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DART exploring funding options for next phase of growth

As part of their review of agency finances, DART officials are reviewing funding strategies for capital projects scheduled beyond the current 37-mile light rail expansion. The projected shortfall in sales tax revenue will result in the indefinite delay in the third section of the Orange Line, from Irving to Terminal A at DFW Airport, the second Downtown Dallas alignment and the Blue Line extension from Ledbetter Station to the UNT Dallas campus, officials said.

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 are pleased we will be able to maintain almost all of our current expansion. Every transit agency around the country is not so fortunate," DART President/Executive Director Gary Thomas said. "At the same time, we are very disappointed that it does not appear we will complete all of our projects as planned. We will continue working to find ways to advance these projects as best we can based on the current and anticipated economic and financial conditions."

Agency officials are reviewing multiple sources of revenue to fund future projects. Evolving federal funding guidelines on project criteria and a dynamic global financial market will guide agency staff members as they match funding sources to specific projects. There is no timeline for the completion of this review.

In March, DART reported projections of lower than expected sales tax receipts. In addition to requiring adjustments in current service levels the long-term sales tax projections (for fiscal years 2012 and beyond) 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 \$13 and \$15 million below the original estimate of \$387.8 million.