Due to the COVID-19 virus and current extension of the Disaster Declaration issued by the Governor, all DART Board Meetings and Public Hearings are closed to the public. All meetings will take place by videoconference and will be available at https://www.dart.org/about/board/boardvideo.asp.

1. Roll Call
2. Approval of Minutes: April 27, 2021
3. +Approval to Pay Premium for Professional and Cyber Liability Insurance Policy (Mark Enoch/Joseph Costello) [5 minutes]
4. FY 2022 Budget and Financial Planning Process – Capital Budget Overview (Mark Enoch/Joseph Costello) [30 minutes]
5. *Fare System and Structure Update
   (Mark Enoch/Joseph Costello) [10 minutes]
6. *Update on Amounts Due to DART
   (Mark Enoch/Joseph Costello) [5 minutes]
7. +Approval of Financial Plan Amendment for the Silver Line Corridor Regional Rail and D2 Subway Projects
   (Mark Enoch/Joseph Costello) [45 minutes]
8. Identification of Future Agenda Items
9. Adjournment

*This Is A Briefing Item Only
+Same Date Item Only

The Budget and Finance Committee may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, under Section 551.072 Deliberation Regarding Real Property for Real Estate issues, arising or regarding any item listed on this Agenda.

Chair – Mark Enoch
Vice Chair – Jon-Bertrell Killen
Members – Robert C. Dye, Michele Wong Krause and Paul N. Wageman
Staff Liaison – Joseph Costello
AGENDA ITEM NO. 2

MINUTES
DALLAS AREA RAPID TRANSIT
BUDGET AND FINANCE COMMITTEE MEETING
April 27, 2021

Due to the COVID-19 virus, DART Board meeting rooms were closed to the public. All meetings took place by videoconference and are available at https://www.dart.org/about/board/boardvideo.asp.

The Dallas Area Rapid Transit Budget and Finance Committee meeting came to order at 3:07 p.m., Tuesday, April 27, 2021, via videoconference, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Enoch presiding and then Vice-Chair Killen.

The following Committee members were present: Mark Enoch, Jon-Bertrell Killen, Robert C. Dye, Michele Wong Krause, and Paul N. Wageman.

Other Board Members present: Jonathan R. Kelly, Patrick J. Kennedy, Michele Wong Krause, Lee Ruiz, Rodney Schlosser, Gary Slagel, and Rick Stopfer.

Others present: David Leininger, Gene Gamez, Joseph Costello, Dwight D. Burns, Sherry Foster, Senanu Adadevoh, Nancy Johnson, and Josefina Chavira.

1. **Roll Call**
   Chair Enoch took Roll Call, confirming a quorum was present.
   Chair Enoch stated the Committee would conduct the actions of the meeting by Roll Call vote. He then provided voting instructions prior to continuing with the agenda items.

3. **Approval of Financial Standards for FY 2022 Budget and Twenty-Year Financial Plan Process**
   Mr. Joseph Costello, Chief Financial Officer, briefed the Committee (slides on file with the Office of Board Support) as follows:
   - FY 2022 Budget and Financial Planning Process Calendar (slides 2-3)
   - Presentation Outline (slide 4)
   - Financial Standards Policy (slide 5)

   Ms. Wong Krause joined the meeting at 3:11 p.m.
   - Financial Standards (slide 6)
   - Recommendation (slide 7)

   Mr. Killen moved to forward this draft resolution to the Committee-Of-The-Whole agenda, with a recommendation, stating the Financial Standards for the FY 2022 Budget and Twenty-Year Financial Plan process as shown in Exhibit 1 to this Resolution are approved.

   Mr. Dye seconded.
   Chair Enoch took a Roll Call vote, and the motion was approved unanimously.
6. **Briefing on Financial Plan Amendment for the Silver Line Corridor Regional Rail Project and D2 Subway Project**

Mr. Costello, along with Mr. David Leininger, Interim President & Chief Executive Officer, jointly briefed the Committee (slides on file with the Office of Board Support) as follows:

- Presentation Outline (slide 2)

Mr. Leininger briefed the Committee as follows:

- Presentation Outline (slide 1)
- D2 – topic separator
- Background (slide 3)
- D2 Funding Sources ($M) (slide 4)
- Silver Line – topic separator
- Background (slide 6)
- Silver Line Funding Sources (slide 7)

Chair Enoch left the meeting at 3:23 p.m., delegating the Presiding Officer’s responsibilities to Vice-Chair Killen.

