% to \$637.9 million. Employee compensation, in the form of Salaries and Wages \$295.7 million and Benefits \$127.7 million, comprised 64.8% of the total operating budget. The third largest element of the operating budget is Purchased Transportation at \$76.7 million, which equals 11.7% of the budget.

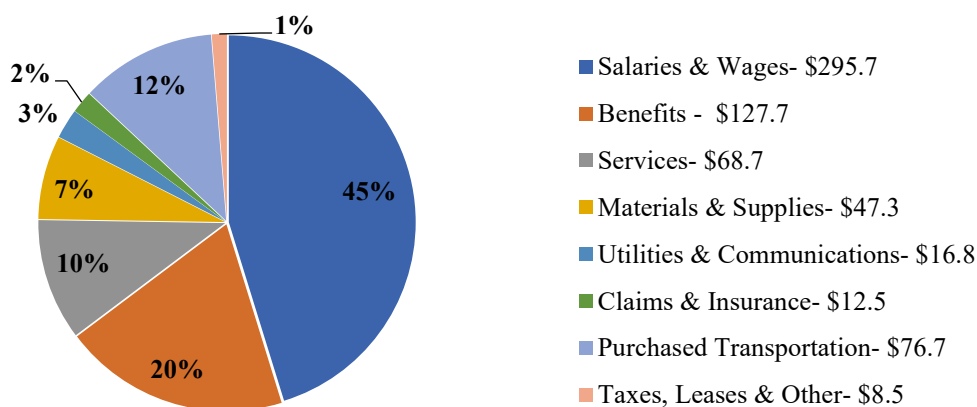
Exhibit 71 displays the Operating Expense budget by object classification and FY 2021 Actuals, FY 2022 Budget, and the FY 2023 Proposed Budget.

Exhibit 71: Operating Expenses by Object Classification (in Millions)

| FY21 Actuals | Object Classification | FY22 Budget | Proposed FY23 | FY22 vs. FY23 \$ Var | % of Total |
|----------------|---------------------------------|----------------|----------------|----------------------|---------------|
| \$255.7 | Salaries & Wages | \$265.3 | \$295.7 | \$30.4 | 45.2% |
| 109.4 | Benefits | 123.1 | 127.7 | 4.6 | 19.5% |
| 50.7 | Services | 62.0 | 68.7 | 6.7 | 10.5% |
| 40.3 | Materials & Supplies | 41.5 | 47.3 | 5.8 | 7.2% |
| 16.0 | Utilities & Communications | 16.5 | 16.8 | 0.3 | 2.6% |
| 5.4 | Claims & Insurance | 9.7 | 12.5 | 2.8 | 1.9% |
| 56.8 | Purchased Transportation | 69.9 | 76.7 | 6.8 | 11.7% |
| 6.6 | Taxes, Leases & Other | 6.9 | 8.5 | 1.6 | 1.3% |
| \$540.9 | Total All Departments | \$594.9 | \$653.9 | \$59.0 | 100.0% |
| (10.3) | Capital P&D | (14.6) | (16.0) | (1.4) | |
| \$530.6 | Total Operating Expenses | \$580.4 | \$637.9 | \$57.5 | |

Exhibit 72 illustrates the Operating Budget, showing the amounts and relative proportions of each component.

Exhibit 72: FY 2023 Operating Expenses by Component (in Millions)



Please note that the expenses totaled in Exhibit 71 above exceed the operating budget by \$16.0 million. This is the amount of departmental expenses classified as Capital Planning & Development costs (Capital P&D).

Salaries and Wages – The FY 2023 Salaries and Wages budget is \$295.7 million, a \$30.4 million 11.5% increase from the FY 2022 Budget.



The Agency proposes to implement the results of an extensive compensation study conducted by the Human Resources Department for all full-time employees; no new positions were added in FY 2023.

Exhibit 73 shows a comparison of positions between FY 2022 and FY 2023. Total authorized positions have not increased from FY 2022.



Exhibit 73: Budgeted Positions

| FY 2022 Approved (FTE) | Department | FY 2023 Budget (FTE) |
|------------------------------|--|----------------------------|
| 4 | Executive Admin | 6 |
| 10 | Chief of Staff | 1 |
| 429 | DART Police | 429 |
| 15 | Diversity & Inclusion | 15 |
| 13 | Government Relations | 13 |
| - | Media Relations | 7 |
| 16 | Safety Office | 16 |
| 487 | Total Executive | 487 |
| 89 | Total Finance | 88 |
| 4 | Chief Administrative Officer | 4 |
| 38 | Human Resources | 38 |
| 48 | Marketing & Communications | 49 |
| 7 | Office of Business Innovation | 7 |
| 34 | Procurement | 34 |
| 76 | Technology | 76 |
| 207 | Total Business Solutions & Innovation | 208 |
| 10 | Capital Planning | 10 |
| 15 | Commuter Rail & RRMgmt | 15 |
| 27 | Planning & Development | 27 |
| 33 | Rail Prog. Dev. | 33 |
| 85 | Total EVP Growth & Development | 85 |
| 7 | EVP CC/SD | 6 |
| 30 | Materials Mgmt | 30 |
| 49 | Mobility Mgmt Svcs | 49 |
| 197 | Light Rail Operations | 197 |
| 171 | Bus Operations | 171 |
| 51 | Engineering | 51 |
| 505 | Total Customer Care/Service Delivery | 504 |
| 5 | Board Support | 5 |
| 9 | Internal Audit | 9 |
| 19 | General Counsel | 19 |
| 33 | Total Board Direct | 33 |
| 1,406 | Total Salaried | 1,405 |
| Agency Hourly | | |
| 361 | Bus Operations | 361 |
| 18 | Finance | 17 |
| 383 | Light Rail | 386 |
| 41 | Marketing & Communications | 40 |
| 49 | Materials Management | 49 |
| 852 | Hourly Non-Operator | 853 |
| 1,290 | Bus Operators | 1,290 |
| 214 | Light Rail Operators | 214 |
| 1,504 | Total Bus & Rail Operators | 1,504 |
| 2,356 | Total Hourly | 2,357 |
| 3,762 | Grand Total Departments | 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 proposed FY 2023 Benefits budget is \$127.7 million, a \$4.6 million 3.8% increase from the FY 2022 Budget, as shown below in Exhibit 74.

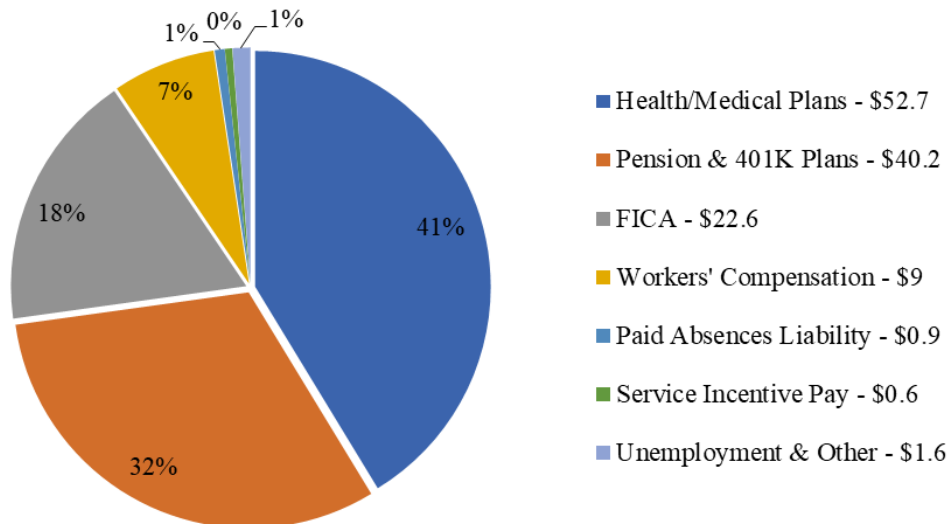
Exhibit 74: Benefits Expenses by Type (in Thousands)

| Object Classification | FY22 Budget | FY23 Proposed | \$ Variance | % Variance |
|-------------------------------------|------------------|------------------|----------------|-------------|
| Health/Medical Plans ^[1] | \$57,000 | \$52,725 | (\$4,275) | (7.5%) |
| Pension & 401K Plans | 35,782 | 40,239 | 4,458 | 12.5% |
| FICA | 20,223 | 22,617 | 2,394 | 11.8% |
| Workers' Compensation | 5,646 | 9,037 | 3,391 | 60.1% |
| Paid Absences Liability | 2,240 | 875 | (1,365) | (60.9%) |
| Service Incentive Pay | 1,448 | 638 | (809) | (55.9%) |
| Unemployment & Other | 739 | 1,562 | 823 | 111.3% |
| Total Benefits | \$123,078 | \$127,694 | \$4,615 | 3.8% |

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

Exhibit 75 is an overview of the percentage of expenditure to major components within the Benefits category for the proposed FY 2023 Budget.

Exhibit 75: FY 2023 Benefits Budget by Component (in Millions)



Health, Life, and Disability insurance remains the major cost driver of all DART benefits. The decrease year-over-year is approximately \$4.3 million, 7.5%.



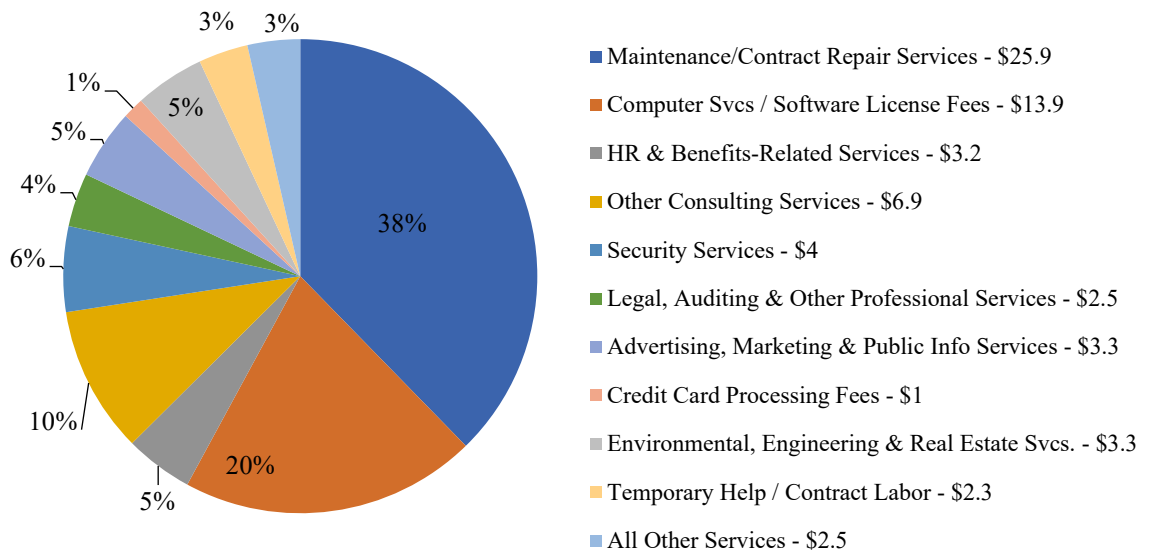
Workers' Compensation program increased \$3.4 million, 60.1% over FY 2022.

Services – The FY 2023 Proposed Services Budget of \$68.7 million represents 10.4% of the total agency budget. This is an increase of \$7.1 million, 11.5% more than the FY 2022 Budget.

Exhibit 76 Services Expenses by Type (in Thousands)

| Object Classification | FY22 Budget | FY23 Proposed | \$ Variance | % Variance |
|--|-----------------|-----------------|----------------|--------------|
| Maintenance/Contract Repair Services | \$24,393 | \$25,892 | \$1,499 | 6.1% |
| Computer Svcs / Software License Fees | 11,891 | 13,886 | 1,995 | 16.8% |
| HR & Benefits-Related Services | 3,193 | 3,192 | (1) | (0.0%) |
| Other Consulting Services | 5,953 | 6,879 | 927 | 15.6% |
| Security Services | 2,801 | 4,002 | 1,201 | 42.9% |
| Legal, Auditing & Other Professional Services | 2,341 | 2,515 | 173 | 7.4% |
| Advertising, Marketing & Public Info Services | 3,037 | 3,268 | 231 | 7.6% |
| Credit Card Processing Fees | 1,001 | 1,001 | 0 | 0.0% |
| Environmental, Engineering & Real Estate Svcs. | 2,550 | 3,270 | 720 | 28.2% |
| Temporary Help / Contract Labor | 1,993 | 2,321 | 328 | 16.5% |
| All Other Services | 2,437 | 2,466 | 29 | 1.2% |
| Total Services | \$61,590 | \$68,692 | \$7,102 | 11.5% |

Exhibit 77: FY 2023 Services Budget by Component (in Millions)



Materials and Supplies – The budget for Materials and Supplies increased year-over-year by \$5.7 million (13.8%).



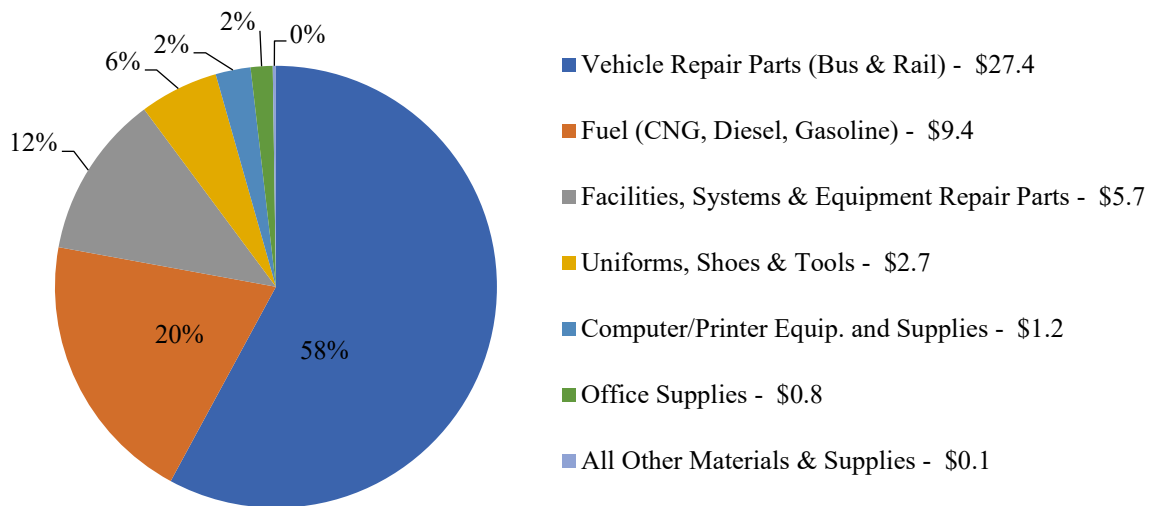
- Vehicle Repair Parts have increased by \$3.0 million 12.4%.
- Fuel (CNG, Diesel, Gasoline) increased \$2.1 million 27.8%

Exhibits 78 and 79 detail the Materials & Supplies component of the budget.

Exhibit 78: Materials & Supplies Expenses by Type (in Thousands)

| Object Classification | FY22 Budget | FY23 Proposed | \$ Variance | % Variance |
|--|-----------------|-----------------|----------------|--------------|
| Vehicle Repair Parts (Bus & Rail) | \$24,341 | \$27,368 | \$3,027 | 12.4% |
| Fuel (CNG, Diesel, Gasoline) | 7,387 | 9,439 | 2,052 | 27.8% |
| Facilities, Systems & Equipment Repair Parts | 5,332 | 5,653 | 321 | 6.0% |
| Uniforms, Shoes & Tools | 2,576 | 2,727 | 151 | 5.9% |
| Computer/Printer Equip. and Supplies | 1,075 | 1,211 | 136 | 12.6% |
| Office Supplies | 734 | 759 | 25 | 3.3% |
| All Other Materials & Supplies | 106 | 110 | 3 | 3.1% |
| Total Materials & Supplies | \$41,552 | \$47,266 | \$5,714 | 13.8% |

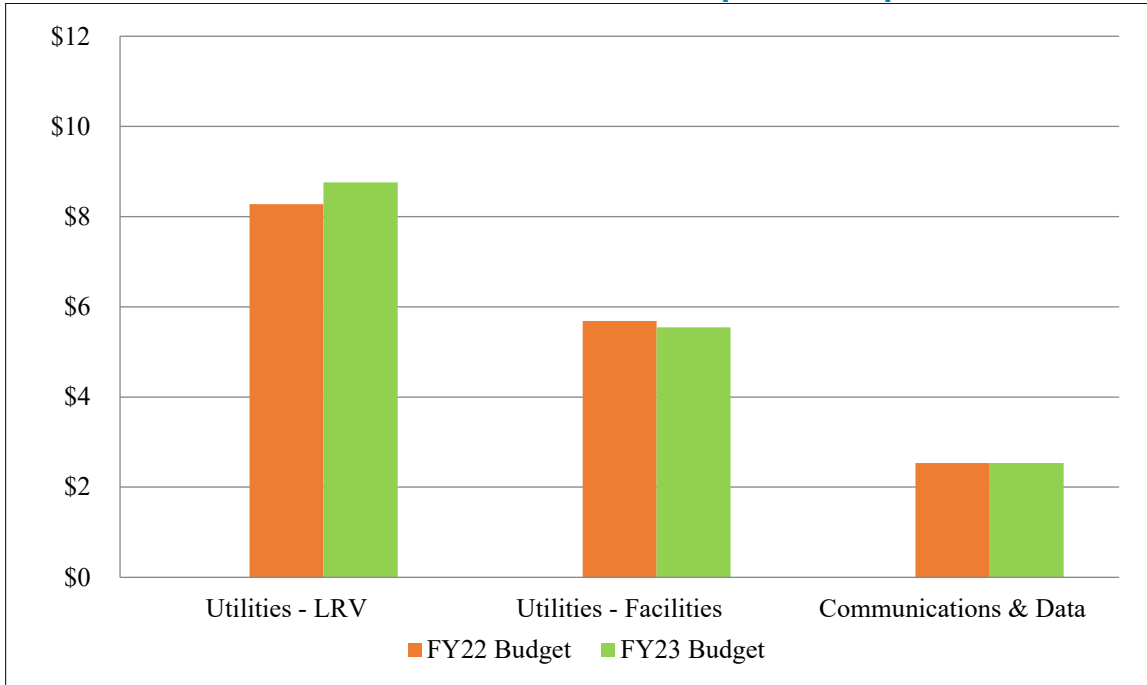
Exhibit 79: FY 2023 Materials & Supplies Budget by Component (in Millions)



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 2023 is \$16.8 million, a 2.1% increase year over year. This category represents 2.6% of the total Agency's Operating Budget.

Exhibit 80 compares the Utilities & Communications budgets.

Exhibit 80: FY 2023 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 9.8% in the FY 2023 Proposed Budget due to increases in service levels for TRE and GoLink and fuel cost paid to the vendor.

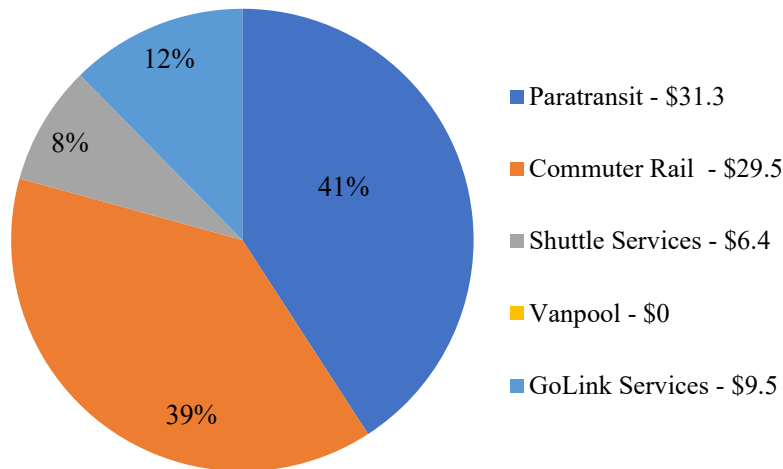


Exhibit 81: Purchased Transportation Expenses by Type (in Thousands)

| Object Classification | FY22 Budget | FY23 Budget | \$ Variance | % Variance |
|---------------------------------------|-----------------|-----------------|----------------|-------------|
| Paratransit | \$30,061 | \$31,343 | \$1,282 | 4.3% |
| Commuter Rail | 26,521 | 29,491 | 2,971 | 11.2% |
| Shuttle Services | 7,353 | 6,394 | (959) | (13.0%) |
| Vanpool | 1,033 | 0 | (1,033) | (100.0%) |
| GoLink Services | 4,930 | 9,498 | 4,569 | 92.7% |
| Total Purchased Transportation | \$69,898 | \$76,727 | \$6,829 | 9.8% |

- Paratransit costs increased by \$1.3 million 4.3% due to service expansion and fuel cost.
- Trinity Railway Express costs increased by \$3.0 million 11.2% due to increased fuel cost and Positive Train Control cost.
- Shuttle Services decreased 13.0%, primarily due to a portion of the Uber trips’ budget being moved into the GoLink expansion in FY 2023.
- GoLink Services increased \$4.6 million 92.7% due to DARTzoom and expansion to 30 zones.

