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.

General Items:
1. Roll Call
2. Approval of Minutes: May 25, 2021
3. This item will be discussed at Board Meeting only.
4. *Briefing on Items of Interest to DART Included on the June 10, 2021 North Central Texas Council of Governments, Regional Transportation Council Agenda
5. This item will be discussed at Board Meeting only.

Consent Items:

Administration:
6. Contract for Accenture HR and Talent Management System Implementation Services (Rick Stopfer/Nicole Fontayne-Bárdowell)
7. Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription (Rick Stopfer/Nicole Fontayne-Bárdowell)
8. Authorization to Delegate Contracting Officer Authority (Rick Stopfer/Nicole Fontayne-Bárdowell)

Audit:
9. Approval to Call a Public Hearing for State-Required Performance Audit and to Release the Audit Following the Public Hearing (Jonathan R. Kelly/Chris Koloc)

Individual Items:
10. Approval of Contract for Health Plan Provider Services (Rick Stopfer/Nicole Fontayne-Bárdowell)
11. Approval of an Interlocal Agreement Between DART and the City of Lubbock Acting by and Through Citibus for GoPass® Application Licensing (Rick Stopfer/Nicole Fontayne-Bárdowell)
12. +Approval of Transitional Operations Agreement Between DART and Kansas City Southern Railway Company (KCS) for Construction of the Silver Line Regional Rail Project Along the KCS Alliance Subdivision from Renner Junction to East of Shiloh Road (Patrick J. Kennedy/Todd Plesko)
14. *Briefing on DARTzoom Bus Network Redesign  
   (Patrick J. Kennedy/Todd Plesko)
15. *APTA Update (Michele Wong Krause)
16. *Briefing on Proposed Interlocal Agreements and Ground Lease to Implement  
   Transit Oriented Development Opportunities with the Town of Addison and City  
   of Richardson (Patrick J. Kennedy/Todd Plesko)
17. *Briefing on Silver Line Claims and Cost Impacts  
   (Patrick J. Kennedy/Todd Plesko)
18. *Briefing on Limited Waiver of DART Personnel Policy and Non-Disclosure  
   Agreement for Gary C. Thomas (Gene Gamez)

**Other Items:**
19. Identification of Future Agenda Items
20. Adjournment

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

The Committee-of-the-Whole 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, or under Section 551.074 for Personnel matters, or under section 551.076, for deliberation regarding  
the deployment or implementation of Security Personnel or devices, arising or regarding any item listed on this  
Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available.  
Please contact Community Affairs at 214-749-2799, 48 hours in advance.
AGENDA

Dallas Area Rapid Transit

6:30 P.M. BOARD OF DIRECTORS’ MEETING
Tuesday, June 8, 2021 – Conference Room C
1401 Pacific Ave., Dallas, Texas 75202

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Public comments for the Board of Directors' meeting on Tuesday, June 8, 2021 will be accepted via email at the following address: boardmeetingpubliccomments@dart.org until 6:00 p.m. on Tuesday, June 8, 2021. All comments received will be read into the public record during the Board meeting.
AGENDA
Dallas Area Rapid Transit
6:30 P.M. BOARD OF DIRECTORS’ MEETING
Tuesday, June 8, 2021 – Conference Room C
1401 Pacific Ave., Dallas, Texas 75202

General Items:
1. Roll Call
2. Approval of Minutes: May 25, 2021
3. Public Hearing for January 24, 2022 Bus Service Changes
4. This item will be discussed at Committee-of-the-Whole only.
5. Public Comments

Consent Items:
Administration:
6. Contract for Accenture HR and Talent Management System Implementation Services (Rick Stopfer/Nicole Fontayne-Bárdowell)
7. Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription (Rick Stopfer/Nicole Fontayne-Bárdowell)
8. Authorization to Delegate Contracting Officer Authority (Rick Stopfer/Nicole Fontayne-Bárdowell)

Audit:
9. Approval to Call a Public Hearing for State-Required Performance Audit and to Release the Audit Following the Public Hearing (Jonathan R. Kelly/Chris Koloc)

Individual Items:
10. Approval of Contract for Health Plan Provider Services (Rick Stopfer/Nicole Fontayne-Bárdowell)
11. Approval of an Interlocal Agreement Between DART and the City of Lubbock Acting by and Through Citibus for GoPass® Application Licensing (Rick Stopfer/Nicole Fontayne-Bárdowell)
12. Approval of Transitional Operations Agreement Between DART and Kansas City Southern Railway Company (KCS) for Construction of the Silver Line Regional Rail Project Along the KCS Alliance Subdivision from Renner Junction to East of Shiloh Road (Patrick J. Kennedy/Todd Plesko)
13. This item will be discussed at Committee-of-the-Whole only.
14. This item will be discussed at Committee-of-the-Whole only.
15. This item will be discussed at Committee-of-the-Whole only.
16. This item will be discussed at Committee-of-the-Whole only.
17. This item will be discussed at Committee-of-the-Whole only.
18. This item will be discussed at Committee-of-the-Whole only.
**Other Items:**

19. This item will be discussed at Committee-of-the-Whole only.
20. Adjournment

+Same Date Item Only

The Board of Directors 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, or under Section 551.074 for Personnel matters, or under Section 551.076, for deliberation regarding deployment or implementation of Security Personnel or devices, arising or regarding any item listed on this Agenda.

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AGENDA ITEM NO. 2

MINUTES
DALLAS AREA RAPID TRANSIT
COMMITTEE-OF-THE-WHOLE
May 25, 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 Committee-of-the-Whole meeting came to order on Tuesday, May 25, 2021, at 5:00 p.m., at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

The following Board members were present: Paul N. Wageman, Michele Wong Krause, Jonathan R. Kelly, Robert C. Dye, Mark Enoch, Doug Hrbacek, Patrick J. Kennedy, Jon-Berrett Killen, Amanda Moreno-Lake, Eliseo Ruiz, Rodney Schlosser, Gary Slagel, Rick Stopfer, and Dominique P. Torres.

Mr. Ray Jackson was absent.

Chair Wageman 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.

General Items:

1. **Roll Call**
   
   Chair Wageman took Roll Call, confirming a quorum was present.

2. **Approval of Minutes: May 11, 2021**
   
   Mr. Schlosser moved for approval of the May 11, 2021, Committee-of-the-Whole Meeting Minutes, as written.

   Ms. Wong Krause seconded.

   Chair Wageman took a Roll Call vote, and the Minutes were approved as written.

3. **This item will be discussed at Board Meeting only.**

4. **This item will be discussed at Board Meeting only.**

Consent Items:

Chair Wageman stated that agenda item 12, Approval to Extend the Southern Methodist University (SMU) Site-Specific Shuttle Agreement, would be moved to Individual Items to allow for his recusal, as well as, Mr. Kennedy’s recusal of this item.

Ms. Slagel moved to forward Consent Items 5 through 11, and 13.

**Customer Service, Safety and Mobility:**

5. **Contract for Light Rail Vehicle (LRV) Brake Disc and Hardware Kits**
   
   Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating the Interim President & Chief Executive Officer, or his
designee, is authorized to award a two-year contract to WABTEC Passenger Transit for LRV Disc Brake and Hardware Kits for a total authorized amount not to exceed $1,199,000.

6. **Addition of Contingency Funding to Bi-Level and Coach Car Overhaul Contract to Cover Hidden and Latent Damage Identified During Overhaul Due to Age/Condition**

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating that the Interim President & Chief Executive Officer or his designee, is hereby authorized to add contingency funding to the contract with CAD Railway Industries, Ltd. [Contract C-2046256-01], for Bi-Level Overhaul & Side Sill Repair for additional costs to cover hidden and latent damage identified during overhaul in TRE coach and cab cars due to age and condition of the vehicles, in the amount of $781,362 for a new total authorized amount not to exceed $16,672,388.

**Planning and Capital Programs:**

7. **Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels DE1-005 and DE1-006 Located in the City of Coppell, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for These Parcels, if Necessary**

Moved to forward the draft resolution to the Board of Directors, with a recommendation:

Section 1: There is a public necessity for the acquisition of Parcel DE1-005 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of
Coppell for DE1-005. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 2: There is a public necessity for the acquisition of Parcel DE1-006 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Coppell for DE1-006. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

8. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels CB2-010, DE2-008, DE2-012, DE2-013 and DE2-014 Located in the City of Carrollton, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for These Parcels, if Necessary

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating:

Section 1: There is a public necessity for the acquisition of Parcel CB2-010 described in Exhibit 1. This property is necessary and proper for
construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of Carrollton for CB2-010. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 2: There is a public necessity for the acquisition of Parcel DE2-008 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in
accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Carrollton for DE2-008. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 3: There is a public necessity for the acquisition of Parcel DE2-012 described in Exhibit 3. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 3 without approval of such acquisition by the City Council of the City of Carrollton for DE2-012. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.
Section 4: There is a public necessity for the acquisition of Parcel DE2-013 described in Exhibit 4. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 4 without approval of such acquisition by the City Council of the City of Carrollton for DE2-013. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 5: There is a public necessity for the acquisition of Parcel DE2-014 described in Exhibit 5. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the
Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 5 without approval of such acquisition by the City Council of the City of Carrollton for DE2-014. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

9. **Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels CB3-010, CB3-011 and DE3-008 in the City of Plano, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for All Parcels, if Necessary**

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating:

**Section 1:** There is a public necessity for the acquisition of Parcel CB3-010 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of
eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of Plano for CB3-010. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 2: There is a public necessity for the acquisition of Parcel CB3-011 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Plano for CB3-011. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 3: There is a public necessity for the acquisition of Parcel DE3-008 described in Exhibit 3. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a
Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 3 without approval of such acquisition by the City Council of the City of Plano for DE3-008. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

10. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels DE3-004 and DE3-005 Located in the City of Dallas, Texas, for the Silver Line Regional Rail Project

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating:

Section 1: There is a public necessity for the acquisition of Parcel DE3-004 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby
authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy.

Section 2: There is a public necessity for the acquisition of Parcel DE3-005 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy.

11. Approval to Declare Property Surplus and Authorize the Conveyance of the Surplus Property Known as Parcel CB3-019A Located Near the Intersection of Shiloh Road, in the City of Plano, Texas, to Oncor Electric Delivery Company LLC, in Exchange for Parcels CB3-018 and CB3-032 for the Silver Line Regional Rail Project

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating:

Section 1: The interest of DART in and to Parcel CB3-019A described in Exhibit 1 is hereby declared surplus to DART’s needs.

Section 2: The Interim President & Chief Executive Officer or his designee is authorized to take such action and execute such documents as shall be necessary to convey Parcel CB3-019A, as described in Exhibit 1, to Oncor Electric Delivery Company, LLC, and acquire Parcels CB3-018 and CB3-032, as described in Exhibits 2-3, as an exchange, subject to legal review and approval by the Federal Transit Administration, if necessary.

13. Authorize Administrative Settlement for Parcels CB1-021 and CB1-025 for the Silver Line Regional Rail Project

Moved to forward the draft resolution to the Board of Directors, with a recommendation, stating:

Section 1: The Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of Parcels CB1-021 and CB1-025 for an administrative settlement as approved by the Board.
Section 2: The Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay any necessary relocation costs expenses, including title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of Parcels CB1-021 and CB1-025.

Section 3: If the Interim President & Chief Executive Officer or his designee is unable to close the purchase and obtain clear title, negotiate the purchase of these parcels for just compensation, the General Counsel is hereby authorized and directed to proceed and prosecute the completion of eminent domain proceedings for the acquisition of these parcels for the Silver Line Regional Rail Project.

Mr. Stopfer seconded.

Chair Wageman took a Roll Call vote, and the items were approved unanimously.

Individual Items:

Chair Wageman, and Mr. Kennedy, recused themselves at 5:05 p.m., with Chair Wageman delegating the presiding officer’s responsibilities to Vice-Chair Wong Krause.

12. **Approval to Extend the Southern Methodist University (SMU) Site-Specific Shuttle Agreement**

Ms. Torres moved to forward the draft resolution to the Board of Directors, with a recommendation, stating the Interim President & Chief Executive Officer, or his designee, is authorized to execute an extension for the Southern Methodist University (SMU) Site-Specific Shuttle Service Agreement, substantially in the form shown as Exhibit 1 to the Resolution, for the joint provision of a site-specific shuttle service, with a cost to DART not to exceed $381,924 per year for a three-year period.

Mr. Killen seconded.

Chair Wageman took a Roll Call vote, and the items were approved unanimously.

Chair Wageman, and Mr. Kennedy, rejoined the meeting at 5:08 p.m., with Chair Wageman resuming the presiding officer’s responsibilities.

14. **Approval of a Limited Waiver of DART Personnel Policy and Non-Disclosure Agreement for Gary C. Thomas**

Mr. Enoch joined the meeting at 5:08 p.m.

Mr. Gene Gamez, General Counsel, briefed the Committee.

Ms. Wong Krause requested to go into closed session to ask a few questions.

Chair Wageman stated that it was 5:11 p.m. on Tuesday, May 25, 2021, and the Dallas Area Rapid Transit Committee-of-the-Whole was going into Closed Session under the Texas Open Meetings Act, Section 551.074, which allows deliberation of a personnel matter, to discuss Agenda Item 14., **Approval of a Limited Waiver of DART Personnel Policy and Non-Disclosure Agreement for Gary C. Thomas**.

The Committee reconvened into Open Session at 6:08 p.m.
Chair Wageman stated this item would not be considered at this time, and would be moved to a future agenda for consideration.

15. **Approval to Pay Premium for Professional and Cyber Liability Insurance Policy**

Mr. Schlosser moved to forward the draft resolution to the Board of Directors, as a same-date item, stating 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.

Mr. Slagel seconded.

Chair Wageman took a Roll Call vote, and the items were approved unanimously.

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

Mr. Killen moved to forward the draft resolution to the Board of Directors, as a same-date item, stating 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.

Mr. Enoch seconded.

Chair Wageman took a Roll Call vote, and the items were approved unanimously.

19. **Briefing on Budgeted and Filled Positions**

Ms. Wong Krause stepped away at 6:15 p.m.

Ms. Rosa Medina-Cristobal, Vice President of Human Resources, briefed the Committee (slides on file with the Office of Board Support) as follows:

- Overview (slide 2)
- Position Data (slide 3)

Ms. Torres stepped away at 6:18 p.m.

- Hiring Controls (slide 4)
- Retiree Re-Hires (slide 5)

Ms. Wong Krause rejoined the meeting at 6:20 p.m.

In reference to the DARTzoom, Mr. Killen inquired about the amount of employees being hired to accommodate the new bus redesign launch. Ms. Medina-Cristobal replied, staff is currently working towards a target number that they received from its Planning Department for the launch. She further explained staff has created a matrix between now and November, 2021 in order to have employees on staff prior to the launch.
17. **Briefing on Claims, Cost Impacts, and Agreements Related to the Silver Line Regional Rail Project**

Chair Wageman stated that it was 6:22 p.m. on Tuesday, May 25, 2021 and the Dallas Area Rapid Transit Committee-of-the-Whole, was going into Closed Session under the Texas Open Meetings Act, Section 551.071, which allows for consultation with Attorney, to discuss Agenda Item 17, *Briefing on Claims, Cost Impacts, and Agreements Related to the Silver Line Regional Rail Project*, and Agenda Item 18, +Approval to Increase Contract Value for the Design-Build Contract for the Silver Line Regional Rail Project to Establish an Allowance to Provide for Negotiation of Owner Requested and Other Third Party Scope Changes.

The Committee reconvened into Open Session at 7:11 p.m.

18. +Approval to Increase Contract Value for the Design-Build Contract for the Silver Line Regional Rail Project to Establish an Allowance to Provide for Negotiation of Owner Requested and Other Third Party Scope Changes

Mr. Stopfer moved to forward the draft resolution to the Board of Directors, as a same-date item, stating the Interim President & Chief Executive Officer, or his designee, is authorized to increase the contract value for design-build services with Archer Western Herzog 4.0, Joint Venture, for the Silver Line Regional Rail Project to establish an allowance in the amount of $237,403,589 to provide for negotiation of each Owner requested or third party change request, plus a supplemental work contingency of $35,795,345 for unanticipated expenses, for a total amount of $273,198,934, and a new total Board-authorized amount not to exceed $1,294,567,655.

Mr. Slagel seconded.

Chair Wageman took a Roll Call vote, and the items were approved unanimously.

Other Items:

20. **Identification of Future Agenda Items**

There were no future agenda items identified for this committee, however, Chair Wageman requested Mr. David Leininger, Interim President & Chief Executive Officer, discuss with the Executive Management Team (EMT) to emphasis the importance of timely and complete submission of briefing materials to the Board by the requested deadline.

21. **Adjournment**

There being no further business to discuss, the meeting was adjourned at 7:15 p.m.

Josefina Chavira, CAP
Board Committee Secretary

/jc

+ Same-Date Item
* Briefing Item
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 Board of Directors’ meeting came to order on Tuesday, May 25, 2021, at 7:16 p.m., at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

**City of Dallas**

- Ray Jackson – Assistant Secretary
- Patrick J. Kennedy
- Jon-Berrett Killen
- Michele Wong Krause – Vice-Chair
- Amanda Moreno-Lake
- Rodney Schlosser
- Dominique P. Torres

**City of Garland**

- Jonathan R. Kelly – Secretary

**City of Irving**

- Rick Stopfer

**City of Plano**

- Paul N. Wageman – Chair

**City of Cockrell Hill and Dallas**

- Eliseo Ruiz, III

**Cities of Carrollton and Irving**

- Doug Hrbacek

**Cities of Farmers Branch and Plano**

- Robert C. Dye

**Cities of Garland, Rowlett, and Glenn Heights**

- Mark C. Enoch

**Cities of Richardson and University Park; Towns of Addison and Highland Park**

- Gary A. Slagel

Mr. Ray Jackson and Ms. Dominique P. Torres were absent.
General Items:

1. **Roll Call**

   Chair Wageman took Roll Call, confirming a quorum was present.

2. **Approval of Minutes: May 11, 2021**

   Mr. Kelly moved to approve the May 11, 2021, Board of Directors’ meeting Minutes, and entered into record, as written.

   Mr. Ruiz seconded.

   Chair Wageman took a Roll Call vote and the Minutes were approved unanimously.

3. ***CAC Report on May 20, 2021 Meeting***

   Mr. Aaron Gougis, newly elected Chair of the Citizens Advisory Committee (CAC), read into record the report of the May 20, 2021 Meeting (Copy on file with the Office of Board Support).

4. **Public Comments**

   Public comments for the Board of Directors' meeting were accepted via email at the following address: boardmeetingpubliccomments@dart.org until 6:00 p.m. on Tuesday, May 25, 2021. All comments received were read into the public record during the Board meeting by Chair Wageman.

   Chair Wageman read into record a total of 7 Public Comments received via email (Copy on file with the Office of Board Support).

   **Mr. Michael W. Nichols:**

   Mr. Nichols wrote in reference to a purposed changes to the bus Route 347, noting that he takes this route to his job for the past 3 years and would cause issues for his transportation if it is changed.

   **Ms. Phyllis Silver:**

   Mr. Hans-Michael Ruthe, Project Manager 1 in Service Planning, submitted comments from Ms. Phyllis Silver for the June 8, 2021 Public Hearing. Ms. Silver noted several concerns on the following proposals: 1) Proposed Route 72, 2) Central Richardson and proposed GoLink, 3) Elimination of service on Arapaho east of Coit, and 4) Proposed Route 64.

   **Ms. Kristal Gay, Employee:**

   Ms. Gay voiced concern regarding employee issues with dental providers, as well as the FSA/HRA cards and having accounts frozen when the healthcare provider has questions concerning valid purchases. She requested someone look into this issue.

   **Ms. Rebecca Bellamy, Employee:**

   Ms. Bellamy voiced concern about an unfair policy in the current employee health insurance benefits, in reference to sleep apnea.

   **Mr. Diego Garcia, Employee:**

   Mr. Garcia wrote, on behalf of DART employees represented by the Amalgamated Transit Union Local 1338, regarding workplace morale and hiring processes.

Mr. Kennedy left the meeting at 7:31 p.m.
Mr. Kenneth Day, Employee:
Mr. Day wrote on behalf of DART Employees represented by The Amalgamated Transit Union Local 1338, noting his surprise that most employees are well informed or notified about upcoming changes, and provide input regarding these changes. He stated, with the exception of a few upper management, communication is slim to none.

Ms. Sarah De Leon:
Ms. De Leon requested that before implementing the Draft New Network, the DART Board takes more time to include more of the ridership experience of people on this network, by extending the timing, public engagement and strategy for the Draft New Network. She further requested staff provide the public additional notice and reword the notification pamphlets that are currently misleading as to when the Public Hearing will take place.

Chair Wageman requested Mr. Leininger work with the appropriate staff member to address the issue Ms. De Leon noted concerning the pamphlet and perhaps propose an alternate option on how to get that information out to the public.

Consent Items:
Chair Wageman stated that agenda item 12, Approval to Extend the Southern Methodist University (SMU) Site-Specific Shuttle Agreement, would be moved to Individual Items to allow for his recusal, as well as, Mr. Kennedy’s recusal of this item.

Mr. Stopfer moved to approve Consent Items 5 through 11, and 13.

Customer Service, Safety and Mobility:

5. Contract for Light Rail Vehicle (LRV) Brake Disc and Hardware Kits

Moved for approval of Resolution 210059 stating the Interim President & Chief Executive Officer, or his designee, is authorized to award a two-year contract to WABTEC Passenger Transit for LRV Disc Brake and Hardware Kits for a total authorized amount not to exceed $1,199,000.

6. Addition of Contingency Funding to Bi-Level and Coach Car Overhaul Contract to Cover Hidden and Latent Damage Identified During Overhaul Due to Age/Condition

Moved for approval of Resolution 210060 stating the Interim President & Chief Executive Officer, or his designee, is hereby authorized to add contingency funding to the contract with CAD Railway Industries, Ltd. [Contract C-2046256-01], for Bi-Level Overhaul & Side Sill Repair for additional costs to cover hidden and latent damage identified during overhaul in TRE coach and cab cars due to age and condition of the vehicles, in the amount of $781,362 for a new total authorized amount not to exceed $16,672,388.

Planning and Capital Programs:

7. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels DE1-005 and DE1-006 Located in the City of Coppell, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for These Parcels, if Necessary

Moved for approval of Resolution 210061 stating:

Section 1: There is a public necessity for the acquisition of Parcel DE1-005 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other
use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of Coppell for DE1-005. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 2: There is a public necessity for the acquisition of Parcel DE1-006 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion
of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Coppell for DE1-006. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

8. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels CB2-010, DE2-008, DE2-012, DE2-013 and DE2-014 Located in the City of Carrollton, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for These Parcels, if Necessary

Moved for approval of Resolution 210062 stating:

Section 1: There is a public necessity for the acquisition of Parcel CB2-010 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of Carrollton for CB2-010. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.
Section 2: There is a public necessity for the acquisition of Parcel DE2-008 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Carrollton for DE2-008. DART's exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 3: There is a public necessity for the acquisition of Parcel DE2-012 described in Exhibit 3. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President
& Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 3 without approval of such acquisition by the City Council of the City of Carrollton for DE2-012. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 4: There is a public necessity for the acquisition of Parcel DE2-013 described in Exhibit 4. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 4 without approval of such acquisition by the City Council of the City of Carrollton for DE2-013. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 5: There is a public necessity for the acquisition of Parcel DE2-014 described in Exhibit 5. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and
such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 5 without approval of such acquisition by the City Council of the City of Carrollton for DE2-014. DART's exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

9. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels CB3-010, CB3-011 and DE3-008 in the City of Plano, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for All Parcels, if Necessary

Moved for approval of Resolution 210063 stating:

Section 1: There is a public necessity for the acquisition of Parcel CB3-010 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 5 without approval of such acquisition by the City Council of the City of Carrollton for DE2-014. DART's exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

9. Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels CB3-010, CB3-011 and DE3-008 in the City of Plano, Texas, for the Silver Line Regional Rail Project, and Authorize Eminent Domain Proceedings for All Parcels, if Necessary

Moved for approval of Resolution 210063 stating:

Section 1: There is a public necessity for the acquisition of Parcel CB3-010 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby
authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 1 without approval of such acquisition by the City Council of the City of Plano for CB3-010. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 2: There is a public necessity for the acquisition of Parcel CB3-011 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 2 without approval of such acquisition by the City Council of the City of Plano for CB3-011. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

Section 3: There is a public necessity for the acquisition of Parcel DE3-008 described in Exhibit 3. This property is necessary and proper for
construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy. If the Interim President & Chief Executive Officer or his designee is unable to negotiate the purchase of this parcel for just compensation, the General Counsel is hereby authorized and directed to initiate and prosecute the completion of eminent domain proceedings for the acquisition of this parcel for the Silver Line Regional Rail Project. DART shall not exercise its power of eminent domain for the acquisition of the parcel described in Exhibit 3 without approval of such acquisition by the City Council of the City of Plano for DE3-008. DART’s exercise of the power of eminent domain in acquiring the herein described parcel will not unduly impair the then existing neighborhood character of property surrounding or adjacent to the property to be condemned, nor unduly interfere with interstate commerce, nor authorize DART to run its vehicles on railroad tracks which are used to transport property.

10. **Approval to Declare Public Necessity, Establish Just Compensation, and Authorize the Acquisition of Parcels DE3-004 and DE3-005 Located in the City of Dallas, Texas, for the Silver Line Regional Rail Project**

Moved for approval of Resolution 210064 stating:

Section 1: There is a public necessity for the acquisition of Parcel DE3-004 described in Exhibit 1. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the
Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy.

Section 2: There is a public necessity for the acquisition of Parcel DE3-005 described in Exhibit 2. This property is necessary and proper for construction of the Silver Line Regional Rail Project and for any other use authorized by Chapter 452 of the Texas Transportation Code, and such use is hereby declared to be a public use for a public purpose. The amount to be paid represents just compensation for this parcel required for the Silver Line Regional Rail Project as determined by a Texas State Certified Real Estate Appraiser and reviewed by a Texas State Certified Real Estate Appraiser. In the event the property owner accepts the payment of just compensation, the Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay necessary relocation expenses, title policy expenses, closing costs, and other such costs as may be required by law to close the purchase of the property. Should the property owner decline the payment of just compensation, then the Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of such parcel in accordance with DART's Real Estate Policy.

11. **Approval to Declare Property Surplus and Authorize the Conveyance of the Surplus Property Known as Parcel CB3-019A Located Near the Intersection of Shiloh Road, in the City of Plano, Texas, to Oncor Electric Delivery Company LLC, in Exchange for Parcels CB3-018 and CB3-032 for the Silver Line Regional Rail Project**

Moved for approval of Resolution 210065 stating:

Section 1: The interest of DART in and to Parcel CB3-019A described in Exhibit 1 is hereby declared surplus to DART’s needs.