- Financial Plan Adjustments – topic separator
- Amendment Summary – Budget adjustments (slide 9)
- Amendment Summary – Savings & Revenue adjustments (slide 10)
- FY 2021 Amended as 05-25-21 Financial Plan – Twenty Year Sources and Uses of Cash (slides 11-14)

Mr. Costello briefed the Committee as follows:

- Sales Tax Comparison ($M) (slide 15)
- RRIF Loan (slide 16)
- RRIF Loan Comparison (slide 17)
- Coverage Ratio Comparison (slide 18)
- Total Debt Service Comparison (slide 19)
- End-of-Year Cash Comparison (slide 20)

Ms. Wong Krause questioned why the funds, from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSAA), not included in the calculations. Secondly, in regards to the amount of $989M listed on slide 4, D2 Funding Sources, under row, Long-Term Debt, column, FY21 FP, she inquired, doesn’t the City of Dallas resolution say $1.7B, which would be half that amount at $850M in present dollars as DART’s ceiling. Ms. Wong Krause requested Mr. Costello expand on those two points. In regard to the CARES Act and the CRRSSAA funds, Mr. Costello responded, the CARES Act funds that DART received last year is incorporated into the current financial plans. He continued, as a reminder, DART is drawing from those funds in a period of five years for operating costs. As far as the money DART has yet to receive from CRRSSAA, and the American Rescue Plan Act (ARPA), which totals $428.5M, he continued, it was staff’s view that this amendment would be solely focused on the additional project costs and the plan of finance impact for those two projects. Mr. Costello noted, staff’s recommendation for the additional funds would be more appropriately subject to Board discussion as the FY 2022
Budget and Financial Plan is being developed. Mr. Leininger noted that Chair Enoch made the point that there should be competition for those funds among debt service, capital projects and operating services. He noted, those choices will be presented to the Board in the June to September time-frame for those options and how the funds can be allocated. Mr. Leininger stated the staff recommendation was to exclude that cash funding source and test this exclusively using debt. Ms. Wong Krause requested that staff show what this amendment would look like if staff added the $428.5M from CRRSAA and ARPA, under line 39. In reference to the change on some of the line-items, Ms. Wong Krause requested staff provide both the prior financial plan and the current financial plan that is being presented so that Board members do not have to request this information to compare side by side. She further requested a visual of the changes as red-lined changes, with an asterisk, and an explanation that notated if the changes were requested by the Board or the changes came from staff.

Mr. Schlosser joined the meeting at 3:50 p.m.

Returning to Ms. Wong Krause’s second question about present day dollars and the City of Dallas resolution, Mr. Leininger responded the amount in present day dollars that the DART Board has agreed to is $1.7B. He then explained the process to arrive at that number regarding the federal grant locking in at $850M and the remaining amount, as the debt amount, being higher because of the year expenditure adjustment. After further discussion, Ms. Wong Krause requested Mr. Leininger take a second look at those amounts and return with a response. Mr. Leininger agreed.

Vice-Chair Killen noted staff had said they would return with information for this item on May 11th. He then inquired from Mr. Wageman, as the Board Chair, how much additional time could the Committee use to get feedback from remaining members. Mr. Wageman recommended limiting the questions to two to three minutes each since the Committee had approximately 12 minutes left.

Vice-Chair Killen stated he would limit the speaking to three minutes and would begin be calling the remaining Committee members before calling on the Board members that were present.

Mr. Wageman noted he would pass on discussion.