Exhibit 82: FY 2022 Purchased Budget by Component (in Millions)



Capital and Non-Operating Budget

Exhibit 82 summarizes the Capital and Non-Operating Project Expenditures from FY 2022- FY 2023, which includes: Light Rail Transit (LRT) expansion; TRE track work; vehicle and facility capital maintenance programs; scheduled replacement of



vehicles, facilities, infrastructure; etc. A summary showing all capital and non-operating projects (and associated reserves) is shown in Exhibit 50 and 51 (page 211) in the Financial Plan Section.

Exhibit 83: Capital & Non-Operating Project Expenditure Comparison (in Millions)

| Category | FY22 Budget | Proposed FY23 Budget | \$ Variance |
|---|----------------|----------------------|---------------|
| Total Capital Projects | \$819.0 | \$828.9 | \$9.9 |
| Road Improvements | 4.2 | 4.4 | 0.1 |
| Non-Operating | 4.1 | 4.9 | 0.8 |
| Capital Planning & Development & Startup Cost | 14.6 | 16.0 | 1.4 |
| Total Capital / Non-Operating | \$841.9 | \$854.1 | \$12.2 |

Debt Service Budget

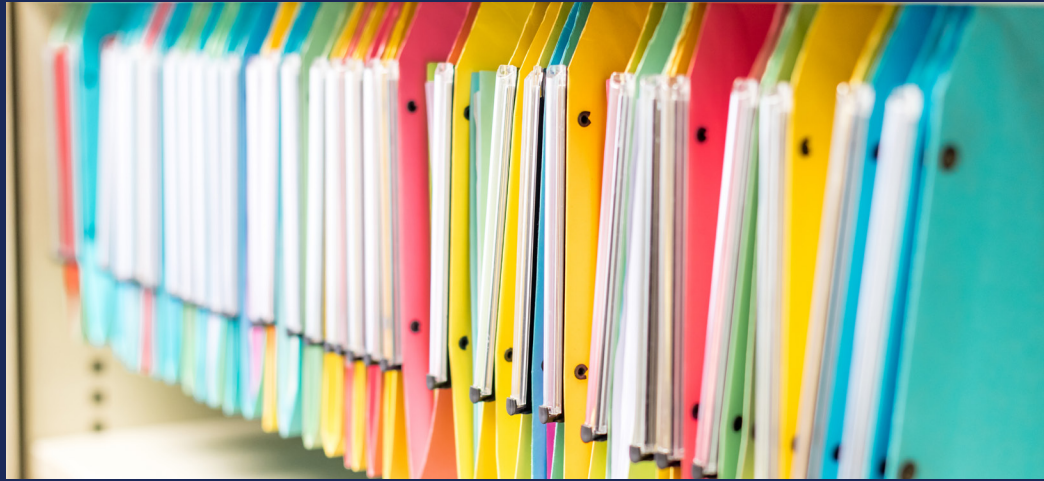
The FY 2023 Debt Service Budget shown in in Exhibit 84. Additional information on DART's Debt Program can be found in the Financial Plan Section.

Exhibit 84: Debt Service Expense Comparison (in Millions)

| Description | FY 2022 Budget | FY 2022 Projected | Proposed FY 2023 |
|---|----------------|-------------------|------------------|
| Long-Term Debt Interest Expense* | \$134.6 | \$125.6 | \$145.2 |
| Commercial Paper Program & Other Expenses | 0.5 | 6.8 | 0.5 |
| Total Expenses | \$135.2 | \$132.4 | \$145.7 |
| Principal Repayments - Bonds** | \$71.4 | \$71.4 | \$78.0 |
| Total Debt Service Budget | \$206.5 | \$203.7 | \$223.7 |

**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.*



References

- Financial Policies
- Economic Environment
- Glossary and Acronyms



Reference

A. Business Plan Development

Purpose of Business Plan

The FY 2023 Business Plan provides the DART Board of Directors, DART customers, and the region’s taxpayers, elected officials, and other stakeholders with a comprehensive summary of the Agency's plans and commitments to improve regional mobility, enhance the quality of life, and stimulate economic development.

This document consolidates the key elements of the FY 2023 Annual Budget, the FY 2023 Twenty-Year Financial Plan, the Transit System Plan, and the Agency's Strategic Plan. The resolutions at Exhibit 88 and Exhibit 89 show approve the funding levels for the FY 2023 Annual Budget and the approved FY 2023 Twenty-Year Financial Plan, respectively, as required by DART's enabling legislation.

The Business Plan is management's written document that outlines DART's performance projections and commitments for each mode of service and the Agency as a whole. The Plan includes key operating, financial, and quality measures that identify the initiatives necessary to improve performance, ridership, and financial targets.

Business Planning Process

Exhibit 85 highlights the business planning, compilation, and approval process used at DART.

Exhibit 85: Business Plan Development Schedule

| Date | Description |
|-----------|---|
| | Management reviews Strategic Plan every five years |
| Dec – Feb | Management reviews and makes recommendations for changes to Financial Standards |
| Feb – Mar | Board reviews and approves Financial Standards |
| Mar – Sep | Staff develops Business Plan (which includes the Annual Budget and Twenty-Year Financial Plan) for following year |
| Jul | Management presents proposed Budget and Twenty-Year Financial Plan to Board |



| | |
|-----------|---|
| Aug | Board approves issuance of the Budget and Twenty-Year Financial Plan to the cities within the DART Service Area |
| Aug – Sep | Service area cities provide input to DART |
| Sep | Board approves Budget and Twenty-Year Financial Plan |

DART takes a top-down approach to business planning. The approach begins with the Board Goals, Strategic Plan, and Board-approved Financial Standards which establish parameters within which management must operate.

The Board reviews projected business and financial results, including proposed new operating and capital programs, beginning in the Spring. Departmental targets are set based on projections from the Twenty-Year Financial Plan and other known factors or programs (e.g., increases in health care, contract rates, or fuel costs). Based on the direction of senior management, departments prepare detailed budgets for each of their cost centers within those targets.

These budgets are in turn reviewed during meetings with the department head, the Executive Vice President, the President & Chief Executive Officer, the Chief Financial Officer, and the Budget Office to discuss the respective budgets as well as any changes. All new proposed programs are evaluated for effectiveness and efficiency.

The Finance Department then compiles the numbers, coordinates work programs to achieve strategies, and publishes the Business Plan (including the Annual Budget and Twenty-Year Financial Plan) for review by the cities within the DART Service Area. The Board performs additional reviews in August and September, before approving the Budget and Twenty-Year Financial Plan in September.

Capital Budgeting

DART’s capital budgeting processes are focused on ensuring that DART spends its available capital dollars on projects that provide the most benefit to the service area and are done in the most cost-effective manner possible. Capital projects are prioritized based on the following criteria:

- Compliance with government regulations
- Safety-related
- Interlocal Agreement (ILA) or other prior commitment
- Required to maintain existing infrastructure
- Cost effectiveness

Many dimensions of each project must be submitted with the project request, including:

- Consequences of not doing the project



-
- Potential ridership generated
 - Effect of the project on customers, employees, and other stakeholders
 - Compliance with long-range plans of the Agency, such as the Strategic Plan, Transit System Plan, and Twenty-Year Financial Plan
 - Time criticality
 - Life-cycle cost including capital expenditures, operating and maintenance expenses, and revenue generation in comparison with current operations
 - Other potential alternatives to the proposed project and associated life-cycle costs of each alternative
 - Concurrence from all affected departments

For certain classes of expenditures (such as infrastructure maintenance), discrete projects cannot be specifically identified, or the timing of equipment replacement cannot be accurately determined. Capital reserves have been established in the Twenty-Year Financial Plan for each capital project category based on historic spending patterns and projected levels of new work. These reserves act as placeholders for anticipated future capital expenditures. Once a specific project is identified that relates to a particular reserve, that project is given its own unique identification number, and the reserve is reduced accordingly.

Budget and Financial Plan Approval and Amendments

Annual Budget

DART's legislation requires the Board to approve an annual budget. The proposed annual budget must be made available to the governing bodies of the participating municipalities at least 30 days prior to final budget adoption.

Twenty-Year Financial Plan

The Twenty-Year Financial Plan addresses the affordability of the Transit System Plan and the timing of service and capital expansion projects. The Twenty-Year Financial Plan details projected sources and uses of cash for twenty years. The first year of the Plan corresponds with the coming year's budget. The Plan validates the affordability of our long-range Transit System Plan and includes our commitments for future system expansion and the issuance and repayment of debt.

The Board approves two resolutions prior to the start of each new fiscal year (see Exhibits 88 and 89). The Board approves the Annual Budget including operating expense, capital, and debt service budgets in one resolution which requires a simple majority for approval. The Twenty-Year Financial Plan is approved in a second resolution and requires an affirmative vote of two-thirds of the appointed and qualified members of the Board for approval.



Any major change to the Twenty-Year Financial Plan that occurs outside of the normal approval schedule requires a Financial Plan Amendment. A major change is defined as when DART's share of a new operating program, or DART's share of an increase to an existing operating program, is in excess of \$500,000 per year; or, when DART's share of a new capital program, or the cumulative addition to an existing capital program, is in excess of \$1 million (see Exhibit 92, FS-G9). These changes require the affirmative vote of two-thirds of the number of appointed and qualified members of the Board.

Budget Basis and Presentation of Amounts and Years

DART's Annual Budget is presented on the same basis as our audited financial statements, but does not include depreciation, amortization of Federal grants, or the interest income and interest expense from leveraged lease transactions. Each of these non-cash transactions, however, is incorporated into the projected balance sheet shown as Exhibit 56 in the *Financial Plan Section*.

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 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.

Board Planning Documents

Several related reports are referenced in this document. Readers may wish to refer to these for a more comprehensive understanding of DART's plans and operations.

These documents may be obtained from DART's Finance or Capital Planning departments. See Exhibit 97 for an illustration of how the Transit System Plan interrelates with other documents.

Service Plan and Transit System Plan

DART has a Service Plan and a Transit System Plan. The Service Plan is required by DART's legislation and describes, in legal terms, where DART's facilities and rail alignments are physically located.

DART's Transit System Plan is a long-range planning tool that identifies and prioritizes major capital projects needed to improve regional mobility. The Transit System Plan provides detailed discussions of bus service recommendations, light rail and regional rail project development phasing schedules, paratransit strategies, as well as recommendations associated with system-wide mobility elements, and



transit-oriented development. The Transit System Plan is closely coordinated with development of the North Central Texas Council of Governments' Metropolitan Transportation Plan and undergoes a major revision every five to ten years.

2030 Transit System Plan (TSP)

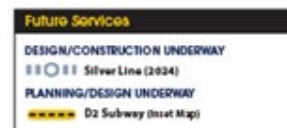
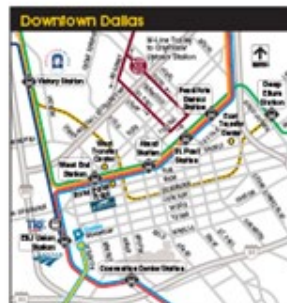
In October 2006, the DART Board adopted the 2030 Transit System Plan. The TSP focused on transit needs and opportunities within the context of a 2030 horizon. It includes recommendations for DART's core services (bus, light rail, regional rail, and [previously] HOV) and includes a discussion of issues such as land use and economic development, system accessibility, bicycle and pedestrian integration, and policies relative to DART's role in regional transit initiatives.

The plan is financially constrained and is thus closely coordinated with the DART Twenty-Year Financial Plan. The economic slowdown of the late 2000's resulted in placing a number of major capital projects in the 2030 TSP in a deferred/unfunded status. Those projects that remain in deferred status are being re-evaluated and may be incorporated into the 2045 Transit System Plan currently under development.

Exhibit 86 is the map of DART Current and Future Services.

Exhibit 86: DART Current and Future Services

DART Current and Future Rail Services





2045 Transit System Plan

The DART Board has initiated a revision to the existing 2030 Transit System Plan using a two-phased approach.

Phase I included a Comprehensive Operations Analysis (COA) of the bus system to develop recommendations for improvements to the bus network. Phase I focused on evaluating potential high-capacity transit corridors, including those deferred from the 2030 Transit System Plan.

Phase II also integrated COA bus recommendations while focusing on system sustainability including low-cost initiatives to grow ridership, improve accessibility, and increase operating efficiency, maintaining the system in a state of good repair, and regional opportunities.

Projects in the 2030 Transit System Plan that were deferred/ underfunded over the past several years were reviewed and evaluated for potential inclusion in the 2045 Plan along with any new projects that may be identified.

A Final 2045 Plan will be presented to the Board of Directors following Board approval to distribute the plan for public and stakeholder comment.

Quarterly Operating and Financial Performance Reports

DART's Quarterly Operating and Financial Performance Reports provide updates on management's progress against financial and operating projections for the current year and provide status reports on ridership, planning, and capital projects in progress. These reports are available on DART's website, DART.org.

Exhibit 87: Interrelationship of System Plan with Other Documents

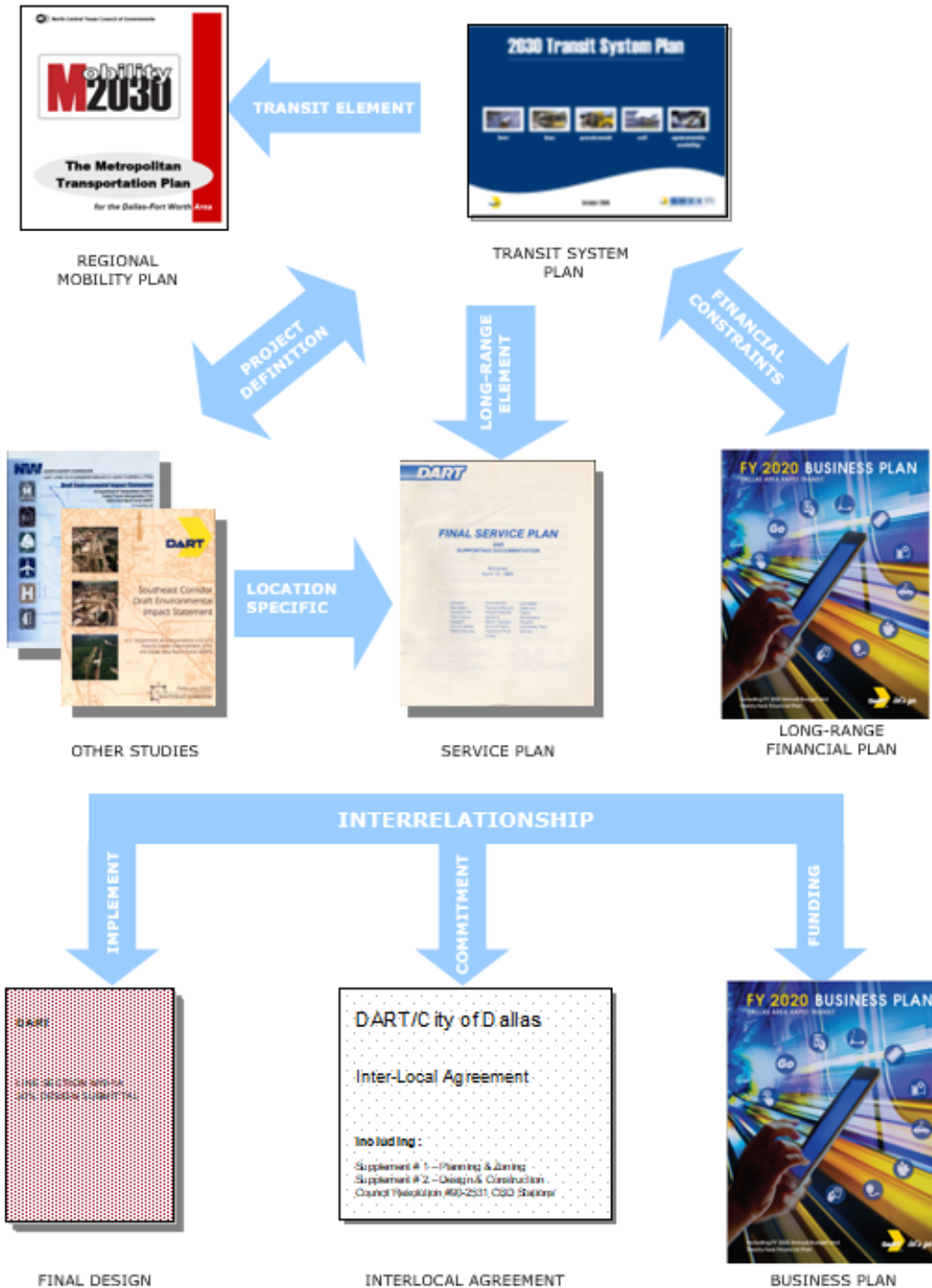




Exhibit 88: FY 2023 Annual Budget Resolution #220135

220135

RESOLUTION



of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

RESOLUTION

Approval of Fiscal Year (FY) 2023 Annual Budget

WHEREAS, on April 26, 2022 (Resolution No. 220056), the Board approved the Financial Standards (including the General Standards, Business Planning Parameters, and Debt Service Standards), which were the basis for compiling the FY 2023 Annual Budget; and

WHEREAS, the Board has been briefed on the assumptions used to prepare the FY 2023 Annual Budget; and

WHEREAS, the proposed FY 2023 Annual Budget was sent to the governing bodies of the municipalities within the DART Service Area (Resolution No. 220120) at least thirty days prior to Board approval in accordance with Section 452.113(3) of the Texas Transportation Code.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the FY 2023 Annual Budget is approved in the amount of \$1,605,351,448.

| | |
|---|------------------------|
| Operating | 637,869,000 |
| Capital & Non-Operating | 743,791,129 |
| Debt Service | 223,691,319 |
| Total FY 2023 Proposed Annual Budget | \$1,605,351,448 |

Approval of Fiscal Year (FY) 2023 Annual Budget

Rodney Schlosser
Secretary

Michele Wong Krause
Chair

APPROVED AS TO FORM:

Gene Gamez
General Counsel

ATTEST

Nadine S. Lee
President & Chief Executive Officer

September 27, 2022
Date



Exhibit 89: Twenty-Year Financial Plan – Resolution #220136



RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

220136

RESOLUTION

Approval of Fiscal Year (FY) 2023 Twenty-Year Financial Plan

WHEREAS, on April 26, 2022 (Resolution No. 220056), the Board approved the Financial Standards (including the General Standards, Business Planning Parameters, and Debt Service Standards), which were the basis for compiling the FY 2023 Twenty-Year Financial Plan; and

WHEREAS, all Financial Standards have been met in the compilation of the FY 2023 Twenty-Year Financial Plan; and

WHEREAS, staff has briefed the Board on the assumptions used to prepare the FY 2023 Twenty-Year Financial Plan; and


WHEREAS, the proposed FY 2023 Twenty-Year Financial Plan was sent to the governing bodies of the municipalities within the DART Service Area at least 30 days before the adoption of the Financial Plan; and

WHEREAS, Section 452.111 of the Texas Transportation Code, Article III, Section 14 of the Board Bylaws, and DART Board Policy II.02, Financial Standards Policy, requires that the Board approve the Financial Plan by a two-thirds vote of the appointed and qualified members of the Board.

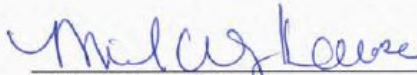
NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the FY 2023 Twenty-Year Financial Plan, as shown in Exhibit 1, is approved.

220136

Approval of Fiscal Year (FY) 2023 Twenty-Year Financial Plan




Rodney Schlosser
Secretary



Michele Wong Krause
Chair

APPROVED AS TO FORM:

ATTEST



Gene Gamez
General Counsel



Nadine S. Lee
President & Chief Executive Officer

September 27, 2022

Date



B. Financial Policies

Board Policies – The Board has several policies that provide direction to management for implementation. Examples of Board policies are: real estate purchases, advertising, and fare structure. DART's enabling legislation requires the Board to adopt an annual budget prior to the commencement of a fiscal year. It also requires the Board to have a Financial Plan.

The Financial Plan details the projected sources and uses of cash for twenty years and reviews the affordability of DART's currently approved Transit System Plan. The Board's Bylaws require two thirds vote of the appointed and qualified Board Members to approve or amend the Financial Plan. Budget and Financial Plan amendments are required when DART's share of a new operating program or increase to an existing operating program is in excess of \$500,000 per year; or when DART's share of a new capital program or the cumulative addition to an existing capital program is in excess of \$1 million.

The Board's Financial Standards Policy (Exhibit 90 and 91) requires that the Board review the Financial Standards each year as a part of the budget and financial planning process.

Financial Standards – DART's Financial Standards (Exhibit 92) are divided into three sections: General (FS-G), Business Planning Parameters (FS-B), and Debt Service (FS-D).

The purpose of the General Standards is to ensure that DART prudently manages its financial affairs and establishes appropriate cash reserves.

The Business Planning Parameters (BPPs) provide management with a framework for developing the following year's budget and Twenty-Year Financial Plan and establish future business targets for management to achieve.

The purpose of the Debt Service Standards is to limit the level of debt that may be incurred and to ensure that debt assumptions are based on financial parameters similar to (or more conservative than) those that would be placed on DART by the financial marketplace.

The combination of these policy documents provides a framework within which management can formulate strategy and action plans to maximize return on investment (for example, increase ridership and improve subsidy per passenger). Exhibit 93 highlights which Financial Standards correlate with the major sources and uses of cash included in the Annual Budget and Twenty-Year Financial Plan.