Section 2: The Interim President & Chief Executive Officer or his designee is authorized to take such action and execute such documents as shall be necessary to convey Parcel CB3-019A, as described in Exhibit 1, to Oncor Electric Delivery Company, LLC, and acquire Parcels CB3-018 and CB3-032, as described in Exhibits 2-3, as an exchange, subject to legal review and approval by the Federal Transit Administration, if necessary.

13. **Authorize Administrative Settlement for Parcels CB1-021 and CB1-025 for the Silver Line Regional Rail Project**

Moved for approval of Resolution 210067 stating:

Section 1: The Interim President & Chief Executive Officer or his designee is hereby authorized and directed to negotiate the purchase of Parcels CB1-021 and CB1-025 for an administrative settlement as approved by the Board.

Section 2: The Interim President & Chief Executive Officer or his designee is hereby authorized to execute all necessary legal instruments and to pay any necessary relocation costs expenses, including title policy expenses,
closing costs, and other such costs as may be required by law to close the purchase of Parcels CB1-021 and CB1-025.

Section 3: If the Interim President & Chief Executive Officer or his designee is unable to close the purchase and obtain clear title, negotiate the purchase of these parcels for just compensation, the General Counsel is hereby authorized and directed to proceed and prosecute the completion of eminent domain proceedings for the acquisition of these parcels for the Silver Line Regional Rail Project.

Mr. Dye seconded.

Chair Wageman took a Roll Call vote and the Consent Items were approved unanimously.

Individual Items:
Chair Wageman recused himself at 7:40 p.m., delegating the presiding officer’s responsibilities to Vice-Chair Wong Krause.

12. **Approval to Extend the Southern Methodist University (SMU) Site-Specific Shuttle Agreement**

   Mr. Schlosser moved for approval of Resolution 210066 stating the Interim President & Chief Executive Officer, or his designee, is authorized to execute an extension for the Southern Methodist University (SMU) Site-Specific Shuttle Service Agreement, substantially in the form shown as Exhibit 1 to the Resolution, for the joint provision of a site-specific shuttle service, with a cost to DART not to exceed $381,924 per year for a three-year period.

   Mr. Slagel seconded.

   Vice-Chair Wong Krause took a Roll Call vote and the item was approved unanimously.

Chair Wageman rejoined the meeting at 7:42 p.m., resuming the presiding officer’s responsibilities.

14. **Approval of a Limited Waiver of DART Personnel Policy and Non-Disclosure Agreement for Gary C. Thomas**

   This item was not discussed.

15. **Approval to Pay Premium for Professional and Cyber Liability Insurance Policy**

   Mr. Enoch moved for approval of Resolution 210068 stating 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.

   Ms. Wong Krause seconded.

Chair Wageman took a Roll Call vote and the item was approved unanimously.
16. **Approval of Financial Plan Amendment for the Silver Line Corridor Regional Rail and D2 Subway Projects**

   Mr. Enoch moved for approval of Resolution 210069 stating 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.

   Mr. Slagel seconded.

   Chair Wageman took a Roll Call vote and the item was approved unanimously.

17. **This item will be discussed at Committee-of-the-Whole only.**

18. **Approval to Increase Contract Value for the Design-Build Contract for the Silver Line Regional Rail Project to Establish an Allowance to Provide for Negotiation of Owner Requested and Other Third Party Scope Changes**

   Mr. Stopfer moved for approval of Resolution 210070 stating the Interim President & Chief Executive Officer, or his designee, is authorized to increase the contract value for design-build services with Archer Western Herzog 4.0, Joint Venture, for the Silver Line Regional Rail Project to establish an allowance in the amount of $237,403,589 to provide for negotiation of each Owner requested or third party change request, plus a supplemental work contingency of $35,795,345 for unanticipated expenses, for a total amount of $273,198,934, and a new total Board-authorized amount not to exceed $1,294,567,655.

   Mr. Schlosser seconded.

   Chair Wageman took a Roll Call vote and the item was approved unanimously.

19. **This item will be discussed at Committee-of-the-Whole only.**

**Other Items:**

20. **This item will be discussed in Committee-of-the-Whole only.**

21. **Adjournment:**

   There being no further business to discuss, the meeting was adjourned at 7:47 p.m.

Josefina Chavira, CAP  
Board Committee Secretary

/jc

* Same Date Item

+ Briefing Item
DATE: June 8, 2021

SUBJECT: Contract for Accenture HR and Talent Management System Implementation Services

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to award a four-year contract for Enterprise Resource Planning (ERP) System Replacement – Human Resource (HR) & Talent Management (TM) SaaS Implementation and Integration Professional Services with Accenture LLP [Contract No. C-2061928-01]; for a total authorized amount not to exceed $3,403,877.

COMMITTEE CONSIDERATIONS

• On May 25, 2021 the Administration Committee unanimously moved this item to the June 8, 2021 Committee-of-the-Whole with a recommendation.

FINANCIAL CONSIDERATIONS

• This contract for Human Resources (HR) and Talent Management (TM) System Implementation Services is included in the Lawson Enterprise Resource Planning Replacement project budget of the approved FY 2021 Capital Budget.

• Sufficient funding for this contract in the amount of $3,403,877 is included in both the Lawson Enterprise Resource Planning Replacement project budget and the Agency-wide Capital line item of the FY 2021 Twenty-Year Financial Plan.

BUSINESS PURPOSE

• The purpose of this contract is to purchase Implementation and Integration Professional Services to replace the Lawson HR and Talent Management System, InfoStation HR & Talent Workflows, homegrown applications, and reports.

• The service is for implementing Workday SaaS Human Capital Management (HCM), Compensation, Onboarding, Benefits, Performance/Talent, and Recruiting. The service includes:
• Reengineering DART's business processes, configuration of Workday HR modules, design and development of interfaces with other DART on-premise and in the cloud systems, testing of the solution, including testing design, scripting and execution, implementation, configuration and stabilizations of the resolution, data migration from Lawson to Workday, including assistance with data mapping, data translation, data transformation, and data extraction, implementation of a security model, creation of end-user and administration training material for all the HR modules the Agency subscribed to.

• The Implementation and Integration Professional Services shall provide specific product knowledge of the Workday ERP. The Workday SaaS implementation team shall deliver recommendations for Best Practices for the Workday application in accordance with industries standards and guide the internal DART team in configuring the application to adjust to DARTs business processes. The SaaS implementation team will also provide guidance for organizational change management to support user adoption of the new Workday ERP.

• The Implementation and Integration Professional Services shall coordinate with the DART internal team to provide application-specific knowledge of tables and Application Programming Interface (APIs), which will be used to integrate the new Workday application with existing DART third-party applications. The effectiveness of these integrations will rely heavily on the detailed knowledge of the tables, fields, and data definitions. DARTs internal team shall depend on the Integration Professional Service team for this specialized knowledge.

• The Implementation and Integration Professional Services consultants will support detailed knowledge transfer to the internal DART team to facilitate the continued support of the application and seamless transition to Workday from Lawson HR module, ensuring DART business continuity. This will include training and operational preparedness for the applications support teams.

• The current Human Resources Information System information and processes are fragmented, inefficient, and labor-intensive. Rigid processes and loosely integrated workflows cause a lack of efficiency and consistency and delays in HR services and decision-making activities.

• To provide employee self-service features to complete their HR tasks, this new HR & TM System will improve DART's ability to recruit, manage, and retain qualified and productive employees throughout their employment life cycle and offer a robust, stable technology platform.

• This system will enhance DART-wide communications, decision making, reporting, and regulatory compliance. The Lawson HR and Talent Management System, InfoStation HR & Talent Workflows, homegrown applications, and reports will be replaced with this new integrated system capable of efficiently meeting needs, improving processes facilitating data-driven decision-making, and empowering employees to perform daily activities. Will provide a unified hub for HR services, information and improve employee satisfaction.

• This implementation will impact hundreds of homegrown applications and reports. Existing integrations with other large systems such as InfoStation, Maximo, Trapeze, and Spear will require resources that the Technology department does not have on staff.

• In June 2020 Staff convened an HR strategy workshop facilitated by InfoTech Consulting to identify business process improvements and document the requirements. The workshop outcomes included the scope of work for the procurement of the new system implementation and integration of professional services.
• In March 2019, the Technology department briefed the Administration Committee on the strategy and roadmap to replace the Lawson V.10 Enterprise Resource Planning System's outdated technology.

• The FY 2020 goals for the President & Executive Director noted the Lawson ERP System Replacement milestones by September 30, 2020 contains:
  • Develop System Requirements
  • Initiate the Procurement Process
  • Both goals and performance measures were completed on schedule in FY 2020.

• Approval of these contracts will help achieve and sustain:
  • Board Strategic Priority 4: Pursue excellence through employee engagement, diversity, development, and well-being.
  • Board Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.

• The Board-Approved Expenditure Justification is included as Attachment 3.

PROCUREMENT CONSIDERATIONS

• On March 30, 2021, a Texas Department of Information Resources (DIR) notification was sent to Accenture, LLP, for Human Resources (HR) and Talent Management System Implementation Services.

• This will be an indefinite quantity contract, with firm fixed hourly rates for a term of four years.

• The contract award analysis is provided as Attachment 1.

D/M/WBE CONSIDERATIONS

• The State of Texas contracts will be utilized for this procurement. The State’s goal for this type of procurement is 26.0%. The responsible State agency is the Texas Department of Information Resources (DIR). As this is a State contract, reports of M/WBE spend dollars will be to and through the State.

LEGAL CONSIDERATIONS

• Section 452.055 of the Texas Transportation Code authorizes DART to contract for the provision of goods and services.
Dallas Area Rapid Transit Authority
CONTRACT AWARD ANALYSIS
(Request for Proposals)
RFP NO. P-2061928

Contract Information

A. **Description:** Contract for Accenture HR and Talent Management System Implementation Services

B. **Contractor:** Accenture LLP

C. **Contract Number:** C-2061928-01

D. **Contract Amount:** Not to exceed $3,403,877

E. **Contract Type:** Indefinite Delivery/Indefinite Quantity

F. **Performance Period/Term of Contract:** Four years

G. **Options Available:** None

H. **Bond Requirement:** N/A

I. **Liquidated Damages:** N/A

J. **Funding Source:** Local

Solicitation Information

A. **Issue Date:** March 31, 2021

B. **Number of Notifications Sent:** One, Accenture LLC is the only firm approved by Texas Department of Information Services to install the Workday solution.

C. **Date and Time for Proposal Receipt:** April 23, 2021

D. **Proposals Received:** One

E. **Discussion of Proposal Evaluation Process:** The Accenture LLC proposal was evaluated and compared to the Authority’s requirements. Areas of risk were discussed and mitigated.

F. **Discussion of Unacceptable Proposals:** N/A

G. **Proposal Scoring:** N/A

H. **Negotiation Memorandum:** Available for review in the contract file.

I. **Cost & Price Analysis:** Price is fair and reasonable based on a comparison to the Independent Cost Estimate (ICE) and to the recent implementation of a Workday solution by the City of Dallas.
J. **Determination of Responsibility:**
   - **Bond Check:** N/A
   - **Reference Check:** On file with the Texas Department of Information Services Contract DIR-TSO-4062
   - **Financial Responsibility Survey:** On file with the Texas Department of Information Services Contract DIR-TSO-4062
   - **Insurance Check:** On file with the Texas Department of Information Services Contract DIR-TSO-4062
   - **On-Site Inspection:** N/A
   - **Arithmetic Check:** Yes
   - **Buy America Certification and/or Audit, if applicable:** N/A
   - **Debarred/Suspended list:** Not on the debarred/suspended list.

K. **Protests Received:** N/A

L. **Determinations Required:** N/A

**Determination and Recommendation**

Accenture LLP is a responsible offeror that provided the only proposal considering technical and price factors. They have the capacity to perform this contract and are recommended for award.
Contract for Accenture HR and Talent Management System Implementation Services

M/WBE Considerations

The State of Texas contracts will be utilized for this procurement. The State’s goal for this type of procurement is 26.0%. The responsible State agency is the Texas Department of Information Resources (DIR). As this is a State contract, reports of M/WBE spend dollars will be to and through the State.

Summary of EEO-1 Report

Accenture LLP’s local office is located in Dallas, TX and employs 201 individuals. The following is an analysis of their EEO-1 report:

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<thead>
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<th>ASIAN</th>
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<th>NATIVE AM.</th>
<th>WHITE</th>
<th>TOTAL</th>
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<td>PERCENTAGE</td>
<td>7.46%</td>
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<td>PURPOSE OF CONTRACT/AGREEMENT</td>
<td>DOLLAR AMOUNT</td>
<td>CONTRACT TERM</td>
<td>TYPE OF PROCUREMENT</td>
<td>1. Is it necessary?</td>
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<tr>
<td>The purpose of this contract is to purchase Implementation and Integration Professional Services to replace the Lawson HR and Talent Management System, InfoStation HR &amp; Talent Workflows, home-grown applications and reports.</td>
<td>Not to exceed amount of $3,403,877</td>
<td>Four-year base</td>
<td>Texas Department of Information Resources (DIR)</td>
<td>Yes, Infor is not adding new features to Lawson ERP and planning to discontinue it in its current form.</td>
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<td>Yes, the overall project has been structured with a phased implementation. The Financial system replacement was removed from the project. This phase addresses only the HR &amp; Talent management systems. Further phasing is not possible.</td>
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<td>No, the overall project budget has been reduced by adopting a phased approach.</td>
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DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Contract for Accenture HR and Talent Management System Implementation Services

WHEREAS, DART's Finance, Human Resources, Procurement departments rely on automated systems support for the daily operations of DART services; and

WHEREAS, these automated systems support approximately 4,729 employees, contractors, temporary employees and retirees, and

WHEREAS, the purpose of this contract is to purchase ERP System Replacement – Human Resource (HR) & Talent Management (TM) SaaS Implementation and Integration Professional Services to replace the Lawson HR and Talent Management System, InfoStation HR & Talent Workflows, homegrown applications, and reports.

WHEREAS, a Texas Department of Information Resources (DIR) procurement for a four-year contract was conducted in accordance with the DART Procurement Regulations; and

WHEREAS, the proposed price is fair and reasonable; and

WHEREAS, funding for this contract is within the current FY 2021 Budget and 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 award a four-year contract with Accenture LLP for ERP System Replacement - HR & Talent Management SaaS Implementation and Integration Professional Services [Contract No. C-2061928-01] for a total authorized amount not to exceed $3,403,877.
Contract for Accenture HR and Talent Management System Implementation Services

Prepared by:

/s/ Nicole Fontayne-Bárdowell *
Nicole Fontayne-Bárdowell
Executive Vice President
Chief Administrative 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
Agenda Report

DATE: June 8, 2021

SUBJECT: Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to award a ten-year subscription for Enterprise Resource Planning (ERP) System Replacement – Human Resources (HR) & Talent Management (TM) Software as a Service (SaaS) subscription to Precision Task Group [Contract No. C-2061898-01]; for a total authorized amount not to exceed $5,679,923.

COMMITTEE CONSIDERATIONS

. On May 25, 2021 the Administration Committee unanimously moved this item to the June 8, 2021 Committee-of-the-Whole with a recommendation.

FINANCIAL CONSIDERATIONS

• This subscription for Human Resources (HR) and Talent Management Software as a Service (SaaS) Subscription is included in the Lawson Enterprise Resource Planning Replacement project budget of the approved FY 2021 Capital Budget.

• Sufficient funding for this subscription in the amount of $5,679,923 is included in both the Lawson Enterprise Resource Planning Replacement project budget and the Agency-wide Capital line item of the FY 2021 Twenty-Year Financial Plan.

BUSINESS PURPOSE

• The purpose of this subscription is to purchase a Workday Software as a Service (SaaS) subscription to replace the outdated on-premise INFOR Lawson HR and Talent Management System, InfoStation HR & Talent Management Workflows, home-grown applications, and reports.

• INFOR is not adding any new features to the Lawson ERP and is planning to discontinue it in its current form.

• The current Human Resources Information System (HRIS) information and processes are fragmented, inefficient, and labor-intensive. Rigid processes and loosely integrated workflows
cause a lack of efficiency and consistency and delays in HR services and decision-making activities.

- The new system will enhance DART-wide communications, decision making, reporting, and regulatory compliance. The INFOR Lawson HR and Talent Management System, InfoStation HR & Talent Management Workflows, home-grown applications, and reports will be replaced with this new integrated system capable of efficiently meeting needs, improving processes facilitating data-driven decision-making, and empowering employees to perform daily activities. Will provide a unified hub for HR services, information and improve employee’s satisfaction.

- The employee self-service features expand the ease with which employees can complete their HR tasks. The Workday system will also improve DART's ability to recruit, manage, and retain qualified and productive employees throughout their employment life cycle and offer a robust, stable technology platform.

- In March 2019, the Technology department briefed the Administration Committee on the strategy and roadmap to replace the Lawson V.10 Enterprise Resource Planning System's outdated technology.

- In June 2020 Staff convened an HR strategy workshop facilitated by InfoTech Consulting to identify business process improvements and document the requirements. The workshop outcomes included the scope of work for the procurement of the new system solution to implement.

- The following considerations support the ten-year duration of this subscription:
  - The Agency has been using INFOR Lawson Enterprise Resource Planning since the 1980's, over thirty years ago. Replacement of this critical system started in 2019 by defining the strategy presented to DART Board.
  - The Agency negotiated more favorable financial terms by committing to a ten-year agreement versus shorter terms with option years with realized savings of $796,000.

- Approval of this subscription will help achieve and sustain:
  - Board Strategic Priority 4: Pursue excellence through employee engagement, diversity, development, and well-being.
  - Board Strategic Priority 5: Enhance DART's role as a recognized local, regional, and national transportation leader.
  - The Board-Approved Expenditure Justification is included as Attachment 3.

**PROCUREMENT CONSIDERATIONS**

- On March 30, 2021, a Texas Department of Information Resources (DIR) solicitation was sent to Precision Task Group, Inc., for Human Resources (HR) and Talent Management Software as a Service (SaaS) Subscription.

- This will be a indefinite delivery/indefinite quantity contract, with firm fixed yearly subscription rates for a term of ten years.

- The contract award analysis is provided as Attachment 1.

**D/M/WBE CONSIDERATIONS**

• The State of Texas contracts will be utilized for this procurement. The State’s goal for this type of procurement is 26.0%. The responsible State agency is the Texas Department of Information Resources (DIR). As this is a State contract, reports of M/WBE spend dollars will be to and through the State.

LEGAL CONSIDERATIONS

• Section 452.055 of the Texas Transportation Code authorizes DART to contract for the provision of goods and services.
Dallas Area Rapid Transit Authority
CONTRACT AWARD ANALYSIS
(Request for Proposals)
RFP NO. P-2061898

Contract Information

A. Description: Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription

B. Contractor: Precision Task Group, Inc.

C. Contract Number: C-2061898-01

D. Contract Amount: Not to exceed $5,679,923

E. Contract Type: Indefinite Delivery/Indefinite Quantity

F. Performance Period/Term of Contract: Ten years

G. Options Available: None

H. Bond Requirement: N/A

I. Liquidated Damages: N/A

J. Funding Source: Local

Solicitation Information

A. Issue Date: March 30, 2021

B. Number of Notifications Sent: One, Precision Task Group, Inc. is the only firm approved by Texas Department of Information Services to resell the Workday solution.

C. Date and Time for Proposal Receipt: May 5, 2021

D. Proposals Received: One

E. Discussion of Proposal Evaluation Process: In November 2020, the Authority requested scripted demonstrations from Infor, Oracle, and Workday. The scripts were identical requiring suppliers to demonstrate key function and technical system process in a set amount of time. Suppliers were requested to provide the same system functionalities in the same timeframe to ensure equal comparison.

F. Discussion of Unacceptable Proposals: N/A
G. Demonstration Scoring:

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<td>Oracle</td>
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<td>Infor</td>
<td>90.4</td>
<td>73.9</td>
<td>164.3</td>
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</table>

H. Negotiation Memorandum: Available for review in the contract file.

I. Cost & Price Analysis: Price is fair and reasonable based on a comparison to the Independent Cost Estimate (ICE) and to the recent purchase of a Workday solution by the City of Dallas.

J. Determination of Responsibility:
   - Bond Check: N/A
   - Reference Check: On file with the Texas Department of Information Services Contract DIR-TSO-4242
   - Financial Responsibility Survey: On file with the Texas Department of Information Services Contract DIR-TSO-4242
   - Insurance Check: On file with the Texas Department of Information Services Contract DIR-TSO-4242
   - On-Site Inspection: N/A
   - Arithmetic Check: Yes
   - Buy America Certification and/or Audit, if applicable:
   - Debarred/Suspended list: Not on the debarred/suspended list.

K. Protests Received: N/A

L. Determinations Required: Software licenses

**Determination and Recommendation**

Precision Task Group, Inc. is a responsible offeror that provided the only proposal considering technical and price factors. They have the capacity to perform this contract and are recommended for award.
Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription

M/WBE Considerations

The State of Texas contracts will be utilized for this procurement. The State’s goal for this type of procurement is 26.0%. The responsible State agency is the Texas Department of Information Resources (DIR). As this is a State contract, reports of M/WBE spend dollars will be to and through the State.

Summary of EEO-1 Report

Precision Task Group, Inc. is located in Houston, TX and employs 41 individuals. The following is an analysis of their EEO-1 report:

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<tr>
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<td>6</td>
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<td>9</td>
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<td>53.66%</td>
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<td>FEMALES</td>
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<td>2</td>
<td>8</td>
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<td>TOTAL</td>
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<td>14</td>
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<td>16</td>
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<td>PERCENTAGE</td>
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<td>9.76%</td>
<td>34.15%</td>
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<td>39.02%</td>
<td>100%</td>
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# Board-Approved Expenditure Justification

**Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription**

<table>
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<tr>
<th>PURPOSE OF CONTRACT/AGREEMENT</th>
<th>DOLLAR AMOUNT</th>
<th>CONTRACT TERM</th>
<th>TYPE OF PROCUREMENT</th>
<th>1. Is it necessary?</th>
<th>2. Does it need to happen now?</th>
<th>3. Can it be phased?</th>
<th>4. Can we reduce the amount?</th>
</tr>
</thead>
<tbody>
<tr>
<td>The purpose of this contract is to purchase Software as a Service (SaaS) subscription to replace the Lawson HR and Talent Management System, InfoStation HR &amp; Talent Workflows, home-grown applications and reports</td>
<td>Not to exceed $5,679,923</td>
<td>Ten-year base.</td>
<td>Texas Department of Information Resources (DIR)</td>
<td>Yes, Infor is not adding new features to Lawson ERP and planning to discontinue it in its current form.</td>
<td>Yes, Infor is not adding new features to Lawson ERP and planning to discontinue it in its current form.</td>
<td>Yes, the overall project has been structured with a phased implementation. The Financial system replacement was removed from the project. This phase addresses only the HR &amp; Talent management systems. Further phasing is not possible.</td>
<td>No, the overall project budget has been reduced by adopting a phased approach.</td>
</tr>
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</table>
DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)
Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription

WHEREAS, DART's Finance, Human Resources, Procurement departments rely on automated systems support for the daily operations of DART services; and

WHEREAS, these automated systems support approximately 4,729 employees, contractors, temporary employees and retirees, and

WHEREAS, the purpose of this subscription is to license a Workday Software as a Service (SaaS) to replace the Lawson HR and Talent Management System, InfoStation HR & Talent Management Workflows, home-grown applications, and reports.

WHEREAS, a Texas Department of Information Resources (DIR) procurement for a ten-year contract was conducted in accordance with the DART Procurement Regulations; and

WHEREAS, the proposed price is fair and reasonable; and

WHEREAS, funding for this contract is within the current FY 2021 Budget and 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 award a ten-year contract for a Human Resources (HR) and Talent Management Software as a Service (SaaS) Subscription to Precision Task Group, Inc. [Contract No. C-2061898-01], a total authorized amount not to exceed $5,679,923.
Approval of Workday HR and Talent Management Software as a Service (SaaS) Subscription

Prepared by:

/s/ Nicole Fontayne-Bárdowell *

Nicole Fontayne-Bárdowell
Executive Vice President
Chief Administrative 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
DATE: June 8, 2021

SUBJECT: Authorization to Delegate Contracting Officer Authority

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to delegate Contracting Officer authority to Brad J. Cummings.

COMMITTEE CONSIDERATIONS

. On May 25, 2021 the Administration Committee unanimously moved this item to the June 8, 2021 Committee-of-the-Whole with a recommendation.

FINANCIAL CONSIDERATIONS

. Delegation of Contracting Officer authority has no financial impact on DART.

BUSINESS PURPOSE

. DART's enabling legislation and the DART Procurement Regulations authorize the DART Board, and subsequently the Interim President & Chief Executive Officer with DART Board approval, to delegate and designate persons with the power to contract for goods, construction, and services within budgeted amounts.

. Brad J. Cummings has been selected as the Vice President of Procurement. In that capacity, he requires Contracting Officer Authority to execute all contracts, purchase orders, and contract modifications.

. Contracting Officer limits are to be established by the Interim President & Chief Executive Officer.

. This item supports Board Strategic Priority 4: Pursue excellence through employee engagement, diversity, development, and well-being.

LEGAL CONSIDERATIONS

Section 452.106(a)(2)(A) of the Texas Transportation Code authorizes the DART Board of Directors to adopt and enforce procurement procedures, guidelines, and rules covering the appointment of Contracting Officers.
Section 452.108(b) of the Texas Transportation Code authorizes the DART Board of Directors to delegate and designate persons the power to contract for construction, services, and property, within budgeted amounts.

Section 2-201, Authority to Delegate, of the DART Procurement Regulations authorizes the President/Executive Director, with the approval of the Board of Directors, to delegate to designated persons the authority to purchase certain property, services, or construction within budgeted amounts.
DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Authorization to Delegate Contracting Officer Authority

WHEREAS, Section 452.106(a)(2)(A) of the Texas Transportation Code authorizes the DART Board of Directors to adopt and enforce procurement procedures, guidelines, and rules covering the appointment of Contracting Officers; and

WHEREAS, Section 452.108(b) of the Texas Transportation Code authorizes the DART Board of Directors to delegate to designated persons the authority to contract for construction, services, and property within budgeted amounts; and

WHEREAS, the DART Board of Directors has adopted Procurement Regulations that establish a system for procurement and management of property, services and construction, and disposal of surplus; and

WHEREAS, Section 2-201, Authority to Delegate, DART's Procurement Regulations authorizes the Interim President & Chief Executive Officer, with the approval of the Board of Directors, to delegate to designated persons the authority to purchase certain property, services, or construction within budgeted amounts; and

WHEREAS, Brad J. Cummings has been selected as Vice President, Procurement, and requires Contracting Officer authority in the discharge of his duties; and

WHEREAS, delegation of Contracting Officer authority has no financial impact on DART.