This being said, Vice-Chair Killen stated he would begin on his three minutes. He then said in February 2021, staff presented a 2022 forecast that showed an increased operating budget that had more money for bus and rail. He questioned if DART could still afford that in this financial plan that is being presented. Mr. Costello responded, as the 2022 budget and financial plan is being developed, there will be a number of factors that will be incorporated including the $580M outlook number that was previewed in February without having an impact on the financial plan amendment that is being viewed today. Vice-Chair Killen stated, if the answer is yes, then he wanted to see, and would be unwilling to support without seeing first, is that it can fit within the same parameters that staff showed the Committee in the outlook. He continued, now, staff is bringing an amendment without proving DART can still hit that outlook. Vice-Chair Killen stated there are decreased operating revenues, increased sales tax, etcetera. He stated he wanted to see that DART could still afford that same outlook, specifically those increases in operations, while still maintaining DART’s coverage ratio and not touching the federal funds.
Vice-Chair Killen then remarked, he would assume that the D2 debt parameters resolution would also be on the agenda, on the same night as when the financial plan amendment is being considered. Mr. Leininger responded yes. Vice-Chair Killen requested a dollar amount be shown of the cost of delaying this action to the June to September timeframe. Mr. Gene Gamez, General Counsel, interjected, recommending this discussion not take place until later in the day at the appropriate time, during closed session.

Mr. Kennedy noted he did not support these increased costs on these projects. He noted, he had no confidence that the costs will not increase even further than currently stated. Mr. Kennedy stated, if and when the financial plan amendment goes before the Board for action, he would not be supporting it due to it not including significant bus service increases.

Vice-Chair Killen inquired if staff would be providing an amended plan that reflect the different requests from Board members, at the May 11th meeting, including additional federal money, the FY 2022 financial outlook that was presented in February, 2021, and the additional bus increases that Mr. Kennedy mentioned. Mr. Leininger responded staff would provide information, noting that this was a briefing intended to provide the Board an opportunity to get exposed information that he has been working with and putting together the last couple of months. He clarified, this is not intended to be the final answer and staff will take into account the variations provided during this meeting.

Vice-Chair Killen directed the Committee’s attention to agenda item 2, Approval of Minutes, for action.

2. **Approval of Minutes: March 23, 2021**
   
   Mr. Wageman made a motion to approve the Minutes from the March 23, 2021, Budget and Finance Committee Meeting and enter into the record as written.
   
   Ms. Wong Krause seconded.
   
   Vice-Chair Killen took a Roll Call vote, and the motion was approved unanimously.

   Vice-Chair Killen redirected the Committee’s attention to the remaining items.

4. **Fare System and Structure Update**
   
   Vice-Chair Killen stated this item would not discussed and would be briefed at the next Budget and Finance Committee Meeting.

5. **Update on Amounts Due to DART**
   
   Mr. Costello provided a short summary of this item to the Committee.
   
   Mr. Wageman reiterated his request, from the March 23rd Budget and Finance meeting, for staff to provide a chart that included the payments of the Joppa Neighborhood in Southern Dallas.

7. **Identification of Future Agenda Items**
   
   There were no future agenda items identified for this committee.

8. **Adjournment**
   
   There being no further business to discuss, the meeting was adjourned at 4:00 p.m.
Agenda Report

DATE: May 25, 2021

SUBJECT: Approval to Pay Premium for Professional and Cyber Liability Insurance Policy

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to pay $235,998 in premium and $12,421 in surplus lines fees for a total amount not to exceed $248,419 for the Professional and Cyber Liability Insurance Policy beginning June 9, 2021.

BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

- DART works through an insurance broker of record, Willis Towers Watson Services West, Inc. (Contract No. C-2024740-02), to obtain pricing for insurance coverage. The purchase of this Professional and Cyber Liability insurance provides services to ensure that DART will recover more quickly, and transfers the financial risk from a data breach, virus, or other cyberattack.

- Approval of this item will help achieve Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations.

- DART has a current cyber liability policy through the Texas Municipal League (TML). The coverage is provided at no cost and has a third-party limit of $1,000,000 and a first party aggregate limit of $100,000 with sub-limits averaging $20,000.