Exhibit 90: FY 2022 Financial Standards - Resolution # 220056

220056

RESOLUTION

of the



DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

RESOLUTION

Approval of Financial Standards for FY 2023 Budget and Twenty-Year Financial Plan Process

WHEREAS, the Board desires to provide Staff with a financial and operating framework for development of the FY 2023 Budget and Twenty-Year Financial Plan; and

WHEREAS, DART Board Policy II.02, Financial Standards Policy, requires the Board to review and approve the Financial Standards each year as a part of the Budget and Financial Plan process; and

WHEREAS, DART Board Policy II.02, Financial Standards Policy, also states that an affirmative vote of two-thirds of the appointed and qualified members of the Board is required for approval of DART's Financial Standards; and

WHEREAS, no changes to the Financial Standards are being recommended at this time.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the Financial Standards for the FY 2023 Budget and Twenty-Year Financial Plan process as shown in Exhibit 1 to this Resolution are approved.

Approval of Financial Standards for FY 2023 Budget and Twenty-Year Financial Plan Process

Rodney Schlosser
Secretary

Michele Wong Krause
Chair

APPROVED AS TO FORM:

Gene Gamez
General Counsel

ATTEST

Nadine S. Lee
President & Chief Executive Officer

April 26, 2022
Date



Exhibit 91: Board Financial Standards Policy

| | |
|--------------------------------|--|
| DATE ISSUED: | May 13, 1997 |
| Resolution No. | 970083 |
| Amended by Resolutions: | 980067, 980239, 990087, 990145, 000117 |
| Policy No.: | II.02 (Finance) |

The Board shall review and approve a set of Financial Standards each year as part of the Budget and Financial Plan approval process. The Financial Standards shall be divided into three sections:

1. General Financial Standards – The purpose of the general standards is to ensure that DART prudently manages its financial affairs and establishes appropriate cash reserves to be able to meet its future financial commitments.
2. Debt Financial Standards – The purpose of the debt standards is to limit the level of debt that may be incurred and to ensure that debt assumptions used in the Financial Plan are based on financial parameters similar to (or more conservative than) those that would be placed on DART by the financial marketplace. Actual debt covenants may differ from these standards. Where this occurs, the Financial Plan may reflect the actual covenants in the Board-approved debt instruments.
3. Business Planning Parameters – The purpose of the Business Planning Parameters is to provide management with a framework for developing the following year’s budget and the twenty-year Financial Plan and establish future business targets for management to achieve.

Approval or amendment of this policy and of DART’s Financial Standards will require an affirmative vote of two-thirds of the appointed and qualified Board members.



Exhibit 92: FY 2023 Financial Standards Resolution # 220056**FY 2023 Financial Standards**

The Financial Standards are divided into three sections: General, Debt Service, and Business Planning Parameters. The purpose of the general standards is to ensure that DART prudently manages its financial affairs and establishes appropriate cash reserves. The purpose of the debt service standards is to limit the level of debt that may be incurred and to ensure that debt assumptions are based on financial parameters similar to (or more conservative than) those that would be placed on DART by the financial marketplace. Actual debt covenants may differ from these standards. Where this occurs, the Financial Plan will reflect the actual covenants in the Board-approved debt instrument. The Business Planning Parameters provide management with a framework for developing the following year's budget and the Twenty-Year Financial Plan and establishing future business targets for management to achieve. Since DART's enabling legislation requires a two-thirds vote on debt and the Financial Plan, approval or amendment of DART's Financial Standards will require an affirmative vote of two-thirds of the appointed and qualified Board members.

FY 2023 Financial Standards – General

- G1.** Complete and accurate accounting records shall be maintained in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board. DART's fiscal year-end for financial reporting purposes shall be September 30.
- G2.** Funds of the Authority shall be invested within the guidelines of the Board's approved Investment Policy and Investment Strategy, and in compliance with applicable State law, including Section 452.102 of the Texas Transportation Code, Article 717q V.T.C.S., the Texas Public Funds Investment Act, and applicable Federal law. The Board shall approve the signatories for all Agency checking and savings accounts.
- G3.** An independent accounting firm shall perform an examination of DART's consolidated financial statements (including Single Audit requirements) and DART's retirement plan financial statements on an annual basis. The Agency's goal is to receive an unqualified opinion on the financial statements and an opinion that DART is in compliance with Federal Single Audit requirements in all material respects.



-
- G4.** An annual actuarial analysis shall be performed on the Defined Benefit Plan. This Plan shall be funded in accordance with guidance received from the actuaries.
- G5.** Appropriate insurance coverage shall be maintained to mitigate the risk of material loss. For self-insured retentions, a separately funded Master Insurance Reserve shall be maintained in an amount equal to the estimated liability for incurred losses and a reasonable allowance for claims incurred but not filed. An actuarial review of self-insured retentions will be made at least once every three years to ensure adequacy of the Master Insurance Reserve.
- G6.** 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 Twenty-Year Financial Plan. This reserve will be invested in accordance with the investment strategy for the Operating Fund.
- G7.** In order to provide a buffer against an unanticipated shortfall in sales tax collections, DART will maintain a Financial Reserve. The goal of this reserve is to maintain a balance of at least 10% of the current year's sales tax budget. During periods in which sales taxes exceed the budget, the excess collections will be deposited into the Reserve by January 1 of the following year, up to a maximum fund balance of \$50 million. 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. Sources of funding shall include: i) sales tax received in excess of the amount budgeted for the fiscal year after such excess has been used to meet the requirements established for the Financial Reserve; ii) non-operating revenue and non-passenger operating revenue, received in excess of the amount budgeted for the fiscal year, and not already designated for a specific purpose (if actual operating expense net of operating revenue, is less than or equal to budget for the fiscal year just ended), such as real estate sales and leases, station naming rights, and other innovative sources; iii) investment earnings on the Financial Reserve and Mobility Assistance and Innovation Fund balances; and iv) grants and other contributions (including private). The Mobility Assistance and Innovation Fund shall be used for capital or operating projects and initiatives that advance the goals and objectives identified by the Agency, as well as mitigation of fare increases. Authorization to spend Reserve funds requires the affirmative vote of two-thirds of the appointed and qualified members of the Board.



-
- G8.** The fiscal year of DART shall end on September 30 of each year. At the beginning of the budget and financial planning process each year, the Board should review and approve a set of Financial Standards that can be used by management as a framework for developing the following year's Budget, Business Plan, and Twenty-Year Financial Plan. The Board shall approve the Budget and Twenty-Year Financial Plan by September 30 of each fiscal year. The Annual Budget shall be the first year of the Twenty-Year Financial Plan.
- G9.** Twenty-Year Financial Plan amendments shall require a two-thirds vote of the number of appointed and qualified Board members. An amendment is necessary when DART's share of the addition of a new capital project or the cumulative modification of an existing capital project is in excess of \$1 million or DART's share of the addition of a new operating program or increase in an existing operating program is in excess of \$500,000.

FY 2023 Financial Standards – Business Planning Parameters

- B1.** Sales tax revenue forecasts shall be based on a sales tax model developed specifically for the DART Service Area by an independent economist. In order 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.
- B2.** Passenger revenue forecasts shall be derived from ridership and average fare forecasts based on the Board's approved fare policy and fare structure. The Board will consider, from time to time, fare modifications to achieve Service Plan, ridership, and subsidy per passenger targets (see B4) and to maintain DART's financial viability.
- B3.** The Board shall approve annual fixed route service levels by mode for each of the next five years. Fixed route service levels shall be based on the Five-Year Action Plan prepared by the Planning and Development Department. Cost of service will be developed jointly by Finance and Planning.
- B4.** The Board desires to steadily improve service efficiency over time. Subsidy per passenger will continue to be monitored and managed. Management will continue to report the subsidy per passenger in the Quarterly Operating and Financial Performance Report. Items that impact subsidy per passenger will be reported in the Financial Considerations section of Agenda Reports.



B5. For financial planning purposes, total operating expenses may not increase by more than 90% of the projected rate of inflation for the Dallas area, plus the incremental costs associated with the addition of new services, programs, and/or facilities as approved by the Board, as well as Board- approved contract increases, actuarial analyses, health-care cost increases, and fuel prices. The projected incremental cost impact of new services, programs, and/or facilities shall be presented to the Board for approval as part of the Twenty-Year Financial Plan assumption process each year.

B6. As the Board desires to maximize financial resources devoted to the provision of service and minimize administrative costs, the administrative ratio [net administrative costs (administrative costs minus administrative revenues) divided by direct costs] may not increase for two consecutive years and shall not be higher than 12.0%. As such the direct cost ratio (direct costs minus net administrative costs divided by direct costs) shall not be lower than 88%.

Management shall use a consistent methodology for computing net administrative costs and direct costs.

Administrative costs shall include such costs as human capital, legal, marketing and communications, finance and associated technology. Administrative revenues shall include non- passenger revenues such as advertising, concessions, and other system-generated revenue. Direct costs shall include costs incurred in the provision of service such as bus operations, rail operations, mobility management services, police and fare enforcement, planning and development, revenue collection, and customer service.

Management will present the projected costs of the major components of net administrative costs and direct costs to the Board as part of the Budget process each year.

This Financial Standard shall be achieved by maximizing direct costs relative to net administrative costs.

B7. General Mobility programs for road improvement programs such as the Local Assistance Program (LAP), Principal Arterial Street System (PASS), Transit Related Improvement Program (TRIP), and Transportation System Management (TSM) and Intelligent Transportation System projects shall be funded according to the terms of the approved Interlocal Agreements and recorded as non- operating expenses in the Twenty-Year Financial Plan.

B8. Capital planning and development costs and start-up costs are the internal staff costs associated with planning, designing, constructing, and opening new capital projects such as the light rail system. Management shall use a



consistent methodology for allocating costs between operating and capital planning. Capital planning and development costs shall not exceed 7% of total operating costs. Cumulative start-up costs for a line section shall not exceed 60% of the first-year operating costs of that line section.

- B9.** The Twenty-Year Financial Plan shall include funding for asset replacement and expansion projects. Capital projects in excess of \$1 million shall be approved by the Board. Timely replacement of assets shall be the highest priority to ensure a safe system. Accordingly, the Twenty-Year Financial Plan shall include replacement reserves by major asset category to ensure adequate future funding. The reserve levels shall be based on an independent assessment of asset condition (to be completed at least once every five years). Expansion projects shall be prioritized based on the project's cost, impact on ridership, return on investment, available funds, and other relevant factors. Capital construction projects shall be increased at annual inflation rates no less than the greater of those: (i) contained in projections developed specifically for DART by an independent economist; or (ii) based on the current available data from construction contract awards. Inflation rates will be reviewed annually and as construction contracts are awarded to determine if the assumptions are reasonable. Non-construction capital projects will be increased at rates no less than general inflation (Consumer Price Index).
- B10.** DART receives formula and discretionary Federal funding. Formula funding shall be programmed primarily for bus replacement, capital preventive maintenance (if available), state-of-good repair projects, and passenger facility construction. Formula funding for future years shall be forecast at the current year's funding level or at the minimum levels included in Federal authorizations to ensure a conservative forecast. Discretionary funding shall be programmed primarily for major system expansion projects (e.g., LRT or new bus maintenance facilities). Discretionary funding levels shall be estimated by project based on Federal criteria and the likelihood of obtaining congressional appropriations and require Board approval during the Budget/Twenty-Year Financial Plan process.

FY 2023 Financial Standards – Debt Service

- D1.** DART may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable provisions of the Texas Transportation Code and other applicable state and federal laws.
- D2.** Long-term debt may be included in the Twenty-Year Financial Plan; however, no debt secured solely by a pledge of sales and use tax revenues and that has



a maturity longer than five years from the date of issuance shall be incurred without the approval by the voters of the Service Area.

- D3.** Debt shall only be issued for approved capital projects and insurance reserves. Specific debt issuances are not tied to specific projects. Any project included in the Budget or Twenty-Year Financial Plan may be funded from the General Operating Fund or with debt, as needed.
- D4.** Sinking funds shall be established to ensure that cash is available to make timely debt service payments on fixed-rate debt issuances that have maturities of one year or less and have periodic semi-annual interest payments. DART shall deposit on a monthly basis a prorated amount sufficient to fund the next principal and interest payment.
- D5.** Reserve fund(s) that may be required by the financial markets for each debt issuance shall be maintained. These reserves may be funded by cash and securities, insurance, or surety bonds, but shall not be accessed unless the sinking funds have insufficient money to make the principal and interest payments as due. For financial planning purposes, reserve projections shall be based on the actual requirement on existing debt, plus the lower of maximum annual debt service, 125% of average annual debt service, or 10% of principal outstanding on projected debt.
- D6.** DART shall establish a legal security structure of liens, agreements, pledged revenues, and other covenants which will be sufficient to (1) secure a rating of "A" or better on sales tax securities; (2) a MIG1 or SP1 rating on short-term notes; or (3) secure A1 or P1 rating on other short-term debt, or if necessary, secure a credit enhancement from a financial institution with a rating of "AA" or better.
- D7.** Certain debt service coverage ratios are required to access the financial markets. For financial planning purposes, annual sales tax revenues must exceed DART's current year debt service obligations by a factor of at least two (External Coverage Ratio). 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). However, the DART Board may choose to grant exceptions to this standard in the interest of expediting the completion of the System Plan.

Exhibit 93 shows the linkages between DART's Financial Standards and its financial information.



Exhibit 93: Relationship of Financial Standards to Sources and Uses of Cash

| Description | Where Covered |
|------------------------------------|---------------|
| <u>Sources of Cash</u> | |
| Sales Taxes | FS-B1 |
| Operating Revenue | FS-B2 |
| Federal Funding | FS-B10 |
| Debt | FS-D1 to D7 |
| <u>Uses of Cash</u> | |
| <u>Operating Budget</u> | |
| Fixed Route Service | FS-B3 & B4 |
| Administrative Costs | FS-B6 |
| Total Expenses | FS-B5 |
| <u>Capital Budget</u> | |
| Gen. Mobility-Road Improvements | FS-B7 |
| Start-up/Capital Planning Costs | FS-B8 |
| Capital Projects | FS-B8, FS-B9 |
| <u>Net Debt Service Budget</u> | |
| Cash Reserves | FS-G5 & G7 |
| Working Cash Requirement | FS-G6 |

C. Sales Tax

Exhibits 94 and 95 provide sales tax information for DART and for the cities within DART's Service Area.

Exhibit 94: Sales Tax History, FY2009 – FY 2021 (in Millions)

| | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Oct | \$30.2 | \$28.7 | \$29.0 | \$33.3 | \$35.4 | \$38.0 | \$41.3 | \$42.2 | \$43.3 | \$46.7 | \$49.1 | \$54.2 | \$50.7 |
| Nov | 27.3 | 26.6 | 30.2 | 31.7 | 32.1 | 36.3 | 38.1 | 40.4 | 43.3 | 46.7 | 47.7 | 51.2 | 49.3 |
| Dec | 43.5 | 41.7 | 43.0 | 46.1 | 47.8 | 50.2 | 55.9 | 57.5 | 59.7 | 60.2 | 64.6 | 68.6 | 67.6 |
| Jan | 27.2 | 28.3 | 29.1 | 30.8 | 35.5 | 35.0 | 38.4 | 40.3 | 43.5 | 44.9 | 47.6 | 52.2 | 49.3 |
| Feb | 27.0 | 25.8 | 27.5 | 31.8 | 32.9 | 36.1 | 37.0 | 39.8 | 42.1 | 42.3 | 46.2 | 45.4 | 42.7 |
| Mar | 35.8 | 36.7 | 39.7 | 39.5 | 41.1 | 44.5 | 49.5 | 51.8 | 53.7 | 57.2 | 55.6 | 51.3 | 61.4 |
| Apr | 29.7 | 29.0 | 31.9 | 33.4 | 35.8 | 39.2 | 41.8 | 41.9 | 42.9 | 47.5 | 51.0 | 41.0 | 58.1 |
| May | 29.6 | 29.7 | 31.1 | 33.9 | 37.9 | 36.8 | 39.6 | 42.7 | 47.0 | 50.9 | 49.6 | 45.3 | 56.1 |
| Jun | 37.3 | 37.3 | 39.5 | 40.9 | 43.0 | 44.7 | 50.1 | 51.9 | 52.2 | 54.6 | 56.7 | 56.3 | |
| Jul | 28.8 | 27.8 | 33.3 | 37.2 | 36.5 | 39.7 | 39.3 | 42.3 | 43.6 | 46.6 | 46.9 | 48.3 | |
| Aug | 27.7 | 28.7 | 29.6 | 34.8 | 36.0 | 40.1 | 39.8 | 44.3 | 45.1 | 46.5 | 54.0 | 46.9 | |
| Sep | 33.4 | 35.3 | 38.4 | 39.1 | 41.7 | 45.2 | 47.9 | 50.0 | 50.2 | 51.4 | 55.4 | 55.1 | |
| FY Total | \$416.1 | \$377.6 | \$375.5 | \$402.4 | \$432.5 | \$455.7 | \$485.8 | \$545.1 | \$566.5 | \$595.6 | \$624.4 | \$615.8 | \$435.2 |



Exhibit 95: Sales Tax Collections by City Since Inception (\$000s)

| (January 1984 - May 2021) | | | | | | | | |
|---------------------------|-------------------|----------------|------------------|------------------|----------------|------------------|-----------------|-----------------------|
| FISCAL YEAR | DART | ADDISON | BUCKINGHAM* | CARROLLTON | COCKRELL HILL | DALLAS | FARMERS BRANCH | GARLAND |
| Yrs. 1984 to | | | | | | | | |
| 1999 | \$3,429,800 | \$89,685 | \$1,407 | \$152,503 | \$941 | \$1,986,023 | \$128,229 | \$172,391 |
| 2000 | 373,781 | 9,430 | 0 | 17,995 | 37 | 201,494 | 13,660 | 17,138 |
| 2001 | 357,883 | 9,060 | 0 | 17,584 | 45 | 193,830 | 11,793 | 16,763 |
| 2002 | 325,545 | 8,186 | 0 | 15,833 | 35 | 176,904 | 10,172 | 15,673 |
| 2003 | 311,818 | 8,074 | 0 | 16,139 | 45 | 165,809 | 9,046 | 15,150 |
| 2004 | 332,396 | 8,546 | 0 | 17,207 | 67 | 176,897 | 9,411 | 15,704 |
| 2005 | 341,757 | 8,733 | 0 | 17,528 | 65 | 177,708 | 9,686 | 16,148 |
| 2006 | 370,519 | 8,765 | 0 | 18,361 | 165 | 190,406 | 10,602 | 18,340 |
| 2007 | 389,129 | 9,407 | 0 | 19,617 | 95 | 198,850 | 11,996 | 19,328 |
| 2008 | 416,148 | 9,937 | 0 | 20,063 | 159 | 214,308 | 12,091 | 20,605 |
| 2009 | 377,597 | 8,828 | 0 | 19,264 | 246 | 191,124 | 11,550 | 18,645 |
| 2010 | 375,471 | 8,531 | 0 | 18,471 | 298 | 189,197 | 10,427 | 18,498 |
| 2011 | 402,404 | 9,140 | 0 | 20,480 | 253 | 202,934 | 11,544 | 18,812 |
| 2012 | 432,478 | 10,682 | 0 | 23,046 | 254 | 218,145 | 12,122 | 20,135 |
| 2013 | 455,700 | 12,020 | 0 | 24,677 | 258 | 230,959 | 13,246 | 21,113 |
| 2014 | 485,740 | 13,083 | 0 | 26,483 | 311 | 243,594 | 12,724 | 22,101 |
| 2015 | 518,624 | 12,671 | 0 | 30,091 | 314 | 260,892 | 13,809 | 23,846 |
| 2016 | 545,083 | 12,485 | 0 | 33,539 | 332 | 273,161 | 13,492 | 27,713 |
| 2017 | 566,594 | 13,263 | 0 | 35,394 | 362 | 283,719 | 13,834 | 27,531 |
| 2018 | 595,576 | 15,523 | 0 | 38,862 | 448 | 295,141 | 14,082 | 27,660 |
| 2019 | 624,402 | 15,108 | 0 | 39,864 | 417 | 312,330 | 17,324 | 29,486 |
| 2020 | 615,808 | 14,148 | 0 | 39,436 | 475 | 309,641 | 17,110 | 28,932 |
| 2021** | 435,222 | 9,795 | 0 | 26,526 | 349 | 224,748 | 11,771 | 28,932 |
| TOTAL | 13,079,473 | 325,100 | 1,407 | 688,962 | 5,972 | 6,917,815 | 399,723 | 640,642 |
| % of 2021 | | 2.25% | 0.00% | 6.09% | 0.08% | 51.64% | 2.70% | 6.65% |
| % of Total | | 2.49% | 0.01% | 5.27% | 0.05% | 52.89% | 3.06% | 4.90% |
| FISCAL YEAR | GLENN HEIGHTS | HIGHLAND PARK | IRVING | PLANO | RICHARDSON* | ROWLETT | UNIVERSITY PARK | COPPELL/ FLOWER MOUND |
| Yrs. 1984 to 1999 | \$698 | \$16,724 | \$341,255 | \$299,315 | \$200,017 | \$13,744 | \$23,836 | \$2,991 |
| 2000 | 102 | 1,488 | 41,643 | 43,639 | 23,175 | 1,789 | 2,191 | 0 |
| 2001 | 113 | 1,517 | 37,480 | 43,893 | 21,441 | 2,232 | 2,131 | 0 |
| 2002 | 112 | 1,459 | 34,078 | 41,556 | 17,186 | 2,406 | 1,947 | 0 |
| 2003 | 133 | 1,422 | 32,652 | 41,899 | 17,197 | 2,491 | 1,761 | 0 |
| 2004 | 158 | 1,557 | 34,630 | 45,208 | 18,402 | 2,825 | 1,782 | 0 |
| 2005 | 125 | 1,743 | 36,805 | 46,826 | 19,577 | 3,342 | 3,471 | 0 |
| 2006 | 175 | 1,857 | 39,697 | 53,949 | 18,831 | 6,560 | 2,810 | 0 |
| 2007 | 198 | 2,012 | 41,717 | 56,365 | 21,171 | 5,574 | 2,800 | 0 |
| 2008 | 221 | 2,250 | 47,195 | 59,440 | 21,480 | 5,498 | 2,902 | 0 |
| 2009 | 208 | 2,122 | 43,870 | 52,547 | 21,239 | 5,264 | 2,690 | 0 |
| 2010 | 237 | 2,240 | 41,005 | 54,756 | 23,174 | 5,780 | 2,858 | 0 |
| 2011 | 333 | 2,418 | 45,300 | 59,389 | 23,112 | 5,443 | 3,247 | 0 |
| 2012 | 353 | 2,769 | 45,852 | 67,616 | 23,722 | 4,662 | 3,118 | 0 |
| 2013 | 398 | 2,814 | 50,191 | 66,404 | 25,556 | 5,154 | 3,210 | 0 |
| 2014 | 436 | 3,272 | 54,525 | 71,695 | 28,481 | 5,395 | 3,639 | 0 |
| 2015 | 493 | 3,351 | 60,124 | 73,711 | 29,757 | 5,732 | 3,833 | 0 |
| 2016 | 506 | 3,466 | 62,225 | 76,055 | 31,767 | 6,471 | 3,871 | 0 |
| 2017 | 517 | 3,360 | 63,792 | 79,350 | 34,763 | 6,656 | 4,053 | 0 |
| 2018 | 579 | 3,941 | 65,346 | 86,813 | 35,754 | 7,092 | 4,333 | 0 |
| 2019 | 712 | 4,302 | 75,386 | 88,321 | 40,701 | 7,175 | 4,641 | 0 |
| 2020 | 827 | 4,212 | 75,767 | 87,087 | 43,518 | 7,206 | 4,506 | 0 |
| 2021** | 619 | 3,662 | 51,351 | 59,175 | 30,067 | 5,188 | 3,341 | 0 |
| TOTAL | 8,255 | 73,959 | 1,421,886 | 1,655,010 | 770,087 | 123,678 | 92,973 | 2,991 |
| % of 2021 | 0.14% | 0.84% | 11.80% | 13.60% | 6.91% | 1.19% | 0.77% | 0 |
| % of Total | 0.06% | 0.57% | 10.87% | 12.65% | 5.89% | 0.95% | 0.71% | 0.02% |