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 delegate Contracting Officer authority to Brad J. Cummings.
Authorization to Delegate Contracting Officer Authority

Prepared by: /s/ Nicole Fontayne-Bárdowell *

Nicole Fontayne-Bárdowell
Executive Vice President
Chief Administrative 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
DATE:       June 8, 2021

SUBJECT:    Approval to Call a Public Hearing for State-Required Performance Audit and to Release the Audit Following the Public Hearing

RECOMMENDATION

Approval of a resolution to: 1) call a public hearing on July 6, 2021, at 6:30 p.m., in the DART Board Room to receive comments on an independent performance audit report of DART’s transit operations, compliance with applicable state law, and state-required performance indicators of the Agency; and 2) approve release of the audit following the public hearing.

COMMITTEE CONSIDERATIONS

.  On May 25, 2021 the Audit Committee unanimously moved this item to the June 8, 2021 Committee-of-the-Whole with a recommendation.

BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

• DART’s legislation requires that an independent performance audit be conducted every four years to review the authority’s compliance with applicable state law, certain of DART’s operational key performance indicators and one or more of the following: 1) the administration and management of the authority; 2) transit operations; or 3) transit authority system maintenance. The audit must be conducted by a firm that has experience in reviewing the performance of transit agencies. This year’s audit was a review of transit operations and was performed by IMG Rebel Advisory, Inc (Rebel).

• Previous audits which have been conducted as required by DART’s legislation are:

<table>
<thead>
<tr>
<th>Audit Focus</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Authority System Maintenance</td>
<td>2004</td>
</tr>
<tr>
<td>Transit Operations</td>
<td>2009</td>
</tr>
<tr>
<td>Administration and Management</td>
<td>2012</td>
</tr>
<tr>
<td>Transit Authority System Maintenance</td>
<td>2016</td>
</tr>
<tr>
<td>Transit Operations</td>
<td>2020</td>
</tr>
</tbody>
</table>

• Following completion of the audit, DART’s legislation also requires DART to conduct a public hearing on the results of the audit. The public hearing is scheduled for July 6, 2021. Subsequent to the hearing, DART will deliver a copy of the performance audit report and the authority’s response to the city, county, and state elected officials as specified by the Code.
• Representatives from Rebel will be available at the May 25, 2021 Audit Committee meeting to brief the committee on the results of the audit.

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

LEGAL CONSIDERATIONS

• Section 452.454 of the Texas Transportation Code requires that DART contract every fourth state fiscal year for a performance audit of the authority to be conducted by a firm that has experience in reviewing the performance of transit agencies.

• Section 452.456(c) of the Texas Transportation Code requires DART to conduct a public hearing on each performance audit report and the authority’s response.

• Section 452.457 of the Texas Transportation Code requires DART to deliver a copy of the performance audit report and the authority’s response to city, county, and state elected officials as specified by the Code.
DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Approval to Call a Public Hearing for State-Required Performance Audit and to Release the Audit Following the Public Hearing

WHEREAS, Section 452.454 of the Texas Transportation Code states that DART shall contract every four years for a performance audit to be conducted to review the authority's compliance with applicable state law, certain of DART's operational key performance indicators, and one or more of the following: 1) the administration and management of the authority; 2) transit operations; or 3) transit authority system maintenance. This year's audit was a review of transit authority system maintenance and was performed by IMG Rebel Advisory, Inc (Rebel); and

WHEREAS, following completion of the audit, Sections 452.456(c) and 452.457 of the Texas Transportation Code require the Board to conduct a public hearing on the results of the audit and to deliver a copy of the performance audit report and the authority's response to city, county, and state elected officials as specified by the Code.

NOW, THEREFORE, BE IT RESOLVED by the Dallas Area Rapid Transit Board of Directors that:

Section 1: A public hearing is called for July 6, 2021, at 6:30 p.m., in the DART Board Room to receive comments on an independent performance audit report of DART's transit operations, compliance with applicable state law, and state-required performance indicators of the Agency.

Section 2: The audit is approved to be released following the public hearing.
Approval to Call a Public Hearing for State-Required Performance Audit and to Release the Audit Following the Public Hearing

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: June 8, 2021

SUBJECT: Approval of Contract for Health Plan Provider Services

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to award a five-year contract to Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (BCBSTX) for health plan provider services [Contract No. C-2058374-01], for a total authorized amount not to exceed $11,419,016.

COMMITTEE CONSIDERATIONS

• On May 25, 2021 the Administration Committee unanimously moved this item to the June 8, 2021 Committee-of-the-Whole for Final Consideration.

FINANCIAL CONSIDERATIONS

• This contract for health plan provider services is included in the Human Resources Department's proposed FY 2022 operating budget.

• Sufficient funding for this contract in the amount of $11,419,016 is included in both the Benefits Department's proposed FY 2022 Operating Expense budget and the Total Operating Expense line item of the FY 2021 Twenty-Year Financial Plan.

BUSINESS PURPOSE

• The purpose of this health plan provider services contract is to provide continuation of medical plan services to DART employees and eligible dependents.

• Our current provider of services is through a Third-Party Administrator (TPA), Healthscope Benefits. They were awarded a three-year contract with two one-year options. DART has executed four years of the contract. The not-to-exceed amount was $8,253,939, and the current contract option year is set to expire on December 31, 2021.

• Through this TPA service, DART is able to provide self-insured medical coverage for its employees, retirees, and eligible dependents.
• The plan design adopted with these services includes two Accountable Care Organization (ACO) Plans and one Open Access DART (OAD) Plan.

• Open Access DART has experienced significant administrative challenges and disrupted plan participants due to the Referenced Based Reimbursement Model (56% of employees are enrolled in this plan). In addition, this plan has seen increasing costs over the term of the contract with limited member advocacy and clinical support programs.

• The ACO contract with Baylor Quality Health Care Alliance, LLC dba Baylor Scott & White Quality Alliance (BSWQA), includes a significant shared savings provision, and DART has paid over $500,000 per year in shared savings in addition to administrative fees. The ACO plan has not significantly outperformed the OAD plan in health risk management.

• An employee feedback group held in late 2020 overwhelmingly preferred returning to a name-brand carrier with a strong provider network.

• Requests for Proposal were issued on November 12, 2020. Requested services included: Medical plan administration for all three plans, PPO network-based plan to replace the current OAD and ACO network-based plan to replace BSWQA ACO plans. Additional requested services included Flexible Spending Accounts, Health Reimbursement Accounts, COBRA Administration, and Retiree Direct Bill Administration.

• Per the language in the formal proposal, DART selected a vendor based on the best overall value. This is defined as the most advantageous to the authority based on price and other factors considered.

• The Authority reserves the right to accept offers other than the lowest offer, reject any or all offers in part or in total for any reason, and to accept any offer if it is considered best for its interest or is most advantageous.

• The RFP evaluation criteria consisted of the following: Network Build & Maintenance, Claims Administration, Administrative Services, Utilization Management/Member Services, General Questionnaire and Price. Each criteria includes subcategories such as Network Discounts, Physician Match and Case Management.

• Blue Cross Blue Shield of Texas (BCBS TX) provided the best overall value for DART. They outscored the other vendors in all technical scoring areas and proposed competitive pricing. BCBS TX also provided the best network discounts, which will result in overall cost savings back to DART and had a better provider match result. This will result in a lower level of disruption to our employee group as the majority of their physicians will be in this network.

• BCBS TX offered a Health Advocacy program as an optional buy-up during the Best and Final Offer.

• The Blue Cross Blue Shield of Texas services would begin January 1, 2022, and expire December 31, 2026.

• Providing this service helps achieve Board Strategic Priority 4: Pursue excellence through employee engagement, diversity, development, and well-being.

• The Board-Approved Expenditure Justification is included as Attachment 3.
PROCUREMENT CONSIDERATIONS

• On November 12, 2020, a Request for Proposals (RFP) notification was sent to 224 firms for Health Plan Provider Services.

• This will be an indefinite delivery/indefinite quantity contract, for a term of five years with two, one-year options.

• The contract award analysis is provided as Attachment 1.

D/M/WBE CONSIDERATIONS

• The goal for this contract was established in September 2020 at 15% M/WBE participation.

• Blue Cross Blue Shield of Texas, the prime contractor, has committed to meet the goal.

• The M/WBE analysis and Equal Employment Opportunity (EEO-1) information are included in Attachment 2. The prime contractor’s actual EEO-1 report is available upon request.

LEGAL CONSIDERATIONS

• Section 452.055 of the Texas Transportation Code authorizes DART to contract for the provision of goods and services.
Dallas Area Rapid Transit Authority
CONTRACT AWARD ANALYSIS
(Request for Proposals)
RFP NO. P-2058374

Contract Information

A. Description: Health Plan Provider Services

B. Contractor: Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company

C. Contract Number: C-2058374-01

D. Contract Amount: Not to exceed $11,419,016

E. Contract Type: Indefinite Delivery/Indefinite Quantity

F. Performance Period/Term of Contract: Five years

G. Options Available: Two, one-year options

H. Bond Requirement: N/A

I. Liquidated Damages: N/A

J. Funding Source: Local

Solicitation Information

A. Issue Date: November 12, 2020

B. Number of Notifications Sent: 224

C. Date and Time for Proposal Receipt: January 7, 2021 @ 2:00 P.M. (Central Time)

D. Proposals Received: Twelve

E. Discussion of Proposal Evaluation Process: Holmes Murphy & Associates, DART’s Benefits Consultant, collaborated with DART to develop and evaluate RFP (Request for Proposals). This was a competitively negotiated procurement. A source Evaluation Committee (SEC) was appointed to conduct proposal evaluations and the proposals were evaluated against the following criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network Build &amp; Maintenance</td>
<td>325</td>
</tr>
<tr>
<td>Claims Administration</td>
<td>150</td>
</tr>
<tr>
<td>Administrative Services</td>
<td>100</td>
</tr>
<tr>
<td>Utilization Management/Member Services</td>
<td>100</td>
</tr>
<tr>
<td>General Questionnaire</td>
<td>25</td>
</tr>
<tr>
<td>Price</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000 Maximum Points</strong></td>
</tr>
</tbody>
</table>
F. Discussion of Unacceptable Proposals: Proposals submitted by Accolade, Accure Solutions, LLC, Discovery Benefits, Flores and Associates, Meritain Health, and Reconcile Care Management Services was determined nonresponsive as the Offeror failed to submit material information required in the solicitation (e.g., Technical and Price proposals).

G. Proposal Scoring: The following three proposals represents the final scores, following evaluation of the Best and Final Offers.

<table>
<thead>
<tr>
<th>Firms</th>
<th>Total Amount Five Year Base Period</th>
<th>Pricing Score (Max Points 300)</th>
<th>Technical Score (Max Points 700)</th>
<th>Total Score (Max Points 1000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Cross Blue Shield of TX</td>
<td>$11,419,016</td>
<td>300</td>
<td>643.6</td>
<td>943.6</td>
</tr>
<tr>
<td>Cigna</td>
<td>$12,009,169</td>
<td>285.26</td>
<td>647.6</td>
<td>932.86</td>
</tr>
<tr>
<td>United Healthcare</td>
<td>$11,491,090</td>
<td>298.11</td>
<td>638.6</td>
<td>936.71</td>
</tr>
</tbody>
</table>

Offeror Aetna, Baylor Scott and White Quality Alliance, and Centivo T Holding, LLC were not included in the competitive range due to their overall low score and received no further consideration. Based on Best Value, Blue Cross Blue Shield of Texas, is recommended for award of the contract.

H. Negotiation Memorandum: Available for review in the contract file.

I. Cost & Price Analysis: Prices are fair and reasonable based on historical pricing, and comparison to the independent cost estimate (ICE).

J. Determination of Responsibility:
   - Bond Check: N/A
   - Reference Check: Satisfactory
   - Financial Responsibility Survey: Satisfactory
   - Insurance Check: Yes
   - On-Site Inspection: N/A
   - Arithmetic Check: N/A
   - Verification of Offer: N/A
   - Buy America Certification and/or Audit, if applicable: N/A
   - Debarred/Suspended list: Not on the debarred /suspended list

K. Protests Received: None

L. Determinations Required: N/A

**Determination and Recommendation**

Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company is determined to be the responsible contractor that achieved the highest score considering technical and price factors. They have the capacity to perform this contract and are recommended for award.
Contract for Health Plan Provider Services

M/WBE CONSIDERATIONS

The goal for this contract was established in September 2020 at 15% M/WBE participation. Blue Cross Blue Shield of Texas, the prime contractor, has committed to meet the goal through utilization of the following certified firms:

<table>
<thead>
<tr>
<th>VENDOR</th>
<th>LOCATION</th>
<th>ETHNICITY</th>
<th>SERVICE</th>
<th>AMOUNT</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Akorbi</td>
<td>Plano, TX</td>
<td>Hispanic Female</td>
<td>Marketing Services</td>
<td>$114,190</td>
<td>1.00%</td>
</tr>
<tr>
<td>Best Press, Inc.</td>
<td>Addison, TX</td>
<td>White Female</td>
<td>Print &amp; Fulfillment Services</td>
<td>$114,190</td>
<td>1.00%</td>
</tr>
<tr>
<td>Cushion Employer Services Corporation</td>
<td>Nashville, TN</td>
<td>Black Male</td>
<td>Administrative &amp; COBRA Services</td>
<td>$342,570</td>
<td>3.00%</td>
</tr>
<tr>
<td>Emcare Consulting, LLC</td>
<td>DeSoto, TX</td>
<td>Black Female</td>
<td>Project Management</td>
<td>$342,570</td>
<td>3.00%</td>
</tr>
<tr>
<td>BodyByBey</td>
<td>Dallas, TX</td>
<td>Black Female</td>
<td>Fitness Classes</td>
<td>$228,380</td>
<td>2.00%</td>
</tr>
<tr>
<td>Nogales Produce, Inc.</td>
<td>Dallas, TX</td>
<td>Hispanic Male</td>
<td>Healthy Eating/Fresh Fruit &amp; Vegetables</td>
<td>$228,380</td>
<td>2.00%</td>
</tr>
<tr>
<td>Satori Marketing</td>
<td>Houston, TX</td>
<td>White Female</td>
<td>Marketing &amp; Communication Services</td>
<td>$342,570</td>
<td>3.00%</td>
</tr>
</tbody>
</table>

**TOTAL M/WBE PARTICIPATION:** $1,712,850 **15.00%***

**NOTE:** The goal is based on the not to exceed amount of $11,419,016. If there are any changes to this amount, the original goal shall still apply.

*The percentage and dollar amount may remain level, increase or decrease depending on the circumstances.*
Summary of EEO-1 Report

Blue Cross Blue Shield of Texas is headquartered in Richardson, TX and employs 24,286 individuals. The following is an analysis of their EEO-1 report:

<table>
<thead>
<tr>
<th></th>
<th>ASIAN</th>
<th>BLACK</th>
<th>HISPANIC</th>
<th>NATIVE AM</th>
<th>WHITE</th>
<th>TOTAL</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALES</td>
<td>999</td>
<td>742</td>
<td>707</td>
<td>56</td>
<td>3,884</td>
<td>6,388</td>
<td>26.30%</td>
</tr>
<tr>
<td>FEMALES</td>
<td>1,094</td>
<td>3,714</td>
<td>2,438</td>
<td>241</td>
<td>10,411</td>
<td>17,898</td>
<td>73.70%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,093</td>
<td>4,456</td>
<td>3,145</td>
<td>297</td>
<td>14,295</td>
<td>24,286</td>
<td>100%</td>
</tr>
<tr>
<td>PERCENTAGE</td>
<td>8.62%</td>
<td>18.35%</td>
<td>12.95%</td>
<td>1.22%</td>
<td>58.86%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
## Board-Approved Expenditure Justification
### New Contract for Health Plan Provider Services

| PURPOSE OF CONTRACT/AGREEMENT | DOLLAR AMOUNT | CONTRACT TERM | TYPE OF PROCUREMENT | 1. Is it necessary?  
2. Does it need to happen now?  
3. Can it be phased?  
4. Can we reduce the amount? |
|-------------------------------|---------------|---------------|---------------------|-------------------------------------------------------------|
| This contract will cover cost associated with employee medical Health Insurance Services. | Not to exceed $11,419,016 | Five-year base term with two, one-year options starting January 1, 2022 | Request for Proposal (RFP) | 1. Yes, for employee health insurance coverage.  
2. Yes, the current contract will expire December 31, 2021.  
3. No, this contract is for employee health insurance coverage.  
4. No, the cost is based on employee head count. |
DRAFT

RESOLUTION

of the

DALLAS AREA RAPID TRANSIT BOARD

(Executive Committee)

Contract for Health Plan Provider Services

WHEREAS, DART currently has Third-Party Administrative Self-Insured Medical Plan services for Employees, Retirees, and Eligible Dependents; and

WHEREAS, the current contract for Third-Party Administrative Services with HealthSCOPE will expire December 31, 2021; and

WHEREAS, a competitive sealed proposal procurement for a five-year contract with two, one-year options was conducted in accordance with the DART Procurement Regulations; and

WHEREAS, the proposed price for this contract is fair and reasonable; and

WHEREAS, funding for this contract is within proposed FY 2022 Budget and current 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 award a five-year contract to Blue Cross Blue Shield of Texas, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company (BCBSTX) for health plan provider services [Contract No. C-2058374-01], for a total authorized amount not to exceed $11,419,016.
Contract for Health Plan Provider Services

Prepared by: /s/ Nicole Fontayne-Bárdowell *
Nicole Fontayne-Bárdowell
Executive Vice President
Chief Administrative Officer

/s/ Gene Gamez *
Gene Gamez
General Counsel

/s/ David Leininger *
David Leininger
Interim President & Chief Executive Officer

* Reviewed and approved, but not signed due to COVID-19 Coronavirus Pandemic
DATE:       June 8, 2021

SUBJECT:   Approval of an Interlocal Agreement Between DART and the City of Lubbock
Acting by and Through Citibus for GoPass® Application Licensing

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee
to execute an Interlocal Agreement (ILA), substantially in the form shown as Exhibit A to the
Resolution and subject to legal review, with the City of Lubbock, acting by and through Citibus, for
licensing of the GoPass® mobile app for a six-month pilot program with one-time fees for
onboarding, hosting and maintenance, and a service level agreement.

COMMITTEE CONSIDERATIONS

.   On May 25, 2021 the Administration Committee unanimously moved this item to the June 8,
    2021 Committee-of-the-Whole, with the condition that a long term licensing agreement be ready
    for approval within 4 months from execution of the Pilot Agreement.

FINANCIAL CONSIDERATIONS

.   Ongoing licensing and maintenance fees from Citibus will support the successful continued
    operation of the GoPass platform. The fees will support expenses incurred by DART for GoPass,
    including costs for hosting and licensing.

.   In the form included as Exhibit A to the resolution, the initial contract term of this ILA will be
    for six months with a mutual intent to establish a longer-term agreement.

.   Payment for GoPass licensing from Citibus detailed in this agreement is up to, but not
    exceeding, $47,674.

.   Of this total payment for services, DART will retain $24,614 for licensing, interchange, and
    program management fees, while Unwire will receive $23,060.

.   Payment of the following fees are included in the agreement:
    .   A one-time six-month pro-rated onboarding fee of $5,833.
    .   A one-time six-month pro-rated program management fee of $24,000.
    .   A one-time six-month pro-rated service fee of $3,000.
    .   One-time in-app revenue and interchange fees of $11,841.
    .   Microtransit integration set-up fee: $3,000.
BUSINESS PURPOSE

- The purpose of this agreement is to sub-license the GoPass platform with the City of Lubbock, acting by and through Citibus.

- Citibus has requested to enter into a six-month pilot period for GoPass to evaluate the benefits of a mobile ticketing system in supporting the needs of their riders. Citibus has communicated that if their riders respond favorably to GoPass, they will seek to establish a longer-term agreement with DART: Citibus has requested to enter into a six-month pilot period for GoPass to evaluate the benefits of a mobile ticketing system in supporting the needs of their riders. Citibus and DART agree that as consideration of this pilot program, a long-term licensing agreement is ready for approval by the Parties within four months from the execution of the Pilot Agreement. Approval of this ILA with Citibus broadens the reach of GoPass and brings revenue to DART to support the ongoing operation and development of the GoPass application.

- Approval of this ILA with Citibus broadens the reach of GoPass and brings revenue to DART to support the ongoing operation and development of the GoPass application.

- GoPass is a nationally recognized mobile ticketing and scheduling application in use across large portions of the DFW metroplex. Enhancements have been made that enable GoPass to function as a multi-regional platform without detriment to DART riders’ quality of product.

- The ILA is currently under consideration by Citibus. DART is seeking Board approval of this ILA and, upon receiving any changes from Citibus, will make necessary changes and seek final approval from DART’s Legal and Procurement teams before executing the agreement. If any requested changes create a substantiative difference to the terms outlined herein, DART staff shall return to the DART Board with the updated terms for consideration for approval. Upon DART Board approval, Citibus will create and submit a resolution for approval by the City of Lubbock City Council.

- Approval of this item will help achieve Board Strategic Priority 3: Innovate to enhance mobility options, business processes, and funding.

LEGAL CONSIDERATIONS

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

The Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code, authorizes DART to contract or agree with another local governmental to perform functions in which the contracting parties are mutually interested.

Approval of Citibus ILA-BD 2

6/2/2021 9:50:16 AM
DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Approval of an Interlocal Agreement Between DART and the City of Lubbock Acting by and Through Citibus for GoPass® Application Licensing

WHEREAS, DART has a contractual relationship with Unwire Payments & Mobility ApS (“Unwire”). Unwire maintains, develops, and hosts the System and provides support services as defined in the Service Level Agreement (“SLA”); and

WHEREAS, DART and City of Lubbock, acting by and through Citibus, have entered into discussions for Citibus to sublicense the GoPass application; and

WHEREAS, Citibus desires, under the terms of this Agreement, to access and utilize the GoPass application; and

WHEREAS, DART and Citibus are authorized to enter into this six-month pilot agreement through the Texas Interlocal Cooperation Act, Chapter 791, Texas Government Code, and Chapter 271, Subchapter F of the Texas Local Government Code; and

WHEREAS, DART and Citibus agree that as consideration of this pilot program, a long-term licensing agreement is ready for approval by the Parties within four months from execution of the Pilot Agreement.

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, subject to legal sufficiency review, to execute an Interlocal Agreement (ILA) substantially in the form shown as Exhibit A to the Resolution with Citibus for GoPass® mobile app licensing with one-time fees for onboarding, hosting and maintenance, and service level agreement.
Approval of an Interlocal Agreement Between DART and the City of Lubbock Acting by and Through Citibus for GoPass® Application Licensing

Prepared by: /s/ Nicole Fontayne-Bárdowell *
Nicole Fontayne-Bárdowell
Executive Vice President
Chief Administrative 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
Exhibit A

INTERLOCAL AGREEMENT FOR GOPASS SUBSCRIPTION AND LICENSE PILOT

This agreement ("Agreement") is between the City of Lubbock acting by and through Citibus ("Citibus"), located at 801 Texas Ave, Lubbock, TX 79401 and Dallas Area Rapid Transit ("DART"), a regional transportation authority created under Chapter 452 of the Texas Transportation Code, located at 1401 Pacific Street, Dallas TX 75202 (each herein referred to as a "Party" and collectively referred to as the "Parties"). The Agreement governs the City of Lubbock’s public transportation provider, Citibus, Use (defined below) of a certain mobile ticketing application, generally referred to as “GoPass®”, limited as set forth herein.

WHEREAS, DART has a contractual relationship with Unwire ApS ("Unwire"). Unwire maintains, develops and hosts the System and provides support services as defined in the Service Level Agreement ("SLA"); and

WHEREAS, Citibus desires, under the terms of this Agreement to access and utilize the System; and

WHEREAS, DART and Citibus are authorized to enter into this Agreement pursuant to the authority of the Texas Government Code, Chapter 791, the Interlocal Cooperation Act.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth herein, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS.

   a. “Acceptance”, as used herein, means the act of an authorized representative of Citibus who approves specific services, as partial or complete performance of this Agreement.

   b. “App” or “Application” means the customer facing aspects of the System.

   c. “Back Office” means the portion of the System which administers and supports the Application.

   d. "Confidential Information" means all information relating to the System, including the results of any testing performed under this Agreement. Confidential Information is made up of proprietary and trade secret information.

   e. “Correction,” as used herein, means the elimination of a defect.

   f. “Documentation” means the System technical manuals, training materials, specifications or other documentation applicable to the System software provided to Citibus by DART.

   g. “Licensor” means Unwire ApS. Unwire ApS may also be referred to as “Unwire” throughout this Agreement.

   h. “System” means the mobile ticketing application, the software, and the Back Office.
related to GoPass and any Upgrades made available hereunder to Citibus by DART.

i. "Upgrades" means all updates, upgrades, bug fixes, error corrections, enhancements and any other modifications to the System and backup copies of the related software.

j. “Use” or “Using” means to download, install, activate, access or otherwise use the System.

2. **ACCEPTANCE OF TERMS.** By signing this Agreement, Citibus agrees to be bound by the terms of the Agreement. The undersigned signatories on behalf of Citibus and DART represent he or she has signing authority. If the undersigned does not have such authority, Citibus may not Use the System provided by DART in any way, it may not be installed or downloaded, and it must be returned to DART in accordance with the notice provision here within three (3) days of the date Citibus received the software.

3. **LICENSE, CONDITIONS, AND OWNERSHIP.**

   a. Subject to payment of the License Fees (defined below) set forth in Exhibit A, attached hereto and incorporated herein for all purposes, as well as compliance with this Agreement, DART grants Citibus a limited, non-exclusive, non-sublicensable, and non-transferable license to Use the System as set forth herein and solely for Citibus’ internal operations, in accordance with the Documentation, and within Citibus’ existing service area. Citibus is solely responsible for the consequences of Citibus’ Use including, without limitation, obtaining any and all permits, licenses and other regulatory or other approvals required for such Use. Citibus hereby accepts all responsibility for such Use at Citibus’ sole risk. The System software provided to Citibus hereunder may contain open source software, subject to separate license terms made available with the software or Documentation.

   b. Citibus’ license is valid solely for the Term or period of time specified below in Section 14 hereof. Citibus’ right to Use the System software begins on the date the software is made available to Citibus for download or installation and continues until the end of the Term set forth below, unless otherwise terminated earlier under this Agreement or otherwise.

   c. Citibus is solely responsible for: (a) selecting the appropriate software and equipment for use in Citibus’ operations; (b) properly installing and configuring any System software provided under this Agreement; (c) testing the Application to verify that, when used separately or as part of Citibus’ operations, the Application and the System software provided operate as intended and according to the Documentation; and (d) ensuring that the System and software provided meets Citibus’ requirements. Citibus assumes all risks arising from its evaluation of the System, related software and Documentation.

   d. The license granted hereunder is conditioned upon Citibus’ payment to DART when due of the then-current one-time and recurring fees (individually, a “Fee” and collectively “Fees”) as well as any other applicable fees (all Fees dues hereunder, collectively “License Fees”) for the license granted herein, as set forth in Exhibit A.

   e. Upon termination of the SLA for the software provided, and in the absence of an alternate written agreement for maintenance services for the software, this Agreement
will automatically terminate, DART and its Licensor shall have no further obligation to
deriver maintenance services, and Citibus shall have no further right to Use the
System in any way. DART shall provide Citibus notice within 30 days prior to
termination of the SLA. Citibus acknowledges that its Use of any System software not
permitted hereunder violates the terms of this Agreement and is deemed to infringe
the rights of DART, Licensor, and any third parties with rights in and to the System.

f. DART and/or Licensor retain interests in all intellectual property rights in and to the
System, including copies, improvements, enhancements, derivative works and
modifications of the related software. Citibus’ right to Use such software is limited to
those expressly granted by this Agreement. No other rights with respect to the System
or any related intellectual property rights (including logos or marks) are granted or
implied. Citibus hereby covenants that it will not challenge DART’s or Unwire’s rights
to or ownership of the System (including derivatives and improvements), any DART,
Unwire, or GoPass entity trade name, trademark, trade device, logo, symbol or code
and the goodwill associated therewith, and related intellectual property rights, or
directly or indirectly, assert any rights with respect to any of the foregoing inconsistent
with DART’s or Unwire’s interests thereto or do or suffer to be done any other act or
thing that might in any way impair the rights of DART or Unwire in and to any of the
foregoing.

