



## Legislation Text

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File #: 23-463, Version: 1

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**STRATEGIC PRIORITY:** Transportation & Infrastructure

**AGENDA DATE:** June 14, 2023

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Department of Transportation

**EXECUTIVE:** Dr. Robert Perez

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### SUBJECT

Authorize **(1)** an Interlocal Agreement (ILA) with Dallas Area Rapid Transit (DART) for the distribution of up to \$80,000,000.00 in funding from DART which consists of the City's portion of (i) excess sales tax funds from DART of [approximately \\$72,000,000.00](#) and (ii) additional RTC funds of approximately \$8,000,000.00, [\(with approximately \\$50,000,000.00 being made immediately available to the City and approximately \\$30,000,000.00 to be made available to the City upon completion of certain milestones\)](#), all [the funds received are](#) to be used to complete projects eligible for this funding that will benefit DART's Public Transportation System or provide Complementary Transportation Services located in Dallas; **(2)** the establishment of appropriations in an amount not to exceed \$80,000,000.00 in DART Public Transportation System Projects Fund **(3)** the receipt and deposit in an amount not to exceed \$80,000,000.00 in DART Public Transportation System Projects Fund; and **(4)** approval of the proposed use of funds for various projects eligible for funding in accordance with the ILA - Estimated Revenue: DART Public Transportation System Projects Fund \$80,000,000.00

### BACKGROUND

On September 27, 2022, pursuant to DART Board Resolution 220135, the DART Board of Directors approved DART's Fiscal Year 2023 budget which included \$214,250,000.00 in allocation of excess sales tax revenues to DART's service area cities. The intent of this allocation is to support DART's Public Transportation System or provide Complementary Transportation Services.

On October 25, 2022, pursuant to DART Board Resolution 220153, the DART Board accepted \$19,674,000.00 in federal funds from the Regional Transportation Council (RTC), which is the transportation policy body of the North Central Texas Council of Governments (NCTCOG) and the federally designated metropolitan planning organization for the Dallas-Fort Worth Metropolitan Area, allowing DART to make an additional \$19,674,000.00 in local funds available for allocation to DART's service area cities for Public Transportation System or Complementary Transportation Service purposes.

As a DART service area city, the City of Dallas is entitled to receive a total of \$80,000,000.00 in

funding from DART, which includes approximately \$72,000,000.00 in excess sales tax funds from DART and approximately \$8,000,000.00 in additional funds that are supplemented by the RTC action, to complete projects that will benefit DART's Public Transportation System or provide Complementary Transportation Services. The City of Dallas' allocation is based on the City's 2020 census population.

The City of Dallas and DART will enter a memorandum of understanding stating that approximately \$50,000,000.00 of the \$80,000,000.00 will be made immediately available to the City and approximately \$30,000,000.00 will be made available to the City upon completion of certain milestones.

Milestones for release of the \$30,000,000.00 portion of the excess sales tax funds include:

- Approximately \$6,000,000.00 available upon the City's approval of outstanding Silver Line design elements and permit requests
- Approximately \$6,000,000.00 available on the first day of the full closure on Hillcrest Road
- Approximately \$6,000,000.00 available when the Certificates of Occupancy are received at the Knoll Trail and Cypress Waters Stations
- Approximately \$6,000,000.00 available when the City submits all quiet zone applications for the Silver Line grade crossings to the Federal Railroad Administration (DART to review applications prior to submissions)
- Approximately \$6,000,000.00 available once Silver Line revenue service commences

Additionally, through a separate agreement between DART and NCTCOG \$10,000,000.00 in funding is being allocated to the City to support a NCTCOG revolver fund to leverage \$15.4 million in funding from the NCTCOG to fund the Five-Mile Creek Greenbelt Hike and Bike Trail Project.

The City will submit eligible projects for consideration and approval to DART, consistent with the terms and conditions of the ILA.

Staff shared recommended programs and projects for allocation of DART excess sales tax revenues with the Transportation and Infrastructure Committee and [through a memorandum to the City Council dated June 2, 2023](#). As noted in the briefing to the [City Council Transportation and Infrastructure Committee](#) dated [June 7, 2023](#), ~~February 21, 2023~~, the proposed uses are as follows:

<b>Program or Projects</b>	<b>Program/Project Description</b>	<b>Funding Amount</b>
1. Reconstruct (22) traffic signals on major DART bus route corridors	Reconstruct (22) traffic signals (cost of \$550K per intersection for 20 signals and provision for match funds for 2 signals that total \$550K) at intersections along major DART bus route corridors; <b>priority will be given to those routes in Equity Priority Areas</b> ; improvements will include technology upgrades such as bus queue jumps, fiber installation, etc.	\$11,550,000.00

