



**City of Dallas**

# **Update of DART Excess Sales Tax Revenues**

**City Council Briefing  
June 7, 2023**

Robert M. Perez, Ph.D., Assistant City Manager  
City Manager's Office  
City of Dallas

# Update of DART Excess Sales Tax Revenues



- Background
- DART Interlocal Agreement (ILA)
- Memorandum of Understanding (MOU)
- Recommended Uses of Funds
- Next Steps
- Discussion/Questions



# Background



- Since July 2022, DART had been considering allocating excess sales tax revenues to its service area cities
- In October 2022, DART announced an allocation of \$111.1M to the City of Dallas (COD)
- Mayor and City Council and the Transportation and Infrastructure (TRNI) Committee briefed through several memorandums
- TRNI Committee updated through briefings on February 21, 2023, and February 28, 2023 (Special Called Meeting with DART Board Members)



# Background



- During the February 28<sup>th</sup> TRNI Committee Special Called Meeting, discussion included:
  - \$36M in Silver Line project “betterments” to be reduced from the \$111.1M Excess Sales Tax funds
  - TRNI Committee members recommended NCTCOG-led mediation to determine responsibility of \$36M of betterments
- Through NCTCOG/DART/COD discussions, betterments were reduced to \$33.2M and assigned as follows:
  - \$22.7M – DART
  - \$5.3M – NCTCOG
  - \$5.2M - COD



# Background



- In addition to the \$36M in betterments, DART assigned \$43.5M in project delay fees to COD (total of \$79.5M in betterment/delays) to be deducted from \$111.1M Excess Sales Tax
- Through negotiations, the \$43.5M was reduced to \$15.9M in delays to be assumed by COD
- Reduction of \$5.2M of betterments and \$15.9M in delays results in a total of \$90M of Excess Sales Tax to the COD





# Interlocal Agreement (ILA)



- In December 2022, DART provided its Service Area Cities with an ILA for uses/steps to acquire the Excess Sales Tax Revenues (copy provided on June 2, 2023)
- Service Area Cities submitted consolidated ILA revisions to DART on February 6, 2023, but revisions were not accepted by the DART Board
  - Most revisions focused on “City’s Good Standing Requirement” and forfeiture of funds
- All other Service Area Cities have signed the Excess Sales Tax ILA



# Interlocal Agreement (ILA)



- Highlights of the Excess Sales Tax ILA include:
  - Definitions of eligible uses and projects
  - Process for DART review, approval for use of funds, and monthly reimbursements
  - Proposed projects submitted for DART review by **January 31, 2024**
  - Design and construction contracts for eligible projects must be awarded by **February 28, 2025**
  - Projects to be substantially completed by **January 30, 2026**
  - Final reimbursement requests submitted to DART by **April 30, 2026**



# Memorandum of Understanding (MOU)



- To address “good standing” definition in Excess Sales Tax ILA and to ensure continued progress of the Silver Line Project, a DART/COD Memorandum of Understanding (MOU) has been drafted
- Highlights of the MOU include:
  - An excess sales tax reduction of \$150K per day for delays resulting from the COD’s action or inaction
  - COD to bring any DART eminent domain requests to City Council within 60 days of receipt
  - COD to support DART improvements in the public ROW where landscaping or private infrastructure may exist





# Memorandum of Understanding (MOU)



- MOU also includes \$30M of excess sales tax funds set-aside released as follows:
  - \$6M\* made available upon COD approval of outstanding Silver Line design elements and permit requests
  - \$6M\* made available on the first day of the full closure on Hillcrest Rd.
  - \$6M\* made available when the Certificates of Occupancy are received at the Knoll Trail and Cypress Waters Stations
  - \$6M\* made available when the COD submits all quiet zone applications for the Silver Line grade crossings to the Federal Railroad Administration (DART to review applications prior to submissions)
  - \$6M\* made available once Silver Line revenue service commences



*\*Note: \$6M or remaining balance minus any delay or betterment deductions will be made available*