4. **INVOICES.** Invoices for License Fees shall be issued as provided in Exhibit A and payment
is to be due thirty (30) days after the invoice date. All payments to DART shall be in U.S.
dollars and in immediately available funds. Any failure to pay such invoices within ten (10)
days of when due (subject to any legitimately disputed amount which may be temporarily
withheld by Citibus for no more than thirty (30) days) shall entitle DART to terminate the
license granted hereunder and all rights to the System software provided and any other
rights addressed or granted herein.

5. **LIMITATIONS AND RESTRICTIONS.** Citibus shall not: and will not authorize a third party
to:

a. transfer, sublicense, or assign Citibus’ rights under this license to any other person or
entity, unless expressly authorized by DART and Unwire in advance in writing;

b. modify, adapt or create derivative works of the System software or Documentation;

c. reverse engineer, decompile, decrypt, disassemble or otherwise attempt to derive the
source code for the System;

d. make the functionality of the System or System software available to third parties,
whether as an application service provider, or on a rental, service bureau, cloud
service, hosted service, or other similar basis unless expressly authorized by DART
and Unwire in advance in writing;

e. use System software that is licensed for a specific device, whether physical or virtual,
on another device, unless expressly authorized by DART and Unwire in advance in writing;

f. remove, modify, or conceal any product identification, copyright, proprietary,
intellectual property notices or other marks on or within the System; or
g. take or permit any act that would in any way impair the rights of DART and Unwire in the System.

6. **DART RESPONSIBILITIES.**

   a. **Communication.** DART shall identify a project representative to coordinate all communication with Citibus regarding this Agreement. Citibus shall not communicate with DART’s licensors with regard to this Agreement or with regard to changes or additional features of the System, unless expressly agreed to in advance by DART. Notwithstanding the foregoing, reference is made to Exhibit C, attached hereto and incorporated herein for all purposes, which is executed by Unwire and which sets out services to be provided to Citibus by Unwire.

   b. **Tickets.** DART shall incorporate or cause to be incorporated, Citibus ticket types, pricing, logo and service marks into the App and make the Citibus tickets available for sale to the public in the App. DART reserves the right to exclude any ticket type and shall provide notice of such exclusion to Citibus.

   c. **Refunds.** As part of resolving customer complaints, DART may make refunds to Citibus customers. Refunds shall only be made by DART for tickets that have not been activated and where the refund amount is $15.00 or less. This amount may be changed by written agreement of the Parties and without the need to amend this Agreement. Any other refunds to Citibus customers shall require the approval of Citibus. Refunds by DART shall be processed electronically with Citibus funds accessed through the Back Office.

   d. **Back Office.** DART shall provide or cause to be provided to Citibus a portal to a portion of the Back Office to access Citibus data. Citibus data shall be available in the Back Office for at least eighteen (18) months from the date of the transaction.

   e. **App Stores.** DART shall be responsible for posting the App to the appropriate App stores and for keeping the App current, as DART determines to be necessary, at no charge to Citibus. DART shall promote the App at DART’s discretion.

   f. DART will provide commercially reasonable efforts to: (a) cause the System to be delivered to Citibus without disruption to functionality, and (b) to cooperatively resolve any issues either or both Parties may have with Unwire or each other.

7. **CITIBUS RESPONSIBILITIES.**

   a. **Communication.** Citibus shall identify a project representative to coordinate all communication with DART regarding this Agreement.

   b. **Back Office.** To the extent currently available, and as may be further available during the Term of this Agreement, Citibus shall be responsible for modifying Citibus’ user interfaces that are available for sale in the App using tools available in the Back Office. It shall be Citibus’ responsibility to ensure that the data entered is accurate, either by direct data entry when available to Citibus, or by consistent and diligent review when direct data entry is not available to Citibus. DART assumes no responsibility for the accuracy of Citibus’ data.
c. **Tickets.** Until Citibus has obtained direct access for data entry, Citibus shall provide information about the user interfaces (ticket type and price) that it desires to be made available through the App. Citibus shall notify DART in writing of changes in such information.

8. **WARRANTY**

Unwire warrants that the System provided under this Agreement will be free from defects in workmanship and will conform to requirements of this Agreement. Citibus shall provide written notice to DART of any defect or nonconformance of the System to be addressed by Unwire. This notice shall state whether Citibus requests or requires Correction of such defect or shall indicate that Citibus does not require correction. If Unwire is required to correct or reperform, it shall be at no cost to Citibus and Correction provided by Unwire shall be subject to the terms of this Agreement to the same extent as work initially performed.

The System does not include fail-safe control functionality and is not designed, manufactured, intended, nor authorized to be used to provide fail safe functionality and is not licensed for use in the operation of transportation navigation systems, transportation communication systems, traffic control facilities or electrical facilities or for any other use in which the failure of the System, System software or any component thereof could lead to death, personal injury, physical, environmental, property or financial damage. The System software is provided “as is” and DART and Unwire expressly disclaims all warranties, conditions or other terms, whether express, implied or statutory, including without limitation, warranties, conditions or other terms regarding merchantability, fitness for a particular purpose, design, condition, capacity, performance, title, and non-infringement. DART and Unwire does not warrant that the System or System software will operate uninterrupted or error-free or that all errors will be corrected. DART and Unwire does not warrant that the System or system software or any equipment, system or network on which the software is used will be free of vulnerability to intrusion or attack.

9. **LIMITATIONS AND EXCLUSIONS OF LIABILITY.** In no event will DART and Licensor be liable for the following, regardless of the theory of liability, or whether arising out of the Use or inability to Use the System, System software, contract, warranty, tort (including negligence), product liability or: (a) indirect, incidental, exemplary, special or consequential damages; (b) loss or corruption of data or interrupted or loss of business; or (c) loss of revenue, profits, goodwill or anticipated sales or savings. DART and Licensor also disclaims any and all responsibility for costs that may be incurred by Citibus resulting from downtime of the Payment Service Provider’s services. Liability, if any, of DART, Licensor, its affiliates, officers, directors, employees, agents, suppliers, and licensors collectively, to Citibus, whether based in warranty, contract, tort (including any level of negligence), or any other theory, if available at all, shall not exceed the License Fees paid by Citibus to DART in the twelve (12) months preceding the claim. This limitation of liability is cumulative and not per incident. Nothing in this Agreement limits or excludes any liability that cannot be limited or excluded under applicable law. DART in no way intends to nor shall be deemed to herein or by performing hereunder to have waived any governmental immunity, defenses or limitations on liability available to DART under Texas or any other applicable law. CITIBUS HEREBY ACKNOWLEDGES AND AGREES THAT THE TERMS AND PROVISIONS OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION THE EXHIBITS AND THE PRICES
AND OTHER CHARGES CONTEMPLATED HEREIN, ARE BASED UPON THE LIMITED WARRANTY, LIMITATIONS OF LIABILITY, DISCLAIMERS AND INDEMNIFICATION PROVISIONS SET FORTH HEREIN, AND THAT DART WOULD NOT HAVE ENTERED INTO THIS AGREEMENT OR GRANTED CITIBUS THE RIGHTS SET FORTH HEREIN IN THE ABSENCE OF ANY OF THESE PROTECTIONS AND PROVISIONS.

10. **UPGRADES AND ADDITIONAL COPIES OF SOFTWARE.**

Notwithstanding any other provision of this Agreement, Citibus is not permitted to use Upgrades unless Citibus, at the time of acquiring such Upgrade:

a. already holds a valid license for the original version of the relevant System software, is in compliance with such license, and has paid DART the applicable License Fee for the Upgrade;

b. limits Citibus' Use of Upgrades or copies to Use on devices Citibus owns or leases; and

c. unless otherwise provided in the Documentation, makes and Uses additional copies solely for backup purposes, and which backup is limited to archiving for restoration purposes.

11. **TOKEN SHARING AGREEMENT.** The Token Sharing Agreement governing certain payment procedures and protocols, attached hereto as Exhibit B, and incorporated herein for all purposes, will simultaneously be executed by the Parties upon execution of this Agreement.

12. **SERVICE LEVEL AGREEMENT.** Terms for the Service Level Agreement (“SLA”) are included in Exhibit C. DART and Unwire have certain responsibilities for performing troubleshooting activities and support for Citibus as detailed in Exhibit C. Unwire is solely responsible for maintaining GoPass service availability and responsible for any penalties related to any deficiencies in SLA performance as set out in Exhibit C. Notwithstanding the foregoing, certain service incidents shall also be reported to DART as set out in Exhibit C.

13. **AUDIT.** During the Term hereof and for a period of three (3) years after its expiration or termination, Citibus will take reasonable steps to maintain complete and accurate records of Citibus’ use of the System and System software sufficient to verify compliance with this Agreement. Within a reasonable period following a written request from DART, not more than once annually, Citibus will certify accurate counts regarding Citibus’ Use of the System software. If the certified count discloses underpayment of License Fees, Citibus will promptly pay such License Fees to DART, plus an interest rate of five percent (5%) per annum on unpaid sums.

14. **TERM AND TERMINATION.** This Agreement shall commence on the date it is last executed by a Party and shall remain effective for six (6) months thereafter (“Initial Term”), unless earlier terminated as set forth herein. Citibus agrees that as consideration of this pilot program, a long term licensing agreement be ready for approval by the Parties within 4
months from execution of the Pilot Agreement. This Agreement will terminate at DART’s discretion and upon written notice from DART if Citibus breaches its terms, or if Citibus fails to pay any portion of the License Fees as required herein and Citibus fails to cure that breach or non-payment within sixty (60) days of written notice of breach or non-payment. Upon termination of this Agreement and/or the license grant, Citibus shall cease Use of the System and shall destroy all copies of System software in Citibus’ possession or control.

15. **TRANSFERABILITY.** This Agreement may not be assigned without the prior written consent of the other Party, which may be withheld for any reason. Notwithstanding the foregoing, either Party may transfer this Agreement, upon reasonable, and no less than thirty days, advance written notice to the other Party, to a wholly owned-subsidiary of the transferring Party; and DART may transfer this Agreement to a party approved by the DART Board of Directors.

Citibus may not transfer or assign these license rights to another person or entity without DART’s advance written approval. Any attempted transfer or assignment in violation of the foregoing shall be void and of no effect.

16. **SURVIVAL.** Sections 3(f), 5, 8, 9, 10, 13, 15, 17, 18, 19, 20, 21, 22, and 23 shall survive termination or expiration of this Agreement.

17. **CONFIDENTIALITY.** Subject to applicable statutory requirements, including any applicable open records requirements each Party shall keep such Confidential Information provided by the other confidential and shall not use the Confidential Information for the benefit of any third party or in violation of the terms of this Agreement. Except as required by applicable law, Citibus shall not disclose such information to any other person or entity, except to employees who require access to such information in order to Use the System as contemplated herein, and then only after obtaining an agreement from said employees to keep the Confidential Information confidential to the same extent as required herein. Citibus may only use the Confidential Information as necessary to exercise the rights expressly granted hereunder. Subject to applicable law, including applicable records retention requirements, upon expiration or termination of this License, Each Party shall destroy all Confidential Information learned or received from the other and provide written certification of same signed by an officer of that Party. Except when disclosure is required by law each Party shall be responsible for ensuring that any third party receiving Confidential Information from such Party shall comply with the confidentiality and non-disclosure terms herein and shall be responsible for any breach thereof by any third party. Any breach of the provisions of this Section is a breach of this Agreement and may cause irreparable harm to the non-breaching Party who shall be entitled to receive injunctive or equitable relief, in addition to all other available legal remedies.

18. **RELEASE.** Citibus hereby unconditionally and irrevocably releases and discharges DART AND LICENSOR AND THEIR EMPLOYEES, DIRECTORS, CONTRACTORS, SUPPLIERS, AND LICENSORS (collectively, the “DART Parties”) from any and all loss, claim, damage or other liability associated with, arising from or related to Citibus’ evaluation, access, or Use of the System, System software or Documentation, and to the extent allowed by law, hereby agrees to indemnify, defend and hold DART and the DART Parties harmless against any such liability, including without limitation, any liability resulting from DART’s negligence at any level.
19. **OTHER REMEDIES.** Nothing contained herein shall limit any remedies that either Party may have for default under this Agreement, nor relieve either Party of any of its obligations incurred prior or after to termination of this Agreement.

20. **GOVERNING LAW, JURISDICTION AND VENUE.** This Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement, will be governed, interpreted and construed in accordance with the laws of the State of Texas. Venue for any action brought in connection or related with this Agreement shall be only in Dallas County, Texas or the Federal District Court, Northern District of Texas, Dallas Division. By their signatures below, the Parties irrevocably submit themselves to exclusive jurisdiction as set forth herein.

21. **INTEGRATION AND SEVERABILITY.** If any portion of this Agreement is found to be void or unenforceable, the remaining provisions of the Agreement shall remain in full force and effect. Except as expressly stated or as expressly amended in a signed agreement, this Agreement constitutes the entire agreement between the Parties with respect to the license of the System to Citibus and any other related matter and supersedes any conflicting or additional terms contained in any other agreement, any request for proposal or other proposal, purchase order or elsewhere, all of which terms are excluded.

22. **REPRESENTATION BY COUNSEL.** Each Party to this Agreement acknowledges that such Party has: (a) read this Agreement in its entirety; (b) had full opportunity to review this Agreement; and (c) been (or had the opportunity to be) represented by competent counsel in connection with this Agreement, the negotiation of the terms and conditions set forth in this Agreement and the transactions contemplated by this Agreement. Accordingly, the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. Any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting Party has no application and is expressly waived by Citibus.

23. **REGISTERED TRADEMARKS.** Citibus acknowledges that “DART”, the DART logo and “GoPass” are trademarks or registered trademarks of DART and/or its affiliates in the U.S. and other countries. Third party trademarks mentioned are the property of their respective owners and no rights relative thereto are granted, unless specifically set forth herein.

24. **INDEPENDENT PARTIES.** The relationship described in this Agreement is contractual in nature between independent parties and is not to be construed to create a partnership, joint venture, joint enterprise or agency relationship.

25. **NO THIRD PARTIES.** Nothing in this Agreement shall be construed to create any rights in a third party nor do the Parties intend to create any third-party beneficiaries.

26. **NOTICES.** Any notice required or permitted to be given by any Party to another shall be in writing and shall be deemed to have been duly given when sent by certified mail, return receipt requested, in a postage paid envelope addressed to the Party at the Party’s address as set out below:

DART: Dallas Area Rapid Transit
1401 Pacific Avenue
COUNTERPARTS. This Agreement may be entered into in multiple counterparts, each of which shall be deemed an original but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple originals, effective as of the date last signed by a Party.

DALLAS AREA RAPID TRANSIT

By: __________________________
    David Leininger
    Interim President & Chief Executive Officer

Date: __________________________

CITIBUS

By: __________________________

Date: __________________________

Exhibits to Agreement. Exhibits B and C to be executed simultaneously with this Agreement.

Exhibit A   Exhibit A: Pricing & Feature Scope
Exhibit B   Token Sharing Agreement
Exhibit C   Service Level Agreement
Citibus PILOT ILA Agreement – Exhibit A: Pricing & Feature Scope

Feature Scope:

GoPass App Delivery

Overview: Develop Citibus instance within the GoPass branded application and includes all key features of the native GoPass application.

Implementation timeline: Implementation is expected to take three months from fully executed interlocal agreement.

One-time Fees:

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<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro-rated set-up fee</td>
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<tr>
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<tr>
<td>Operational fee</td>
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<td>Service Level Agreement (SLA) fee</td>
<td>$3,000</td>
</tr>
<tr>
<td>Spare Labs Microtransit integration fee</td>
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<td>Waived</td>
</tr>
<tr>
<td>Credit card &amp; interchange gateway fees</td>
<td>$4,554</td>
</tr>
</tbody>
</table>

Total: $47,674

Feature Delivery Invoicing Schedule:

50% Invoiced on commencement of work, 50% upon Acceptance by Citibus

Interlocal Agreement Pricing Limitation

Both DART and Citibus agree that, for the purposes of this six month pilot program and scope of services outlined in this agreement, total fees are not to exceed $50,000.
This agreement ("Agreement") is between the City of Lubbock acting by and through Citibus ("Citibus"), located at 801 Texas Ave, Lubbock, TX 79401 and Dallas Area Rapid Transit ("DART"), a regional transportation authority created under Chapter 452 of the Texas Transportation Code, located at 1401 Pacific Street, Dallas TX 75202 (each referred to as a "Party" and collectively referred to as the "Parties"). The Agreement governs the Citibus' public transportation provider, Citibus, Use (defined below) of a certain mobile ticketing application, generally referred to as "GoPass®", limited as set forth herein

WHEREAS, the Parties have entered into an Interlocal Agreement dated simultaneously herewith to provide mobile ticketing services in order to allow Citibus to access and utilize GoPass mobile ticketing products; and

WHEREAS, in order to facilitate payment processing, the Parties desire to enter into this Agreement regarding certain data sharing.

NOW THEREFORE, for and in consideration of the mutual covenants of the Parties set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is acknowledged by the Parties, the Parties agree as follows:

1.00 DEFINITIONS

1.01. "Token" means unique identification symbols that identify a credit card number of a User (defined below).

1.02. "Service Provider" means a third party engaged by DART or a contractor of DART to convert credit card numbers of Users to encrypted digital representations ("Tokens").

1.03. "User" means a customer of one of the Parties that purchases a product or services from that Party on the mobile ticketing platform.

1.04. "Unwire" means Unwire ApS,

2.00 SHARING OF TOKENS

2.01. When a User registers itself with one of the Parties on the mobile ticketing platform the User registers a credit card. The credit card information will be sent to a service provider who will provide with a Token to be used for future transactions with the User.

2.02. A Token may be shared between Parties or with Unwire or another contractor of DART.

2.03. The Parties will not receive any payment for sharing Tokens.

3.00 RIGHTS IN DATA

3.01. This Token Sharing Agreement ("Agreement") shall not be deemed in any way grant to any Party any property or other rights to any Token that was received or shared by that
3.02. Upon termination of this Agreement, the Parties shall delete any and all Tokens and records of Tokens from storage and use and the Parties shall no longer be entitled to use such Tokens for any purpose.

4.00 TERM, WITHDRAWAL AND TERMINATION

This Agreement shall be effective as of the date last signed by a Party and shall remain effective for the duration of and be conterminous with the Interlocal Agreement between DART and Citibus dated of even date herewith (the “ILA”) governing the use of GoPass

5.00 MISCELLANEOUS PROVISIONS

5.01. Liability. It is understood and agreed between the Parties that each Party shall be responsible for its own acts of negligence in connection with this Agreement and neither Party shall be responsible to another Party for any negligent act or omission in connection with this Agreement. If injury, financial, or property damage results from the joint or concurrent negligence of any of the Parties, liability, if any, shall be shared by each Party on the basis of comparative responsibility in accordance with the applicable laws of the State of Texas, subject to all defenses available, including governmental immunity. No provision herein shall be deemed a waiver of any defense by any Party.

5.02. Contractual Relationship. It is understood and agreed that the relationship described in this Agreement between the Parties is contractual in nature between independent Parties and is not to be construed to create a partnership, joint venture, joint enterprise or agency relationship between the Parties. No Party shall be liable for any debts incurred by the other Party in the conduct of such other Party's business or functions.

5.03. Assignment. This Agreement may not be assigned by any Party without the prior written consent of the other Party, which consent may be withheld in the sole discretion of the Party being asked to consent.

5.04. Amendments to Agreement. No modification, amendment, innovation, renewal or other alteration of this Agreement shall be effective unless mutually agreed upon in writing, duly authorized and executed by the Parties hereto.

5.05. Severability. If any provision of this Agreement is held for any reason to be illegal, unenforceable or invalid, such holding will not affect the legality or validity of any of the other provisions herein. The illegal, unenforceable or invalid provision will be deemed stricken and deleted from this Agreement, but all other provisions shall continue and be given effect as if the illegal or invalid provisions had never been incorporated.

5.06. Choice of Laws and Venue. This Agreement shall be governed by Texas law and exclusive venue shall be in Dallas County, Texas.

5.07. Counterparts. This Agreement may be executed in multiple counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

5.08. Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of
time following the termination of this Agreement, shall survive termination.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in multiple originals effective as of the date last signed by a Party.

DALLAS AREA RAPID TRANSIT

By: _______________________
    David Leininger
    Interim President & Chief
    Executive Officer

Date: ______________________

CITIBUS

By: _______________________

Date: ______________________
1.00 PURPOSE

This is a Service Level Agreement ("SLA") between Unwire ApS ("Unwire"), Dallas Area Rapid Transit ("DART") and the City of Lubbock acting by and through Citibus ("Citibus"), for IT services required to support and sustain GoPass as provided to City by Dallas Area Rapid Transit ("DART" or "Vendor"). Unwire is solely responsible for GoPass service availability and for any availability penalties in accordance with Table 4.

DART’s responsibility under this SLA is limited to assistance in remediation of incidents reported to DART within DART business hours. Any and all other obligations and liabilities under this SLA are obligations of Unwire.

This Agreement remains in effect until superseded by a revised agreement mutually endorsed by Unwire, DART and Citibus or terminated as set forth herein. This Agreement is coterminous with the Interlocal/Sublicensing Agreement (the "ILA") between DART and Citibus dated of even date herewith.

2.00 SERVICE LEVELS

Unwire offers three (3) service levels as specified below. For the avoidance of doubt all times referred to in this SLA are cited as CST/CDT (US Central Standard Time/US Central Daylight Time), whichever one is applicable for Citibus from time to time, unless otherwise specified.

Table 1 Service Levels

<table>
<thead>
<tr>
<th>Service Levels</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>Access to Vendor’s technical support services within Vendor’s business hours.</td>
</tr>
<tr>
<td>Plus</td>
<td>Same as Standard plus additional access to server duty Monday-Friday 17:00- 22:00 in case of P1 Events*</td>
</tr>
<tr>
<td>Premium</td>
<td>Same as Standard plus additional access to server duty 24 hours a day, 7 days a week, 365 days a year in case of P1 Events*</td>
</tr>
</tbody>
</table>

* As defined in Tables 5a to 5c below.

Citibus will be provided “Premium” service level. The price to Citibus for these services is reflected in the ILA. DART’s business hours are 09.00-17.00 Monday-Friday (CST/CDT), excluding US public holidays and Decembers 24 and December 31. Business days are Monday-Friday, excluding US public holidays and 12/24 and 12/31.

Unwire business hours are from 09.00-17.00 Monday-Friday (CET/CEST), excluding Danish public holidays and December 24 and December 31. A full list of Danish national holidays can be found at this location: https://www.worlddata.info/europe/denmark/public-holidays.php

3.00 HOSTED BACK END SERVICE AVAILABILITY

Availability of the hosted services is measured on a quarterly basis, recognized as 1st quarter (January through March), 2nd quarter (April through June), 3rd quarter (July through September) and 4th quarter (October through December) of the calendar year.
Table 2 Uptime

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Agreed Availability</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>≥ 98,00%</td>
<td>Per quarter</td>
</tr>
<tr>
<td>Plus</td>
<td>≥ 99,50%</td>
<td>Per quarter</td>
</tr>
<tr>
<td>Premium</td>
<td>≥ 99,90%</td>
<td>Per quarter</td>
</tr>
</tbody>
</table>

Availability Calculation
Service Availability is measured in percentages and calculated as follows:

\[
\text{Service Availability} (%) = \frac{\text{Agreed Service Time} - \text{Downtime}}{\text{Agreed Service Time}} \times 100
\]

Agreed Service Time herein means 24 hours a day, 7 days a week, 365 days a year. For example, 2nd quarter has an Agreed Service Time of 2,184 hours.

Downtime is defined as the percentage of time for which the hosted business critical service(s) is/are down. All types of breakdown/incidents, irrespective of reason, caused by payment providers, telecoms operators, telecoms companies, energy supply companies and any third party services are not considered as “Downtime” as defined herein. Amazon AWS is not seen as a third party for purposes of this definition. Service windows announced in accordance with the SLA are not considered Downtime. Any downtime caused by Citibus that affects the software and the systems without Unwire’s prior approval is not considered Downtime.

3.1 SERVICE WINDOWS

Service windows related to necessary system changes and maintenance will be made outside normal working hours as set forth in Table 3. Unwire reserves the right to extend the service windows for Premium level (01.00-05.00) if server/networks installations and system restructuring are required. A temporary extension of hours will not be considered downtime.

Table 3 Service Windows

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Service Windows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>18.00 – 08.00 (Business Days)</td>
</tr>
<tr>
<td>Plus</td>
<td>22.00 – 06.00 (one day a week)</td>
</tr>
<tr>
<td>Premium*</td>
<td>02.00 – 04.00 (one day a week)</td>
</tr>
</tbody>
</table>

*For Premium level: All regular and extended service windows are notified by Unwire email. All regular service windows are notified one day in advance and extended service windows (01.00-05.00) are notified one week in advance.

3.2 AVAILABILITY PENALTY

If system availability fails to comply with the applicable service level, Citibus will be compensated by Unwire as set forth in Table 4. This compensation will appear in the monthly invoice to Citibus.
Table 4 Availability penalty

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Availability Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>“Compensation value”: None</td>
</tr>
<tr>
<td>Plus</td>
<td>“Compensation value”: 15% of the monthly fixed SLA charge for each absolute percentage discrepancy (However, no more than 25% of the monthly SLA fee)</td>
</tr>
<tr>
<td>Premium</td>
<td>“Compensation value”: 75% of the monthly SLA Charge for each absolute percentage discrepancy (However, no more than 100% of the monthly SLA fee)</td>
</tr>
</tbody>
</table>

Penalties cannot co-exist. Only the penalty with the highest compensation value will apply. The compensation value will be provided as a service credit.