- Criminal activity has increased in the digital climate and the public sector has been a frequent target. The increase in cyber-attacks against public entities requires a more robust insurance policy that expands coverage, should DART be targeted.

- Starr Insurance Company will provide $5 million limit with a $1 million self-insured retention, with a required 25% coinsurance. The policy provides pre-breach and post-breach services including but not limited to supporting best industry practices, training, privacy breach response services, privacy breach response services and notification of affected individuals, and computer expert services. DART will continue to maintain the policy with TML as primary insurance.

- Professional and Cyber Liability insurance covers the cost for a business to recover from a data breach, virus, or other cyberattacks. It also covers legal claims such as breach of contract, failure to perform, claims by or on behalf of contractors, and claims for access to credit card information.

- The insurance also provides coverage for the GoPass expansion contractual requirements, Kiosk project, and agency operations cyber related exposures.
• Surplus lines fees consist of premium taxes and filing fees charged by and payable to the Texas State Comptroller. Surplus lines insurance carriers are highly specialized insurers that write unique and high capacity risks.

• Funding for payment of premiums for the Professional and Cyber Liability insurance policy is included in the Finance Department’s approved FY 2021 operating budget.

• Sufficient funding for payment of premiums and surplus lines fees in the amount of $248,419, is included in both the FY 2021 operating budget and the Total Operating Expense line item of the FY 2021 Twenty-Year Financial Plan.

LEGAL CONSIDERATIONS

• Section 452.062 of the Texas Transportation Code authorizes DART to insure, through purchased insurance policies or self-insurance programs, or both, its own legal liability and the legal liability of its contractors and subcontractors arising from the acquisition, construction, or operation of the programs and facilities of DART.

• Section 452.055 of the Texas Transportation Code authorizes DART to contract for the provision of goods and services.
DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval to Pay Premium for Professional and Cyber Liability Insurance Policy

WHEREAS, DART works through an insurance broker of record, Willis Towers Watson Insurance Services West, Inc. (Contract No. C-2024740-02), to obtain pricing for insurance coverage; and

WHEREAS, purchase of this Professional and Cyber Liability insurance provides services to ensure that DART will recover more quickly, and transfers the financial risk from a data breach, virus, or other cyberattack; and

WHEREAS, the Professional and Cyber Liability insurance policy provides coverage for the GoPass expansion contractual requirements, Kiosk project, and agency operations cyber related exposures; and

WHEREAS, it has been determined that the premium of $235,998 is fair and reasonable for this coverage; and

WHEREAS, funding for this premium amount is within current Budget and FY 2021 Twenty-Year Financial Plan allocations.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the Interim President & Chief Executive Officer or his designee is authorized to pay $235,998 in premium and $12,421 in surplus lines fees for a total of $248,419 for the purchase of the Professional and Cyber Liability insurance policy for the period beginning June 9, 2021.
Approval to Pay Premium for Professional and Cyber Liability Insurance Policy

Prepared by: /s/ Joseph G. Costello *

Joseph G. Costello
Chief Financial Officer

Approved as to form: /s/ Gene Gamez *

Gene Gamez
General Counsel

Approved by: /s/ David Leininger *

David Leininger
Interim President & Chief Executive Officer

* Reviewed and approved, but not signed due to COVID-19 Coronavirus Pandemic
DATE: May 25, 2021

SUBJECT: FY 2022 Budget and Financial Planning Process – Capital Budget Overview

RECOMMENDATION
This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

• The purpose of this item is to provide an overview of DART's capital program as it currently exists in the approved FY 2021 Twenty-Year Financial Plan and preview changes under consideration for FY 2022.

• The discussion will help achieve Board Strategic Priority 3: Innovate to enhance mobility options, business processes, and funding.

• In order to obtain direction and input from the Board, a series of briefings and discussions is being provided as the FY 2022 Budget and Twenty-Year Financial Plan are developed (see Attachment 1).
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Agenda Report

DATE: May 25, 2021
SUBJECT: Fare System and Structure Update

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

• The purpose of this item is to brief the Committee on items regarding an extension of the reduced fare program pilot and other fare structure amendments.