2. Sidewalk Master Plan	Finish the initial \$30M of priority projects identified in the Sidewalk Master Plan that are in the specified proximity to DART bus stops and light rail stations	\$10,000,000.00
3. ADA Ramp Installation	Provide funding to substantially address the estimated \$54M backlog of missing ADA ramps across the City that are in the specified proximity to DART bus stops and light rail stations	\$50,000,000.00
4. Traffic Markings Program	Fund the FY 2024 traffic lane markings program budget of \$3.2M (current annual budget is \$1.2M) that are in the specified proximity to DART bus stops and light rail stations or along bus routes	\$ 2,000,000.00
5. Bike Lane Upgrades	Pilot new bike lane safety materials and begin retrofitting existing bike lanes with piloted materials (\$2M); also explore options for additional bike lane cleaning and maintenance (\$200K) that are in the specified proximity to DART bus stops and light rail stations or along bus routes	\$ 2,200,000.00
6. COD/DART Parking Operations and Parking Lot Usage Study	Fund a parking study to evaluate COD parking lot redevelopment options, to include identification of strategic locations of future parking garages, develop recommendations to optimize parking operations, and funding for smart parking pilot projects that are in the specified proximity to DART bus stops and light rail stations	\$ 750,000.00
7. Student/Homeless Transit Programs	Support free DART transit services for youth (K-12; \$250K) to get to school and/or work if necessary; and support homeless transit services (\$250K)	\$ 500,000.00
8. COD Streetcar	Funding for ongoing maintenance and professional services for studies to optimize operations	\$ 3,000,000.00
Total		\$80,000,000.00

To be eligible for the receipt of these funds, the DART ILA contains key provisions:

1. The City can only use these funds on eligible Projects approved by DART.
2. The City can only be entitled to receive any of these funds if the “Good Standing” and “Cooperation” requirements as approved by DART are met and include the following provisions:
  - a. Any outstanding debt owed to DART is paid.
  - b. Timely acting on submittals by DART or its contractors for capital improvement construction projects permits and shall have paid for all other delays or forfeited such delay amounts from the City’s eligible funds.
  - c. Withholding of funds applies to DART applications and submittals put forward to the City prior to the Effective Date of the ILA.
  - d. The City shall also have paid to DART, or forfeited from City’s Funds, all costs and

expenses resulting from any delays to the construction of DART's planned capital projects which are caused or attributable to the City including situations covering delayed actions by city officials or requests by the City for betterments that are not required for the DART capital project to be constructed and operated in accordance with federal, state, or local laws in effect as of the effective date of the ILA.

- e. The City agrees to work collaboratively with DART employees and contractors and employ its best efforts to assist DART in achieving its goals as outlined in the ILA.
3. The City shall certify that it met all the above conditions for DART's review and that the City expressly consents to DART subtracting from the Funds or the City to pay upfront all costs incurred by DART that are associated with the City's delayed actions or related to requests by the City for betterments that are not required for or are unrelated to the DART project to be constructed and operated in accordance with federal, state, or local laws in effect as of the Effective Date of the ILA.
4. Eligible Projects must achieve substantial completion by January 30, 2026, and requests for Funds must be submitted by April 30, 2026. Funds not duly requested by April 30 will be transferred to DART's reserve funds.

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

[The City Council was briefed by memorandum regarding this matter on July 22, 2022. <https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/DART%20Allocation%20of%20Funds%20to%20Service%20Area%20Cities\\_07222022.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/DART%20Allocation%20of%20Funds%20to%20Service%20Area%20Cities_07222022.pdf)

The City Council was provided a memorandum regarding this matter on August 24, 2022.

[The Transportation and Infrastructure Committee was briefed by memorandum regarding this matter on September 19, 2022. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=11243216&GUID=48210754-45CF-4A97-97B0-3D018678AF4C>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=11243216&GUID=48210754-45CF-4A97-97B0-3D018678AF4C)

[The City Council was briefed by memorandum regarding this matter on October 7, 2022. <https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/DART%20Excess%20Sales%20Tax%20Council%20Memo%20-October%202022%20-%20TC%20Edits.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/DART%20Excess%20Sales%20Tax%20Council%20Memo%20-October%202022%20-%20TC%20Edits.pdf)

[The City Council was briefed by memorandum regarding this matter on December 9, 2022. <https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/6.%20DART%20Excess%20Sales%20Tax%20Council%20Memo%20-%20December%202022.pdf>](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/6.%20DART%20Excess%20Sales%20Tax%20Council%20Memo%20-%20December%202022.pdf)

[The Transportation and Infrastructure Committee was briefed by memorandum regarding this matter on January 17, 2023. <https://cityofdallas.legistar.com/View.ashx?M=F&ID=11573046&GUID=6759C8B4-70DD-4DDC-B66A-4099C5D30938>](https://cityofdallas.legistar.com/View.ashx?M=F&ID=11573046&GUID=6759C8B4-70DD-4DDC-B66A-4099C5D30938)

The Transportation and Infrastructure Committee was briefed on the "Update on DART Excess Sales Tax Revenues" on February 21, 2023.

[The City Council was briefed by memorandum regarding this matter on March 24, 2023.](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/DART%20Excess%20Sales%20Tax%20and%20Silver%20Line%20Update%20-%20March%202023.pdf)  
<<https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/DART%20Excess%20Sales%20Tax%20and%20Silver%20Line%20Update%20-%20March%202023.pdf>>

[The City Council was briefed by memorandum regarding this matter on June 2, 2023.](https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/2%20DART%20Excess%20Sales%20Tax%20Memo.pdf)  
<<https://dallascityhall.com/government/citymanager/Documents/FY%2022-23%20Memos/2%20DART%20Excess%20Sales%20Tax%20Memo.pdf>>

The City Council was briefed on the “Update of DART Excess Sales Tax Revenues” on June 7, 2023.

**FISCAL INFORMATION**

Estimated Revenue: DART Public Transportation System Projects Fund \$80,000,000.00