4.00 INCIDENT MANAGEMENT

DART and Unwire will remedy reported incidents in accordance with the guidelines set forth in this SLA agreement.

P1 incidents within DART business hours: Within DART business hours, all P1 incidents must be reported to DART as set forth below:

email to GOPASS@dart.org Phone to 214-907-3905

P1 incidents outside DART business hours: Outside DART business hours, all P1 incidents must be reported by phone as set forth below:

phone to +1-855-631-8909

P2-P4 incidents (DART business hours only): All P2-P4 incidents must be reported as set forth below:

email to GOPASS@dart.org Phone to 214-907-3905

Incidents are categorised in accordance with the following Tables 5a, 5b and 5c.

Table 5a Incident severity definitions

<table>
<thead>
<tr>
<th>Severity category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical</td>
<td>Complete loss of service or functionality with critical impact to business services, i.e. significant loss of revenue, customer service, production, corporate reputation or financial control. Examples of Critical issues would be:</td>
</tr>
<tr>
<td></td>
<td>• Customers cannot access GoPass at/after opening</td>
</tr>
<tr>
<td></td>
<td>• Tickets cannot be activated or viewed</td>
</tr>
<tr>
<td></td>
<td>• Ticket purchase cannot be completed</td>
</tr>
<tr>
<td>Severity category</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| High              | Loss of service or functionality, which will degrade parts of the business services. Instability, large delays and periodic influences or the user experience. Examples of High issues would be:  
  - Access to travel tools is not available  
  - Customers cannot access OTP  
  - Service is consistently unavailable and causes a high level of hindrance |
| Medium            | Service partly degraded or parts of the customers’ whole service not available. Examples of Medium issues would be:  
  - Access other integrated apps such as e.g. PayNearMe, BCycle and other integration points  
  - Features of the application are not updating or displaying correctly  
  - Customer cannot store or modify payment method or features in their profile  
  - App is an inconvenience or causes inconsistent behavior, which does not impede the normal functioning of the app  
  - Outage creates time outs resulting in multiple charges to the bank with no delivery of tickets in the app  
  - Performance of the service is severely impacted |
| Low               | Issues in a redundant element or incidents not critical for the business services. Examples of Low issues would be:  
  - Customers cannot register their device  
  - Customers not able to view or activate their tickets due to device issues  
  - Citibus unable to access reports |

Table 5a Incident severity definitions (continued)

<table>
<thead>
<tr>
<th>Impact category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive</td>
<td>All end-users affected</td>
</tr>
<tr>
<td>Significant</td>
<td>A large number of end-users affected (more than 25% of end users)</td>
</tr>
<tr>
<td>Limited</td>
<td>A limited group of end-users affected (more than 5% and lower that 25% of end users)</td>
</tr>
<tr>
<td>Local</td>
<td>Very few or only one end-user affected</td>
</tr>
</tbody>
</table>
Table 5c Incident priority definitions

<table>
<thead>
<tr>
<th>Impact category</th>
<th>Critical</th>
<th>High</th>
<th>Normal</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extensive</td>
<td>P1</td>
<td>P1</td>
<td>P2</td>
<td>P4</td>
</tr>
<tr>
<td>Significant</td>
<td>P1</td>
<td>P2</td>
<td>P3</td>
<td>P4</td>
</tr>
<tr>
<td>Limited</td>
<td>P2</td>
<td>P3</td>
<td>P3</td>
<td>P4</td>
</tr>
<tr>
<td>Local</td>
<td>P3</td>
<td>P3</td>
<td>P4</td>
<td>P4</td>
</tr>
</tbody>
</table>

4.1 INCIDENT REACTION TIMES

Troubleshooting begins as stated in Table 6a and 6b:

Table 6a Time specification for troubleshooting of incidents related to the hosted backend system

<table>
<thead>
<tr>
<th>Incident category</th>
<th>Initiated troubleshooting</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Within 2 hours</td>
</tr>
<tr>
<td>P2</td>
<td>Within 4 business hours</td>
</tr>
<tr>
<td>P3</td>
<td>Within 2 business days</td>
</tr>
<tr>
<td>P4</td>
<td>Within 4 business days</td>
</tr>
</tbody>
</table>

Table 6b Time specification for troubleshooting of incidents related to the end-user client app

<table>
<thead>
<tr>
<th>Incident category</th>
<th>Initiated troubleshooting</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Within 2 business hours</td>
</tr>
<tr>
<td>P2</td>
<td>Within 8 business hours</td>
</tr>
<tr>
<td>P3</td>
<td>Next (non-started) app release or max thirty (30) calendar</td>
</tr>
<tr>
<td>P4</td>
<td>Will be monitored and recurring cases will be investigated in next (non-started) app release or within ninety (90) calendar days</td>
</tr>
</tbody>
</table>

4.2 END-USER CLIENT APP BUGS

Work related to fixing bugs due to an OS update or carrier or device manufacturer permutations of the OS code will be priced separately.

Neither DART nor Unwire will remediate bugs on devices not running the latest OS release or the release before that. Neither DART nor Unwire will remediate bugs for client apps not using the latest app version. Troubleshooting will take place within the timeframes stated in Table 7. The reaction time is calculated from the time the incident is reported by email until the first reply has been made to the user by email or phone.
Table 7 Troubleshooting service level windows vs. incident categories

<table>
<thead>
<tr>
<th>Service Level</th>
<th>System</th>
<th>Severity Category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Critical</td>
</tr>
<tr>
<td></td>
<td></td>
<td>High</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medium</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Low</td>
</tr>
<tr>
<td>Standard</td>
<td>Backend system and end user client app</td>
<td>Unwire Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Hours</td>
</tr>
<tr>
<td>Plus</td>
<td>End user client app</td>
<td>Same as Standard</td>
</tr>
<tr>
<td></td>
<td>Backend system</td>
<td>Monday-Friday</td>
</tr>
<tr>
<td></td>
<td></td>
<td>09.00-22.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(CEST/CEST)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>e</td>
</tr>
<tr>
<td></td>
<td></td>
<td>xcl. Danish</td>
</tr>
<tr>
<td></td>
<td></td>
<td>public holidays</td>
</tr>
<tr>
<td></td>
<td></td>
<td>and 24/12 and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31/12</td>
</tr>
<tr>
<td>Premium</td>
<td>End user client app</td>
<td>Same as Standard</td>
</tr>
<tr>
<td></td>
<td>Backend system</td>
<td>24 hours a day,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 days a week,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>365 days a year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Same as Standard</td>
</tr>
</tbody>
</table>

5.00 TECHNICAL SUPPORT ENQUIRIES

In addition to reporting incidents and bugs as per above, Citibus may make a number of cost-free support inquiries to DART (questions or requests for assistance per month), as set forth below.

Support inquiries shall be made by email to GOPASS@dart.org

Table 8 Technical support enquiries

<table>
<thead>
<tr>
<th>Service Level</th>
<th>Technical support inquiries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>4 support inquiries within business hours per month</td>
</tr>
<tr>
<td>Plus</td>
<td>6 support inquiries within business hours per month</td>
</tr>
<tr>
<td>Premium</td>
<td>12 support inquiries within business hours per month</td>
</tr>
</tbody>
</table>

Assistance over and above the amount in Table 8 will be invoiced in accordance with the support rates per initiated hour specified in Pricing Exhibit within the ILA. Citibus will not be invoiced for any time spent unless Citibus has been informed in advance.
6.00 REPORTING

For Premium level, Citibus shall receive reports on a quarterly basis, recognized as 1st quarter, 2nd quarter, 3rd quarter and 4th quarter of the calendar year the following month.

The report is based on data from the internal monitoring systems and other internal data sources.

The report includes the following data:

6.1. Service availability
6.2. Overview of bug reports and inquiries processed in DART’s service desk with open and closed status

If any P1 incidents occurs, an incident report will by request be created to Citibus including affected services, root cause description and corrective actions.

7.00 HOSTING

To ensure all data is stored and processed in the US as well as to ensure a flexible and scalable solution for future growth, the GoPass ticket application service is located in a public cloud environment at Amazon Web Service. The hosted service is within Region US-east-1 (US East (N. Virginia)). For Premium service level the hosted service will be located in 2 (two) availability zones to ensure high availability.

Unwire’s production and staging environment will be located at the public cloud environment. Other environments, such as test setup, will be located at Unwire’s private cloud environment in Copenhagen, Denmark or in a public cloud environment in Europe. No personally identifiable information ("PII") will be transferred to these environments. Only maintenance and administration tools may be used from the private cloud environment in Denmark.

8.00 LIMITATION AND EXCLUSIONS OF LIABILITY

Liability, if any, of DART and/or Unwire, and/or their affiliates, officers, directors, employees, agents, suppliers, to Citibus, whether based in warranty, contract, tort (including negligence), or otherwise, shall not exceed the License Fees paid by Citibus to DART in the twelve (12) months preceding any such claim. This limitation of liability is cumulative and not per incident. Nothing in this Agreement limits or excludes any liability that cannot be limited or excluded under applicable law.

9.00 CUSTOMER’S SECURITY OBLIGATIONS

Citibus’ conduct may affect the operation of the systems. In order to guard against unauthorized access to the Citibus’ information and operation, services are protected by an access control function. This is predominately based on the use of a user ID and associated passwords where the passwords are known only by the user. A prerequisite for this protection to be effective is that, Citibus contributes to maintaining this All parties to include Unwire, DART and Citibus undertake to inform one another of any irregularities of which they may become aware concerning data security, including any attempts to misuse or ascertained misuse of user ID and/or passwords.

Citibus and DART are obliged to follow all third party safety precautions and rules, preconditioned that the Citibus is or should be familiar with the fact that third party components or services are
used by the system. Citibus is required to follow obligations under Texas and Federal law with respect to PII and sensitive personal information.

If the Customer's security obligations are not fulfilled, Unwire and DART’s SLA obligations will become void.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple originals effective as of the date last signed by a Party.

DALLAS AREA RAPID TRANSIT

By: ____________________________
    David Leininger
    Interim President & Chief Executive Officer

Date: ____________________________

CITIBUS

By: ____________________________

Date: ____________________________

UNWIRE

By: ____________________________

Date: ____________________________
Agenda Report

DATE: June 8, 2021

SUBJECT: Approval of Transitional Operations Agreement Between DART and Kansas City Southern Railway Company (KCS) for Construction of the Silver Line Regional Rail Project Along the KCS Alliance Subdivision from Renner Junction to East of Shiloh Road

RECOMMENDATION

Approval of a resolution authorizing the Interim President & Chief Executive Officer or his designee to execute a Transitional Operations Agreement between DART and KCS for the Silver Line Regional Rail Corridor Project, substantially in the form of Exhibit 1 to the resolution, and authorize payment in an amount not to exceed $8,472,480.

FINANCIAL CONSIDERATIONS

• This Transitional Operations Agreement is included in the Silver Line Regional Rail Corridor project budget of the approved FY 2021 Capital Budget.

• Sufficient funding for this agreement in the amount of $8,472,480 is included in both the Silver Line Regional Rail Corridor project budget and in the Commuter Rail and Railroad Management line item of the Amended FY 2021 Twenty-Year Financial Plan.

• Funding for this item is provided by the Federal Railroad Administration (FRA) Railroad Rehabilitation and Improvement Financing Program (RRIF) loan program.

BUSINESS PURPOSE

• Approval of this payment and authority to execute the Agreement will assist DART in achieving Board Strategic Priority 1: Enhance the safety and service experience through customer-focused initiatives; and Strategic Priority 5: Enhance DART’s role as a recognized local, regional and national transportation leader.

• DART has negotiated a Transitional Operations Agreement (TOA) with KCS. This will enable DART to complete the design and progress construction and integrated testing of the Silver Line in the KCS operated section of the project from Renner Junction to Shiloh Rd.

• TOA will be coterminous with current Trackage Rights Agreement (TRA).

• An amendment to the existing TRA will be required for final operations for joint Silver Line service and KCS freight operations. The final TRA amendment will be submitted for approval at a later date.
• The TOA will include agreements for Design, Construction, Testing, Operations, Operational Control & Maintenance, Liability Insurance, and other General Provisions. The TOA includes two elements of cost described as follows:

• DART will pay KCS $7,392,480 for impacts to an existing siding track to be eliminated due to Silver Line construction. KCS will design and construct replacement track capacity at their existing Wylie Intermodal Facility.
• KCS has agreed to detour trains around the proposed Silver Line project construction between Renner Junction and Shiloh Rd. DART will pay KCS recrew fee of $1,500 per train for detoured trains routing through Zacha Junction that run into hours of service issues due to the additional time required for the detour, for a total estimated cost of $1,080,000 for the duration of construction activities. Cost of recrew fees will be offset by a credit from the contractor for flagging that would be required to construct the Silver Line if KCS operations continued through this section. Cost will also be offset by allowing the contractor to work without interruption of KCS operations, which will result in shorter overall construction duration.
• DART will enter into a future agreement to compensate KCS for other operating costs associated with providing two added “pusher” locomotives and associated train crew for every train to operate over the Custer Pkwy. and Jupiter Rd. grade-separated crossings. DART understands this will also include fuel costs to operate the added pusher units. DART will incorporate this commitment to KCS into an Agreement to be finalized while construction of the Silver Line is in progress and executed prior to KCS beginning operation.

LEGAL CONSIDERATIONS

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

Section 452.056(a) of the Texas Transportation Code authorizes DART to construct, develop, plan and operate a public transportation system within the DART Service Area.
DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Approval of Transitional Operations Agreement Between DART and Kansas City Southern Railway Company (KCS) for Construction of the Silver Line Regional Rail Project Along the KCS Alliance Subdivision from Renner Junction to East of Shiloh Road

WHEREAS, on December 11, 2018 (Resolution No. 180135), the Board approved the contract award to Archer Western Herzog 4.0, Joint Venture, for design and construction of the Silver Line Regional Rail Project; and

WHEREAS, DART has negotiated a Transitional Operations Agreement (TOA) with the Kansas City Southern Railway Company (KCS) for the design and construction of Silver Line project between Renner Junction and Shiloh Rd.; and

WHEREAS, funding for Transitional Operations Agreement 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 execute a Transitional Operations Agreement between DART and Kansas City Southern Railway Company for the Silver Line Regional Rail Project, substantially in the form of Exhibit 1 to the resolution, and authorize payment in the amount not to exceed $8,472,480.
Approval of Transitional Operations Agreement Between DART and Kansas City Southern Railway Company (KCS) for Construction of the Silver Line Regional Rail Project Along the KCS Alliance Subdivision from Renner Junction to East of Shiloh Road

Prepared by: /s/ David Ehrlicher *

David Ehrlicher
Interim Vice President
Capital Design & Construction

Prepared by: /s/ Todd Plesko *

Todd Plesko
Interim Executive Vice President
Growth/Regional Development

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
May 4, 2021

Via Email: mwalczak@kcsouthern.com and U.S. Postal Mail

Mr. Mike Walczak
VP-Network Planning & Treasurer
Kansas City Southern Railway Company
Cathedral Square
427 West 12th Street
Kansas City, MO 64105

Project: Cotton Belt Regional Rail Design-Build – Contract No. C-2033270-01

Subject: Letter of Agreement: KCS Trackage Rights Agreement – Infrastructure and Operations Deal Points

Dear Mr. Walczak:

This letter is provided pursuant to the discussions held with KCS representatives relative to the operations and capacity needs for KCS after completion of DART’s proposed Silver Line Regional Commuter Rail project. As you know, DART is moving forward with the design and construction required to implement regional passenger rail service from Plano to DFWIA. After completion, this project will require KCS to operate in a joint use freight and passenger environment along the KCS Alliance Subdivision from White Rock Junction, MP 593.1 to east of Shiloh Road at approximate MP 587.3. The following is a summary of the infrastructure and operational requirements discussed and agreed to with KCS representatives Steve Raiche, AVP Construction & Engineering, and Steve Simmons, Director of Interline Operations.

1. KCS will route all trains around Silver Line construction via the KCS Dallas Sub/White Rock Sub through Zacha Junction. Exhibit A is enclosed for reference. This will enhance safety, reduce risk for all parties, and will eliminate the need for railroad flagging for Silver Line related construction along the Cotton Belt corridor (KCS Alliance Sub) for the duration of the detour. DART agrees to pay KCS recrewing fee of $1,500 per train for those trains routing through Zacha Jct that run into hours of service issues due to the additional time required for the detour. DART and KCS have estimated approximately 4 trains per week that will incur a recrewing fee. DART agrees to pay for all documented recrews due to the detour for the Silver Line construction. This reroute is described and included in the Transitional Operations Agreement between DART and KCS.

2. Replacement of existing siding between Municipal Avenue and Shiloh Road with a storage capacity of approximately 8,500 track feet. This siding is to be removed to accommodate Silver Line double track construction. DART agrees to pay KCS a not to exceed amount of $7,392,480.38 for proposed improvements to your Wylie Intermodal Terminal per the layout and cost estimate illustrated in the enclosed Exhibit C developed and provided by KCS dated April 1, 2020. KCS will be solely responsible for all design and construction required to implement proposed capacity improvements.
3. KCS identified clearances at the proposed Silver Line passenger stations to be an issue with KCS High and Wide (H&W) load policy. Exhibit D.1 through D.7 is enclosed for reference. KCS agreed to route all H&W loads via Zacha Jct to mitigate this clearance issue at no additional cost to DART. KCS requested that DART construct all passenger station platforms in accordance with Federal DOT and AREMA standards. DART will construct all station platforms to be clear of AAR Plate C clearance envelope. DART’s Design-Build contractor will submit applicable plans to KCS for review and approval to confirm the stated clearances are provided.

4. Approach Grades at Custer Pkwy and Jupiter Road. Reference is made to your letter to Gene Gamez, dated February 2, 2021 (Exhibit B enclosed). DART accepts KCS’ proposal and costs associated with providing two added “pusher” locomotives and associated train crew for every train to operate over the Custer Pkwy and Jupiter Rd grade separated crossings. DART understands this will also include fuel costs to operate the added pusher units. DART will incorporate this commitment to KCS into an Agreement to be finalized while construction of the Silver Line is in progress and executed prior to KCS beginning operation over the grade separated crossings.

DART looks forward to working with KCS to finalize the details related to the Transitional Operations Agreement as well as amending the Trackage Rights Agreement for final operations once Silver Line is in revenue service operations.

In accordance with the above listed deal points, DART respectfully requests that KCS complete your review of the draft Transitional Operations Agreement. We also request that KCS provide design reviews and associated rights of entry to allow construction activities to begin as soon as reasonably possible.

If you have any questions regarding the deal points described and/or the Silver Line project, please contact David Ehrlicher, Interim Vice President, Capital Design & Construction, at (214) 749-2910 or by email to dehrlicher@dart.org.

Sincerely,

/s/ J Todd Plesko
Interim Executive Vice President
Growth/Regional Development

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

J. Todd Plesko
Interim Executive Vice President
Growth/Regional Development

Enclosures

c:       Gene Gamez, DART, General Counsel
         David Ehrlicher, DART, Interim Vice President, Capital Design & Construction
         Tom LeBeau, Silver Line Program Director
         Darwin Desen, Silver Line Program Manager
         William Keyes, Contracting Officer Representative – Design-Build Contract
         Contract File: C-2033270-01
         Rail Program Development File Room
February 2, 2021

VIA E-MAIL: egamez@dart.org
Gene Gamez, Esquire
General Counsel
Office of General Counsel
Dallas Area Rapid Transit
1401 Pacific Avenue
Dallas TX 75202

Re: Anticipated Added Cost to KCS Operations Due to Grade Separations at Jupiter Road and Custer Parkway

Dear Mr. Gamez:

As previously discussed, the inclusion of grade-separated rail crossings at Jupiter Road and Custer Parkway in the portion of the Silver Line alignment that The Kansas City Southern Railway Company (KCS) currently utilizes will cause KCS to incur added operational costs. In general, those costs are for two added “pusher” locomotives and an additional train crew to operate them. These locomotives and crew would help push KCS’s train over the steep grade of the grade separations. While this may not be an issue for a high-speed, lightweight passenger train, it is an issue for a much heavier freight train due to the steep grades and the slow speeds attainable on the line. The grade separations will themselves be largely responsible for reducing achievable freight train speeds.

Based on current traffic levels and December 2020 costs, KCS expects to incur $798,928 in added costs per year for pusher locomotives and crews to operate them. In addition, there would also be added fuel cost for those two locomotives. Fuel cost will vary with fluctuations in prices at which KCS can obtain fuel.

This figure takes into account only to our currently scheduled operation of one train each direction, five days per week over this route. It would not encompass occasional added trains which sometimes occur. Each such added train would require the helper service and thus incur additional cost.

As also discussed, KCS is constantly seeking additional business, including business that could move over this line. Because each train on the route would require helper service, if KCS’s business on the line grew to a seven day per week operation requiring pusher locomotives and crews to be available 24/7/365, the estimated added operating cost (i.e., above current operating cost) would be $2,236,998, plus the cost of fuel for the pusher locomotives.
Thank you.

Sincerely,

Mike Walczak
EXISTING MAINLINE
EXISTING SIDING/YARD TRKS
EXIST. IND. TRKS
PROP. YARD TRKS
EXIST. R&D TRACKS
EXIST. INTERMODAL TRACKS

NEW TRACK CLEAR CAPACITY = 3,045'

EXISTING TRACK 11 BECOMES NEW MAINLINE
EXISTING TRACKS 1 THROUGH 9 REMAIN THE SAME

PROPOSED SETOUT TRACK ON MAINLINE
PROPOSED #15 RHTO FOR INTERMODAL TRACKS
PROPOSED #11 RHTO FOR INTERMODAL TRACKS

PROPOSED MAINLINE (10,505' TOTAL)
TIE-IN POINT
PROPOSED ML FOR INTERMODAL TRACKS
PROPOSED #11 RHTO

PROPOSED SWITCHING LEAD ON MAINLINE
PROPOSED #15 RHTO
SETOUT TRACKS FOR INTERMODAL AND

PROPOSED #11 RHTO

COST ESTIMATE AREA 1
ITEM 2 - ML REVERSE CURVE
ITEM 3 - NEW YARD TRACK
ITEM 4 - NEW SWITCHING LEAD

EXHIBIT C
KCS PROPOSED SIDING CAPACITY REPLACEMENT AT WYLIE IMF

FILE DRAWING NO.
CHECKED BY
DRAWN BY
DATE
VAL. SEC.
SHEET NO.
REVISIONS
EXHIBIT
SCALE 1:400
### Wylie Mainline through yard Option 4/1/2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 East End realignment</td>
<td>$1,387,113.17</td>
</tr>
<tr>
<td>2 Mainline Reverse curve section</td>
<td>$2,898,291.78</td>
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<tr>
<td>3 New yard track</td>
<td>$1,255,088.08</td>
</tr>
<tr>
<td>4 New switching lead and west end tie in</td>
<td>$1,851,987.34</td>
</tr>
</tbody>
</table>

**Total** $7,392,480.38

**MATH CHECKS !!!**

- 786,600.66 TOTAL REVEALED CONTINGENCY
- 1,318,361.66 TOTAL SOFT COSTS & OVERHEADS
- 5,287,518.06 TOTAL CONSTRUCTION DIRECTS

**24.93% SOFT COST/OVERHEAD as a PERCENTAGE OF DIRECTS**

**14.88% CONTINGENCY PERCENTAGE BASED ON CONSTRUCTION DIRECTS**

**11.91% CONTINGENCY PERCENTAGE BASED ON CONSTRUCTION DIRECTS + SOFT COSTS**
1 Wylie Mainline through yard East end

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U.</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Inspection and Testing</td>
<td>1 LS</td>
<td>200,000.00</td>
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<tr>
<td>Construction Management</td>
<td>2 MN</td>
<td>30,000.00</td>
<td>60,000.00</td>
<td></td>
</tr>
<tr>
<td>Engineering (Design,itoris permitting, Geotech &amp; Survey)</td>
<td>1 LS</td>
<td>40,000.00</td>
<td>40,000.00</td>
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<tr>
<td>PM SUPPLIED MATERIAL</td>
<td>258,751.76</td>
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<tr>
<td>Ties - Wood - 7 1/2&quot;</td>
<td>2,500 LF</td>
<td>20.00</td>
<td>50,000.00</td>
<td></td>
</tr>
<tr>
<td>Ties - Steel - 3/4&quot;</td>
<td>1,726 EA</td>
<td>18.64</td>
<td>32,488.64</td>
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</tr>
<tr>
<td>Spike - Nail [40 per Keg]</td>
<td>10.416 EA</td>
<td>4.44</td>
<td>45,884.00</td>
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<tr>
<td>Anchors &amp; Base</td>
<td>2170 EA</td>
<td>1.42</td>
<td>3,081.40</td>
<td></td>
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<tr>
<td>I Bonds 136# 20'</td>
<td>4 EA</td>
<td>1,800.00</td>
<td>7,200.00</td>
<td></td>
</tr>
<tr>
<td>Transition Rails (136 &amp; new to 136 &amp; with 1/4&quot; head loss)</td>
<td>10 EA</td>
<td>1,800.00</td>
<td>18,000.00</td>
<td></td>
</tr>
<tr>
<td>Field Weld Kilo</td>
<td>36 EA</td>
<td>90.00</td>
<td>3,240.00</td>
<td></td>
</tr>
<tr>
<td>Access #15 Switch Stand with 5&quot; Connecting Rod and Target</td>
<td>1 EA</td>
<td>1,000.00</td>
<td>1,000.00</td>
<td></td>
</tr>
<tr>
<td>#15 Turnout Switch Finishing Package</td>
<td>1 EA</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td></td>
</tr>
<tr>
<td>#15 Turnout Steel Packages 136# BN/UP Common</td>
<td>1 EA</td>
<td>85,000.00</td>
<td>85,000.00</td>
<td></td>
</tr>
</tbody>
</table>

| SITE PREPARATION (Performed by Contractor) | 305,900.00 |
| Mobilization/Deconstruction | 1 LS | 20,000.00 | 20,000.00 |
| Contractor Performance, Payment Bonds and Insurance | 1 LS | 10,000.00 | 10,000.00 |
| Site Fence | 2,000 LF | 3.00 | 6,000.00 |
| Earthwork: Embankment from off-site (import) | 3,000 CY | 15.00 | 45,000.00 |
| 36" CMP Extension Sta 3729+36 | 200 LF | 200.00 | 40,000.00 |
| Sub-ballast for track - Furnish and Install | 4,000 TN | 35.00 | 140,000.00 |
| Regrading, Melting, Feeding | 2 AC | 6,000.00 | 10,500.00 |
| Rip-Rap (furnished and placed) | 500 TN | 65.00 | 32,500.00 |
| TRACK WORK LABOR (Performed by Contractor) | 244,520.00 |
| Mobilization/Deconstruction | 1 LS | 60,000.00 | 60,000.00 |
| Reasonable and install #15 TO 136# | 1 EA | 30,000.00 | 30,000.00 |
| Construct track complete with 136# rail | 510.00 TF | 40.00 | 20,400.00 |
| Remove and Retire switches (2 #411 - 1 #49) | 3 EA | 5,000.00 | 15,000.00 |
| Road Track | 360 TF | 7,000.00 |
| Replant #11 TO 135# | 2 EA | 2,500.00 | 50,000.00 |
| Construct track complete with 136# rail | 894.00 TF | 40.00 | 35,760.00 |
| sh11 Track | 133 TF | 40.00 | 5,320.00 |
| Misc | 128,000.00 |
| Workers for tieout and track | 9 DTY | 1,800.00 | 16,200.00 |
| Structural, removable and ship #15 Turnouts | 1 EA | 75,500.00 | 75,500.00 |
| Site cleanup and disposal of material | 1 LS | 15,000.00 | 15,000.00 |
| Trucking Cost for Rail, Ties and OTM | 9 TK | 1,800.00 | 16,200.00 |
| Flagging Services | 90 DTY | 700.00 | 63,000.00 |
| SIGNAL | 90,000.00 |
| Crossbucks/crossing | 4 EA | 15,000.00 | 60,000.00 |
| OVERHEAD CHARGES | 85,050.21 |
| Worktrains overheads | 1 EA | 25,000.00 | 25,000.00 |
| Transportation overheads | 1 EA | 25,000.00 | 25,000.00 |
| Material Overhead - 20% of materials (covers sales tax too) | 258,725 % | 12% | 33,050.21 |
| CONTINGENCIES | 128,101.20 |
| Job Contingencies | 1,261,011.97 % | 10% | 128,101.20 |