• DART Policy III.01, most recently amended on April 22, 1997 (Resolution No. 970063), requires the establishment of a fare structure and establishes goals for DART's Fare Structure.

• DART’s Financial Standard B2 states that “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...and to maintain DART's financial viability.”

• The discussion of this item will help achieve Board Strategic Priority 3: Innovate to enhance mobility options, business processes and funding.
DATE: May 25, 2021
SUBJECT: Update on Amounts Due to DART

RECOMMENDATION
This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

• Staff will brief the Budget and Finance Committee on the status of ongoing discussions related to outstanding amounts due to DART under rail-related agreements.

• Invoices have been provided to Amtrak for amounts due to DART under agreements to operate Amtrak on DART-owned Rail Right of Way. To date, Amtrak has responded to these invoices with an indication that late penalties assessed against DART more than offset the invoiced amounts. TRE has been reducing delays to address this situation.

• The City of Dallas has paid FY 2021 invoices for streetcar operation and maintenance (O&M) through March 2021. City staff are working with DART staff to identify sources to pay O&M for the remainder of FY 2021, as well as FY 2022.

• The discussion of this item will help achieve Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations.
Agenda Report

DATE: May 25, 2021

SUBJECT: Approval of Financial Plan Amendment for the Silver Line Corridor Regional Rail and D2 Subway Projects

RECOMMENDATION

Approval of a resolution amending the FY 2021 Twenty-Year Financial Plan as shown in Exhibit 1 to the Resolution in the total amount of $1,113,000,000 for the following projects:

Section 1:

The Silver Line Corridor Regional Rail Project for an amount of $633,000,000, for a new total project cost not to exceed $1,899,000,000.

Section 2:

The D2 Subway Project for an amount of $480,000,000, for a new total project cost not to exceed $1,940,000,000.

FINANCIAL CONSIDERATIONS

• Silver Line Corridor Regional Rail Project
  • Funding for the Silver Line project is within the approved FY 2021 Capital Budget and Twenty-Year Financial Plan.
  • Funding for additional services for the Silver Line Corridor Regional Rail Project is not included in DART’s FY 2021 Budget or Twenty-Year Financial Plan; and, therefore, a Financial Plan Amendment will be required.

• D2 Subway Project
  • Funding for the D2 Subway project is within the FY 2021 Budget and Twenty-Year Financial Plan, including a $1.46 billion budget, with $810 million in local DART funding and $650 million in external funding. This budget reflects an inflated year of expenditure amount based on a year 2025 revenue service date.
  • In February 2018, the Project received a “Medium-High” project rating from the Federal Transit Administration (FTA) in their 2018 Report to Congress as a Capital Investment Grant (CIG) Core Capacity project. DART is coordinating with FTA to request entry into Engineering in anticipation of a potential Full Funding Grant Agreement in the future.
  • Capital costs have been refined to $1.7 billion during project development to reflect a more detailed 30% level of preliminary engineering, and a new year of expenditure (YOE) estimate of $1.94 billion has been developed to reflect the proposed delivery method and new anticipated revenue service date of 2028.
• The FY 2021 Budget and Twenty-Year Financial Plan amendment would modify the D2 Subway capital budget, external funding assumption, and revenue service date to reflect the latest information, and would allow for consistency with upcoming FTA submittals. The external funding assumption will be maximized at $951 million. The proposed amendment also maintains a strong local DART commitment of $989 million.
• Should FTA authorize DART to enter into the Engineering phase in late 2021 or early 2022, the Core Capacity grant amount will be locked in at that time. The current cost estimate is subject to an independent cost review, value engineering, and risk assessment by summer 2021. DART will focus on opportunities to reduce costs but also will seek to optimize the FTA grant amount and other potential new external funding opportunities.

BUSINESS PURPOSE

• Approval of this action will help achieve Board 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; and Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.