D. Debt Program

DART's Debt Program

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 on August 12, 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 the 2009 Texas legislative session allowing DART to pledge Sales Tax Revenue and Pledged Farebox Revenue as a first lien on Senior Lien Long-Term Bonds (Sales Tax Revenue and Pledged Farebox Revenue). This change allows DART to issue more than \$2.9 billion in long-term debt, provided that DART issues bonds backed by multiple revenue sources.

The Office of the Attorney General of Texas disagreed with that interpretation and on July 23, 2012, DART filed a Bond Validation Petition in District Court 160 in Dallas County. DART sought a judicial ruling clarifying whether a \$2.9 billion limitation on "solely" pledged Sales Tax Revenue Bonds applies to "combined" Pledged Revenue Bonds. The hearing was conducted on August 13, 2012, and the Court concurred with DART's position. As a result, DART is no longer limited to \$2.9 billion in long-term debt so long as the debt is backed by a combined pledge of revenues (sales taxes plus another revenue source).

Commercial Paper

The Board has authorized the issuance of up to \$375 million in Commercial Paper notes, including \$125 million backed by self-liquidity, \$125 million bank-backed, and \$125 million of extendible CP, all for capital acquisition purposes. DART maintains at least 2.0 times the debt service coverage amounts 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 CP notes, which is known as a remarketing failure. A requirement of the extendible CP program is that the initial note issuance can be no greater than 90 days, and upon a remarketing failure the maturity of the note(s) can be extended an additional 180 days. As of September 30, 2021, DART had \$20 million in Self-Liquidity Commercial Paper, \$84.1 million in Bank-backed Commercial Paper, and \$15 million in Extendible Commercial Paper debt outstanding.



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.

Exhibit 96 is DART's Annual Debt Service Schedule as of September 30, 2020.



Exhibit 96: DART Annual Debt Service Structure

| <h2 style="margin: 0;">Debt Service Schedule</h2> | | | | | |
|---|------------------|------------------|--------------------|------------------|------------------------|
| Fiscal Year | Principal | Interest | BABS Reimbursement | Net Interest | Total Net Debt Service |
| FY21 | \$ 64,218,511 | \$ 150,049,741 | \$ (21,246,444) | \$ 128,803,297 | \$ 193,021,808 |
| FY22 | 65,430,000 | 147,694,212 | (21,246,444) | 126,447,768 | 191,877,768 |
| FY23 | 68,330,000 | 144,793,767 | (21,246,444) | 123,547,323 | 191,877,323 |
| FY24 | 67,825,000 | 141,788,685 | (22,530,694) | 119,257,991 | 187,082,991 |
| FY25 | 70,730,000 | 138,845,648 | (22,530,694) | 116,314,954 | 187,044,954 |
| FY26 | 73,725,000 | 135,854,975 | (22,530,694) | 113,324,281 | 187,049,281 |
| FY27 | 76,095,000 | 132,675,124 | (22,530,694) | 110,144,430 | 186,239,430 |
| FY28 | 79,425,000 | 129,357,700 | (22,530,694) | 106,827,006 | 186,252,006 |
| FY29 | 83,260,000 | 125,638,483 | (22,530,694) | 103,107,789 | 186,367,789 |
| FY30 | 87,410,000 | 121,486,489 | (22,530,694) | 98,955,795 | 186,365,795 |
| FY31 | 91,810,000 | 117,097,153 | (22,530,694) | 94,566,459 | 186,376,459 |
| FY32 | 96,489,462 | 112,478,778 | (22,530,694) | 89,948,084 | 186,437,546 |
| FY33 | 101,304,462 | 107,645,290 | (22,530,694) | 85,114,596 | 186,419,058 |
| FY34 | 105,969,462 | 102,617,886 | (22,530,694) | 80,087,192 | 186,056,654 |
| FY35 | 111,159,462 | 97,416,112 | (22,530,694) | 74,885,418 | 186,044,880 |
| FY36 | 121,245,247 | 91,804,436 | (22,121,945) | 69,682,491 | 190,927,738 |
| FY37 | 126,633,387 | 85,688,931 | (21,288,174) | 64,400,757 | 191,034,144 |
| FY38 | 127,035,177 | 79,403,016 | (19,985,127) | 59,417,889 | 186,453,066 |
| FY39 | 131,206,804 | 72,981,673 | (18,197,365) | 54,784,308 | 185,991,112 |
| FY40 | 138,218,778 | 66,158,717 | (16,345,026) | 49,813,691 | 188,032,469 |
| FY41 | 143,855,030 | 58,911,106 | (14,425,788) | 44,485,318 | 188,340,348 |
| FY42 | 149,375,406 | 51,386,130 | (12,437,276) | 38,948,854 | 188,324,260 |
| FY43 | 155,179,585 | 43,518,426 | (10,366,317) | 33,152,109 | 188,331,694 |
| FY44 | 154,102,678 | 35,413,241 | (8,209,613) | 27,203,628 | 181,306,306 |
| FY45 | 160,579,798 | 27,083,522 | (5,974,372) | 21,109,150 | 181,688,948 |
| FY46 | 109,406,064 | 20,150,545 | (4,261,324) | 15,889,221 | 125,295,285 |
| FY47 | 113,661,597 | 14,712,156 | (3,091,443) | 11,620,713 | 125,282,310 |
| FY48 | 118,051,520 | 9,105,780 | (1,882,892) | 7,222,888 | 125,274,408 |
| FY49 | 117,528,943 | 3,354,126 | (634,398) | 2,719,728 | 120,248,671 |
| FY50 | 5,355,004 | 379,989 | - | 379,989 | 5,734,993 |
| FY51 | 5,516,543 | 217,029 | - | 217,029 | 5,733,572 |
| FY52 | 588,575 | 125,729 | - | 125,729 | 714,304 |
| FY53 | 606,114 | 107,609 | - | 107,609 | 713,723 |
| FY54 | 624,177 | 89,438 | - | 89,438 | 713,615 |
| FY55 | 642,777 | 70,561 | - | 70,561 | 713,338 |
| FY56 | 661,932 | 51,178 | - | 51,178 | 713,110 |
| FY57 | 681,657 | 31,047 | - | 31,047 | 712,704 |
| FY58 | 701,971 | 10,488 | - | 10,488 | 712,459 |
| | \$ 3,124,640,122 | \$ 2,566,194,916 | \$ (493,328,718) | \$ 2,072,163,117 | \$ 5,197,506,319 |



Exhibit 97: Long-Term Bond Credit Ratings

| | Standard & Poor's Rating Services | Moody's Investor Services | Kroll Bond Rating Agency | Fitch Ratings |
|----------------------|--------------------------------------|------------------------------|-----------------------------|------------------|
| Series 2007 | AA+ | Aa2 | No rating sought | AA- |
| Series 2009B | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2010B | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2012 | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2012A (TIFIA) | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2014A | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2015 | AA+ | No rating sought | No rating sought | No rating sought |
| Series 2016A | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2016B | AA+ | Aa2 | No rating sought | No rating sought |
| Series 2019 | AA+ | Aa2 | AA+ | No rating sought |
| Series 2020A | AA+ | Aa2 | AAA | No rating sought |
| Series 2020B | AA+ | Aa2 | AAA | No rating sought |
| Series 2020C | AA+ | Aa2 | AAA | No rating sought |
| Series 2020D | AA+ | Aa2 | AAA | No rating sought |
| Series 2021 (RRIF) | AA+ | No rating sought | No rating sought | No rating sought |

Exhibit 98 shows DART's weighted average interest rate on long-term debt as of September 30, 2021.

Exhibit 98: Weighted Average Interest Rate

| Series | All-in Rate at Issue | Remarketing Principal | Final Payment Date |
|--|----------------------|-----------------------|--------------------|
| Bond Principal Outstanding and Rates as of 09/30/2020 | | | |
| 2007 | 4.49% | \$118,395,000 | 12/1/2032 |
| 2009B ⁽¹⁾ | 4.01% | 466,970,000 | 12/1/2044 |
| 2010A | 2.74% | 5,275,000 | 12/1/2023 |
| 2010B ⁽¹⁾ | 3.26% | 729,390,000 | 12/1/2048 |
| 2012 | 3.51% | 8,540,000 | 12/1/2042 |
| 2012A ⁽²⁾ | 2.91% | 38,123,779 | 12/1/2047 |
| 2014A | 3.22% | 339,215,000 | 12/1/2036 |
| 2014B | 3.92% | 46,555,000 | 12/1/2043 |
| 2015 | 2.09% | 88,955,000 | 12/1/2027 |
| 2016A | 3.78% | 482,530,000 | 12/1/2048 |
| 2016B | 2.91% | 210,140,000 | 12/1/2038 |
| 2018 ⁽³⁾ | 2.98% | 11,706,343 | 12/1/2057 |
| 2019 | 2.69% | 301,095,000 | 12/1/2035 |
| 2020A | 2.50% | 130,470,000 | 12/1/2050 |
| 2020B | 1.02% | 32,060,000 | 12/1/2023 |
| 2020C | 2.45% | 115,220,000 | 12/1/2042 |
| Combined | | | |
| Weighted Average | 3.30% | \$3,124,640,122 | |

(1) Build America Bonds subject to sequestration

(2) Transportation Infrastructure and Innovation Act (TIFIA) Bonds

(3) Railroad Rehabilitation and Improvement Financing (RRIF) Loan

E. Fares

DART Fare Collection

DART entered into an interlocal agreement with the City of Dallas to manage and operate the public transportation services known as Dallas Transit System (DTS), empowering the DART Board to establish fares for any and all services provided.

On September 18, 1983, the interim DART Board called for a public hearing to reduce the base fare to \$0.50. The Board approved this fare reduction December 6, 1983, making it effective January 1, 1984. In February 1988, DART formally acquired the Dallas Transit System and its operations from the City of Dallas. A history of

DART's fare structure is shown in Exhibit 99. DART's current fare structure is shown in Exhibit 101.

Exhibit 99: DART Fare Structure History

| Approval Date | Effective Date | Base Rate | Board Resolution | Comments |
|-------------------|--------------------|-----------|------------------|---|
| December 6, 1983 | January 1, 1984 | \$0.50 | 830026 | Multiple fare rates for different cities and routes |
| December 16, 1986 | February 1, 1987 | \$0.75 | 860106 | Two-year phased-in fare increase |
| December 8, 1987 | February 1, 1987 | \$0.75 | 870100 | Rescinded second year rate increase approved in Resolution No. 860106 |
| June 10, 1997 | August 1, 1997 | \$1.00 | 970101 | Consolidated all fares and increased some fare types including Paratransit |
| November 26, 2002 | March 3, 2003 | \$1.25 | 020192 | |
| April 24, 2007 | October 1, 2007 | \$1.50 | 070064 | Across-the-board fare increase with a two-year phased-in approach for Paratransit |
| May 12, 2009 | September 14, 2009 | \$1.75 | 090067 | Fare increases for all base fares, excluding Paratransit |
| August 28, 2012 | December 3, 2012 | \$2.50 | 120105 | Fare increases for all base fares, excluding Paratransit |
| February 12, 2018 | March 1, 2018 | \$3.00 | 180017 | Changes to some passes and programs in March 2018, across-the-board fare increase in August 2018. |
| June 23, 2020 | July 1, 2020 | \$3.00 | 200060 | A \$1.00 Dallas Streetcar fare was added. |



FY 2020 Fare Structure Amendment

The DART Board approved a fare structure amendment on June 23, 2020 which included the addition of a \$1.00 Streetcar fare. The fare structure amendment met the financial commitment in the Twenty-Year Financial Plan and complies with Board-adopted Policy. The amendment made changes to some of the passes and programs offered by DART, as well as changes to DART fares. The timing of the changes generally coincides with the implementation of the new payment system.

The new payment system includes contactless payment cards available at hundreds of retail locations throughout the service area, as well as an enhanced version of the DART mobile ticket app GoPass. Riders tap their DART card to the validator – or activate their GoPass ticket – as the travel on DART. The new payment system has new beneficial features including:

- Stored value – a payment system feature that allows DART riders to load value into an account to use to purchase DART passes or pay for travel.
- Best value – the payment system deducts the lowest appropriate fare from the customer’s stored value as the customer travels on DART.
- Fare capping – a pay-as-you-go feature that allows DART riders to travel with their GoPass or DART card, the DART payment system keeps track of the amount spent, and automatically caps the daily and monthly fare so the rider will not spend more than needed on travel. Riders pay for each part of their journey until the daily or monthly amounts are reached, then pay no more. No need to pay the monthly amount up front!
- Lost card value protection – a customer that has registered their DART card account can have their stored value (account balance) restored if their card is lost.
- Customers can add value to their GoPass account without the use of a credit card by using cash at the retail locations.

Exhibit 100 shows the resolution to include a \$1.00 Dallas Streetcar fare.



Exhibit 100: DART Fare Structure Resolution # 200060

| | | |
|---|--|-------------------|
| | RESOLUTION | 200060 |
| | of the | |
| | DALLAS AREA RAPID TRANSIT BOARD | |
| | (Executive Committee) | RESOLUTION |
| Approval to Amend DART Fare Structure for the Dallas Streetcar | | |

WHEREAS, The Board’s Fare Policy (III.01) states that “a fare structure establishing the base fare, categories of prepaid fares, special fare programs, and the pricing of such fares and programs, shall be adopted by the Board of Directors and reviewed every two years at a minimum”; and

WHEREAS, DART’s fare structure requires amendment from time to time; and

WHEREAS, the Federal Transit Administration (FTA) requires that an equity analysis be conducted and approved by the DART Board for any proposed fare structure change; and

WHEREAS, the DART Board has received a copy of the fare equity analysis on the impacts of the proposed fare structure change per FTA guidance; and

WHEREAS, a public hearing was held on May 26, 2020 to receive comments on the proposed fare structure change; and

WHEREAS, the Board desires to modify the fare structure; and

WHEREAS, the Dallas streetcar fare will have no impact on the FY 2020 Twenty-Year Financial Plan.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

- Section 1: The Fare Equity Analysis is approved as shown in Exhibit 2.
- Section 2: The amended Fare Structure as shown in Exhibit 1 to the Resolution is adopted and shall be effective beginning July 1, 2020, or as otherwise indicated in Exhibit 1.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated

| Section 1: Product Fare Schedule | <u>Effective Date</u> |
|--|--------------------------------|
| | <u>August 1, 2018</u> |
| <u>Single Ride (1) (available only on bus)</u> | |
| Local | \$2.50 |
| Reduced Fare | 1.25 |
| Regional | N/A |
| | <u>December 1, 2020</u> |
| <u>Single Ride – Paratransit</u> | |
| Paratransit – Demand Response Van/Sedan Service | \$3.50 |
| Paratransit – Trips to Fixed-Route Stops | 1.00 |
| Paratransit – Eligible Riders on Fixed-Route Service | FREE |
| | <u>July 1, 2020</u> |
| <u>Dallas Streetcar</u> | |
| Dallas Streetcar - Local | \$1.00 |
| <u>Mid-Day (9:30 a.m. – 2:30 p.m.) (6)</u> | |
| Local | 2.00 |
| <u>Day</u> | |
| Local | 6.00 |
| Regional (4) | 12.00 |
| Reduced (5) | 3.00 |
| <u>Regional Day Pass Vouchers</u> | |
| | <u>January 1, 2020</u> |
| Regional – (7) | \$3.60 |
| | <u>August 1, 2018</u> |
| <u>Month</u> | |
| Local | \$96.00 |
| Regional | 192.00 |
| Reduced Fare (5) | 48.00 |
| | <u>December 1, 2020</u> |
| Paratransit | \$112.00 |

Parenthetical numbers 1 through 8 refer to the footnotes following this schedule.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)

Section 1: Product Fare Schedule (cont.)

August 1, 2018

Annual

| | |
|----------------------|----------|
| Local | \$960.00 |
| Regional | 1,920.00 |
| Senior (regional) | 576.00 |
| Corporate – Local | 720.00 |
| Corporate – Regional | 1,440.00 |

Higher Education Program - Middle & High School, Colleges & Trade Schools

Passes for Entire Student Body:

| | |
|----------|-------|
| Quarter | 60.00 |
| Semester | 78.00 |

Passes Purchased by Individual Students

| | |
|----------|--------|
| Quarter | 144.00 |
| Semester | 192.00 |

Parenthetical numbers 1 through 8 refer to the footnotes following this schedule.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)**Section 1: Product Fare Schedule (cont.)**Footnotes to Product Fare Schedule:

1. Single trip on a DART bus. No pass issued for this trip.
2. A.M./P.M.: Tickets purchased from start of service day until noon are valid for travel until noon; tickets purchased at noon to end of service day are valid until end of DART service day. Valid for travel on all DART buses and trains, Trinity Railway Express Service between Union Station and CentrePort Station, DART GoLink and Flex service.
3. Local: All DART buses and trains, Trinity Railway Express Service between Union Station and CentrePort Station, DART GoLink and Flex service.
4. Regional: All DART buses and trains, all Trinity Railway Express Service, Trinity Metro in Fort Worth, the A-Train, and DCTA in Denton.
5. Reduced fare passes are Regional passes (as defined by #4, above). Reduced Fares are applicable on bus and rail for the following:
 - a. Seniors and non-paratransit disabled with a valid ID.
 - b. DART shuttle bus route.
 - c. Children – elementary through middle school.
 - d. Students attending high schools within the DART Service Area, with a DART-issued student ID.
 - e. Full-time undergraduate students attending colleges and trade schools in the DART Service Area, with a DART-issued student ID, whose schools are not participating in the Higher Education Program (see #4 in Section 4 – Special Programs).
 - f. Service area residents participating in a transitional program administered by an approved social agency, with a valid DART-issued ID.
 - g. Enrollees in the following programs: Texas Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, Special Supplemental Nutrition Program for Women, Infants, and Children, Comprehensive Energy Assistance Program, Housing Choice Voucher Program, Dallas Housing Authority (DHA) Public Housing, Children’s Health Insurance Program (CHIP), Medicaid, Medicare or other means-tested low-income programs approved by the DART Board for eligibility into the DART Low-income Reduced Fare Program (Effective January 1, 2020).
6. Mid-Day Pass: Pass that allows unlimited travel between 9:30 a.m. and 2:30 p.m.
7. Regional Day Pass vouchers are available only to government, alternative schools, and non-profit institutions to be issued to DART Service Area clients. Passes for alternative schools are valid 6:00 a.m. to 6:00 p.m., Monday through Friday.
8. Dallas Streetcar: Validators located inside streetcar, not on platform. Passengers pay using a pre-purchased DART pass, DART’s GoPass App, or GoPass Tap Card (Effective July 1, 2020).