<table>
<thead>
<tr>
<th>KCS COST</th>
<th>CONTRACTOR COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,087,113.17</td>
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INDEPENDENT ANALYSIS 03SEP2020

<table>
<thead>
<tr>
<th>Weight Issue</th>
<th>COMMENTS/CALCS</th>
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</thead>
<tbody>
<tr>
<td>63.92</td>
<td>Reasonable, recent prices from $700 to $900/ton</td>
</tr>
<tr>
<td>22.81</td>
<td>Reasonable, Internet pricing during previous projects showed in the $55-60 range for materials installed at $75 to $90</td>
</tr>
<tr>
<td>5.08</td>
<td>Reasonable, Internet pricing at $12 each average installed</td>
</tr>
<tr>
<td>8.84</td>
<td>Reasonable, internet pricing at $12 to $17/CF and do not include transportation. RR unit cost are usually 20% higher, so reasonable. Unit Quantity could not be verified</td>
</tr>
<tr>
<td>298.93</td>
<td>Reasonable, internet pricing at $45 to $50/ton, TxDOT 2020 Unit price is $42/CF</td>
</tr>
<tr>
<td>13.6</td>
<td>Reasonable, internet pricing at the $25 to $30/ton range; installed</td>
</tr>
<tr>
<td>46.15</td>
<td>Reasonable, internet pricing at the $25 to $30/ton range installed</td>
</tr>
<tr>
<td>20%</td>
<td>Reasonable, TxDOT unit price is $2.60/CF plus $0.70/CF to remove, so reasonable</td>
</tr>
<tr>
<td>2011 MnDOT study included $400,000 per mile for remove &amp; replace on existing ties...TxDOT 2020 Pricing is $380/TF includes Ties &amp; Ballast; calculated price is $298/TF</td>
<td></td>
</tr>
<tr>
<td>Reasonable</td>
<td>Reasonable, TxDOT unit price for removing a #14 Turnout is $21,000</td>
</tr>
<tr>
<td>2011 MnDOT study included $400,000 per mile for remove &amp; replace on existing ties...TxDOT 2020 Pricing is $380/TF includes Ties &amp; Ballast; calculated price is $298/TF</td>
<td></td>
</tr>
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</tr>
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<td>2011 MnDOT study included $400,000 per mile for remove &amp; replace on existing ties...TxDOT 2020 Pricing is $380/TF includes Ties &amp; Ballast; calculated price is $298/TF</td>
<td></td>
</tr>
<tr>
<td>Reasonable</td>
<td>Reasonable, TxDOT unit price for removing a #14 Turnout is $21,000</td>
</tr>
<tr>
<td>298.93</td>
<td>Reasonable, TxDOT unit price for removing a #14 Turnout is $21,000</td>
</tr>
<tr>
<td>Reasonable</td>
<td>Reasonable, TxDOT unit price for removing a #14 Turnout is $21,000</td>
</tr>
<tr>
<td>32%</td>
<td>Reasonable, recent prices from West Coast projects were in this range</td>
</tr>
<tr>
<td>8.84</td>
<td>Reasonable, internet prices in the $25 to $30/ton range; installed</td>
</tr>
<tr>
<td>126,101.20</td>
<td>Reasonable, internet prices in the $25 to $30/ton range installed</td>
</tr>
</tbody>
</table>

Part of Overhead Analysis Below
Owner cost varies from 1.54% to 2.25% total soft cost/oh
National average is approximate 24% inclusive of Design, Insurance, Bonds, OH and EDIC
Part of Overhead Analysis Below

| 28,105.21 | Total Soft Cost and Overhead Values |
| 37,994.1 | Construction Cost without overhead & contingency |
| 29.66 | Overhead as a percentage of Direct Construction Cost, little high but reasonable |
## INDEPENDENT ANALYSIS 03SEP2020

### PRICE TOTAL
- **1,740,368.89** Construction Cost without overhead & contingency
- **34.62** See analysis Below for Overhead Costs & Soft Costs
- **96.74** Reasonable, recent prices from West Coast projects were in this range
- **82,500.00** Part of Overhead Analysis Below
- **114,092.00** REASONABLE, $65/kg internet price or $0.30 each
- **430,636.38** Total Soft Cost and Overhead Values

### CONSTRUCTION INSPECTION & TESTING
- **8,500.00** See analysis Below for Overhead Costs & Soft Costs
- **80,000.00** Part of Overhead Analysis Below

### CONTRACTOR COST
- **2,089,617.35** Overhead as a percentage of Direct Construction Cost, reasonable as total work value is higher so variance from other tabs

### SITE PREPARATION (Performed by Contractor)
- **1,740,368.89** See analysis Below for Overhead Costs & Soft Costs

### TRACK WORK LABOR (Performed by Contractor)
- **22%** REASONABLE, internet prices in the $25 to $30/ton range; INSTALLED

### OVERHEAD CHARGES
- **20%** Calculated price is $125/TF

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### COMMENTS/CALCS
- **9,664.70** MATH CHECKS !!!
- **6,937.92** MATH CHECKS !!!
- **20.61%** MATH CHECKS !!!
- **60,000.00** MATH CHECKS !!!
- **85,360.00** MATH CHECKS !!!
- **255.87** MATH CHECKS !!!

### PRICE TOTAL
- **2,089,617.35** Overhead as a percentage of Direct Construction Cost, reasonable as total work value is higher so variance from other tabs

---

### Engineering (Design, ENSR permitting, Geotech & Survey)
- **1 LS 60,000.00**

### KCS SUPPLIED MATERIAL
- **213,636.40**

### SITE CLEANUP and disposal of material
- **1 LS 60,000.00**

### SWPPP (Prepare and Maintain) / Erosion Control
- **1 LS 15,000.00**

### Engineering (Design, ENSR permitting, Geotech & Survey)
- **1 LS 60,000.00**

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### Track Work Labor (Performed by Contractor)
- **255.87** Calculated price is $225/TF

### Miscellaneous
- **62,500.00**

### CONSTRUCTION OVERHEAD:
- **12%** Calculated price is $225/TF

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### COMMENTS/CALCS
- **9,664.70** Calculated price is $225/TF

### ESTIMATE TOTAL:
- **2,089,617.35** Overhead as a percentage of Direct Construction Cost, reasonable as total work value is higher so variance from other tabs

### INDEPENDENT ANALYSIS 03SEP2020

- **Reasonable, recent prices from $700 to 900/ton**
- **Reasonable, internet research & previous projects show in the $55-109.32**
- **REASONABLE, internet pricing at $12/sack average installed**
- **7.88**
- **Reasonable, not a large impact**
- **Reasonable, internet prices in the $25 to $30/ton range; INSTALLED**
- **Reasonable, internet research & previous projects show in the $55-109.32**
- **REASO NABLE, internet pricing at $12/sack average installed**
- **7.88**
- **Reasonable, not a large impact**
- **Reasonable, internet prices in the $25 to $30/ton range; INSTALLED**
- **Reasonable, internet research & previous projects show in the $55-109.32**
- **REASONABLE, internet pricing at $12/sack average installed**
- **7.88**
- **Reasonable, not a large impact**

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### JOB CONTINGENCIES
- **15% Contingency seems high as similar work to East End Re-Alignment, but perhaps this Risk can be shared between DART & KCS**

### REPORTED TO INDEPENDENT ANALYSIS
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### OVERHEAD CHARGES
- **20%** Calculated price is $225/TF

### REFERENCES
- **Owner cost vary from 1 1/4% to 2.25%, total soft cost/OH Nationwide**
- **Average approx 24% inclusive of Design, Insurance, Bonds CM and ESDC**

### MATH CHECKS !!!
- **2013 MnDOT study included $400,000 per mile for remove & replace on existing ties...Tracking Cost is $280/TF includes Ties & Ballast; calculated price is $225/TF

### SITE PREPARATION (Performed by Contractor)
- **1,740,368.89**

### TRACK WORK LABOR (Performed by Contractor)
- **154,092.00**

### CONSTRUCTION WORK OVERHEAD
- **12%** Calculated price is $225/TF
### INDEPENDENT ANALYSIS 03SEP2020

#### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Price</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Engineering (Indirect Expense)</strong></td>
<td>100,000.00</td>
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<tr>
<td>Construction Management</td>
<td>2</td>
<td>MN</td>
<td>30,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Engineering (Design, Enviro permitting, Geotech &amp; Survey)</td>
<td>1</td>
<td>LS</td>
<td>40,000.00</td>
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<tr>
<td><strong>KCS Supplied Material</strong></td>
<td>332,722.47</td>
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<tr>
<td>136# New Rail</td>
<td>6,410</td>
<td>LF</td>
<td>20.00</td>
<td>128,200.00</td>
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<tr>
<td>Tie - Wood - 7 9/9</td>
<td>1,973</td>
<td>EA</td>
<td>50.48</td>
<td>99,597.04</td>
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<td>Plate Tie 6x7.3/4x16</td>
<td>3,946</td>
<td>EA</td>
<td>16.04</td>
<td>63,293.84</td>
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<td>Spike - New (240 per Keg)</td>
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<td>EA</td>
<td>0.44</td>
<td>10,417.44</td>
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<tr>
<td>Anchor's Base</td>
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<td>EA</td>
<td>1.42</td>
<td>7,004.25</td>
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<td>Nails 136# 5/8</td>
<td>12</td>
<td>EA</td>
<td>1.80</td>
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<tr>
<td>Field Weld Kilo</td>
<td>29</td>
<td>EA</td>
<td>90.00</td>
<td>2,630.00</td>
</tr>
<tr>
<td>Junction Switch Stand with 0 Connecting Rod and Keger</td>
<td>1</td>
<td>EA</td>
<td>1,000.00</td>
<td>1,000.00</td>
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<tr>
<td>9# Turnouts Switch Tie Package</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15# Turnout Steel Packages 136# BN/UP Common -</td>
<td>-</td>
<td>EA</td>
<td>85,000.00</td>
<td>-</td>
</tr>
<tr>
<td>10# Turnout Steel Packages 136# BN/UP Common - RH</td>
<td>-</td>
<td>EA</td>
<td>7,000.00</td>
<td>-</td>
</tr>
<tr>
<td><strong>Rock</strong></td>
<td>101,400.00</td>
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<tr>
<td>Mainline Ballast - Hatton (Includes transportation)</td>
<td>3,380</td>
<td>TN</td>
<td>30.00</td>
<td>101,400.00</td>
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<td>Walkway Ballast - Hatton (Includes transportation)</td>
<td>-</td>
<td>TN</td>
<td>30.00</td>
<td>-</td>
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<tr>
<td><strong>SITE PREPARATION (performed by Contractor)</strong></td>
<td>70,000.00</td>
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<td>Mobilization/Demobilization</td>
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<td>LS</td>
<td>5,000.00</td>
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<tr>
<td>Gravel</td>
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<td>EA</td>
<td>300.00</td>
<td>30,000.00</td>
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<tr>
<td>Sub-ballast for track - Fumish and Install</td>
<td>1,000</td>
<td>TN</td>
<td>35.00</td>
<td>35,000.00</td>
</tr>
<tr>
<td><strong>TRACK WORK LABOR (performed by Contractor)</strong></td>
<td>251,540.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilization/Demobilization</td>
<td>1</td>
<td>LS</td>
<td>25,000.00</td>
<td>25,000.00</td>
</tr>
<tr>
<td>Reassembly and install #15 TO 136#</td>
<td>-</td>
<td>EA</td>
<td>50,000.00</td>
<td>-</td>
</tr>
<tr>
<td>Construct track complete with 136# rail</td>
<td>3,205.00</td>
<td>TF</td>
<td>38.00</td>
<td>121,790.00</td>
</tr>
<tr>
<td>Remove and relaid switches ( 1-9)</td>
<td>-</td>
<td>EA</td>
<td>5,000.00</td>
<td>-</td>
</tr>
<tr>
<td>online track</td>
<td>-</td>
<td>TF</td>
<td>25.00</td>
<td>-</td>
</tr>
<tr>
<td>Reassembly and relaid #9 TO 136#</td>
<td>2</td>
<td>EA</td>
<td>30,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Construct track complete with 136# rail</td>
<td>-</td>
<td>TF</td>
<td>40.00</td>
<td>-</td>
</tr>
<tr>
<td>shift track</td>
<td>175</td>
<td>TF</td>
<td>50.00</td>
<td>8,750.00</td>
</tr>
<tr>
<td><strong>Mile</strong></td>
<td>161,400.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers for turnouts and track</td>
<td>8</td>
<td>DY</td>
<td>1,800.00</td>
<td>14,400.00</td>
</tr>
<tr>
<td>Construct, disassembly and ship #11 turnouts</td>
<td>2</td>
<td>EA</td>
<td>18,500.00</td>
<td>37,000.00</td>
</tr>
<tr>
<td>Site Cleanup and disposal of material</td>
<td>1</td>
<td>LS</td>
<td>15,000.00</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Trucking Cost for Rail, Ties and OTM</td>
<td>20</td>
<td>TK</td>
<td>1,800.00</td>
<td>36,000.00</td>
</tr>
<tr>
<td>Flaggling Services</td>
<td>90</td>
<td>DY</td>
<td>700.00</td>
<td>63,000.00</td>
</tr>
<tr>
<td><strong>SIGNAL</strong></td>
<td>20,000.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross books</td>
<td>4</td>
<td>EA</td>
<td>5,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td><strong>OVERHEAD CHARGES</strong></td>
<td>139,060.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workmen’s overheads</td>
<td>2</td>
<td>EA</td>
<td>25,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Transportation overheads</td>
<td>2</td>
<td>EA</td>
<td>25,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Material Overhead - 20% of materials (covers sales tax too)</td>
<td>332,722</td>
<td>%</td>
<td>32%</td>
<td>39,026.70</td>
</tr>
<tr>
<td><strong>CONTINGENCIES</strong></td>
<td>114,098.92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Contingencies</td>
<td>1,140,987</td>
<td>%</td>
<td>10%</td>
<td>114,098.92</td>
</tr>
<tr>
<td><strong>KCS Cost</strong></td>
<td>1,255,088.08</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CONTRACTOR COST</strong></td>
<td>269,926.70</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ESTIMATE TOTAL:</strong></td>
<td>1,524,184.78</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MATH CHECKS</strong></td>
<td>269,926.70</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 4 Wylie Mainline through yard mainline new switching lead west end

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Management</td>
<td>2</td>
<td>MN</td>
<td>30,000.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Engineering (Design, Enviro permitting, Geotech &amp; Survey)</td>
<td>1</td>
<td>LS</td>
<td>65,000.00</td>
<td>65,000.00</td>
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**KCS SUPPLIED MATERIAL**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000 - $30,000/ton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$105,000 each installed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SITE PREPARATION (Performed by Contractor)**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization/Debris removal</td>
<td>1</td>
<td>LS</td>
<td>5,000.00</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Surveying</td>
<td>100</td>
<td>EA</td>
<td>300.00</td>
<td>30,000.00</td>
</tr>
<tr>
<td>Sub-ballast for track - Furnish and Install</td>
<td>1,500</td>
<td>TN</td>
<td>35.00</td>
<td>52,500.00</td>
</tr>
</tbody>
</table>

**TRACK WORK LABOR (Performed by Contractor)**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilization/Debris removal</td>
<td>1</td>
<td>LS</td>
<td>40,000.00</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Reassembly and install #10 TO 1368</td>
<td>1</td>
<td>EA</td>
<td>20,000.00</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Construct track complete with 136lb rail</td>
<td>2,735.00</td>
<td>TF</td>
<td>98.00</td>
<td>103,930.00</td>
</tr>
<tr>
<td>Remove and Relocate (switches 1-49)</td>
<td>-</td>
<td>EA</td>
<td>5,000.00</td>
<td>-</td>
</tr>
<tr>
<td>Extra track</td>
<td>-</td>
<td>TF</td>
<td>20.00</td>
<td>-</td>
</tr>
<tr>
<td>Reassembly and install #9 and #11</td>
<td>2</td>
<td>EA</td>
<td>50,000.00</td>
<td>100,000.00</td>
</tr>
<tr>
<td>Construct track complete with 136lb rail</td>
<td>-</td>
<td>TF</td>
<td>40.00</td>
<td>-</td>
</tr>
<tr>
<td>#40 track</td>
<td>1,942</td>
<td>TF</td>
<td>50.00</td>
<td>97,100.00</td>
</tr>
</tbody>
</table>

**Jobbox**

<table>
<thead>
<tr>
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<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welders for turnout and track</td>
<td>21</td>
<td>D</td>
<td>1,800.00</td>
<td>37,800.00</td>
</tr>
<tr>
<td>Construct, disassembly and ship #11 turnouts</td>
<td>2</td>
<td>EA</td>
<td>16,500.00</td>
<td>33,000.00</td>
</tr>
<tr>
<td>Site Cleanup and disposal of material</td>
<td>1</td>
<td>LS</td>
<td>15,000.00</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Trucking Cost for Rail, Ties and OTM</td>
<td>25</td>
<td>TK</td>
<td>1,800.00</td>
<td>45,000.00</td>
</tr>
<tr>
<td>Flagging Services</td>
<td>60</td>
<td>D</td>
<td>700.00</td>
<td>42,000.00</td>
</tr>
</tbody>
</table>

**SIGNAL**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade Book</td>
<td>4</td>
<td>EA</td>
<td>5,000.00</td>
<td>20,000.00</td>
</tr>
</tbody>
</table>

**OVERHEAD CHARGES**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation overheads</td>
<td>2</td>
<td>EA</td>
<td>25,000.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Material Overhead - 20% of materials (covers sales tax)</td>
<td>556,236</td>
<td>%</td>
<td>2%</td>
<td>11,124.72</td>
</tr>
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</table>

**CONTINGENCIES**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Contingencies</td>
<td>1,683,624.86</td>
<td>%</td>
<td>10%</td>
<td>168,362.49</td>
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</table>

**KCS CONTRACTOR COST**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,346,876.49</td>
</tr>
</tbody>
</table>

**INDEPENDENT ANALYSIS 03SEP2020**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>U/P</th>
<th>PRICE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>336,748.38</td>
</tr>
</tbody>
</table>

**Total Soft Cost and Overhead Values**

- Construction Cost without overhead & contingency: $1,346,876.49
- Overhead as a percentage of Direct Construction Cost: 25.00%
Steve - per our conversation this morning, attached are the following Plate C vs M overlays.

- Clean Plate C and Plate M overlay - for comparison of the two envelopes
- Plate C vs M with DART Platform overlay
- Plate M with DART Platform and KCS H&W (windmill generators) overlay

The attached pdf’s illustrate that the DART platform is clear of the Plate C and Plate M envelopes. The H&W envelope for the windmill generators conflicts with the corner of the platform and edge of canopy per the approved station design. Please review and let’s discuss next week.

Also, as a follow up to our discussion related to reroute costs for the bypass through Zacha Jct during construction. It was our understanding that $1,500 was the total cost per train for this reroute. We would like to finalize this issue so we can start checking things off the list as we move forward. Please provide a summary of the costs associated with this reroute and the estimated number of trains per week so we can document the total costs for this issue.

Let me know if you have any questions.

Have a great Thanksgiving. Be safe and enjoy your families.

Darwin Desen, PE
Exhibit D.2
Station Clearances
Darwin Desen

From: Darwin Desen
Sent: Wednesday, December 9, 2020 9:38 AM
To: SRaiche@KCSouthern.com; SSimmons@KCSouthern.com
Cc: Matthew Lannon
Subject: Re: DART clearance at stations - Plate C vs Plate M
Attachments: AAR-009 - AAR Plate M Outline - 011513_with DART platform and KCS HW_12-7-2020.pdf

Steve - as a follow up to our call last week, attached is an updated Plate C vs Plate M at the DART platform. I think this clears up all questions and closes this topic.

Let me know if you have any questions or if we need to discuss further.
Thanks,

Darwin Desen, PE

PMOR
Dallas Area Rapid Transit | 1548 Valwood Parkway | Carrollton TX 75006
Mobile 214-384-3205 | ddesen2@dart.org

---

From: Darwin Desen
Sent: Wednesday, November 25, 2020 12:22 PM
To: SRaiche@KCSouthern.com <SRaiche@KCSouthern.com>; SSimmons@KCSouthern.com <SSimmons@KCSouthern.com>
Cc: Matthew Lannon <MLannon@dart.org>
Subject: DART clearance at stations - Plate C vs Plate M

Steve - per our conversation this morning, attached are the following Plate C vs M overlays.

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Let me know if you have any questions.

Have a great Thanksgiving. Be safe and enjoy your families.

Darwin Desen, PE

PMOR
Dallas Area Rapid Transit | 1548 Valwood Parkway | Carrollton TX 75006
Mobile 214-384-3205 | ddesen2@dart.org
Matt and Darwin,

KCS has reviewed the information you forwarded and requests that you meet all requirements and standards of the U.S. Department of Transportation and its administrations for platform clearances for combined freight and passenger rail, as well as applicable AREMA specifications, specifically related to platforms and structures.

Thanks,

Steve

From: Darwin Desen <DDesen2@dart.org>
Sent: Wednesday, December 9, 2020 9:38 AM
To: Steven Raiche <SRaiche@KCSouthern.com>; Steve D Simmons <SSimmons@KCSouthern.com>
Cc: Matthew Lannon <MLannon@dart.org>
Subject: Re: DART clearance at stations - Plate C vs Plate M

This email originated from outside the company. Please use caution when opening attachments or clicking on links.

Steve - as a follow up to our call last week, attached is an updated Plate C vs Plate M at the DART platform. I think this clears up all questions and closes this topic.

Let me know if you have any questions or if we need to discuss further.
Thanks,

Darwin Desen, PE

PMOR
Dallas Area Rapid Transit | 1548 Valwood Parkway | Carrollton TX 75006
Mobile 214-384-3205 | ddesen2@dart.org
Steve - per our conversation this morning, attached are the following Plate C vs M overlays.

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- Plate M with DART Platform and KCS H&W (windmill generators) overlay

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Also, as a follow up to our discussion related to reroute costs for the bypass through Zacha Jct during construction. It was our understanding that $1,500 was the total cost per train for this reroute. We would like to finalize this issue so we can start checking things off the list as we move forward. Please provide a summary of the costs associated with this reroute and the estimated number of trains per week so we can document the total costs for this issue.

Let me know if you have any questions.

Have a great Thanksgiving. Be safe and enjoy your families.

Darwin Desen, PE
DATE: June 8, 2021

SUBJECT: Review of FY 2021 Second Quarter Operating Financial Performance and Quarterly Disclosure Update

RECOMMENDATION

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

BUSINESS PURPOSE

• The purpose of this item is to review the FY 2021 Second Quarter Operating & Financial Performance Report and the Quarterly Disclosure Update as of March 30, 2021.

• The Quarterly Operating and Financial Performance Report monitors DART's financial and operating performance and tracks progress on strategic initiatives. The FY 2021 Second Quarter report was provided to the Board on June 4, 2021. A recap of the FY 2021 Second Quarter Actuals vs. Budget is included as Attachment 1.

• The Quarterly Disclosure Update is DART’s representation to the investing community regarding DART. This document is based on Security Exchange Commission (SEC) best practices and is amended quarterly by DART and is included at Attachment 2.

• This Quarterly Disclosure Update dated June 8, 2021 provides updated unaudited financial information about DART as of March 31, 2021 and will be made available to potential investors and on the DART website at www.DART.org.