# Recommended Uses of Funds



| Program or Projects                                                          | Program/Project Description                                                                                                                                                                                                                                                                                                  | Funding Amount |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>1. NCTCOG Funding Partnership</b>                                         | Funding to be used as a NCTCOG revolver fund to leverage \$15.4M in funding from the NCTCOG to fund the Five-Mile Creek Greenbelt Hike and Bike Trail Project                                                                                                                                                                | \$10,000,000   |
| <b>2. Reconstruct (22) traffic signals on major DART bus route corridors</b> | Reconstruct (22) traffic signals (cost of \$550K per intersection; \$11M for 20 signals and \$550K to leverage matching funds for 2 signals) at intersections along major DART bus route corridors in Equity Priority Areas; improvements will include technology upgrades such as bus queue jumps, fiber installation, etc. | \$11,550,000   |



# Recommended Uses of Funds



| Program or Projects                | Program/Project Description                                                                                       | Funding Amount |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------|
| <b>3. Sidewalk Master Plan</b>     | Finish the initial \$30M of priority projects identified in the Sidewalk Master Plan                              | \$10,000,000   |
| <b>4. ADA Ramp Installation</b>    | Provide funding to substantially address the estimated \$54M backlog of missing ADA ramps across the City         | \$50,000,000   |
| <b>5. Traffic Markings Program</b> | Fund the FY 2024 Traffic Markings Program at an annual program budget of \$3.2M (current annual budget is \$1.2M) | \$2,000,000    |



# Recommended Uses of Funds



| Program or Projects                                       | Program/Project Description                                                                                                                                                                                                                               | Funding Amount |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <b>6. Bike Lane Upgrades</b>                              | Pilot new bike lane safety materials and begin retrofitting existing bike lanes with piloted materials (\$2.0M); also explore options for additional bike lane cleaning and maintenance (\$200K)                                                          | \$2,200,000    |
| <b>7. COD Parking Operations Study and Pilot Projects</b> | Fund a parking study to evaluate COD parking lot redevelopment options, to include identification of strategic locations for future parking garages, develop recommendations to optimize parking operations, and funding for smart parking pilot projects | \$750,000      |



# Recommended Uses of Funds



| Program or Projects                         | Program/Project Description                                                                                                                                                                     | Funding Amount      |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>8. Student/Homeless Transit Programs</b> | Create a pilot program to support DART's free transit services for youth (K-12) to get to school and/or work (\$250K); will also continue funding to support homeless transit services (\$250K) | \$500,000           |
| <b>9. COD Streetcar</b>                     | Funding for ongoing maintenance and professional services for studies to optimize operations                                                                                                    | \$3,000,000         |
| <b>Total</b>                                |                                                                                                                                                                                                 | <b>\$90,000,000</b> |



# Recommended Uses of Funds



## Program or Projects

**2. Reconstruct (22)  
traffic signals on  
major DART bus  
route corridors  
(\$11.6M)**



| Project No. | Intersection Name         | Council District | Cost       |
|-------------|---------------------------|------------------|------------|
| 1           | Adams-Jefferson           | 1                | \$ 550,000 |
| 2           | Bishop-Jefferson          | 1                | \$ 550,000 |
| 3           | Blshop-Twelfth            | 1                | \$ 550,000 |
| 4           | Jefferson-Madison         | 1                | \$ 550,000 |
| 5           | Brookriver-Mockingbird    | 2                | \$ 550,000 |
| 6           | Fitzhugh-Gaston           | 2, 14*           | \$ 550,000 |
| 7           | Polk-Reynoldston          | 3, 4*            | \$ 550,000 |
| 8           | Camp Wisdom-Greenspan     | 3, 8*            | \$ 550,000 |
| 9           | Ann Arbor-Marsalis        | 4                | \$ 550,000 |
| 10          | Kiest-Marsalis            | 4                | \$ 550,000 |
| 11          | Marsalis-Saner            | 4                | \$ 550,000 |
| 12          | Hillburn-Lake June        | 5                | \$ 550,000 |
| 13          | Singleton-Vinson          | 6                | \$ 550,000 |
| 14          | Al Lipscomb-Malcolm X     | 7                | \$ 550,000 |
| 15          | Malcolm X-Pine            | 7                | \$ 550,000 |
| 16          | Bonnie View-Corrigan/Stag | 8                | \$ 550,000 |
| 17          | Millmar-Peavy             | 9                | \$ 550,000 |
| 18          | Plano-Walnut Hill         | 10               | \$ 550,000 |
| 19          | Arapaho-Dallas Pkwy       | 11               | \$ 350,000 |
| 20          | Campbell-Frankford        | 12               | \$ 200,000 |
| 21          | Inwood-Willow             | 13               | \$ 550,000 |
| 22          | N. Pearl-Ross             | 14               | \$ 550,000 |