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)**Section 2: Free Fares**

The following categories of riders may ride bus, light rail, or commuter rail without fare payment. (This section is not applicable to charters nor to Paratransit service, except as noted.)

- a) Paratransit-eligible riders on fixed-route services with a valid Paratransit identification card.
- b) ADA (Americans with Disabilities Act) Paratransit-eligible individuals who are authorized to have one personal care attendant (PCA) may have the PCA travel with them on fixed-route service at no charge. A proper ID indicating that an attendant is necessary is required.
- c) Children under the age of five (maximum of two per trip) when accompanied by an adult (age 18 or older) paying the appropriate Local, Regional, or Reduced fare. Any additional child under the age of five traveling with that adult, or any child accompanied only by person(s) younger than 18, shall be charged reduced fare.
- d) Voters showing a valid voter registration card during the hours of 6:00 a.m. to 8:00 p.m. on a state or national primary or general election day in accordance with Board Resolution No. 900232. This includes Paratransit service.
- e) Uniformed police officers and plain-clothes police officers displaying badges issued by cities in the DART Service Area.
- f) Uniformed parking enforcement officers.
- g) Downtown Safety Patrol personnel when in uniform and when traveling within the Dallas Central Business District.
- h) Active employees and retirees, and one family member designated by the employee or retiree, with DART photo ID card. (Also honored on Paratransit service with appropriate Paratransit certification and identification.)
- i) Part-time DART employees with DART photo ID card. (Also honored on Paratransit service with appropriate Paratransit certification and identification.) Temporary employees do not qualify for this benefit unless individually authorized by DART management.
- j) Current and former DART Board Members and their spouses with valid DART photo ID card. (Also honored on Paratransit service with appropriate Paratransit certification and identification.)
- k) Employees of contractors who operate fixed-route or demand responsive service on DART's behalf and certain engineering consultants, including General Engineering, System Design, and Design Contract Integration consultants domiciled in the DART headquarters, who have been provided with valid DART photo ID cards. (Also honored on Paratransit service with appropriate Paratransit certification and identification.)
- l) McKinney Avenue Trolley employees or operators with valid Trolley ID card.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)

Section 2: Free Fares (cont.)

The following table lists the services operated by DART free of charge to riders.

| Service Operated by DART Free of Charge to Riders | | |
|--|---|---|
| Service | Description | Termination Dates |
| Love Link | Bus service connection from Dallas Love Field to DART Inwood/Love Field Station | Free service terminates upon implementation of DART contactless payment cards anticipated December 1, 2020. |



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)**Section 3: Stored Value and Fare Capping**

Stored value is a payment system feature that allows DART riders to load value into an account to use to purchase DART passes or pay for travel.

GoPass Accounts

Customers can set up an account on-line using the DART GoPass mobile app.

DART Card Accounts

In addition, customers can acquire a DART payment card. The DART payment system will associate a customer's DART card with an account. The customer can then register their DART card account to enable valuable features such as lost card value protection. Customers must tap their DART cards at payment system validators upon each bus and rail boarding during their journey on DART.

Customers can acquire a DART payment card at retail locations throughout the service area, on-line, at the DART Store, or by calling DART Customer Service. The cost of a card equals the cost of a day's local transit service. Upon activation, the account associated with the card will have transit value equal to the cost of the card.

Loading Value

Customers can load value at retail locations throughout the service area, on-line, at the DART Store, or by calling DART Customer Service.

Fare Capping

Fare capping is a pay-as-you-go feature that allows DART riders to make several trips with their GoPass or DART card, and the DART payment system will automatically cap the daily and monthly (calendar month) fare so the rider will not spend more than needed on travel. Riders pay for each part of their journey until the cap amounts are reached, then pay no more for the rest of the day or month. To benefit from fare capping, riders must tap their DART card at the validator – or activate their GoPass ticket – prior to boarding on every trip.

Fare capping for Paratransit service is scheduled to become available December 2020.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)

Section 4: Special Programs

1. Customer Promotions:

The President/Executive Director or his designee may approve the free distribution of prepaid media, VIP passes, or special coupons as needed for the following purposes:

- a) To support marketing programs, including but not limited to special route promotions, introductory shuttles, air quality improvement programs, and focus group or survey participation.
- b) To provide inbound travel to jury duty on all DART service, including bus, rail, and Paratransit, to all individuals showing a jury summons with the current date displayed. A pass valid for outbound travel on all DART service, including bus, rail, and Paratransit, will be distributed by Court Services upon request to those individuals reporting for jury duty.
- c) To compensate customers for inconvenience or system problems.
- d) To allow courtesy access to the system for special tour groups, non-local DART visitors, or consultants involved in DART system planning. As a tax-supported governmental agency, DART does not contribute free transportation to other governmental agencies, social service agencies, or charitable organizations.

2. Convention and Special Event Passes:

Day Passes for the dates specified on the ticket for convention registrants and special event participants will be priced at the appropriate (Local or Regional) Day Pass rate. A sliding scale with discounts ranging from 10% to 30% of the convention and special event base rate will be available on advanced bulk purchase of 2,000 or more passes.

| Passes Purchased | Discount |
|-------------------------|-----------------|
| 2,000 – 4,999 | 10% |
| 5,000 – 9,999 | 20% |
| 10,000 – 14,999 | 25% |
| 15,000 and above | 30% |

3. Corporate and Residential Programs:

- a. Annual passes, known as Corporate annual passes, may be purchased by businesses, companies, apartment/condominium complexes, or other employer organizations. Minimum purchase requirement is 5 passes. Pricing is as shown in Section 1 – Product Fare Schedule.
- b. Emergency Ride Home (ERH) program, administered by DART, will be made available to employees registered in the Corporate Annual Pass Program.



Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)**Section 4: Special Programs (cont.)****4. Higher Education Programs (Passes Must Be Purchased by the School)**

Semester and quarterly passes may be purchased for full-time students by colleges, universities, trade schools, middle schools, or high schools. Pricing will be as shown in Section 1: Product Fare Schedule. DART may further discount those prices, up to 50% for schools and school districts purchasing at least 10,000 passes and up to 60% for schools and school districts purchasing at least 15,000 passes.

5. Route Promotion Pass

The Route Promotion Pass is produced through Consumer Programs to support DART's public awareness and outreach efforts. Marketing will negotiate with Special Events organizers to determine where DART could benefit from the exposure the event media and attendance could provide, and the event organizers are interested in including DART Day Passes for their attendees. The parameters of the negotiation are as follows:

- a. The event is within a DART Service Area city.
- b. DART must receive a minimum benefit of a 2-to-1 ratio based on the value of the passes DART is willing to provide to the event. This can be through barter, cash, or any combination of the two.
- c. The media provided by the event must promote using DART.
- d. A simple agreement is signed by both DART and the event organizer/chair.
- e. The President/Executive Director or his designee may sign the agreement. Concurrence from the Chief Financial Officer must be received before presenting the agreement for signature.
- f. The Marketing Department will provide documentation to the Finance Department, within 90 days after the conclusion of the special event, that supports the value of the barter used to pay for the passes.

6. DART Service Outside Service Area Boundary (replaces "System Fare")

DART Board Policy III.07: *DART Service Outside Service Area Boundary* authorizes and provides guidance regarding the provision of DART service outside its service area boundary. Policy III.07 requires a service agreement approved by the DART Board of Directors. This agreement will establish fares for riders using the service.

7. Site Specific Shuttle Service

DART Board Policy III.16 *Site Specific Shuttle Service Policy* authorizes and provides guidance regarding the provision of DART circulator/distributor shuttle service which connects to rail stations or transit centers operated by employers or other private entities. Policy III.16 requires proposals for service be approved by the DART Board of Directors. The approved agreement will establish fares for riders using the service.

**Exhibit 101: DART Fare Structure: Effective – June 23, 2020 or as Indicated (cont.)****Section 4: Special Programs (cont.)**

Mobility on Demand DART continues to explore mobility-on-demand options using transportation network companies and other service providers that can connect riders to the DART system, as well as provide public transportation within areas difficult to serve efficiently with traditional transit service, using scooters, bicycles, cars, vans, and other mobility devices. These companies are responsible for some or all of the components – customer access, dispatch, transportation, fare collection, and related information – of delivering customers from origin to destination. The journey may represent premium service with greater customer convenience, improved travel times, and closer origin and destination endpoints. Fare structure may appropriately reflect this premium.

Recognizing the experimental nature of exploring mobility-on-demand options, this portion of the DART Fare Structure authorizes DART management to establish fare structures for these services that are designed to encourage ridership, reflect customer convenience levels and perceived economic value, allow efficient implementation and administration, and contribute to financial sustainability.



Fares by Type

Exhibit 102 identifies the fares by types DART customers can purchase based on the approved fare structure. This also provides the estimated sales and revenue by fare type.

Exhibit 102: Revenue by Fare Type Analysis

| Type of Fare | FY 2019 | | FY 2020 | | FY 2021 | |
|-------------------------------|------------------|----------------------|------------------|----------------------|------------------|---------------------|
| | Actuals Units | Actuals Revenue | Actuals Units | Actuals Revenue | Estimated Units | Estimated Revenue |
| Single Fare | | | | | | |
| Local | 119,779 | \$ 299,448 | 87,327 | \$ 218,318 | 58,765 | \$ 188,279 |
| Reduced | 38,570 | 48,213 | 31,804 | 39,755 | 25,559 | 31,057 |
| Paratransit (book of ten) | 31,652 | 949,568 | 17,937 | 538,120 | 12,078 | 362,350 |
| Total Single Fare | 190,001 | \$ 1,297,228 | 137,068 | \$ 796,193 | 96,402 | \$ 581,686 |
| AM/PM | | | | | | |
| Local | 1,597,411 | \$ 4,792,215 | 3,440,269 | \$ 10,320,774 | 776,010 | \$ 2,328,019 |
| Regional | 3,136,205 | 9,654,483 | | | 1,514,809 | 4,709,162 |
| Reduced | 429,490 | 644,231 | 983,835 | 1,475,734 | 216,743 | 325,109 |
| Mesquite | 879,920 | 1,319,871 | | | 441,998 | 662,991 |
| Total AM/PM | 6,043,025 | \$ 16,410,800 | 4,424,104 | \$ 11,796,508 | 2,949,559 | \$ 8,025,282 |
| Midday | | | | | | |
| Local | 882,267 | \$ 1,764,514 | 624,673 | \$ 1,249,335 | 415,686 | \$ 831,367 |
| Regional | - | - | 25,624 | 51,238 | 17,107 | 34,208 |
| Total Midday | 882,267 | \$ 1,764,514 | 650,297 | \$ 1,300,573 | 432,793 | \$ 865,575 |
| Day Passes | | | | | | |
| Local | 1,642,160 | \$ 9,852,936 | 919,132 | \$ 5,514,745 | 642,906 | \$ 3,857,413 |
| Regional | 126,930 | 1,523,160 | 108,494 | 1,301,928 | 75,067 | 900,808 |
| Reduced | 549,855 | 1,649,553 | 305,797 | 917,372 | 209,883 | 629,637 |
| High School | 19,703 | 59,109 | 18,753 | 56,259 | 13,190 | 39,571 |
| College/Trade | 34,450 | 103,350 | 34,182 | 102,546 | 23,968 | 71,904 |
| Mesquite | 72 | 504 | 5 | 35 | 4 | 26 |
| Vouchers (book of ten) | 46,882 | 1,742,386 | 30,729 | 1,075,515 | 20,805 | 728,165 |
| Total Day Passes | 2,420,053 | \$ 14,930,998 | 1,417,092 | \$ 8,968,401 | 985,823 | \$ 6,227,524 |
| Monthly Passes | | | | | | |
| Local | 94,034 | \$ 9,027,264 | 47,356 | \$ 4,546,176 | 32,705 | \$ 3,139,674 |
| System | - | 900 | - | - | - | - |
| Regional | 1,660 | 318,720 | 656 | 125,952 | 471 | 90,384 |
| Reduced | 26,157 | 1,255,536 | 10,506 | 504,288 | 7,417 | 356,031 |
| Mesquite | 101 | 10,100 | 0 | 0 | 0 | 0 |
| Lone Star - Local | 29 | 1,392 | 0 | 0 | 0 | 0 |
| Lone Star - Regional | 4 | 384 | 0 | 0 | 0 | 0 |
| High School | 17,545 | 842,160 | 10,528 | 505,344 | 8,537 | 409,786 |
| College/Trade | 607 | 29,136 | 0 | 0 | 0 | 0 |
| Total Monthly Passes | 140,137 | \$ 11,485,592 | 69,046 | \$ 5,681,760 | 49,130 | \$ 3,995,874 |
| Annual Passes | | | | | | |
| Local | 366 | \$ 393,993 | 137 | \$ 60,284 | 93 | \$ 61,520 |
| System | - | - | - | - | - | - |
| Regional | 11 | 20,020 | 5 | 9,100 | 3 | 6,300 |
| Senior | 109 | 62,784 | 2 | 624 | 0 | 0 |
| Corporate Programs - Local | 13,425 | 10,056,468 | 11,047 | 8,331,994 | 6,794 | 4,584,772 |
| Corporate Programs - System | | | | | - | 0 |
| Corporate Programs - Regional | | | | | 669 | 494,877 |
| Total Annual Passes | 13,911 | \$ 10,533,265 | 11,191 | \$ 8,402,002 | 7,559 | \$ 5,147,469 |
| Other Programs | | | | | | |
| Secondary/College Decals | 59,152 | \$ 2,062,608 | 51,488 | \$ 3,121,325 | 35,975 | \$ 1,907,129 |
| Special Events | 14,157 | 42,471 | 18,658 | 55,974 | 12,501 | 37,503 |
| Total Other Programs | 73,309 | \$ 2,105,079 | 70,146 | \$ 3,177,299 | 48,476 | \$ 1,944,631 |
| Total Pass Sales | 9,763,837 | 58,530,271 | 6,778,944 | 40,122,735 | 4,569,741 | 26,788,041 |

F. DART's Economic Environment

DART periodically contracts with the Center for Economic Development and Research at the University of North Texas to perform a study of the economic and fiscal impacts of capital and operating spending by DART. The following is the most recent study which was released in May 2017. This study is shown below and is located on DART.org.

The Economic and Fiscal Impacts of Development near DART Stations



PREPARED FOR DALLAS AREA RAPID TRANSIT

PREPARED BY

MICHAEL C. CARROLL, PH.D.

CHRISTOPHER CARLYLE

MICHAEL SEMAN, PH.D.

SECTION I: ECONOMIC AND FISCAL IMPACTS OF THE DART LIGHT RAIL SYSTEM: 1999 - 2013

INTRODUCTION

Since 1996, the DART Light Rail Transit (LRT) system has moved millions of people and sparked billions of dollars in development in the Dallas-Fort Worth economy. Since 1999, the University of North Texas and DART have partnered to derive the economic impacts of development near light rail stations. As noted, numerous times below, property values near DART LRT stations far exceed and grow much faster than those in similar areas without a light rail station. As DART celebrates the 20th anniversary of opening its light rail system in DFW, the Economics Research Group (formerly The Center for Economic Development and Research, CEDR) at the University of North Texas has compiled a review of the six studies done from 1999 to 2013. The purpose of this study is to merge all former UNT-DART studies and derive a comprehensive dollar value of properties near DART LRT stations since inception.

REVIEW OF ECONOMIC IMPACT STUDIES



The Initial Economic Impacts of the DART LRT System (1999)

In 1999, this office began the collaboration between UNT and DART. This first study concentrated on the change in property values, occupancy and rental rates, and retail sales of properties located near DART LRT stations from 1994 to 1998.

The study first compared nearly 700 commercial and residential property values within a quarter mile¹ of 15 DART LRT stations with 160 properties in eight comparable areas. These comparable areas were deemed similar in both usage and neighborhood characteristics as those properties near DART stations. As seen from Table 1, retail property values increased 12.39% for those near DART stations compared with 7.79% for the comparable areas. Office property values rose substantially around DART stations, almost 29% compared with similar areas, where property values rose only slightly over 6%. Combining all properties studied, those near DART LRT stations on average increased nearly 16% compared with other properties, which rose just under 13%. Despite residential and vacant properties, the results of Table 1 show that proximity to DART LRT stations increased property values at an overall faster clip.

| Table 1: Average Percent Change in Total Property Values (1994 – 1998) | | | | | | |
|--|--------|--------|-------------|------------|--------|----------------|
| | Retail | Office | Residential | Industrial | Vacant | All Properties |
| Near DART LRT | 12.39% | 28.97% | 11.02% | 3.79% | -5.12% | 15.98% |
| Comparable Areas | 7.79% | 6.32% | 16.17% | 0.0% | 26.38% | 12.86% |

The 1999 study also looked at the change in rental and occupancy rates for office buildings, community and neighborhood centers, shopping malls, retail strips, and industrial properties over the same time period. Table 2 shows these changes. Rental rates per square foot for properties analyzed increased at least 20% for 5 out of the eight different property types. Moreover, occupancy rates for the different classes of office buildings were positive over the five-year period.

| Table 2: Average Percent Change in Occupancy & Rental Rates (1994 – 1998) | | | | | | | | |
|---|----------------|----------------|----------------|-------------------|----------------------|---------------|--------------|------------|
| | Class A Office | Class B Office | Class C Office | Community Centers | Neighborhood Centers | Shopping Mall | Retail Strip | Industrial |
| Rent/SF | 47.4% | 40.4% | 20.9% | 17.2% | 6.25% | 20% | 18.4% | 27.35% |
| Occupancy | 10.4% | 6.73% | 3.5% | -2.12% | 0.83% | 0.81% | 4.17% | 15.99% |

Finally, the 1999 study also looked at changes in gross retail sales in the Dallas Central Business District (CBD). Researchers used four DART LRT stations in the Dallas CBD, West End, Akard, St. Paul and Pearl/Arts District, and observed how



retail sales changed since the opening of the DART light rail service. As can be seen from Table 3, gross retail sales increased 36.2% from the year beginning third quarter of 1997 when compared with the year beginning third quarter 1996. The change in gross retail sales for the rest of the city of Dallas was only 3.6% for the same time frame, according to the Texas Comptroller of Public Accounts.

| Table 3: Changes in Gross Retail Sales, Dallas CBD (1996 – 1998, \$s in millions) | | | | |
|---|----------------|---------|--------------|----------------|
| Quarter | Amount | Quarter | Amount | Percent Change |
| 2Q 98 | \$202.3 | 2Q 97 | \$113.2 | 78.7% |
| 1Q 98 | \$197.2 | 1Q 97 | \$109.9 | 79.4% |
| 4Q 97 | \$177.5 | 4Q 96 | \$169.2 | 4.9% |
| 3Q 97 | \$146.2 | 3Q 96 | \$138.7 | 5.4% |
| Total | \$723.2 | | \$531 | 36.2% |

Source: Texas Comptroller of Public Accounts

An Assessment of the DART LRT on Taxable Property Valuations and Transit-Oriented Development (2002)

In the analysis published in 2002, researchers at UNT again looked to the changes in property values for properties immediately surrounding DART LRT stations. The new study used only properties within a quarter mile from the stations, and similar to the previous study, a set of control properties to compare against. Unlike the previous study, this study focused on changes in median property values rather than averages.

The findings from this analysis confirmed results from the previous study: close proximity to DART stations have a positive impact on property values. Moreover, the authors asserted that “DART rail is an amenity-enhancing service most keenly affecting the market values of properties where people live and where there are comparatively high concentrations of [office] jobs.” The largest changes came from office properties, where those near DART stations saw a 24.7% increase in median property values compared with only an 11.5% increase from the control group. Residential properties also saw a substantial increase: 32.1% for properties within a quarter mile of DART stations versus a 19.5% increase in the control group. All changes to the different property types can be seen in Table 4.

| Table 4: Changes in Median Property Values (1997 – 2001) | | | | | |
|--|--------|--------|-------------|------------|--------|
| | Retail | Office | Residential | Industrial | Vacant |
| Near DART LRT | 28.3% | 24.7% | 32.1% | 13.0% | 11.1% |
| Control | 30.4% | 11.5% | 19.5% | 21.5% | 0.0% |



The Estimated Value of New Investment Adjacent to DART LRT Stations: 1999 – 2005

In 2005, almost a decade after the light rail began operating, the same office at UNT presented another study for DART LRT stations, but with a different approach. This study looked at newspaper articles and other community announcements about development within a quarter-mile proximity of DART stations. The announcements were categorized by station and aggregated to a total economic impact on the Dallas-Fort Worth economy (if property values were not announced in the articles, comparable figures were looked up at county appraisal districts).