• The discussion of this item will help achieve Board Strategic Priority 3: Innovate to enhance mobility options, business processes and funding.
**Dallas Area Rapid Transit**  
**Operating Revenues and Expense Summary**  
*For the Six Months ended March 31, 2021*  
*(reported on a Budget Basis Amounts in thousands)*

### ACTUAL VS. BUDGET SUMMARY

<table>
<thead>
<tr>
<th></th>
<th>FY21 YTD Actual</th>
<th>FY21 YTD Budget</th>
<th>(Under) / over Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$311,911</td>
<td>$290,715</td>
<td>$21,196</td>
<td>7%</td>
</tr>
<tr>
<td>Passenger</td>
<td>14,458</td>
<td>18,938</td>
<td>(4,480)</td>
<td>-24%</td>
</tr>
<tr>
<td>Advertising/Rental Income/Misc.</td>
<td>4,610</td>
<td>6,706</td>
<td>(2,096)</td>
<td>-31%</td>
</tr>
<tr>
<td>Operating Federal Grants</td>
<td>75</td>
<td>241</td>
<td>(166)</td>
<td>-69%</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>8,455</td>
<td>6,473</td>
<td>1,982</td>
<td>31%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$339,509</strong></td>
<td><strong>$323,073</strong></td>
<td><strong>$16,436</strong></td>
<td>5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Operating Expenses at EVP level (YTD)</strong></th>
<th>FY21 YTD Actual</th>
<th>FY21 YTD Budget</th>
<th>(Under) / over Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Care and Service Delivery</td>
<td>$193,893</td>
<td>$205,288</td>
<td>$11,395</td>
<td>6%</td>
</tr>
<tr>
<td>Business Solutions and Innovation</td>
<td>22,420</td>
<td>24,453</td>
<td>2,033</td>
<td>8%</td>
</tr>
<tr>
<td>Growth and Regional Development</td>
<td>19,764</td>
<td>22,619</td>
<td>2,855</td>
<td>13%</td>
</tr>
<tr>
<td>Executive</td>
<td>13,237</td>
<td>14,817</td>
<td>1,580</td>
<td>11%</td>
</tr>
<tr>
<td>Board Direct Reports</td>
<td>2,494</td>
<td>2,944</td>
<td>450</td>
<td>15%</td>
</tr>
<tr>
<td>Capital P&amp;D</td>
<td>(5,328)</td>
<td>(7,137)</td>
<td>(1,809)</td>
<td>25%</td>
</tr>
<tr>
<td>Agency Wide [1]</td>
<td>32,253</td>
<td>29,908</td>
<td>(2,345)</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses at EVP Level (YTD)</strong></td>
<td><strong>$278,733</strong></td>
<td><strong>$292,892</strong></td>
<td><strong>$14,159</strong></td>
<td>5%</td>
</tr>
</tbody>
</table>

### Operating Expenses at EVP level (FY21 Projection)*

<table>
<thead>
<tr>
<th></th>
<th>FY21 Projection</th>
<th>FY210 Budget [2]</th>
<th>(over) Budget</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Care and Service Delivery</td>
<td>$398,844</td>
<td>$406,265</td>
<td>$7,421</td>
<td>2%</td>
</tr>
<tr>
<td>Business Solutions and Innovation</td>
<td>44,995</td>
<td>46,263</td>
<td>1,268</td>
<td>3%</td>
</tr>
<tr>
<td>Growth and Regional Development</td>
<td>39,564</td>
<td>41,498</td>
<td>1,934</td>
<td>5%</td>
</tr>
<tr>
<td>Executive</td>
<td>28,587</td>
<td>29,530</td>
<td>943</td>
<td>3%</td>
</tr>
<tr>
<td>Board Direct Reports</td>
<td>4,140</td>
<td>5,419</td>
<td>1,279</td>
<td>24%</td>
</tr>
<tr>
<td>Capital P&amp;D</td>
<td>(14,273)</td>
<td>(14,273)</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Agency Wide [1]</td>
<td>34,550</td>
<td>27,596</td>
<td>(6,954)</td>
<td>-25%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses at EVP Level (YTD)</strong></td>
<td><strong>$536,407</strong></td>
<td><strong>$542,298</strong></td>
<td><strong>$5,891</strong></td>
<td>1%</td>
</tr>
</tbody>
</table>


### Notes:

1. Benefits are allocated to each department based on the budgeted ratio for salary driven benefits and for staff driven benefits. If the agency is experiencing actuals that are under/over budget, this variance is not allocated to departments.

This Quarterly Disclosure Update supplements the information contained in our Annual Disclosure Statement for the period ending September 30, 2020, and dated March 9, 2021. The Annual Disclosure Statement will be filed as a public record with the Municipal Securities Rulemaking Board’s website at www.emma.msrb.org, and is posted on the Internet at our website, www.dart.org. You may also obtain a free copy of this Quarterly Disclosure Update by contacting us at the following address or telephone number: Chief Financial Officer DART, 1401 Pacific Avenue, Dallas, Texas 75202, (214) 749-3148.

GENERAL

We are posting and filing this Quarterly Disclosure Update to supplement our Annual Disclosure Statement for the period ending September 30, 2020, and dated March 9, 2021. We continue to reserve the right to suspend or stop the postings on the Internet and the quarterly updates at any time. However, we will always provide the annual and periodic information called for under any undertaking made in compliance with Rule 15c2-12 under the Securities Exchange Act of 1934.

Whenever we use capitalized words in this Quarterly Disclosure Update, they refer to the defined terms that are found in or incorporated by reference in the Annual Disclosure Statement for the period ending September 30, 2020 and dated March 9, 2021. See, Annual Disclosure Statement, Appendix B, “SUMMARY OF CERTAIN TERMS OF MASTER DEBT RESOLUTION.”

In this Quarterly Disclosure Update, “we,” “our,” “us,” and “DART” refer to Dallas Area Rapid Transit, a subregional transportation authority under the Act.

The information in this Quarterly Disclosure Update is as of the date stated below, except for the unaudited financial information included herein as Exhibit A, which is for the six-month period ended March 31, 2021.

YOU SHOULD CAREFULLY CONSIDER THE INVESTMENT CONSIDERATIONS IN THE ANNUAL DISCLOSURE STATEMENT.

FORWARD-LOOKING STATEMENTS

We make “forward-looking statements” in the Annual Disclosure Statement and in Quarterly Disclosure Updates by using forward-looking words such as “may,” “will,” “should,” “intends,” “expects,” “believes,” “anticipates,” “estimates,” or others. You are cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, conditions in the financial markets, our financial condition, our sales tax revenues, receipt of federal grants, and various other factors that are beyond our control. Because we cannot predict all factors that may affect future decisions, actions, events, or financial circumstances, what actually happens may be different from what we include in forward-looking statements.

Dated: June 8, 2021
The Annual Disclosure Statement for the period ending September 30, 2020 and dated March 9, 2021, is updated by the following supplemental information:

**Unaudited Financial Information**

Audited financial statements for our fiscal year ended September 30, 2020, are attached as Appendix A to the Annual Disclosure Statement. An unaudited statement of our principal accounts for the six-month period ended March 31, 2021 is included as Exhibit A to this Quarterly Disclosure Update. Such quarterly financial statements should be read in conjunction with our annual financial statements. This information is taken from our internal books and records that are created, maintained, and administered by DART in accordance with generally accepted accounting principles. The use of reasonable estimates is a normal part of the preparation of financial statements. Sales tax revenues included in the unaudited quarterly financial statements were accrued using estimates. Actual sales tax receipts could, therefore, differ from those reported in the quarterly financial statements.

We believe that the unaudited financial information for the six-month period ended March 31, 2021, fairly represents the financial position and operating results of DART and is complete as of, but no later than, such date. However, you are cautioned that such financial information has not been audited or reviewed by any independent accountants. We do not warrant or guarantee that subsequent audited information for these accounts for this six-month period will not differ from the unaudited financial information presented herein and in Exhibit A.

**Management’s Comment Regarding Second Quarter Financial Information**

DART’s unaudited financial statements for the six-month period ended March 31, 2021, and March 31, 2020, show sales tax revenues as $312.4 million and $323.4 million, respectively, which indicates a modest decrease of 3.4% due to the flattening of the local economy resulting from COVID-19 in the DART Service Area. Our operating results for the six-month period ended March 31, 2021 reflect a further decrease in net position of a negative $47.8 million, compared to a negative $3.1 million for the six-month period ended March 31, 2020. This deterioration in the net position is primarily due to a decrease in passenger revenues, sales tax revenues, and investment income.

DART maintains various cash reserves including a Financial Reserve Account that is funded with sales tax collections that exceed budget during a given year, if any. In addition, the Board of Directors authorized the establishment of a Mobility Assistance and Innovation Fund – MAIF (formerly known as the “Capital Reserve Account”). Should the Financial Reserve exceed $50 million, excess sales tax receipts are placed in the MAIF. An affirmative vote of two-thirds of the Board is required to draw upon the Financial Reserve or MAIF, and the funds may be used for any purpose approved by the Board. In Fiscal Year 2020, our sales tax receipts were below our sales tax budget by $8.6 million. Therefore, there were no excess sales tax receipts for FY 2020 to be transferred to the MAIF. The March 31, 2021 balances in the Financial Reserve and MAIF were $50.0 million and $12.5 million, respectively. The Operating Fund balance was $275.3 million. We maintain a working cash balance in the Operating Fund equal to at least one month of projected payments.

**Lease/Leaseback Transactions Update**

We have successfully terminated or repaired all lease/leaseback transactions that were non-compliant with their respective operative documents. As of March 31, 2021, one lease/leaseback transaction remained active and is in full compliance with the respective operative documents, as amended.

**Litigation**

No significant changes have occurred in the status of pending litigation involving DART since the date of the Annual Disclosure Statement. Accruals and estimated losses on claims that are asserted in pending litigation, if any, are included in accounts payable and accrued liabilities in the unaudited statement of our principal accounts attached hereto as Exhibit A.
Other than cases filed in the ordinary course of business as an operating transit agency, no new litigation has been filed against DART since the date of the Annual Disclosure Statement. See, Annual Disclosure Statement, “LITIGATION.”

This Quarterly Disclosure Update, in substantially the form and content presented above and, in its Exhibit, was reviewed with the Board of Directors of DART on June 8, 2021.

ATTEST:

/s/ Paul N. Wageman
Chair, Board of Directors

/s/ Jonathan R. Kelly
Secretary, Board of Directors

/s/ David Leininger
Interim President & Chief Executive Officer
Exhibit A

Unaudited Statement of Principal Accounts
for the six-month period ended March 31, 2021
# DALLAS AREA RAPID TRANSIT
## STATEMENTS OF NET POSITION
### MARCH 31, 2021 AND SEPTEMBER 30, 2020 (Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>03/31/2021</th>
<th>9/30/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$228,073</td>
<td>$384,038</td>
</tr>
<tr>
<td>Investments</td>
<td>140,855</td>
<td>108,028</td>
</tr>
<tr>
<td>Sales and use tax receivable</td>
<td>94,997</td>
<td>101,988</td>
</tr>
<tr>
<td>Transit revenue receivable, net</td>
<td>5,322</td>
<td>4,835</td>
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<tr>
<td>Due from federal and other governments</td>
<td>18,192</td>
<td>20,050</td>
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<tr>
<td>Materials and supplies inventory, net</td>
<td>36,030</td>
<td>36,870</td>
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<tr>
<td>Prepaid transit expense and other</td>
<td>12,919</td>
<td>4,217</td>
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<tr>
<td>Restricted investments held by trustee for debt service</td>
<td>100,254</td>
<td>123,111</td>
</tr>
<tr>
<td>Restricted investments held for advance funding agreements</td>
<td>43,152</td>
<td>52,205</td>
</tr>
<tr>
<td>Restricted investments held to pay capital lease/leaseback liabilities</td>
<td>6,374</td>
<td>6,374</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>686,168</td>
<td>841,716</td>
</tr>
<tr>
<td><strong>NONCURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted investments held as security for capital lease/leaseback liabilities</td>
<td>4,028</td>
<td>4,616</td>
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<tr>
<td>Restricted investments for system expansion and acquisition</td>
<td>14,000</td>
<td>57,931</td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>7,295</td>
<td>7,821</td>
</tr>
<tr>
<td>Capital assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land and rights-of-way</td>
<td>618,572</td>
<td>618,572</td>
</tr>
<tr>
<td>Projects in progress</td>
<td>521,562</td>
<td>405,380</td>
</tr>
<tr>
<td>Depreciable capital assets, net of depreciation</td>
<td>3,024,571</td>
<td>3,148,006</td>
</tr>
<tr>
<td>Restricted investments held to pay capital lease/leaseback liabilities</td>
<td>110,512</td>
<td>112,342</td>
</tr>
<tr>
<td>Unamortized bond insurance premium and other</td>
<td>515</td>
<td>536</td>
</tr>
<tr>
<td><strong>TOTAL NONCURRENT ASSETS</strong></td>
<td>4,301,055</td>
<td>4,355,204</td>
</tr>
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<td><strong>TOTAL ASSETS</strong></td>
<td>4,987,223</td>
<td>5,196,920</td>
</tr>
<tr>
<td><strong>DEFERRED OUTFLOWS OF RESOURCES</strong></td>
<td>101,196</td>
<td>92,195</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</strong></td>
<td>5,088,419</td>
<td>5,289,115</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>52,659</td>
<td>103,363</td>
</tr>
<tr>
<td>Commercial paper notes payable</td>
<td>59,100</td>
<td>74,100</td>
</tr>
<tr>
<td>Current portion of capital lease/leaseback liabilities</td>
<td>6,374</td>
<td>6,374</td>
</tr>
<tr>
<td>Current portion of repayment due to State Comptroller</td>
<td>2,409</td>
<td>1,393</td>
</tr>
<tr>
<td>Local Assistance Program payable</td>
<td>5,063</td>
<td>5,622</td>
</tr>
<tr>
<td>Retainage payable</td>
<td>20,521</td>
<td>17,669</td>
</tr>
<tr>
<td>Unearned revenue and other liabilities</td>
<td>81,845</td>
<td>92,965</td>
</tr>
<tr>
<td>Accrued interest payable from restricted assets</td>
<td>50,944</td>
<td>50,248</td>
</tr>
<tr>
<td>Current portion of senior lien revenue bonds payable</td>
<td>74,520</td>
<td>62,689</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>353,435</td>
<td>414,423</td>
</tr>
<tr>
<td><strong>NONCURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
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<tr>
<td>Accrued liabilities</td>
<td>36,551</td>
<td>40,172</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>51,025</td>
<td>51,025</td>
</tr>
<tr>
<td>Net other post-employment benefits (OPEB) liability</td>
<td>7,692</td>
<td>5,048</td>
</tr>
<tr>
<td>Repayment due to State Comptroller</td>
<td>6,907</td>
<td>8,394</td>
</tr>
<tr>
<td>Senior lien revenue bonds payable</td>
<td>3,174,067</td>
<td>3,261,677</td>
</tr>
<tr>
<td>Transportation Infrastructure Finance and Innovation Act (TIFIA) bonds payable</td>
<td>35,845</td>
<td>35,845</td>
</tr>
<tr>
<td>Capital lease/leaseback liabilities</td>
<td>110,512</td>
<td>112,342</td>
</tr>
<tr>
<td><strong>TOTAL NONCURRENT LIABILITIES</strong></td>
<td>3,422,599</td>
<td>3,514,503</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>3,776,034</td>
<td>3,928,926</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td>19,209</td>
<td>19,209</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</strong></td>
<td>3,795,243</td>
<td>3,948,135</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in capital assets</td>
<td>858,885</td>
<td>796,675</td>
</tr>
<tr>
<td>Restricted for debt service</td>
<td>49,310</td>
<td>72,863</td>
</tr>
<tr>
<td>Restricted as security for capital lease/leaseback liabilities</td>
<td>4,028</td>
<td>4,616</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>380,953</td>
<td>466,826</td>
</tr>
<tr>
<td><strong>TOTAL NET POSITION</strong></td>
<td>$1,293,176</td>
<td>$1,340,980</td>
</tr>
</tbody>
</table>
DALLAS AREA RAPID TRANSIT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE SIX MONTHS ENDED MARCH 31, 2021 and 2020 (Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2021 Unaudited</th>
<th>2020 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATING REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger revenues</td>
<td>$14,458</td>
<td>$29,788</td>
</tr>
<tr>
<td>Advertising, rent, and other</td>
<td>5,342</td>
<td>7,682</td>
</tr>
<tr>
<td>TOTAL OPERATING REVENUES</td>
<td>19,800</td>
<td>37,470</td>
</tr>
<tr>
<td>OPERATING EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor</td>
<td>138,536</td>
<td>132,989</td>
</tr>
<tr>
<td>Benefits</td>
<td>58,927</td>
<td>57,077</td>
</tr>
<tr>
<td>Services</td>
<td>25,798</td>
<td>24,235</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>21,479</td>
<td>25,679</td>
</tr>
<tr>
<td>Purchased transportation</td>
<td>25,571</td>
<td>31,142</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>124,336</td>
<td>122,165</td>
</tr>
<tr>
<td>Utilities</td>
<td>7,208</td>
<td>8,067</td>
</tr>
<tr>
<td>Taxes, leases, and other</td>
<td>4,406</td>
<td>2,075</td>
</tr>
<tr>
<td>Casualty and liability</td>
<td>3,008</td>
<td>3,357</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>409,269</td>
<td>406,786</td>
</tr>
<tr>
<td>NET OPERATING LOSS</td>
<td>(389,469)</td>
<td>(369,316)</td>
</tr>
<tr>
<td>NON-OPERATING REVENUES (EXPENSES)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax revenue</td>
<td>312,381</td>
<td>323,425</td>
</tr>
<tr>
<td>Investment income</td>
<td>664</td>
<td>5,217</td>
</tr>
<tr>
<td>Interest income from investments held to pay capital lease/leaseback</td>
<td>4,544</td>
<td>4,533</td>
</tr>
<tr>
<td>Interest expense on capital lease/leaseback</td>
<td>(4,544)</td>
<td>(4,533)</td>
</tr>
<tr>
<td>Interest and financing expenses</td>
<td>(71,687)</td>
<td>(71,774)</td>
</tr>
<tr>
<td>Build America Bonds tax credit</td>
<td>10,662</td>
<td>10,601</td>
</tr>
<tr>
<td>Other federal grants</td>
<td>34,339</td>
<td>54,206</td>
</tr>
<tr>
<td>Other non-operating revenues</td>
<td>8,542</td>
<td>8,485</td>
</tr>
<tr>
<td>Other non-operating expenses</td>
<td>(3,039)</td>
<td>(4,276)</td>
</tr>
<tr>
<td>NET NON-OPERATING REVENUES</td>
<td>291,862</td>
<td>325,884</td>
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<tr>
<td>LOSS BEFORE CAPITAL CONTRIBUTIONS AND GRANTS</td>
<td>(97,607)</td>
<td>(43,432)</td>
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<tr>
<td>CAPITAL CONTRIBUTIONS AND GRANTS</td>
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</tr>
<tr>
<td>Federal capital contributions</td>
<td>39,866</td>
<td>38,035</td>
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<tr>
<td>State capital contributions</td>
<td>8,710</td>
<td>2,281</td>
</tr>
<tr>
<td>Local capital contributions</td>
<td>1,227</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CAPITAL CONTRIBUTIONS AND GRANTS</td>
<td>49,803</td>
<td>40,316</td>
</tr>
<tr>
<td>CHANGE IN NET POSITION</td>
<td>(47,804)</td>
<td>(3,116)</td>
</tr>
<tr>
<td>TOTAL NET POSITION – BEGINNING OF YEAR</td>
<td>1,340,980</td>
<td>1,202,501</td>
</tr>
<tr>
<td>TOTAL NET POSITION – END OF THE REPORTING PERIOD</td>
<td>$1,293,176</td>
<td>$1,199,385</td>
</tr>
</tbody>
</table>
DALLAS AREA RAPID TRANSIT  
STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS ENDED MARCH 31, 2021 and 2020 (Dollars in Thousands)

<table>
<thead>
<tr>
<th>Description</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$28,268</td>
<td>$51,727</td>
</tr>
<tr>
<td>Payments to suppliers of goods and services</td>
<td>(97,216)</td>
<td>(80,500)</td>
</tr>
<tr>
<td>Payments to purchased transportation service providers</td>
<td>(27,824)</td>
<td>(32,604)</td>
</tr>
<tr>
<td>Payments to employees</td>
<td>(143,720)</td>
<td>(132,281)</td>
</tr>
<tr>
<td>Benefit payments on behalf of employees</td>
<td>(60,657)</td>
<td>(53,954)</td>
</tr>
<tr>
<td><strong>NET CASH USED BY OPERATING ACTIVITIES</strong></td>
<td>(301,149)</td>
<td>(247,612)</td>
</tr>
<tr>
<td>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and use tax receipts</td>
<td>318,903</td>
<td>335,707</td>
</tr>
<tr>
<td>Other federal grants</td>
<td>34,233</td>
<td>54,572</td>
</tr>
<tr>
<td>Build America Bonds tax credit</td>
<td>10,662</td>
<td>10,601</td>
</tr>
<tr>
<td>Local Assistance Program and street improvements</td>
<td>(3,514)</td>
<td>(4,091)</td>
</tr>
<tr>
<td><strong>NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</strong></td>
<td>360,284</td>
<td>396,789</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
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<tr>
<td>Interest on investments</td>
<td>505</td>
<td>3,806</td>
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<tr>
<td>Proceeds from sales and maturity of investments</td>
<td>153,872</td>
<td>485,201</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(186,488)</td>
<td>(521,906)</td>
</tr>
<tr>
<td>(Increase) Decrease in restricted assets</td>
<td>76,428</td>
<td>(27,206)</td>
</tr>
<tr>
<td><strong>NET CASH USED BY INVESTING ACTIVITIES</strong></td>
<td>44,317</td>
<td>(60,105)</td>
</tr>
<tr>
<td>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</td>
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<td></td>
</tr>
<tr>
<td>Acquisition and construction of capital assets</td>
<td>(131,926)</td>
<td>(81,955)</td>
</tr>
<tr>
<td>Proceeds from the issuance of commercial paper notes</td>
<td>118,000</td>
<td>210,500</td>
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<tr>
<td>Payment on commercial paper notes</td>
<td>(133,000)</td>
<td>(235,500)</td>
</tr>
<tr>
<td>Proceeds from issuance revenue bonds</td>
<td>-</td>
<td>100,000</td>
</tr>
<tr>
<td>Debt issuance costs</td>
<td>(2,054)</td>
<td>(59,974)</td>
</tr>
<tr>
<td>Principal payment on revenue bonds</td>
<td>(74,469)</td>
<td>(78,873)</td>
</tr>
<tr>
<td>Interest and financing expenses</td>
<td>(75,353)</td>
<td>(1,951)</td>
</tr>
<tr>
<td>Federal capital contributions</td>
<td>39,309</td>
<td>37,764</td>
</tr>
<tr>
<td>State and local capital contributions</td>
<td>76</td>
<td>2,031</td>
</tr>
<tr>
<td><strong>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td>(259,417)</td>
<td>(107,958)</td>
</tr>
<tr>
<td>NET DECREASE IN CASH AND CASH EQUIVALENTS</td>
<td>(155,965)</td>
<td>(18,886)</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS, BEGINNING OF THE FISCAL YEAR</td>
<td>384,038</td>
<td>98,979</td>
</tr>
<tr>
<td>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</td>
<td>$228,073</td>
<td>$80,093</td>
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</tbody>
</table>

(Continued)
DALLAS AREA RAPID TRANSIT  
STATEMENTS OF CASH FLOWS  

FOR THE SIX MONTHS ENDED MARCH 31, 2021 and 2020 (Dollars in Thousands)  

<table>
<thead>
<tr>
<th></th>
<th>2021 Unaudited</th>
<th>2020 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RECONCILIATION OF OPERATING LOSS TO CASH USED</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BY OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net operating loss</td>
<td>$(393,550)</td>
<td>$(369,316)</td>
</tr>
<tr>
<td><strong>ADJUSTMENTS TO RECONCILE NET OPERATING LOSS TO</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CASH USED IN OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>124,336</td>
<td>122,165</td>
</tr>
<tr>
<td>Miscellaneous non-operating income</td>
<td>8,542</td>
<td>8,485</td>
</tr>
<tr>
<td>Miscellaneous non-operating expenses</td>
<td>(85)</td>
<td>(185)</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in transit receivable</td>
<td>(479)</td>
<td>1,787</td>
</tr>
<tr>
<td>Increase in due from federal &amp; other governments</td>
<td>341</td>
<td>5,042</td>
</tr>
<tr>
<td>Decrease in materials and supplies inventory</td>
<td>840</td>
<td>1,611</td>
</tr>
<tr>
<td>Increase in prepaid expenses and other current assets</td>
<td>(8,753)</td>
<td>(6,311)</td>
</tr>
<tr>
<td>Increase in net other post-employment benefits (OPEB) liability</td>
<td>2,644</td>
<td>2,644</td>
</tr>
<tr>
<td>Decrease in accounts payable and accrued liabilities</td>
<td>(33,727)</td>
<td>(16,018)</td>
</tr>
<tr>
<td>Increase (decrease) in unearned revenue and other liabilities</td>
<td>(1,258)</td>
<td>2,484</td>
</tr>
<tr>
<td><strong>NET CASH USED BY OPERATING ACTIVITIES</strong></td>
<td>$(301,149)</td>
<td>$(247,612)</td>
</tr>
</tbody>
</table>

**NON-CASH OPERATING, INVESTING, AND FINANCING ACTIVITIES**  

| **Interest income from investments held to pay capital lease/leaseback** | $4,544 | $4,533 |
| **Increase in capital lease/leaseback obligations** | 1,830 | 1,841 |
| **Increase in investments held to pay capital lease/leaseback** | (1,830) | (1,841) |
| **Increase in fair value of investments** | 161 | 677 |
| **Amortization of premium, discount, bond insurance premium costs, and loss on debt refunding** | (6,943) | (7,630) |
| **Purchases of capital assets in accounts payable at period-end** | 22,769 | 21,204 |
| **Change in advance payments received from the State – capital contributions** | 6,857 | 249 |
| **Proceeds from the issuance of sales tax revenue bonds** | 284,454 | 174,091 |
| **Payment for advance refunding of sales tax revenue bonds** | (284,454) | (175,267) |

(Concluded)
Agenda Report

DATE: June 8, 2021

SUBJECT: Briefing on DARTzoom Bus Network Redesign

RECOMMENDATION

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

BUSINESS PURPOSE

- This briefing will assist DART in achieving Board Strategic Priority 1: Enhance the safety and service experience through customer-focused initiatives; and Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations.

- The June briefing covers updates on the public involvement process for the Draft Final Bus Network Plan and proposed January 2022 service changes. That process will conclude with the June 8 Public Hearing and a second opportunity to share comments on the proposed service change at the June 22 Board meeting.

- On September 24, 2019 (Resolution No. 190118), the Board approved a contract with Jarrett Walker & Associates (JWA) consulting team to assist DART in redesigning its bus network to meet the community values and objectives for the future transit system. JWA has been the premier consultant in planning new bus networks, which have resulted in increased ridership during a time when ridership nationwide has been in decline.

- On September 22, 2020, staff presented a “hybrid” high ridership network which included expanded GoLink service and eleven (11) coverage-oriented routes. This network as drawn offered walk distance access to 73% of all DART Service Area residents. The number of routes offering high frequency was expected to range from 25% to 30% of all DART routes.

- On November 10, 2020 (Resolution No. 200125), the Board approved the hybrid concept and directed DART staff to develop a draft final bus network based upon the hybrid network concept with a ridership-coverage ratio between 75%-25% and 70%-30% and determined to maximize the most efficient approach and based upon the FY 2020 Budget for service level resources.

- On February 23, 2021, DART staff presented the Draft Final Bus Network Plan to the Board of Directors. That presentation described a new bus network, analysis of key impacts of the network, and the process of moving the network from draft Plan to potential implementation.

- On March 9, 2021, DART staff presented proposed January 2022 service changes as a part of a Planning and Capital Programs Committee action item to call a Public Hearing on the changes. January changes are designed to fully implement the Draft Final Bus Network Plan.

