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Proposed financial plan supports DART Rail airport connection, South Oak Cliff extension

The final section of the Orange Line light rail project from Belt Line Station at Belt Line and State Highway 161 to Terminal A of DFW International Airport and a Blue Line extension from Ledbetter Station to the UNT Dallas campus could be preserved under a new long-range financial plan being reviewed by the DART Board of Directors. DART staff briefed the Board of Directors on the plan during their August 10 Board meeting.

The Board voted to send a draft Fiscal Year 2011 budget and updated 20-Year Financial Plan to the cities within the DART Service Area for review. The cities do not approve the budget, but are given at least 30 days to review it. The proposed FY 2011 budget is \$1.25 billion dollars and includes budgets for operations (\$422 million), capital (\$689.3 million) and debt service (\$139.4 million). Board members are scheduled to approve the budget and financial plan on September 28.

- View the [President/Executive Director's Letter to the Board](#)
(3.4MB PDF file opens in a new window)
- View the [FY 2011 Business Plan](#)
(18.8MB PDF file opens in a new window)

The rail expansion projects would be funded through a mix of project cost savings, increased debt and, if approved, additional federal funds. The Orange Line extension, I-3, would likely be finished in 2014, one year beyond the planned completion of 2013. The first two sections of the Orange Line, which begin at the Bachman Station in northwest Dallas, are scheduled to open in 2012. The three-mile Blue Line extension, SOC-3, would be completed in 2019.

Since announcing a projected shortfall in long-term sales tax revenues earlier this year, agency officials have been reviewing funding strategies for capital projects scheduled beyond the current 37-mile light rail expansion, including the second Downtown Dallas alignment. The adjustment in DART Rail operating headways from 10 to 15 minutes lessens the need to construct the alignment for an extended period. There are also new considerations with the potential inclusion of new streetcar lines in the Central Business District and to Oak Cliff. Although the draft financial plan does not include funding for the second downtown alignment, staff will continue planning for the line taking these new initiatives into account, including the pursuit of federal funding.

The completion of the Green Line from Pleasant Grove to Carrollton and the new Lake Highlands Station in December; the Blue Line extension from Garland to Rowlett and the first two sections of the Orange Line from Bachman Station in Northwest Dallas to Irving in 2012, are not affected by the projected shortfall. The proposed 20-year financial plan includes \$4.7 billion in capital project funds for the rail expansion and other projects such as the planned purchase of new buses and other items required to maintain the agency's state of good repair.

"We said we would work hard to solve the funding problem of the Orange Line and all of our major capital projects and we believe we have taken significant steps toward that goal," DART

President/Executive Director Gary Thomas said. Thomas said the agency will continue its review of funding alternatives for other planned projects not already under contract. There is no timeline for completing the review.

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

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