The authors found that new investment with close proximity to DART stations had a total value of \$3.3 billion. The stations with the highest values in this report, Park Lane, Las Colinas and Mockingbird, continue to see investment and reinvestment to this day. Table 4A details these top three stations as well as the total impact of development near DART stations.

| Table 4A: Estimated New Investment and Reinvestment of Selected Stations, Total (1999 – 09/2005) | |
|---|------------------------------------|
| Station | Announced Development Value |
| Park Lane | \$610,000,000 |
| Las Colinas | \$420,000,000 |
| Mockingbird | \$270,000,000 |
| Total | \$3,314,000,000 |

Assessment of the Potential Fiscal Impacts of Existing and Proposed Transit-Oriented Development in the DART Service Area (2007)

The following research done by this department again looks back at the property values surrounding DART stations since 1999 in tandem with the fiscal impacts of those property values. This report is an update of the previous. Methods used to acquire these property values were similar to the previous report (newspaper announcements for values and locations of development projects), but the authors of this report also utilized work in the field to identify projects not announced in local publications. The study found that values that could be directly attributed to the existence of a nearby DART station totaled \$4.26 billion, (values were excluded if the development would have occurred with or without the station, such as with a convenience store) as detailed in Table 5.



| Table 5: Potential Fiscal Impacts of Existing & Proposed TOD | |
|---|-------------------------|
| <i>Description</i> | <i>Value</i> |
| Announced Value | \$ 4,902,800,000 |
| Announced Value Attributable to DART | \$ 4,255,700,000 |
| Cities (Annually) | |
| Taxable Property Value | \$ 2,843,779,000 |
| Property Tax Revenues | \$ 16,785,000 |
| Taxable Retail Sales | \$ 665,552,000 |
| Sales Tax Revenues | \$ 6,656,000 |
| Total Revenue to Cities | \$ 23,531,000 |
| Total State and Local Tax Revenues | \$ 127,095,000 |

The results from this 2007 study update those done in the 2005 research. The value of properties near DART stations in the 2005 study (\$3.3 billion) increased nearly 50% in the 2007 study (\$4.9 billion) due to higher property values and more new development. While some of this increase comes from properties that might have been overlooked in the 2005 study, overall development in the North Texas region increased in this time period as well, with an emphasis on transit-oriented development. The authors gave a favorable outlook for more development around DART stations when ridership and support for expansion were taken into account, and they anticipated that property values would continue to rise.

Economic and Fiscal Impacts of DART Light Rail System Buildout and System Operations (2009)

In 2009, DART was on the brink of finishing major extensions and opening new lines for the light rail system. The next study conducted by CEDR for DART looked at the capital projects in line with the completion of these DART lines as well as the projected impacts of operating expenditures for fiscal years 2009 and 2014.

In Table 6, the total impact of buildout of the Green Line and Orange Line, and extensions of the Blue Line are outlined. According to this report, expenditures for these lines totaled \$2.3 billion, which, when run through the economic input-output model, had a total economic impact of \$4.06 billion on the local economy. Additionally, these expenditures caused labor income in the area to increase by \$1.5 billion and the creation of over 32,000 jobs. Almost \$100 million in taxes were also generated from the spending on the completion of these DART light rail lines.



| Table 6: Economic & Fiscal Impacts from DART System Buildout (All Lines) | |
|---|------------------|
| <i>Description</i> | <i>Impact</i> |
| Total Expenditures | \$2,337,000,000 |
| Economic Activity | \$ 4,059,672,000 |
| Labor Income | \$ 1,520,157,000 |
| Employment | 32,095 |
| Other Property Income | \$ 432,140,000 |
| Indirect Business Taxes | \$ 99,986,000 |

Moreover, this study aimed to estimate the operations spending in 2009 and 2014. DART operations spending supports other spending throughout the local economy despite DART's being a public entity. The spending helps to create direct impacts for local business and employees, as well as creating new jobs and subsequently, tax revenues. According to this 2009 report, DART spent \$411 million (Table 7) on operations, which include wages and salaries, goods, and services to support DART on a day-to-day basis. The operations spending, in turn, created a total economic impact of nearly \$544 million, almost 5,000 jobs and taxes above \$11 million. The paper also estimated what spending on operations might look like in 2014. This produced \$501 million of direct spending causing a total economic impact of \$663 million, over 5,300 jobs and taxes greater than \$13 million (Table 7).

| Table 7: Economic and Fiscal Impacts of DART Operations | | |
|--|----------------|---------------|
| <i>Description</i> | <i>2009</i> | <i>2014</i> |
| Total Expenditures | \$ 411,000,000 | \$501,000,000 |
| Economic Activity | \$ 543,984,000 | \$663,106,000 |
| Labor Income | \$325,921,000 | \$412,013,000 |
| Employment | 4,955 | 5,327 |
| Other Property Income | \$ 49,626,000 | \$60,494,000 |
| Indirect Business Taxes | \$ 11,289,000 | \$13,760,000 |

Developmental Impacts of the DART Light Rail System (2013)

In the most recent study done by this office, property values surrounding DART stations were again compared against a set of control property values in similar locations. Like previous studies, the properties within close proximity to DART stations must have been within a quarter-mile radius of the station – a distance researchers agree yields a positive association with increased development. On top of this support for the quarter-mile distance, the authors conducted further analysis to verify its validity.



The analysis done in this study finds that, from 1996 to 2013, new development occurring within three years of the opening of a DART station (and still existing) had a value of \$1.5 billion compared with \$601 million for the control properties (Table 8). Similarly, the tax revenue generated from the DART station properties outpaced control properties by \$22 million (\$36 million for DART versus \$14 million for control).

Table 8: Estimated 2013 Property Values and Tax Contributions

| Property Type | Est. Value of All Properties | | Est. Tax Contributions | | Tax |
|---------------|------------------------------|----------------------|------------------------|---------------------|---------------------|
| | DART | Control | DART | Control | Differential |
| Industrial | \$23,473,050 | \$19,481,050 | \$556,311 | \$461,701 | \$94,610 |
| Multi-Family | \$751,646,900 | \$169,555,466 | \$17,814,032 | \$4,018,465 | \$13,795,567 |
| Office | \$224,798,649 | \$45,121,010 | \$5,327,728 | \$1,069,368 | \$4,258,360 |
| Retail | \$393,286,515 | \$300,039,538 | \$9,320,890 | \$7,110,937 | \$2,209,953 |
| Single Family | \$140,960,100 | \$67,550,410 | \$3,340,754 | \$1,600,945 | \$1,739,810 |
| Total | \$1,534,165,214 | \$601,747,474 | \$36,359,716 | \$14,261,415 | \$22,098,300 |

The 2013 analysis then looked to announced values of upcoming planned and proposed development projects. As seen from Table 5, the 2007 study found \$4.9 billion in existing and planned development. When this 2013 study was conducted, the authors found, as expected, that some properties slated for future development in the 2007 study were either paused or did not come to fruition, most likely because of the recession. In this analysis, when the properties were updated, planned and proposed developments near DART stations had a total value of \$3.8 billion. This summed together with the \$1.5 billion of existing property values above makes total property values since 1996 worth \$5.3 billion.

In the second section of the 2013 study, the authors looked at the effect of different office classes, ages of the structures, and whether the properties were within a quarter mile or between a quarter mile and a half-mile all on office lease rates. Regression analysis was used to estimate the effect of these variables. The most notable finding of this analysis shows that properties located within a quarter mile of a DART station gained a \$2.61 statistically significant⁵ premium while controlling for office class and age of the building (Table 9). Furthermore, properties outside the quarter-mile radius did not attain the statistical significance nor the positive premium. This aligns with what has been studied in the literature and with the results of past studies done by this office



| Table 9: Regression Analysis of Office Lease Rates | | |
|---|------------------------|----------|
| <i>Variables</i> | <i>Marginal Effect</i> | <i>P</i> |
| Constant | -36.47023 | 0.0010* |
| Class A Office | 1.52042 | 0.0001* |
| Class B Office | 1.03960 | 0.0001* |
| Year built | 0.02577 | 0.0001* |
| Located Within 0.25 miles of station | 2.61279 | 0.0001* |
| Located Within 0.5 miles of station | -0.25237 | 0.6170 |

**Statistically Significant at the 1% level*

CONCLUSION

UNT has conducted six economic impact studies of DART LRT stations from 1999 to 2013. These impact studies range from the change in rental rates over time to the aggregated value of properties surrounding DART LRT stations. Though different in methodologies, the studies done over the past 16 years document the positive effects property values derive from being located near a light rail station. Additionally, some studies highlight the substantial economic, fiscal and developmental impacts that result from capital and operational spending by DART.

In total, the value of properties within a quarter mile of DART LRT stations was \$5.3 billion as of 2013. What follows this summary of previous findings is the Economic Research Group's newest study of developmental impacts of properties near DART stations for 2014 and 2015.

SECTION II: THE ECONOMIC IMPACT OF PUBLIC PROJECTS AT DART STATIONS

This memorandum details the economic impact of public projects within a quarter mile of DART stations. The projects were not included in previous University of North Texas projects as the amounts were previously not available. The analysis in the memorandum covers projects that were developed from DART’s early construction and therefore includes more projects completed in 2014-2015. This report excludes downtown stations because of their closeness to one another and the resulting overlap in the quarter-mile criteria.



SELECTED HIGHLIGHTS

- Public development had a property value of \$1.81 billion
- Public development produced an economic impact of \$3.36 billion for the Dallas-Fort Worth region
- Public development near DART stations created 20,741 construction jobs in the Dallas-Fort Worth region
- Public development created \$1.3 billion in employee compensation
- Public development generated \$105 million in state and local taxes, and \$278 million in federal tax revenue

METHODOLOGY

To understand how money being spent developing properties within a quarter mile of a DART station ripples through a regional economy, the first step is to define the region in question. This study uses the Dallas-Fort Worth region for analysis as its economy is strongly integrated. The U.S. Office of Management and Budget's (OMB) definition of the "Dallas-Fort Worth-Arlington Metropolitan Statistical Area" is used and the counties included are Collin, Dallas, Denton, Ellis, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, Somervell, Tarrant and Wise. Next, the values of the selected properties are placed into an Input/output economic model that examines how the money being spent on property development ripples through a regional economy. Input/output methodology allows for insight into forward and backward linkages that are present in any regional economy, highlighting how they add value to the initial dollar spent. The model – in this case facilitated by the IMPLAN software package – measures the total annual economic activity that results from inter- and intra-industry transactions.

IMPLAN is an industry standard Input/output tool used to calculate the direct, indirect and induced impacts of spending and employment. The model first breaks the economy into 536 separate sectors, with each sector representing an individual industry, and then it uses a sectoring scheme developed by the IMPLAN Group. This scheme is closely related to the Bureau of Economic Analysis (BEA) REIS model and is a 536 X 536 (row x column) matrix showing all the economic activity among the individual sectors. The entries in the matrix are based on the dollar amount that each industry sells to (and purchases from) other industries in a regional economy. It measures the amount of final consumption by the residents of the region as well as how much each industry exports from the area. The model uses data collected at the county level, which is obtained from the IMPLAN Group and the BEA. County data are in turn aggregated or "rolled up" to form service areas such as local regions, states or larger geographic regions, such as the



Southwest. Input/Output models are able to estimate economic impacts because the flow of goods and services within an economic region is relatively stable. Predictions can be made of an industry's total economic impact by examining the purchasing patterns of the individual sectors. The BEA collects extensive data on these regional trade flows and reports its findings annually.

After the region is selected and the data on spending are entered, how the spending flows through the region and impacts it can be calculated. The three levels of spending impacts analyzed are direct, indirect and induced. The direct impact includes the purchases of resources (labor, goods and services) by real estate developers, builders and construction companies for the completion of a project. The indirect impact occurs through industry-to-industry purchases made by regional suppliers. Finally, the induced impact reflects the change in household demand as the employees of real estate developers, builders and construction companies and the employees of their suppliers earn dollars for consumer spending. Therefore, the total impact to the economy is the summation of the direct, indirect and induced components. The indirect and induced portions are commonly known as the multipliers and their impacts often referred to as the "multiplier effect." It shows how the initial (direct) spending gets multiplied through the economy. Calculating the multipliers based on the supplier relationships and employee consumption patterns is much more accurate than simple multiplier tables.

The effects that the three levels of impacts and related spending have on employment is also calculated in the IMPLAN economic model. Employment is the total number of full-time wage and salary employees, plus the number of self-employed workers in a particular industry. Part-time workers' hours are aggregated into full-time equivalents (2,080 hours) and reported with the full-time workers. An IMPLAN economic model will draw from multiple sources of data to offer employment estimates. This is due to the differences in how employment data is gathered by varying government agencies. In general, because of nondisclosure rules, the employment figure reported by government agencies often underestimates true employment in a given county. In accordance with U.S. Code Title 13, Section 9, no datum is published that would disclose the operations of an individual employer or put an individual employer at an unfair disadvantage.

By carefully combining employment figures reported by the U.S. Department of Labor, Bureau of Economic Analysis, U.S. Census Bureau and Internal Revenue Service, a fairly comprehensive employment figure can be reconstructed. The raw data are then "sectored" into the appropriate North American Industry Classification System (NAICS) and, in turn, combined into the necessary industry



vectors and IMPLAN matrices. The result of this process is a “total employment” impact figure that is a result of the three levels of economic impacts associated with the initial spending. An IMPLAN economic model also calculates employee compensation, which includes all salaries, wages and benefits paid to the industry’s employees resulting from the direct, indirect and induced employment impacts. The figure includes the proprietors’ income of self-employed people in the industry. The figures reported are gross amounts and taken from the IMPLAN data set.

Input/Output methodology and IMPLAN software allow one to leverage and integrate the enormous amount of data collected by government agencies. As such, a reliable model of how spending affects a regional economy can be developed. These models take into account not only how money is initially spent in the “direct” stage of an event, but also inter- and intra-industry transactions. These transactions establish forward and backward linkages in a regional economy during the “indirect” and “induced” stages. In addition to spending, these models also estimate the resulting change in employment. The end product is a comprehensive economic analysis of a given event and its effect on a region.

RESULTS

The following section reports the economic impact of public projects within a quarter mile of DART Light Rail stations. The table below details the direct, indirect, induced and total effects on employment, labor income, value added and output as a result of the development projects. These effects show the dollar amount of the output and employment impacts for development spending in the DFW area.

Public Project Impacts

Spending on public projects includes properties built for health care, city halls, school campuses and other public use properties. To correctly analyze the development spending impact, properties were held to a strict quarter-mile radius around DART stations. The dollar amounts and announcements were derived using information from The Dallas Morning News, Dallas Business Journal and other local sources. The property values have been cross-checked with the Dallas and Collin county central appraisal districts and verified using a third-party firm (Cushman & Wakefield). A list of the properties used follows (Table 1).



| Table 1: Public Properties within 1/4 mile of DART Stations | |
|--|---|
| <i>Station</i> | <i>Project Name</i> |
| Irving Convention Center | Irving Convention Center |
| Mockingbird | Bush Library |
| Galatyn Park | Eisemann Center |
| Cedars | DCCCD District Office Dallas Police Headquarters |
| Downtown Plano | Courtyard Theater |
| Hatcher | Hatcher Station Health Center |
| Illinois | DART Police Station |
| Baylor Medical Center | Sammons Cancer Center |
| Downtown Rowlett | Rowlett City Hall Rowlett Public Library |
| SW Medical Center/Parkland | New Parkland Hospital |
| UNT Dallas | UNT Dallas |

After making the appropriate adjustments, public property spending amounted to \$1,815,333,100. This direct impact generated an additional \$682,884,872 of indirect activity as contractors and construction firms purchased raw materials. Finally, the induced impacts amounted to \$858,142,497, which represents the spending of wages by employees of those suppliers in the study area. The total economic impact (summation of the direct, indirect and induced effects) from development spending within a quarter mile of DART stations amounts to \$3,356,360,469 as shown in Table 2.

| Table 2: Impact Summary of Public Properties | | | | |
|---|-------------------|------------------------|------------------------|------------------------|
| <i>Impact Type</i> | <i>Employment</i> | <i>Labor Income</i> | <i>Value Added</i> | <i>Output</i> |
| Direct Effect | 12,046 | \$739,317,390 | \$938,939,188 | \$1,815,333,100 |
| Indirect Effect | 3,206 | \$239,001,840 | \$374,503,750 | \$682,884,872 |
| Induced Effect | 5,490 | \$292,459,862 | \$510,154,127 | \$858,142,497 |
| Total Effect | 20,741 | \$1,270,779,092 | \$1,823,597,065 | \$3,356,360,469 |

Also, from Table 2, the description of employment created by public development spending can be seen. The jobs created by the direct spending total 12,046. Additionally, indirect and induced effects generated 3,206 and 5,490 jobs, respectively. The total number of jobs created as a consequence of development of public properties amounts to 20,741. Moreover, value added, a measure that can be



seen as gross regional product, shows how the development of public projects adds to the local economy. Total value added summed to \$1,823,597,065 for public projects.

Fiscal Impacts

The effects of public projects within a quarter-mile radius of DART stations generated a total of \$278,141,545 in federal tax revenue and \$105,302,562 in state and local taxes. For ease of comparison, the various federal, state and local taxes have been grouped into four categories: employee compensation-related taxes, production-related, household and corporate taxes. State and local and federal details are presented in Table 3.

| Table 3: Tax Impacts of Public Properties | | |
|--|----------------------------------|--------------------------|
| <i>Description</i> | <i>Total State and Local Tax</i> | <i>Total Federal Tax</i> |
| Employee Compensation | \$1,342,609 | \$112,220,297 |
| Proprietor Income | N/A | \$10,570,114 |
| Tax on Production and Imports | \$94,555,162 | \$16,891,166 |
| Households | \$9,096,993 | \$105,446,215 |
| Corporations | \$307,798 | \$33,013,753 |
| Total | \$105,302,562 | \$278,141,545 |

SECTION III: THE ECONOMIC AND FISCAL IMPACTS OF DEVELOPMENT NEAR DART STATIONS 2014 – 2015

Executive Summary

The purpose of this document is to identify and calculate economic impacts of real estate development projects within a quarter-mile radius of DART light-rail stations. The study is a follow-up to the 2013 analysis completed by this office and analyzes development projects in 2014 and 2015. The values of all projects included in the analysis were determined through a combination of steps, including the use of their estimated values as published in the sources analyzed, cross-checking the properties with the Dallas and Collin county appraisal districts where possible, and augmenting all information with a review by analysts at Cushman & Wakefield. IMPLAN software was used to create an economic input-output model to measure the direct, indirect and induced impacts of the development projects on the Dallas-Fort Worth region.

Highlights



-
- A total of 27 private projects were announced in the two-year period, 16 of which were characterized as “Completed or Under Construction” and 11 as “Planned or Proposed.”
 - Projects “Completed or Under Construction” are responsible for \$2.03 billion in total spending throughout the region supporting over 12,000 jobs paying \$703 million in salaries, wages and benefits.
 - Projects “Completed or Under Construction” generated \$69 million in state and local tax revenue.
 - Potential spending for projects “Planned or Proposed” could result in \$5.1 billion of total spending in the region, which would support over 31,000 jobs and pay almost \$2 billion.
 - Potential spending for projects “Planned or Proposed” could generate \$160 million in state and local tax revenue.

Introduction

In 2013, our office examined the economic impacts associated with construction near DART rail stations. This study is a follow-up to that analysis and examines the impacts of projects that were proposed, planned, underway or completed near DART stations in 2014 and 2015. As with the previous study, construction activity is only considered if it took place within a quarter mile of a DART station. Further, this study does not include downtown stations. While our focus is only on projects within a quarter mile of a DART station, it is likely that the effects of station proximity spread beyond this impact zone.

Methodology and Data

The underlying data used for the calculation of impacts – the real estate development projects – were gathered through an ongoing review of publicly announced projects in publications such as The Dallas Morning News, Dallas Business Journal and assorted community newspapers and online resources. A total of 27 projects were identified, then organized by type and status of completion. First, details of the projects were examined, which helped assign them to one of four categories: “Non-Residential,” “Multi-Family,” “Single-Family,” and “Health Care.” The next step was to establish their stage of completion. Of the total number of projects, 16 were assessed as “Completed or Under Construction” and 11 as “Planned or Proposed.” Intermittent consultation with a DART representative over the two-year period helped refine what emerged as a database of properties proposed, planned, underway or completed during 2014 and 2015. The values of all projects included in the database were determined through a combination of steps, including the use of their estimated values as published in the sources analyzed, cross-checking the properties with the Dallas and Collin county appraisal districts where possible, and augmenting all information with a review for accuracy by commercial real estate analysts.



To understand how the effects of development projects constructed within a quarter mile of DART stations ripple throughout the economy of the Dallas-Fort Worth region, IMPLAN was used to create economic models based on the spending data provided. To better understand this process, a brief look at how impacts are calculated for the development of a property is helpful. Direct effects are the result of the money initially spent in the region by real estate developers, builders and construction companies for the completion of a project. This includes money spent to pay employee salaries, purchase supplies and maintain other operating expenses. Indirect effects are the result of business-to-business transactions. When suppliers to the companies driving the development (e.g., an accounting firm) purchase services or supplies, they create the indirect effect. When the employees of the real estate developers, builders, construction companies and their suppliers spend their income, this causes the induced effect. If the sum of all the activity from direct, indirect and induced impacts is greater than the combined spending of the developer, this is referred to as the multiplier effect. For more detail concerning how the economic impacts were calculated in this study, please see **Appendix A**.