• Silver Line Corridor Regional Rail Project
  • The Financial Plan Amendment will provide additional project funding for the completion of the Silver Line Corridor Regional Rail Project to address cost impacts related to the extended schedule, including construction management and other professional services and pending resolution of contractor’s claims.
  • On January 26, 2021, the Board was briefed on the status of claims and cost impacts affecting the Silver Line Regional Rail Project.
  • Additional funding is needed for real estate acquisition, capital project support costs, and pending resolution of contractor’s changes and claims for overhead costs for an extended duration of the project.

• D2 Subway Project
  • On October 26, 2006 (Resolution No. 060177), the Board approved the 2030 Transit System Plan (TSP), which included the second CBD alignment and anticipated a revenue service date of 2014.
  • In May 2007, DART initiated the Dallas Central Business District (CBD) Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS) for the D2 project.
  • In March 2010, DART completed the AA/DEIS and circulated the document for a 45-day public review period from April 2, 2010, to May 17, 2010.
  • On September 28, 2010 (Resolution No. 100130), the Board approved the FY 2011 Twenty-Year Financial Plan, which deferred the construction of the second CBD alignment to post year 2035 due to the economic downturn.
  • In 2013, DART reinitiated the D2 Alternatives Analysis taking into consideration AA/DEIS comments. After a comprehensive study and public involvement, in September 2015, the Dallas City Council and DART Board (Resolution No. 150101) approved Alternative B4: Lamar/Young/Jackson Street as the Locally Preferred Alternative (LPA), a mostly at-grade alignment.
  • On September 30, 2015, DART submitted the appropriate materials to FTA to obtain a project rating that would identify the D2 project in the Federal FY 2017 Budget.
  • On November 5, 2015, DART received authorization from FTA to enter the Project Development phase as a Core Capacity project under the FTA Capital Investment Grant (CIG) Program.
• During Summer 2016, there was increasing stakeholder concern about the potential impacts of a mostly surface-running D2 alignment. As a result, on October 11, 2016, the Dallas City Council approved a resolution requesting that D2 be refined as a subway project between Woodall Rodgers Freeway and IH 345.

• On October 25, 2016, the DART Board approved the FY 2017 Twenty-Year Financial Plan, which included additional budget and direction to pursue a subway option for the D2 Project. The FY17 Financial Plan established a $1.3 billion YOE budget with a $650 million external grant assumption. The budget represented an approximate doubling of the prior budget and was order of magnitude based on a conceptual alignment. The assumed revenue service date was 2024.

• On September 13, 2017, the Dallas City Council approved Resolution No. 171426, which endorsed the Victory/Commerce/Swiss Alternative as the preferred D2 Subway alignment.

• On September 26, 2017 (Resolution No. 170101), the DART Board of Directors approved the Commerce Alternative as the Locally Preferred Alternative (LPA) for the Second CBD Light Rail Alignment (D2), using the Victory and Swiss Avenue connection points.

• The FY 2018 Twenty-Year Financial Plan maintained a $1.3 billion budget but decreased external funding to $300 million to demonstrate a conservative approach.

• In February 2018, DART’s D2 Subway Project received a “Medium-High” project rating from FTA in their 2018 Report to Congress. This was in addition to “Medium-High” ratings in 2016 and 2017 for prior alignments. Given the change in project direction and inability to complete Project Development within two years, DART received a letter from FTA on March 20, 2018 denying DART’s request to extend Project Development until November 2019. FTA withdrew DART’s D2 Subway project from the CIG program with the recommendation that DART reapply for Entry into Engineering at a later date.

• The FY 2019 Twenty-Year Financial Plan increased the budget to $1.4 billion based on real estate market price increases in downtown Dallas. The external funding assumption remained at $300 million.

• On August 29, 2019, DART staff submitted a letter and supporting information to the FTA on our interest to re-enter the Capital Investment Grant (CIG) program and work towards Entry into Engineering during 2020.

• On May 15, 2020, the FTA, in cooperation with DART, issued the notice of availability for the Supplemental Draft Environmental Impact Statement (SDEIS), including the 20% design, for a 45-day public and agency review period through June 29, 2020.

• The FY 2021 Twenty-Year Financial Plan adjusted the external funding share to $650 million and moved the revenue service date to 2025.