**Total \$ 11,550,000**

*\*Note: Locations with two Council Districts are shared intersections between districts*





# Recommended Uses of Funds



## Program or Projects 3. Sidewalk Master Plan (\$10.0M)



| Project No. | Project and Limits                                        | Council District | Budget     |
|-------------|-----------------------------------------------------------|------------------|------------|
| 1           | E Jefferson Blvd (E 6th St to E 7th St)                   | 1                | \$ 371,000 |
| 2           | Ewing Ave (E 6th St to E 9th St)                          | 1                | \$ 380,000 |
| 3           | Hollywood Ave (Elmwood Blvd to W Illinois Ave)            | 1                | \$ 340,000 |
| 4           | Live Oak St (Adair St to Annex Ave)                       | 2, 14*           | \$ 755,000 |
| 5           | San Jacinto St (N Washington Ave to N Carroll Ave)        | 2, 14*           | \$ 510,000 |
| 6           | Engle Ave (Pierce St to Hampton Rd)                       | 3                | \$ 650,000 |
| 7           | Glenfield Ave (Chalmers St to Waverly St)                 | 3, 4*            | \$ 525,000 |
| 8           | Morrell Ave (Bonnie View Rd to Cedar Crest Blvd)          | 4                | \$ 455,000 |
| 9           | Avenue L (Childs St to E 11th St)                         | 4                | \$ 265,000 |
| 10          | Hillburn Dr (CF Hawn Freeway to Elam Rd)                  | 5                | \$ 410,000 |
| 11          | CF Hawn Freeway (Elam Rd to Hillburn Dr)                  | 5, 8*            | \$ 270,000 |
| 12          | Hillburn Dr (Great Trinity Forest Way to CF Hawn Freeway) | 5, 8*            | \$ 325,000 |
| 13          | Calypso St (N Hampton Rd to Harston St)                   | 6                | \$ 259,000 |
| 14          | Metropolitan Ave (Eason St to Malcolm X Blvd)             | 7                | \$ 285,000 |
| 15          | Romine Ave (Latimer St to Malcolm X Blvd)                 | 7                | \$ 385,000 |
| 16          | N Murdeaux Ln (Olusta Dr to CF Hawn Freeway)              | 8                | \$ 655,000 |
| 17          | Samuell Blvd (Valley Glen Dr to Ferguson Rd)              | 9                | \$ 500,000 |
| 18          | Adelta Blvd (Skillman St to End)                          | 10               | \$ 750,000 |
| 19          | Audelia Rd (Skillman St to Forest Ln)                     | 10               | \$ 610,000 |
| 20          | Leisure Dr (Forest Ln to Skillman St)                     | 10               | \$ 400,000 |
| 21          | Esperanza Rd. (N Central Expway to Greenhollow Ln)        | 11               | \$ 900,000 |

**Total \$ 10,000,000**

*\*Note: Locations with two Council Districts are shared streets between districts*



# Next Steps



- City Council to consider \$80M Excess Sales Tax ILA during June 14, 2023, agenda meeting
  - Upon approval of ILA, COD will have \$50M immediately available for projects and \$30M held for milestones
- Finalize \$10M ILA with NCTCOG for \$15.4M for the Five Mile Creek Greenbelt Trail Project
  - DART to send \$10M to NCTCOG and NCTCOG will provide \$15.4M in federal project funding
  - Note that NCTCOG participation nets \$100.7M in funding to the COD





# Discussion/Questions





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