Results

What follows are descriptions of the economic and fiscal impacts for “Projects: Completed and Under Construction” and “Projects: Planned or Proposed.” It should be noted that the economic impacts for projects not yet in the construction phase are offered as economic scenarios of what may happen if the projects in question come to fruition. It is reasonable to assume that some of the projects planned or proposed may never make it to the construction phase. It is also important to keep in mind that while dollar values are associated with projects as they are announced, once reaching the construction phase projects may be expanded or contracted in scale and material costs may have fluctuated from initial projections. These uncertainties can result in direct spending on a project that is higher or lower than previous expectations.

Projects: Completed or Under Construction — Total

Construction activity within a quarter mile of DART rail stations in 2014 and 2015 resulted in significant economic activity for the Dallas-Fort Worth region. The projects either in the construction phase or completed in this time frame resulted in over \$986 million in direct spending and a total economic impact of \$2.03 billion for the region. This activity created more than 12,000 construction-related jobs paying almost \$69 million in salaries, wages and benefits (Table 1).



| Table 1. Projects: Completed or Under Construction, 2014 – 2015 | |
|--|-----------------|
| Description | Impact |
| Direct Impact | \$986,175,066 |
| Total Impact | \$2,030,315,970 |
| Labor Income | \$703,717,303 |
| Employment | 12,157 |
| State and Local Taxes* | \$69,232,886 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

When the projects are grouped together according to function, further insight is gained concerning the economic effects of differing types of development.

Projects: Completed or Under Construction – Non-Residential

Impacts generated by activity in the non-residential sector are the largest out of all the sectors. The non-residential sector includes office buildings, retail stores, hotels, training facilities, mixed-use developments and public projects such as libraries, convention centers and police headquarters. Direct spending of \$181 million on non-residential real estate development projects resulted in a total economic impact of \$336 million for the Dallas-Fort Worth region. This activity supported just over 2,000 construction-related jobs paying \$127 million in salaries, wages and benefits. State and local fiscal impacts amounted to \$10.5 million (Table 2).

| Table 2. Projects: Completed or Under Construction – Non-Residential, 2014 - 2015 | |
|--|---------------|
| Description | Impact |
| Direct Impact | \$181,752,260 |
| Total Impact | \$336,040,875 |
| Labor Income | \$127,231,184 |
| Employment | 2,077 |
| State and Local Taxes* | \$10,542,958 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

Projects: Completed or Under Construction – Multi-Family Residential Impacts



The multi-family residential sector includes apartment complexes and multi-family residential units within a quarter mile radius of DART stations. Multi-family residential projects were directly responsible for \$796 million in direct spending, creating significant indirect and induced impacts for a combined total impact of over \$1.6 billion. This activity supported almost 10,000 construction-related jobs paying \$570 million in salaries, wages and benefits. State and local taxing entities received \$58 million as a result of these development projects (Table 3).

| Table 3. Projects: Completed or Under Construction – Multi-Family Residential, 2014 – 2015 | |
|--|-----------------|
| Description | Impact |
| Direct Impact | \$796,422,799 |
| Total Impact | \$1,678,363,786 |
| Labor Income | \$570,754,859 |
| Employment | 9,980 |
| State and Local Taxes* | \$58,132,516 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

Projects: Completed or Under Construction – Single-Family Residential

The single-family residential sector showed the weakest economic impact out of the categories analyzed. A total of \$8 million in spending provided a modest \$15 million in total economic impacts for the Dallas-Fort Worth region. This activity facilitated 101 construction-related jobs paying \$5.7 million in wages, salaries and benefits. State and local tax revenues from single-family residential development are also comparably low, with \$557,412 reaching city and state coffers (Table 4).

| Table 4. Projects: Completed or Under Construction – Single-Family Residential, 2014 – 2015 | |
|--|---------------|
| Description | Impact |
| Direct Impact | \$8,000,000 |
| Total Impact | \$15,911,309 |
| Labor Income | \$5,731,266 |
| Employment | 101 |
| State and Local Taxes* | \$557,412 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

Projects: Planned or Proposed – Totals



As the spending for projects under construction or completed suggests, real estate development has recovered from the 2007-2009 recession in the Dallas-Fort Worth region. In addition, the region is one of the fastest-growing nationwide in terms of population and continues to be the destination for corporate relocations.^{6 7} As a result, many real estate development projects were proposed or in the planning stages in 2014 and 2015 that fall within a quarter-mile of DART rail stations. To gain perspective of the magnitude of these projects and their potential impacts on the Dallas-Fort Worth region, the reported details (e.g., square footage, construction value, use classification) of 11 projects were captured from various media outlets, placed into a database, then verified by a third party to ensure accuracy of the media reports.

The estimated value of the 11 projects either in the planning stages or proposed in 2014 and 2015 offers potential for significant economic impact on the Dallas-Fort Worth region. Potential direct spending of \$2.7 billion to complete the projects in question would result in potentially \$5.1 billion in total economic impact for the region. This activity would create more than 31,000 jobs paying almost \$2 billion in salaries, wages and benefits and generate \$160 million in state and local tax revenues (Table 5).

| Table 5. Projects: Planned or Proposed, 2014 - 2015 | |
|--|-----------------|
| Description | Impact |
| Direct Impact | \$2,746,789,671 |
| Total Impact | \$5,103,459,207 |
| Labor Income | \$1,924,425,687 |
| Employment | 31,490 |
| State and Local Taxes* | \$160,779,265 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

As with projects that are completed or under construction, when the projects are grouped together according to function, further insight is gained concerning the potential economic effects. Unlike projects that are completed or under construction, projects proposed or already in the planning stages are less varied in scope and fall into the “Non-Residential” and “Multi-Family” categories.

Projects: Planned or Proposed – Non-Residential

The office buildings, mixed-use developments, public projects and more that are proposed or in the planning stages are estimated to provide \$2.6 billion in direct



spending, which would result in a total economic impact of almost \$5 billion for the Dallas-Fort Worth region. This activity would provide for just over 30,000 construction-related jobs paying over \$1.8 billion in salaries, wages and benefits. State and local fiscal impacts would amount to close to \$154 million (Table 6).

| Table 6. Projects: Planned or Proposed – Non-Residential, 2014 - 2015 | |
|--|-----------------|
| Description | Impact |
| Direct Impact | \$2,650,329,668 |
| Total Impact | \$4,900,181,530 |
| Labor Income | \$1,855,297,812 |
| Employment | 30,281 |
| State and Local Taxes* | \$153,738,452 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

Projects: Planned or Proposed – Multi-Family Residential Impacts

If fully realized, the apartment complexes and multi-family residential units planned or proposed within a quarter-mile radius of a DART station may result in \$96 million in direct spending and \$203 million of total economic impact. This activity would support 1,208 construction-related jobs paying nearly \$69 million in salaries, wages and benefits. State and local taxing entities would receive \$7 million in revenues if these development projects were completed (Table 7).

| Table 7. Projects: Planned or Proposed – Multi-Family, 2014 - 2015 | |
|--|---------------|
| Description | Impact |
| Direct Impact | \$96,460,004 |
| Total Impact | \$203,277,677 |
| Labor Income | \$69,127,875 |
| Employment | 1,208 |
| State and Local Taxes* | \$7,040,811 |
| * Includes state and local sales and use taxes, property taxes, and license and permit fees. Source: IMPLAN | |

Conclusion



The Dallas-Fort Worth region’s economy weathered the recessionary period between 2007 and 2009 better than most metropolitan regions in the United States. The substantial development within a quarter mile of DART stations analyzed in our last report attests to the region’s economic health. The current building boom the region is experiencing is reflected in the number of projects “Completed or Under Construction” while the continued health and growing strength of the region’s economy is portrayed in the billions of dollars of projects currently in the planning stages or being proposed.

As this office has done over the past 16 years, the total values of properties near DART stations have been aggregated over the 2014-2015-time period. In Table 8, we add to this the values found in Section II of this report for public projects, as well as Section I values from previous studies. Over the 2014-2015-time period, the total property values, including “Completed or Under Construction” and “Planned or Proposed,” summed to \$3.7 billion. When added to the previous totals, total property values near DART stations amount to \$10.8 billion (Table 8).

| Table 8. Total Property Values 1999 - 2015 | |
|---|-------------------------|
| 1999-2013: Private | \$5,300,000,000 |
| 1999-2015: Public | \$1,800,000,000 |
| 2014-2015: Private | \$3,700,000,000 |
| Total Property Value | \$10,800,000,000 |

The trend to develop properties near light rail stations extends across the nation. Connectivity and multimodal access are increasingly important in a Texas that is rapidly urbanizing – this is especially true in the Dallas-Fort Worth region. The 27 projects completed, under construction, planned or proposed represent not only the region’s commitment to multimodal transportation options and an urban landscape that reflects the importance of those options, but billions of dollars in economic activity and tens of thousands of jobs throughout the region.



G. Glossary

A

Accessible – As defined by FTA, a site, building, facility, or portion thereof that complies with defined standards and that can be approached, entered, and used by persons with disabilities.

Accessible Service – A term used to describe service that is accessible to non-ambulatory riders with disabilities. This includes fixed-route bus service with wheelchair lifts or paratransit service with wheelchair lift-equipped vehicles.

Accidents per 100,000 Miles – Measures vehicle accidents reported (Bus, Light Rail, TRE and Paratransit) per 100,000 miles of actual fixed route mileage. Management's objective is to reduce this ratio.

$$\text{Calculation} = [(Vehicle\ Accidents / Actual\ Mileage) * 100,000]$$

Accounting Basis – DART uses the accounting principles and methods appropriate for a government enterprise fund. Financial statements are prepared on the accrual basis of accounting under which revenues and expenses are recognized when earned or incurred.

Accrual Method of Accounting – An accounting method that measures the performance and position of a company by recognizing economic events in the period they occur regardless of when cash transactions occur (i.e., recognize revenue in the period in which it is earned rather than when the cash is received and recognize expenses when incurred rather than when cash is paid).

ADA (The Americans with Disabilities Act of 1990) – This federal act requires changes to transit vehicles, operations, and facilities to ensure that people with disabilities have access to jobs, public accommodations, telecommunications, and public services, including public transit.

ADA Paratransit Service – Non-fixed-route paratransit service utilizing vans and small buses to provide pre-arranged trips to and from specific locations within the service area to certified participants in the program.

Administrative Ratio – Measures administrative costs as a percentage of direct operating costs. It is management's objective to reduce this ratio. Administrative costs include (but are not limited to) executive management, finance, purchasing, legal, internal audit, human resources, marketing, board support, and administrative services. Administrative revenues include (but are not limited to) advertising revenue.

$$\text{Calculation} = [(Administrative\ Costs - Administrative\ Revenues) / (Direct\ Costs + Start-up\ Costs)]$$

Ambulatory Disabled – A person with a disability that does not require the use of a wheelchair. This would describe individuals who use a mobility aid other than a wheelchair or have a visual or hearing impairment.



American Recovery and Reinvestment Act (ARRA) – The American Recovery and Reinvestment Act was signed into law by President Barack Obama on February 17, 2009. ARRA included appropriations and tax law changes totaling approximately \$787 billion to support government-wide efforts to stimulate the economy. Goals of the statute include the preservation or creation of jobs and the promotion of an economic recovery, as well as the investment in transportation, environmental protection, and other infrastructure providing long-term economic benefits.

Arbitrage – Investment earnings representing the difference between interest paid on bonds and the interest earned on the investments made using bond proceeds.

Average Fare (calculated by mode) – Represents the average fare paid per passenger boarding on each mode of service during the period.

Calculation = (Modal Passenger Revenue - Commissions & Discounts) / (Modal Passenger Boardings)

Average Weekday Ridership – The average number of passenger boardings on a weekday. This measurement does not include ridership on Saturdays, Sundays, or holidays.

B

Balanced Budget – A budget in which projected revenues equal projected expenses during a fiscal period.

Bond Refinancing/Refunding – The redemption (payoff) and reissuance of bonds to obtain better interest rates and/or bond conditions. This results in the defeasance of the earlier debt. See also *Defeasance*.

Bus Rapid Transit (BRT) – BRT combines the quality of rail transit and the flexibility of buses. It can operate on exclusive transitways, High Occupancy Vehicle (HOV) lanes, expressways, or ordinary streets. A BRT system combines intelligent transportation systems, technologies, transit signal priority (TSP), cleaner and quieter vehicles, rapid and convenient fare collection, and integration with land use policies.

C

Capital – Funds that finance construction, renovation, and major repair projects or the purchase of machinery, equipment, buildings, and land.

Capital Expenditure – A cost incurred to acquire a new asset or add capacity/improve the functionality of an existing asset or extend the useful life of an existing asset beyond its original estimated useful life. The asset will have an expected life of one or more years and a value of \$5,000 or more.

Car Mile or Vehicle Mile – A single bus, rapid transit car, light rail vehicle, or commuter rail car traveling one mile.

CAFR – Comprehensive Annual Financial Report. It includes audited financial statements, financial notes, and related materials.



Certified Riders – Passengers who have been deemed eligible for Paratransit services because their disability inhibits them from functionally accessing fixed route services. Eligibility is determined in accordance with the criteria outlined in the Americans with Disabilities Act of 1990.

CMAQ – Congestion Mitigation and Air Quality. A federal program to fund transportation projects that will contribute to the attainment of national ambient air quality standards.

Complaints per 100,000 Passengers – Modal quality ratio that measures the number of service complaints per 100,000 passenger boardings (or per 1,000 boardings for Paratransit). Management's objective is to reduce this ratio.

$$\text{Calculation} = [(\text{Service Complaints Received} / \text{Modal Passenger Boardings}) * 100,000]$$

Cost per Revenue Mile – Efficiency ratio that measures the cost of providing a revenue mile of service. This measurement is based on fully loaded costs and excludes operating revenues. Management's objective is to reduce this ratio.

$$\text{Calculation} = [\text{Total Operating Expenses} / \text{Revenue Miles}]$$

Crimes against persons – Monitoring provides an overview of patron safety by detailing the frequency of crimes that occur on the DART system. Management's objective is to reduce this ratio.

$$\text{Calculation} = [\text{Crimes Against Persons} / \text{Total Incidents}]$$

Crimes against property – Monitoring provides an overview of the safety of our customer's property. Management's objective is to reduce this ratio.

$$\text{Calculation} = [\text{Crimes Against Property} / \text{Total Incidents}]$$

D

Debt Service – The payment of interest and the repayment of principal on long-term borrowed funds according to a predetermined schedule.

Debt Service Coverage – The measure of the Agency's ability to meet debt service payments. It is a ratio of cash flows to debt service requirements. See also *External Coverage Ratio* and *Internal Coverage Ratio*.

Defeasance of Bonds – The redemption of older higher-rate debt prior to maturity usually with replacement by new securities bearing lower interest rates.

Demand Responsive – Paratransit passengers call to request service; therefore, that service is provided on demand, and is considered to be demand responsive, rather than scheduled service. In addition, DART provides some non-traditional demand responsive service that may not be Paratransit related, such as DART OnCall.

Depreciation – Expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy,



and obsolescence. The portion of the cost of a fixed asset, other than a wasting asset, charged to expense during a particular period.

E

Enterprise Fund – Gives the flexibility to account separately for all financial activities associated with a broad range of government services. It establishes a separate accounting and financial reporting mechanism for services for which a fee is charged. Revenues and expenses of the service are segregated into a fund with financial statements separate from all other activities.

Express Bus or Route – A suburban or intercity route that operates a portion of the route without stops or with a limited number of stops.

External Coverage Ratio – The ratio of gross sales tax revenues to annual debt service. DART standards (and the financial markets in general) require that this ratio be at least two.

F

Farebox Recovery Ratio – The proportion of operating cost that is generated by passenger fares.

Calculation = [Modal Farebox Revenue / Modal Operating Expense]

Farebox Revenue – All revenue from the sale of passenger tickets, passes, or other instruments of fare payment.

Fares – The amount charged to passengers for use of various services.

FAST Act – Fixing America’s Surface Transportation Act - FAST Act was signed into law in December 2015 to provide funding for surface transportation.

FEMA – Federal Emergency Management Agency – An agency of the U.S. Department of Homeland Security. This agency provides grant money to transit systems under the Freight Rail Security Grant Program and other such programs.

FTA (Federal Transit Administration) – The FTA is the federal agency that helps cities and communities provide mobility to their citizens. Through its grant programs, FTA provides financial and planning assistance to help plan, build, and operate bus, rail, and paratransit systems.

Fiscal Year – DART’s fiscal year is from October 1 through September 30 of the following year.

Fixed-Route Service – Service that operate according to fixed schedules and routes (for DART that service is bus, light rail, commuter rail, and streetcar).

Formula Grant – Allocations of federal funding to states, territories, or local units of government determined by distribution formulas in the authorizing legislation and regulations. To receive a formula grant, the entity must meet all the eligibility criteria for the program, which are pre-determined and not open to discretionary funding decisions.



Formula grants typically fund activities of a continuing nature and may not be confined to a specific project. Common elements in formulas include population, proportion of population below the poverty line, and other demographic information.

Full Funding Grant Agreement (FFGA) – The Federal Transit Administration uses a FFGA to provide financial assistance for new start projects and other capital projects. The FFGA defines the project, including cost and schedule, commits to a maximum level of federal financial assistance (subject to appropriation), covers the period of time for the project, and helps to manage the project in accordance with federal laws and regulations. The FFGA assures the grantee of predictable federal financial support for the project while placing a ceiling on the amount.

Full-Time Equivalent – A measurement equal to one staff person working a full-time work schedule for one year (2,080 hours).

Fund Balance – The difference between a fund’s assets and liabilities (also called Fund Equity). Often this term refers to moneys set aside or earmarked for future needs. DART uses “reserves” as well as “funds” to ensure resources are available for anticipated and unanticipated needs. See **Funds and Fund Balances** at the end of the Twenty-Year Financial Plan portion of this document for yearly amounts, and Board-adopted financial policies regarding funds and reserves in the preceding pages of this Reference section.

G

General Operating Account – The operating account that is used to account for all financial resources and normal recurring activities except for those required to be accounted for in another fund.

Grants – Monies received from local, federal, and state governments to provide capital or operating assistance.

H

Headway – The time span between service vehicles (bus or rail) on a specified route.

I

Internal Coverage Ratio – A ratio which has a numerator of gross sales tax revenues plus operating revenues plus interest income less operating expenses, and a denominator of annual debt service on long-term debt. DART standards state the goal that this ratio be at least one—i.e., total revenues less operating expenses should be at least as great as total annual debt service.

L

Labor Expenditure – The cost of wages and salaries (including overtime) to employees for the performance of their work.

Line Item – An appropriation that is itemized on a separate line in a budget or financial plan.



Linked Trip – A single one-way trip without regard for the number of vehicles boarded to make the trip. For example, a commute from home to work achieved by boarding a bus to a train, and then taking another bus after leaving the train, represents one linked trip. See also *Unlinked Trip*.

M

Maintenance Expenditure – Expenditures for labor, materials, services, and equipment used to repair and service transit and service vehicles and facilities.

Major Capital Transit Investment Program – A federal grants program providing capital assistance for new fixed guideway, extensions of existing fixed guideway, or a corridor-based bus rapid transit system. This program includes New Starts, Small Starts, and Core Capacity projects.

Mean Distance Between Service Calls – Quality ratio that measures the average number of miles a vehicle operates before a service call occurs. Management's objective is to increase this ratio.

$$\text{Calculation} = [\text{Total Miles Operated} / \text{Total \# of Service Calls}]$$

N

New Starts Program – A federal program which provides funding for fixed guideway transit projects which utilize and occupy a separate right-of-way or other high occupancy vehicle.

O

Obligations – Funds that have been obligated/committed to a specific purpose but have not yet been expended.

Off-Peak – Non-rush hour time periods.

On-Time Performance – Quality ratio that measures how often a service is on time (i.e., at a designated pick-up spot within a predetermined timeframe). The timeframe differs based on mode and frequency of service. Bus Operations currently uses 59 seconds early and 4 minutes and 59 seconds late. Light rail uses 1 minute early and 4 minutes late. Commuter rail uses 5 minutes late as required by FRA. Paratransit uses 20 minutes early and late. Management's objective is to increase this ratio.

$$\text{Calculation} = [(\# \text{ Scheduled Trips Sampled} - \# \text{ of Times Early or Late}) / \text{Total \# of Scheduled Trips Sampled}]$$

Operating Budget – The planning of revenue and expenditures for a given period of time to maintain daily operations.

Operating Expenses – Includes the expenses required to operate DART's revenue services, and general mobility projects. Operating expenses do not include the cost of road improvements or the staff costs associated with DART's capital programs.



Operating Revenues – Includes the revenues obtained from the farebox, special events service, advertising, signboard rentals, leases, pass sales, operating grants, shuttle services, other and other miscellaneous income. Operating revenues do not include sales tax revenue, interest income, or gain on sale of assets.

P

Paratransit Service – Any transit service required by the 1990 Americans with Disabilities Act (ADA), generally characterized by pre-arranged curb-to-curb service provided by accessible vehicles.

Passenger Canceled Trips Ratio – Measures the percentage of times that Paratransit users schedule a trip, then cancel the trip. Total scheduled trips include actual trips made, cancellations, and no-shows.

$$\text{Calculation} = [\# \text{ of Canceled Trips} / \text{Total \# of Scheduled Trips}]$$

Passenger Mile – A single passenger traveling one mile.