• In October 2020, DART completed the 30% design. A Final EIS/Record of Decision (FEIS/ROD) was issued by FTA, in coordination with DART, in April 2021 following Dallas City Council resolution on March 24, 2021 to advance the project. The City resolution notes that they support adding the D2 Subway to the DART Service Plan subject to additional future evaluations and review of project refinements, enhancements, and/or modifications along the east end of the corridor, and also subject to future mutual binding written interlocal agreement(s) and Dallas City Council resolution(s) no later than March 2022.

• Based on the 30% design and proposed delivery method, the current cost estimate is $1.7 billion in 2021 dollars. The inflated YOE estimate is $1.94 billion assuming a revenue service date of 2028. This cost estimate still reflects a conservative 30% design contingency and will undergo a detailed review and value engineering in summer 2021.
• The next Core Capacity submittal is due to FTA no later than August 2021 to obtain a project rating prior to entry into Engineering. The financial information requires that DART submit the latest project cost estimate, a proposed CIG grant amount, and financial plan to demonstrate capacity. DART and FTA will lock-in a grant amount at Entry into Engineering. In addition, DART must demonstrate that at least 30% of the non-CIG funding is committed; higher commitments are rated more favorably.

• Amending the FY 2021 Twenty-Year Financial Plan to reflect the latest D2 Subway budget will allow for a higher external funding assumption while maintaining a strong local DART share commitment. External funding could consist of the FTA grant as well as other sources to be determined.

LEGAL CONSIDERATIONS

Section 452.056 of the Texas Transportation Code authorizes DART to construct, develop, plan and operate a public transportation system within the DART Service Area.

Section 452.111 of the Texas Transportation Code requires the Board to approve a Financial Plan by two-thirds vote of the Board.

DART Board Bylaws, Article III, Section 14, requires that the adoption or amendment of the Financial Plan requires a two-thirds vote of the Board.
DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Approval of Financial Plan Amendment for the Silver Line Corridor Regional Rail and D2 Subway Projects

WHEREAS, the DART Board desires to continue the Silver Line Corridor Regional Rail Project and the D2 Subway Project; and

WHEREAS, additional funding is needed for the completion of the Silver Line Corridor Regional Rail Project to address cost impacts related to the extended schedule, including construction management and other professional services and pending resolution of contractor’s claims; and

WHEREAS, funding for additional services for the Silver Line project in the amount of $633,000,000 is not included in DART’s FY 2021 Budget or Twenty-Year Financial Plan, and a Financial Plan Amendment is required; and

WHEREAS, additional funding is needed to update the D2 Subway capital budget, external funding assumption, and revenue service date to reflect the latest information based on the 30% level of design; and

WHEREAS, amending the D2 Subway budget would allow for consistency with upcoming FTA submittals, including a higher external grant assumption and a strong local DART financial commitment; and

WHEREAS, funding for the updated D2 Subway budget in the amount of $480,000,000 is not included in DART's FY 2021 Budget or Twenty-Year Financial Plan, and a Financial Plan Amendment is required; and

WHEREAS, approval of a Financial Plan Amendment requires an affirmative vote of two-thirds of the appointed and qualified members of the Board (ten members).

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that the FY 2021 Twenty-Year Financial Plan is amended, as shown in Exhibit 1 to the Resolution, in the total amount of $1,113,000,000 for the following projects:

Section 1: The Silver Line Corridor Regional Rail Project for an amount of $633,000,000, for a new total project cost not to exceed $1,899,000,000.

Section 2: The D2 Subway Project for an amount of $480,000,000, for a new total project cost not to exceed $1,940,000,000.
Approval of Financial Plan Amendment for the Silver Line Corridor Regional Rail and D2 Subway Projects

Prepared by:  
/s/ Joseph G. Costello *

Joseph G. Costello  
Chief Financial Officer

/s/ Gene Gamez *

Approved as to form:  
Gene Gamez  
General Counsel

/s/ David Leininger *

Approved by:  
David Leininger  
Interim President & Chief Executive Officer

* Reviewed and approved, but not signed due to COVID-19 Coronavirus Pandemic
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