Passenger No-Show Ratio – Quality measurement for Paratransit service that measures the number of times a Paratransit user makes a reservation and does not show-up for the ride. This measurement is different from a cancellation. Management's objective is to reduce this number so that other trips can be scheduled in that timeframe. Users can lose the ability to access the Paratransit system if they have an excessive number of no-shows.

$$\text{Calculation} = [\# \text{ of No Shows} / \text{Total \# of Scheduled Trips}]$$

Passengers per Hour – Actual – The total number of Paratransit passengers actually carried, divided by the total hours of revenue service. Management's objective is to increase this number.

$$\text{Calculation} = [\text{Actual Passenger Boardings} / \text{Revenue Hours}]$$

Passengers per Hour - Scheduled – The total number of Paratransit passengers scheduled per hour of revenue service. Management's objective is to increase this number.

$$\text{Calculation} = [\text{Scheduled Passenger Boardings} / \text{Revenue Hours}]$$

Passengers per Mile – Effectiveness ratio that measures route productivity by comparing the number of passenger boardings to the number of revenue miles. Management's objective is to increase this ratio.

$$\text{Calculation} = [\text{Passenger Boardings} / \text{Revenue Miles}]$$

Peak Period – Morning or evening rush hour.

Percentage of Trips Completed – Quality measurement for Paratransit service that measures the number of times DART completes a scheduled passenger pick-up. Management's objective is to increase this ratio.

$$\text{Calculation} = [(\# \text{ of Actual Trips} - \# \text{ of Trips Missed}) / \# \text{ of Actual Trips}]$$



Principal – The amount borrowed, or the amount still owed on a loan, separate from the interest.

R

Reduced Fares – Discounted fares for children elementary through middle school, seniors and non-Paratransit disabled with valid ID; high school fares are applicable on bus and rail on Monday through Friday only; college/trade school valid on bus and rail with a DART Student ID.

Repurchase Agreement – A money-market transaction in which one party sells securities to another while agreeing to repurchase those securities at a later date.

Reserves – DART uses “reserves” as well as “funds” to ensure resources are available for anticipated and unanticipated needs. See **Funds and Fund Balance** at the end of the Twenty-Year Financial Plan portion of this document for yearly amounts, and Board-adopted financial policies regarding funds and reserves in the preceding pages of this Reference section.

Revenue Bond – A bond on which debt service is payable solely from a restricted revenue source (or sources)—for example sales tax revenues.

Revenue Car Miles – Total miles operated by LRT or TRE trains in revenue service multiplied by the number of cars operated as part of each train. Power consumption and maintenance requirements are driven by the number of car miles operated. As a result, one area of management focus is to optimize the number of cars operated per train based on ridership and Board-adopted loading standards.

*Calculation = Sum for all trips of [# of Revenue Train Miles operated * # of cars in the train]*

Revenue Miles or Hours – Measures the number of miles, or hours, that a vehicle is in revenue service (i.e., available to pick up passengers) and includes special events service. This measure does not include “deadhead miles” which are the miles between the bus maintenance facility and the beginning and/or end of a route.

Reverse Commute – City-to-suburb commute. This phrase refers to the fact that most riders commute from the suburbs to the city.

Ridership – For the total system, this is the total number of passengers boarding a DART vehicle. Transfers are included in total ridership and passenger boarding counts (e.g., if a person transfers from one bus to another bus or from a bus to rail, this is counted as two passenger boardings). Fixed route ridership counts passenger boardings (including transfers) for bus, light rail, streetcar, and commuter rail only. See also *Unlinked Trip*.

S

Sales Taxes for Operating Expenses – Measures the amount of sales taxes required to subsidize operations. 100% minus this percentage is the amount of sales taxes available



for capital and road improvement programs. Management's objective is to reduce this ratio.

$$\text{Calculation} = [(Operating Expenses - Operating Revenues - Interest Income) / Sales Tax Revenues]$$

Scheduled Miles Per Hour – Represents the average overall speed of the modal service as reflected in the schedule, with stops and recovery time included. This value reflects both the composition of the service (i.e., express and local routes for bus mode) and the efficiency of the schedule (e.g., reducing recovery time in the schedule improves average speed).

$$\text{Calculation (for bus)} = [Scheduled Miles / Scheduled Hours]$$

$$\text{Calculation (for rail)} = [Scheduled Train Miles / Scheduled Train Hours]$$

Service Hours – Paratransit service hours are also known as revenue hours. They are calculated from the time of the first passenger pick-up until the time of the last passenger drop-off. Travel time to and from the garage is not included.

Service Levels – Also known as Telephone Service Factor (TSF), measures the response to calls within a specified period. This measurement is being used to monitor the effectiveness of the main call center (CI: 214-979-1111) within 1 minute, the response to Paratransit scheduling issues within 1 minute, and the response to Where's My Ride inquiries within 2 minutes.

$$\text{Calculation} = (\# \text{ of Calls Answered}) / (\# \text{ of Calls Received Within the Specified Time Period})$$

Start-Up Costs – Costs associated with the implementation of a major new light rail, commuter rail, or streetcar expansion that are incurred prior to the service implementation (e.g., vehicle and system testing).

State of Good Repair (SGR) – Capital investment in infrastructure maintenance in order to improve the condition of current transit facilities and provide safe, reliability service.

Subscription Service – Paratransit passengers traveling at least three times per week to the same location at the same time can be placed on "subscription service." This service is "automatically" scheduled for the passenger, and it is not necessary for the passenger to call and schedule the service.

Subsidy per Passenger – Efficiency ratio, which measures the tax subsidy required for each passenger boarding for a mode or combination of modes. Management's objective is to reduce this ratio.

$$\text{Calculation} = [(Operating Expenses - Operating Revenues) / Passenger Boardings]$$

T



Total Vehicle Miles – The sum of all miles operated by passenger vehicles, including mileage when no passengers are carried.

Transit Asset Management (TAM) – Measurement of the condition of capital assets such as equipment, rolling stock, infrastructure, and facilities.

Transit-Oriented Development (TOD) – Mixed-use development of residential, commercial, and retail uses within walking distance of a transit station or bus route.

Transit Signal Priority – Transit signal priority either gives or extends a green signal to public transit vehicles under certain circumstances to reduce passenger travel times, improve schedule adherence, and reduce operating costs.

TIGER (Transportation Investment Generating Economic Recovery) – A program administered by The U.S. Department of Transportation for capital investments in surface transportation infrastructure that are to be awarded on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region with regards to fostering economic development.

U

Unlinked Trip – A trip involving a single boarding and alighting from a transit vehicle. For example, a commute from home to work achieved by boarding a bus to a train, and then taking another bus after leaving the train, represents three unlinked trips. See also *Linked Trip*.

V

Vanpool – Consists of a group of 5 to 15 people who regularly travel together to work (typically 30 miles or more roundtrip) in a DART-provided van.

Vehicle Revenue Mile – Vehicle mile during which the vehicle is in revenue service (i.e., picking up and/or dropping off passengers).

Y

Yield to worst – The lowest yield that you can earn from a bond when holding to maturity, absent a default. It is a measure that is used in place of **yield to maturity** with callable bonds. As callable bonds can be bought back before their stated maturity date, **yield to maturity** does not provide an accurate picture of what an investor can expect to earn. **Yield to worst** allows apples to apples comparisons of bonds with varying call features and coupon payments.

Z

Zero Denials – A Federal mandate that in effect states that a provider cannot systematically deny Paratransit trips on an on-going basis.

H. Acronyms

| | |
|--------------|---|
| 000s | Thousands |
| AAC | American Airlines Center |
| ABC | Activity-Based Costing |
| ADA | Americans with Disabilities Act of 1990 |
| AHJ | Authority Having Jurisdiction |
| AM | Asset Management |
| AMS | Analysis, Modeling, and Simulation |
| APC | Automatic Passenger Counters |
| APT | Area Personal Transit (Las Colinas) |
| APTA | American Public Transportation Association |
| APTS | Advanced Public Transportation Systems |
| APU | Auxiliary Power Unit |
| AREMA | American Railway Engineering & Maintenance-of-Way Association |
| ARRA | American Reinvestment & Recovery Act of 2009 |
| ATIS | Advanced Traveler Information Systems |
| ATMS | Advanced Traffic Management Systems |
| ATU | Amalgamated Transit Union |
| AVA | Automated Voice Announcements |
| AVL | Automated Vehicle Locator |
| AVP | Assistant Vice-President |
| B | Billions |
| BABs | Build America Bonds |
| BBL | Barrel |
| BI | Business Intelligence |

H. Acronyms

| | |
|----------------|---|
| BNSF | Burlington, Northern & Santa Fe Railroad |
| BPP | Business Planning Parameter |
| BRT | Bus Rapid Transit |
| CABs | Capital Appreciation Bonds |
| CAD | Computer-Aided Dispatch |
| CAD/AVL | Computer Aided Dispatch/Automatic Vehicle Locator |
| CAR | Condition Assessment Report |
| CBD | Central Business District |
| CCART | Collin County Area Rural Transit |
| CCTV | Closed Circuit Television |
| CDHP | Consumer-Directed Health Care Plan |
| CDL | Commercial Driver's License |
| CEO | Customer Experience Officer |
| CPS | Comprehensive Payment System |
| CIP | Capital Investment Plan |
| CIT | Continuous Improvement Team |
| CMAQ | Congestion Mitigation/Air Quality |
| CMGC | Construction Manager/General Contractor |
| CNG | Compressed Natural Gas |
| COA | Comprehensive Operations Analysis |
| COGNOS | Budget Software |
| COOP | Continuity of Operations |
| COPS | Community Oriented Policing Services (grant) |
| CP | Commercial Paper |
| CPTED | Crime Prevention Through Environmental Design |

H. Acronyms

| | |
|--------------|--|
| CPU | Central Processing Unit |
| CR | Commuter Rail |
| CROF | Central Rail Operating Facility |
| CRT | Customer Response Team |
| CS | Central Services |
| CSSAC | Construction Safety and Security Advisory Committee |
| CSSP | Construction Safety and Security Program |
| CST | Customer Service Team |
| CTC | Centralized Traffic Control |
| CVB | Convention and Visitors Bureaus |
| CY | Current Year |
| D2 | Dallas Central Business District Second Alignment |
| DART | Dallas Area Rapid Transit |
| DB | Defined Benefit Retirement Plan |
| DC | Defined Contribution Retirement Plan |
| DCTA | Denton County Transportation Authority |
| DCURD | Dallas County Utility and Reclamation District |
| DFW | Dallas/Fort Worth International Airport |
| DGE | Diesel Gallon Equivalent |
| DGNO | Dallas, Garland, and Northeastern Railroad |
| DLM | Division Level Measurement |
| DMU | Diesel Multiple Unit |
| DMWBE | Disadvantaged, Minority, and Woman-Owned Business Enterprise |
| DOE | Department of Energy |

H. Acronyms

| | |
|---------------|--|
| DOT | Department of Transportation |
| DSC | DART Safety Committee |
| EA | Environmental Assessment |
| EA | Enterprise Application |
| EAP | Employee Assistance Program |
| ED | East Dallas Operating Facility |
| EEO | Equal Employment Opportunity |
| EEO/AA | Equal Employment Opportunity/Affirmative Action Plan |
| EMS | Emergency Management System |
| EOY | End of Year |
| EPA | Environmental Protection Agency |
| EVP | Executive Vice President |
| FAA | Federal Aviation Administration |
| FAST | Fixing America's Surface Transportation Act |
| FE | Fleet Engineering |
| FFGA | Full Funding Grant Agreement |
| FGM | Fixed-Guideway Modernization |
| FHWA | Federal Highway Administration |
| FICA | Federal Insurance Contributions Act |
| FLSC | Fire Life Safety Committee |
| FP | Financial Plan |
| FRA | Federal Railroad Administration |
| FSE | Facility and Systems Engineering |
| FS-B | Financial Standards-Business Planning Parameter |
| FS-D | Financial Standards-Debt Service |

H. Acronyms

| | |
|----------------|---|
| FS-G | Financial Standards-General |
| FT | Full-Time |
| FTA | Federal Transit Administration |
| FY | Fiscal Year |
| FYxxA | Actual year-end cost for FY (xx) |
| FYxxB | Budget cost for FY (xx) |
| FYxxP | Projected cost for FY (xx) |
| G&A | General & Administrative |
| GAAP | General Accepted Accounting Principles |
| GASB | Government Accounting Standards Board |
| GLO | General Land Office |
| GM | General Mobility |
| GPS | Global Positioning System |
| HEP | Head End Power |
| HMO | Health Maintenance Organization |
| HQ | Headquarters |
| HRA | Health Reimbursement Account |
| HVAC | Heating, Ventilation, Air Conditioning |
| IACP | International Association of Chiefs of Police |
| ICM | Integrated Corridor Management |
| IH | Interstate Highway |
| ILA | Interlocal Agreement |
| IMA | Information Management & Analytics |
| IRV | Irving |
| IT | Information Technology |

H. Acronyms

| | |
|------------------|---|
| ITC | Intermodal Transportation Center |
| ITIL | IT Infrastructure Library |
| ITP | Integrated Test Plan |
| ITS | Intelligent Transportation System |
| IVR | Interactive Voice Response |
| JHA | Jurisdictions Having Authority |
| JV | Joint Venture |
| K | Thousands |
| kHz | Kilohertz |
| KPI | Key Performance Indicator(s) |
| kWh | Kilowatt Hour |
| LAN | Local Area Network |
| LAP/CMS | Local Assistance Program/Congestion Management System |
| LBJ | Lyndon B. Johnson Freeway |
| LCD | Liquid Crystal Display |
| LED | Light Emitting Diode |
| LEED | Leadership in Energy and Environmental Design |
| LGC | Local Government Corporation |
| LPA | Locally Preferred Alternative |
| LPIS | Locally Preferred Investment Study |
| LRT | Light Rail Transit |
| LRV | Light Rail Vehicle |
| LRWPP | Light Railway Worker Protection Plan |
| LT or LTD | Long-Term Debt or Long-Term Disability |
| M | Millions |

H. Acronyms

| | |
|---------------|--|
| MaaS | Mobility as a Service |
| MAIF | Mobility Assistance and Innovation Fund |
| MAP-21 | Moving Ahead for Progress in the 21st Century |
| MATA | McKinney Avenue Transit Authority |
| MAX | Metro Arlington Express |
| MBE | Minority-Owned Business Enterprise |
| MDC | Mobile Data Computer |
| MDT | Mobile Data Terminal |
| MIS | Major Investment Study |
| MLK | Martin Luther King, Jr. |
| MMS | Mobility Management Services |
| MOU | Memorandum of Understanding |
| MOWIS | Maintenance of Way Information System |
| MPH | Miles Per Hour |
| MPLS | Multi-Powered Label Switching |
| MS | Microsoft |
| MV | MV Transportation, Inc. (Paratransit Provider) |
| NABI | North American Bus Industries (now part of New Flyer Industries, Inc.) |
| NC LRT | North Central Light Rail Transit |
| NCIC | National Criminal Information Center |
| NCTCOG | North Central Texas Council of Governments |
| NETRMA | Northeast Texas Regional Mobility Authority |
| NFC | Near Field Communications |
| NIMS | National Incident Management System |

H. Acronyms

| | |
|----------------|---|
| NOC | Network Operations Center |
| NOx | Nitrogen Oxide |
| NRV | Non-Revenue Vehicle |
| NSO | Network Security Operations |
| NTD | National Transit Database |
| NTTA | North Texas Tollway Authority |
| NW | Northwest Corridor |
| NW-1A | Northwest LRT Line Section (Downtown to American Airlines Center/Victory Station) |
| NW-1B | Victory Station to Inwood Station |
| NW-2 | Inwood Station to Northwest Highway |
| NW-3 | Northwest Highway to Valley View (Farmers Branch) |
| NW-4 | Valley View to Frankford Rd (North Carrollton) |
| NWROF | Northwest Rail Operating Facility |
| O&M | Operations & Maintenance |
| O/S | Operating System |
| O/S EOY | Outstanding End-of-Year |
| OC | Oak Cliff |
| OCC | Operations Control Center |
| OCIP | Owner-Controlled Insurance Program |
| OCL | Operations Communications Liaisons |
| OCS | Overhead Catenary System |
| ODC | Operations Document Control |
| OEM | Original Equipment Manufacturer |
| OPEB | Other Post-Employment Benefits |

H. Acronyms

| | |
|----------------|--|
| Ops | Operations |
| OSHA | Occupational Safety Hazard Administration |
| OSS | Operations Support System |
| OTP | On-time performance |
| P&D | Planning & Development |
| PA/VMB | Public Announcement/Variable Message Boards |
| PACE | Professionals Achieving Communication Excellence |
| PASS | Principal Arterial Street System |
| PBX | Private Branch Exchange |
| PCA | Personal Care Attendant |
| PCI | Payment Card Industry |
| PE/EIS | Preliminary Engineering/Environmental Impact Statement |
| PEC | Passenger Emergency Call |
| PMOC | Project Management Oversight Committee |
| PMP | Performance Management Plan |
| PMSA | Primary Metropolitan Statistical Area |
| PNM | PayNearMe |
| POS | Point of Sale |
| PPO | Preferred Provider Organization |
| PPP | Public/Private Partnership |
| PT | Part-Time |
| PTC | Positive Train Control |
| PTO | Paid Time Off |
| PTP | Pay-to-Platform |
| Q | Quarter |

H. Acronyms

| | |
|-------------------|--|
| R | Registration (mark) |
| RFI | Request for Information |
| RFID | Radio Frequency Identification |
| RITA | Research and Innovative Technology Administration |
| RMS | Records Management System |
| ROTC | Refresher Operator Training Class |
| ROW | Right-of-Way |
| RPD | Rail Program Development |
| RPM | Reaching Performance Milestones |
| RR | Railroad |
| RRIF | Railroad Rehabilitation & Improvement Financing |
| RRM | Railroad Management |
| RTC | Regional Transportation Council |
| RTR | Regional Toll Roads |
| RWP | Roadway Worker Protection |
| S&I | Service & Inspection |
| S&W | Salaries & Wages |
| SAFETEA-LU | Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users |
| SAP | Shift Assignment Pay |
| SDC | Secondary Data Center |
| SE | Southeast Corridor |
| SE-1A | Southeast LRT Line Section – Downtown to Fair Park |
| SE-1B | Fair Park to Hatcher |
| SE-2 | Hatcher to Buckner Blvd. |

H. Acronyms

| | |
|-----------------|--|
| SEAF | System Expansion & Acquisition Fund |
| SEJ | South East Junction |
| SGR | State of Good Repair |
| SH | State Highway |
| SIP | Service Incentive Pay |
| SLRV | Super LRV (LRV with additional low-floor section) |
| SM | Service Mark |
| SMS | Short Message Service |
| SMS | Safety Management System |
| SOCBOF | South Oak Cliff Bus Operating Facility |
| SOP | Standard Operating Procedure |
| SPM | Standards, Performance & Monitoring |
| SS | Support Services |
| SSCRT | System Safety Certification Readiness Team |
| SSPP | System Safety Program Plan |
| ST | Short-Term (debt) |
| STD/FMLA | Short-Term Disability/Family Medical Leave Act |
| STP/MM | Surface Transportation Program/Metropolitan Mobility |
| SU | Start-Up |
| T&P | Texas & Pacific Station |
| TBD | To be determined |
| TC | Transit Center |
| TCEQ | Texas Commission on Environmental Quality |
| TCIC | Texas Criminal Information Center |
| TDM | Transportation Demand Management |

H. Acronyms

| | |
|----------------------|--|
| TES | Traction Electrification System |
| TIGER | Transportation Investment Generating Recovery |
| TIF | Tax Increment Financing |
| TIP | Transportation Improvement Program |
| TLETS | Texas Law Enforcement Telecommunications System |
| TMA | Transportation Management Association |
| TMF | Texas Mobility Funds |
| TOD | Transit-Oriented Development |
| TPSS | Traction Power Sub-Station |
| TRE | Trinity Railway Express |
| TRIM | Ticket Reader / Issue Machine |
| TSA | Transportation Security Administration |
| Trinity Metro | Formerly known as Fort Worth Transportation Authority (FWTA) |
| TSM | Transportation System Management |
| TSP | Transit System Plan or Traffic Signal Priority |
| TTI | Texas Transportation Institute |
| TWC | Train-to-Wayside Control |
| TVM | Ticket Vending Machine |
| TxDOT | Texas Department of Transportation |
| UAFP | Urbanized Area Formula Program |
| ULEV | Ultra-Low-Emission Vehicles |
| UNT | University of North Texas |
| UP | Union Pacific |
| UPS | Uninterruptible Power Supply |

H. Acronyms

| | |
|--------------|--|
| US | United States |
| USC | United States Code |
| UT | University of Texas |
| UTA | University of Texas at Arlington |
| VAF | Vehicle Acceptance Facility |
| VBS | Vehicle Business System |
| VE | Value Engineering |
| VIPER | Visible Intermodal Protection Response |
| VMB | Variable Message Boards |
| VoIP | Voice over Internet Protocol |
| VP | Vice President |
| VRDN | Variable Rate Demand Note |
| WAN | Wide-Area Network |
| WBE | Women-Owned Business Enterprise |
| WSA | Ways, Structures & Amenities |
| XPB | X-Press Booking |