- Proposed changes include replacement of the existing DART-funded fixed-route bus network (121 routes) with the 77 new routes from the draft Bus Network Plan. In addition, 13 new GoLink zones would be established, and many existing GoLink zones would be expanded.
• We anticipate that the Board of Directors will consider adoption of both the Bus Network Plan and January 2022 Service Changes in August 2021. The final network will likely include any changes that arise after DART receives public and rider feedback on the draft Plan and associated service change proposals.
DATE:       June 8, 2021

SUBJECT:   APTA Update

BOARD ITEM

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

PURPOSE

• Vice Chair Wong Krause will provide an APTA update for the Committee of the Whole.
DATE: June 8, 2021

SUBJECT: Briefing on Proposed Interlocal Agreements and Ground Leases to Implement Transit Oriented Development Opportunities with the Town of Addison and City of Richardson

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

BUSINESS PURPOSE

• This briefing assists DART in achieving Board Strategic Priority 2: Provide stewardship of the transit system, agency assets and financial obligations; and Strategic Priority 3: Innovate to enhance mobility options, business processes and funding.

• The TOD Policy (Attachment 1) defines Joint Development as a subset of TOD in which DART has a formalized relationship with a developer or a service area city for land use, infrastructure improvements, and shared facilities.

• Each development program will be consistent with the 2020 DART TOD Policy and 2020 TOD Guidelines, in regard to density of uses, accessibility and walkability, parking reduction and shared parking, and supporting uses that will increase transit ridership.

• Addison TOD ILA

• In anticipation of the DART Silver Line commuter rail service, the Town of Addison initiated the Addison Circle Special Area Study in December 2017 which focused on two study areas with Transit Oriented Development (TOD) potential: (1) Addison Central, approximately 29 acres, along the future Silver Line, north of Arapaho Road; and (2) Addison Circle West, approximately 8.2 acres, located on the western edge of the existing Addison Circle TOD, east of Addison Road. The Addison Central Study Area also encompasses 3.94 acres of DART property currently used as the Addison Transit Center, 300 parking spaces, and a two-story commercial building.

• The study identified the DART property as being a prime TOD site that could potentially be redeveloped while maintaining its transit function. The study has now been completed and approved by the Town of Addison; the Town is currently in the process of advertising a solicitation for a Master Developer.
The proposed Public/Public/Private Partnership would entail a different approach from previous Requests for Proposals initiated by DART on DART property. Within this proposed approach, DART would enter into an Interlocal Agreement (ILA) with the Town of Addison and then directly enter into a long-term 49-year lease, with two 25-year options, with the Town of Addison for the property. The Town of Addison has worked collaboratively with DART staff to develop an ILA (Attachment 2). Upon Board approval of the ILA and ground lease terms, the municipality would ultimately result in the execution of a Master Development Agreement and sub-lease with the selected developer.

DART would derive several benefits from the proposed Public/Public/Private Partnership being proposed such as:

- Utilizing underutilized parking, only 44% of the 300 available spaces pre-COVID, however, the future parking impact of the new Silver Line station will be monitored upon its opening. The Addison Transit Center and bus facility generate significant ridership other than peak hour commuters and transfer activity. Intensive development of the land will generate new all-day ridership.
- DART maintaining long-term control of its property and complying with FTA requirements related to properties acquired with FTA funds.
- DART securing long-term economic rent, with escalations as more of the development program is initiated, and consistent with market rate State of Texas statutory obligations.
- DART TOD benefits by leveraging the array of development tools and policies, unique to cities, that DART does not possess such as zoning, parking and traffic controls, building permit regulation, economic development incentives such as Tax Increment Finance (TIF), Section 380 grants, and tax abatements.
- Eliminating the need for DART to initiate a parallel competitive solicitation process for the smaller (5 acre) Addison Transit Center property, which has been demonstrated to be complex and costly, in favor of an interlocal ground lease agreement between two public agencies as allowed by state law.
- Transferring the obligation to Addison to undertake an active solicitation and negotiation of a complex Master Development Agreement consistent with pre-established deal terms between DART and Town of Addison.

Given the above benefits, DART would work collaboratively throughout the process with the City and Master Developer in planning, design, construction activities, and interactions with Federal Transit Administration (FTA), North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), as well as other relevant state or federal agencies. Additionally, DART would maintain oversight of:

- Passenger amenities and accessibility during and after construction
- Bus operations during and after construction, such as number of bus bays, location, site circulation, passenger waiting areas, and crew rooms (bus, pedestrian and automobile)
- Transit parking and shared parking, special events
- Future improvements, integration of transit facilities, and relocations identified during project planning
- Insurance and Indemnification

**Richardson TOD ILA**

In February 2018, the City of Richardson initiated a visioning effort focused on a 1,200-acre district which became identified as the Collins/Arapaho TOD and Innovation District Study. The planning effort concluded with the proposed rezoning of the district initiated in December 2018.
The Planned Development District was approved by the City of Richardson in November 2019 as the Collins Arapaho TOD and Innovation District. The study has identified the 14.45-acre Arapaho Center Station as a prime TOD site with parking utilization of only 31% of the total 1,121 provided parking spaces and opportunities for redevelopment while maintaining its transit function.

- The City of Richardson is prepared to move forward with the implementation of its TOD plan and solicit a Request for Proposals (RFP). The completion of this plan has created an opportunity for DART to partner with Richardson as the DART property is an integral element of the Innovation Quarter. The Arapaho Center Station site was ranked #2 in DART’s May 2019 TOD Property Evaluation report of all transit properties with TOD potential.

- The proposed Public/Public/Private Partnership would entail a different approach from previous Requests for Proposals initiated by DART on DART property. Within this proposed approach, DART would enter into an Interlocal Agreement (ILA) with the City of Richardson and then directly enter into a long-term lease with the City of Richardson for the DART property. The City has worked collaboratively with DART staff to develop an ILA (Attachment 3). Upon Board approval of the ILA and ground lease terms, the municipality would then initiate a Request for Proposal (RFP) process which would ultimately result in a Master Development Agreement and sub-lease with the selected developer.

- DART would derive several benefits from the proposed Public/Public/Private Partnership being proposed such as:
  
  - Utilizing an underutilized parking lot and bus facility, pre-COVID, only 31% of the 1,121 available spaces were being utilized. Transit Oriented Development of the parking lot will generate significant ridership other than peak hour commuters and bus transfer activity. Intensive development of the land will generate new all-day ridership.
  
  - DART maintaining long-term control of its property and complying with FTA requirements related to properties acquired with FTA funds.
  
  - DART securing long-term economic rent, with escalations as more of the development program is initiated, and consistent with market rate State of Texas statutory obligations.
  
  - DART TOD benefits by leveraging the array of development tools and policies, unique to cities, that DART does not possess such as zoning, parking and traffic controls, building permit regulation, economic development incentives such as Tax Increment Finance (TIF), Section 380 grants, and tax abatements.
  
  - Eliminating the need for DART to initiate a parallel competitive solicitation process for the 14.45-acre site, which has been demonstrated to be complex and costly, in favor of an interlocal ground lease agreement between two public agencies as allowed by state law.
  
  - Transferring the obligation to Richardson to undertake an active solicitation and negotiation of a complex Master Development Agreement consistent with pre-established deal terms between DART and Richardson.

- Given the above benefits, DART would work collaboratively throughout the process with the City and Master Developer in planning, design, construction activities, and interactions with Federal Transit Administration (FTA), North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), as well as other relevant state or federal agencies. Additionally, DART would maintain oversight of:
  
  - Passenger amenities and accessibility to the station and bus transit facility during and after construction
  
  - Bus operations during and after construction, such as number of bus bays, location, site circulation, passenger waiting areas, and crew rooms (bus, pedestrian and automobile)
  
  - Transit parking and shared parking, special events
• Future improvements, integration of transit facilities, and relocations identified during project planning
• Insurance and Indemnification
Transit Oriented Development Policy

DATE ISSUED: October 24, 1989
Resolution No. 890135
Amended by Resolution: 080131, 150106, 200033
Policy No. IV.03 (Planning)

Section 1. Purpose

DART is the steward of a significant public investment which includes important real property assets. These real property assets can also be used to leverage the viability of the transit system and to add to its value to the community. Continuing expansion and maturation of the transit system along with federal, regional and local initiatives that direct and concentrate transit oriented development and urban infill around transit facilities enhance the value of these assets. DART seeks to work in close partnership with its service area cities to identify and implement Transit Oriented Development (TOD) opportunities which reflect service area cities land use, housing, parking, and other related goals and policies. Promoting quality transit oriented development on or near the DART transit system can elevate the quality of life, attract riders and generate new opportunities to create direct and indirect revenue for DART, and environmentally sustainable livable communities that are focused on transit accessibility.

Section 2. Definitions

2.1 Transit Oriented Development (TOD) is walkable by design and characterized by the integration of transit facilities or elements, either bus or rail, throughout the development of intensive, high quality uses oriented towards DART facilities by others and/or development which is located adjacent to a transit facility. Transit Oriented Development shares a functional or financial relationship to the transit system.

2.2 Joint development is a subset of TOD and is development in which DART has a formalized relationship with a developer or service area city for land use, infrastructure improvements, and shared facilities.

2.3 Livable Communities are places where transportation, housing and commercial development investments have been coordinated so that people have access to adequate, affordable and environmentally sustainable transit and housing options.

2.4 Walkable by design is to create linked clear and continuous pedestrian circulation with buildings, transit, and open space oriented to the sidewalks and with parking located behind or under the building.

2.5 Shared parking is parking that serves multiple destinations within walking distance and accommodates various uses that have high demand during different periods of the day.

2.6 Parking structures designed for alternative future uses are parking structures designed with horizontal floors, comfortable floor to ceiling heights and loading capacity to accommodate another structural use such as housing, office, or retail.

2.7 Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.
Section 3. Goals

DART recognizes that Transit Oriented Development can be a means to accomplish the following goals:

3.1 Enhance the quality of life through the coordinated development of accessible pedestrian and non-motorized environments at transit stops and stations.

3.2 Increase transit ridership through the coordinated planning of land use and quality development projects on and around DART station properties and along DART transit routes and corridors.

3.3 Enhance the value of DART real property and other assets by designing transit facility access, and circulation to accommodate future TOD while maintaining accessibility and visibility to transit.

3.4 Contribute to the on-going economic vitality of service area cities while expanding opportunities for a broad range of housing and employment options serving increasingly diversified populations.

Section 4. TOD Strategies

4.1 DART seeks to foster cooperative relationships with other governmental entities, local communities, and the private sector for the development of comprehensive development plans, station area plans, innovative approaches to parking, property acquisition and disposition, and development of financial strategies and tools such as assessment districts, tax increment finance districts, or improvement districts, any of which may be located on and off DART property.

4.2 DART seeks to coordinate the development of livable communities at or around DART transit facilities through planning efforts with other governmental entities and communities in the DART service area early on in the development process to enhance multi-modal access to and from DART stops and stations and ensure appropriate transit supportive uses.

4.3 DART seeks to enhance the future value of planned DART facilities for TOD through one or more of the following:
   a. strategic acquisition of property and/or use of underutilized parking spaces to capture potential TOD opportunities;
   b. early design of transit facility elements such as, parking, circulation, and access;
   c. platform and infrastructure placement and orientation, in anticipation of reallocating surface parking spaces to incorporate eventual transit oriented uses. When feasible, these spaces should be integrated into TOD through the use of shared parking structures designed for alternative future uses.

4.4 DART seeks to encourage direct connections, including pedestrian and alternative modes, to transit stops and stations from surrounding development. Projects shall be consistent with City/Community TOD policies and plans.

4.5 DART seeks to use the appropriate method of disposing of DART real property for Transit Oriented Development projects to achieve specific development objectives, incorporate service area cities’ housing goals, and demonstrate a financial benefit to DART.
Section 5. Implementation Process

The President/Executive Director or his designee shall develop written procedures necessary to fully implement this Policy.
INTERLOCAL AGREEMENT

BETWEEN

DALLAS AREA RAPID TRANSIT AND TOWN OF ADDISON, TEXAS RELATED TO A MASTER GROUND LEASE FOR IMPLEMENTATION OF A TRANSIT ORIENTED DEVELOPMENT AT THE ADDISON RAIL STATION AREA

This Interlocal Agreement (hereinafter referred to as the "Agreement"), is made and entered into by and between the DALLAS AREA RAPID TRANSIT ("DART"), a regional transportation authority organized and existing pursuant to Chapter 452, Texas Transportation Code, and the Town of Addison, Texas (the "Town"), a Texas home rule municipal corporation, (each a "Party" and collectively referred to as "the Parties") acting by and through their respective representatives.

RECITALS

WHEREAS, DART is the steward of a significant public investment which includes important real property assets which can also be used to leverage the viability of the transit system and to add to its value to the community, continuing the expansion and maturation of the transit system along with federal, regional and local initiatives that direct and concentrate transit oriented development and urban infill around transit facilities enhance the value of these assets; and

WHEREAS, DART seeks to work closely with its member cities to identify and implement Transit Oriented Development ("TOD") opportunities by promoting high quality TODs on and near DART owned properties, which can attract transit system riders and generate new opportunities to create revenue for DART, and environmentally sustainable livable communities that are focused on transit accessibility; and

WHEREAS, through its years of creating and managing successful rail systems in its 13 service area cities, DART has learned valuable lessons about what is needed for successful TODs and has documented the lessons learned over the years and has adopted the DART Transit Oriented Development Policy, as amended in February, 2020 by DART Board Resolution No. 200033 and the DART Transit Oriented Development Guidelines published in September, 2020, attached hereto as Exhibit "E" (the "TOD Policy/Guidelines") designed to assist the general public and the development community in understanding DART’s approach to TOD and transit facility design and how to succeed in TOD projects; and

WHEREAS, the DART Board of Directors (the "Board") has authorized the President & Chief Executive Officer of DART or his/her designee to pursue the active development of available real estate owned by DART at or near-passenger-train and bus stations and to work with area cities and the appropriate regional, state and federal agencies in furtherance of these objectives, as stipulated in Board Resolution 200033; and

WHEREAS, the Town has identified the Addison Transit Center ("Addison Station") and the area in the immediate vicinity comprised of approximately 5.5 acres of land owned by DART, as generally depicted in Exhibit "A" (the "DART Property"), as an important development...
opportunity in support of the Town's Addison Circle neighborhood and has notified DART of the Town's desire to assume responsibility, subject to and conditioned upon development coordination and operations rights to be reserved by DART with respect to rail, bus and ancillary facilities at Addison Station, for the development of the DART Property as part of the Town's Addison Circle TOD planned development of approximately 13 acres of land owned by the Town in the Addison Circle area, generally depicted in Exhibit "B" (the "Addison Property"), and to enter a long term master ground lease agreement with DART for the DART Property (the "Master Lease Agreement") in accordance with the general terms set forth herein (the development as a whole being sometimes referred to herein as the "Development"); and

WHEREAS, DART desires to enter the Master Lease Agreement with the Town provided that the terms, covenants and conditions of the Master Lease Agreement: (i) are consistent with the terms of a market rate ground lease taking into consideration the future operational requirements of DART in regard to rail and bus services that must be accommodated in the Development; and (ii) provide for preparation of a Declaration of Covenants, Conditions and Restrictions (the "CCRs") containing, among other items, permitted and prohibited uses of both the DART Property and the Addison Property Property which are consistent with the uses identified in the TOD Policy/Guidelines, on terms reasonably acceptable to the Town, DART and the Master Developer (as defined below) and being for the benefit of DART and the Town in connection with development, use, maintenance and operation of the Development; and

WHEREAS, Chapter 791 of the Texas Government Code provides authorization for local governments to contract with each other for the performance of governmental functions and services.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the Parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I
Term

1.1. Initial Term. An initial term of 49 years commencing on the date of expiration of the Pre-Development Period (as defined below).

1.2. Extension Options. Two (2) successive twenty-five (25) year extension options conditioned upon the existence of no uncured default by the Town under the Master Lease Agreement and other objective conditions to be provided in the Master Lease Agreement.

1.3. Termination Due to No Development. DART may terminate the Master Lease Agreement in the event construction has not commenced on the DART Property within sixty (60) months after the effective date of the Master Lease Agreement. In addition, DART may terminate the Master Lease Agreement with respect to the Lot upon which the Bowman Building is located or any other platted Lot on the DART Property upon which construction has not commenced within ten (10) years after the effective date of the Master Lease Agreement, in which case Annual Base Rent shall be equitably adjusted by the
Parties to account for the part of the DART Property released from the Master Lease Agreement.

1.4. **Termination by the Town.** The Town may, upon written notice to DART, terminate the Master Lease Agreement in the event the Town is unable to enter into a Development Agreement or Sublease Agreement (as such agreements are defined below) with a Master Developer within forty-eight (48) months after the effective date of the Master Lease Agreement.

**Article II**

**Base Rent**

2.1. **Pre-Development Period.** The Pre-Development Period (herein so called) shall commence on the date of execution of the Master Lease Agreement by the Parties and continue for a period of sixty (60) months to provide for necessary Master Developer selection, survey/platting, securing entitlements, financing, completion of permitting and commencement of construction.

2.2. **Rent Commencement.** No Base Rent shall be due or payable until the first to occur of the following (the “Rent Commencement Date”): (i) the day following the expiration of the Pre-Development Period, (ii) the date DART’s ability to use transit facilities located on the DART Property is materially and adversely impacted by development or constructions activities (such as, by way of example and not limitation, the installation of construction fencing which encloses the DART transit facility) unless alternate transit facilities reasonably comparable to DART’s current transit facilities are provided by Addison for use by DART within reasonable proximity to the current transit facilities, and (iii) the date of issuance of a Certificate of Occupancy for the first building completed on the DART Property. DART shall be responsible for the payment of all expenses relating to DART’s transit operations. Notwithstanding the foregoing, DART may continue to collect, for its own account, all rent and other revenue from the Bowman Building and other areas of the DART Property currently leased until the day Base Rent first becomes due and payable, provided, all operating and capital expenses incurred during that period of time with respect to the leased property shall be DART’s responsibility.

2.3. **Annual Base Rent.** Annual Base Rent shall be payable to DART on an absolute net basis (subject only to DART’s obligations with respect to all operating expenses related to DART’s transit operations, including operation of any dedicated DART patron parking, bus lane pavement, the transit platform and rail lines, as set forth in Section 7.1 below), without offset for any reason or cause whatsoever, and shall be payable in advance in equal monthly installments.

Annual Base Rent under the Master Lease Agreement shall be determined based upon the appraised market value of the land component of the DART Property (taking into consideration any land dedicated solely to DART operational and infrastructure requirements as set forth in Section 7.3 below) (the “DART Land Value”) promptly following the Rent Commencement Date and incorporated into the Master Lease Agreement (and paid by Addison as soon as a determined). The process whereby DART’s
and Addison’s respective appraisers determine the “market value of the land” shall be as follows: (a) DART’s appraiser and Addison’s appraiser each determine the DART Land Value; (b) if the higher market value is not more than 5% more than the lower market value, the market values will be averaged, (c) if the difference is more than 5%, the appraisers will select a third appraiser from a list preapproved by DART and Addison and that appraiser will decide which of the two appraisals most closely represents the market value, and the market value in that appraisal will be used. Annual Base Rent for the first five (5) years of the term following the Rent Commencement Date (“Initial Base Rent”) shall be determined by multiplying the DART Land Value by no less than four percent (4%) or equivalent value, as determined by DART’s and Addison’s appraisers, as described below, to be market. No later than 180 days preceding the expiration of the fifth (5th) year of the term of the Master Lease Agreement following the Rent Commencement Date and each fifth (5th) year thereafter, and no later than 180 days preceding each Extension Term, if exercised, and each fifth (5th) year thereafter, Base Rent shall be adjusted (but never to less than ten percent (10%) nor more than fifteen percent (15%) over the Base Rent payable for the immediately preceding 5-year period) to an annual amount calculated as follows:

the greater of (i) the DART Land Value, as appraised, and (ii) the appraised market value of all improvements located on the DART Property as of the date of appraisal times [15%], multiplied by a “factor” determined by the appraisers, following the same process noted above, to be the market factor for determining initial rent on an unimproved tract or improved tract of land (as applicable) with similar characteristics as the DART Property located within a 10 mile radius of the DART Property, but not less than 4.0%.

The Parties intend that Annual Base Rent will be “reset” every five (5) years following the Rent Commencement Date based on the appraised market value calculation set forth above.

2.4. **Excess Rent Received by the Town under the Sublease Agreement.** In the event the Town receives annual base rent under the Sublease Agreement with the Master Developer which is in excess of the annual base rent then payable by the Town under the Master Lease Agreement, such excess annual base rent shall be shared 50% by the Town and 50% by DART. It is understood that property tax, sales tax and other tax receipts shall not be considered base rent. Further, any rent paid by the Master Developer under the Sublease Agreement which is rebated, credited or refunded to the Master Developer by the Town as reimbursement for development costs incurred by the Master Developer, such as infrastructure improvements, signalization or other public improvements, shall not be considered base rent for purposes of excess rent calculations.

**Article III**

**Intentionally Deleted**
Article IV
Unsubordinated Ground Lease

4.1. **Unsubordinated Ground Lease.** The Parties agree the Master Lease Agreement will be unsubordinated. Appropriate subtenant and lender protections, such as non-disturbance and notice and cure rights, will be included in the Master Lease Agreement.

Article V
Intentionally Deleted

Article VI
Declaration of Covenants, Conditions and Restrictions

6.1. **Permitted Uses.** The DART Property shall be used as part of a mixed use transit-oriented development with uses consistent with the TOD Policy/Guidelines including, without limitation, mid- to high-density urban mixed use development supporting office, residential, entertainment, retail and maker space uses, public and private parking requirements and specialized transportation infrastructure requirements of DART that are associated with the operations of rail, bus and ancillary facilities at Addison Station. The Master Developer shall comply with the operational and infrastructure requirements for continuation of transit services and public accommodation on the DART Property referenced in Section 7.3 below and further described on Exhibit “C” attached hereto. The proposed development by the Master Developer must comply with the TOD Policy/Guidelines and be consistent with a best-in-class transit-oriented urban mixed-use development in terms of density and mix of uses. Any modification or improvements to the DART Property that directly and adversely impacts DART’s operational needs as described in Exhibit “C” must be reviewed and approved by DART, which approval shall not be unreasonably withheld, delayed or conditioned.

6.2. **Prohibited Uses.** The Master Lease Agreement will contain restrictions against the use of the DART Property for the noxious uses described on Exhibit “D” attached hereto. Further, in no event shall any portion of the Development be used for mini-storage or mini-warehouse purposes or for a parking garage (“Stand-alone Parking Garage”) that is not integrated into the Development to provide parking support for a hotel, office building, retail building, transit center or other building(s) on the DART Property or on portions of the Addison Property that are adjacent to the DART Property.

6.3. **CCRs.** The CCRs, covering both the DART Property and the Addison Property, shall be recorded in the Real Property Records of Dallas County, Texas at the time a memorandum of the Master Lease Agreement is recorded.

Article VII
Capital and Operational Expenditures

7.1. **Project Capital and Operational Expenditures.** Except as set forth below, the Master Developer, as subtenant, shall be responsible for all expenditures related to the Development and improvements thereon including, without limitation, all property
management, leasing, maintenance, repair, insurance and taxes, and all capital expenditures
for infrastructure, grounds and facility improvements and replacements with respect to the
DART Property (it being understood that the appraised market value of the DART Property
for purposes of determining Base Rent will take into consideration any DART operational
or infrastructure requirements outlined in Section 7.3 below). DART shall be responsible
for all capital expenditures relating to the construction and installation of the DART rail
line (including the track and platform), all ticket kiosks and all informational boards and
all operating expenses related to DART’s transit operations, including operation of any
dedicated DART patron parking, bus lane pavement, the transit platform and rail lines. The
Town, as the sublessor under the Sublease Agreement, shall have the responsibility for
using commercially reasonable efforts to enforce the Master Developer’s compliance with
these obligations.

7.2. **Town’s Responsibilities.** The Town will provide such land use entitlements, tax
abatements and other incentives as the Town determines in its sole discretion to be
appropriate for obtaining a qualified master developer. The Town shall be responsible for
oversight of the initial Master Developer and any subsequent master developer(s).

7.3. **DART Operational and Infrastructure.** The Town acknowledges DART has ongoing
operational and infrastructure requirements associated with the Addison Station area that
must be accommodated in the transition of the DART Property to commercial development
uses and in DART’s future use and operations as provided in Exhibit “C”. The Master
Developer must comply with the requirements set forth in Exhibit “C”.

7.4. **DART Property.** Any future development of the DART Property must preserve at least
the levels of service provided in the DART January 2022 Service Changes and Bus
Network Plan (as referenced in Section 7.6 hereof) due to be approved by the Board in
August, 2021. This requirement can be met by the introduction of additional acreage or
other means and is not restricted solely to operations at the DART Property. DART shall
reserve the the right to redevelop and rebuild its operational and infrastructure
improvements at any future date as long as DART pays all costs of doing so; however, in
no event shall any such redevelopment or rebuilding affect any other portions of the
Development, including any other buildings or parking areas on the DART Property, unless
approved by the Town.

7.5. **DART’s Responsibilities.** DART will provide assistance with location of electric power,
on-location permits and fiber access when available and as may be mutually agreeable.
DART agrees to work in a collaborative and timely manner with the Town and Master
Developer in planning, design construction activities, in particular as those pertain to
interactions with North Central Texas Council of Governments (NCTCOG), Texas
Department of Transportation (TxDOT), Federal Transit Administration (FTA) and other
relevant state or federal agencies. DART shall be responsible for coordinating and
managing the FTA review process set forth in Section 11.18 below.

7.6. **Notification of Minimal Operational Needs.** The minimal DART operational and
infrastructure continuing requirements are included in Exhibit “C”. DART is currently in
the process of finalizing comprehensive Service Change and Bus Network Plan due to be
implemented in January, 2022. DART will inform the Town and the Master Developer of operational impacts related to the Bus Network Redesign.

**Article VIII**

**Insurance**

8.1. **Insurance.** The Master Lease Agreement shall require the Town during the Term, as extended, to obtain and maintain such commercial general liability and casualty insurance policies as are typically required for such lease agreements consistent with the types and coverages required by DART and the Town's risk managers. The Town shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement, to obtain and maintain such commercial general liability and casualty insurance policies as are typically required for such lease agreements consistent with the types and coverages required by DART and the Town’s risk managers. Such insurance policies shall name DART and the Town as additional insureds.

**Article IX**

**Indemnity**

9.1. **Indemnity.** The Sublease Agreement shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement, to indemnify, defend and hold DART and the Town harmless from third-party claims arising from the development and construction activities on the DART Property and the use, operation, maintenance, repair and replacement of improvements on the DART Property, except for claims arising from DART’s transit operations or any DART capital improvement projects that may occur at the station area.

**Article X**

**Master Developer**

10.1. **Master Developer.** The Town shall have the exclusive authority to solicit proposals for the development of the Development (including the DART Property), evaluate the proposals (subject to input from DART's representatives following receipt of the responses to the RFQ/RFP), select the developer (the “Master Developer”) to serve as the master developer for the Development and execute the development agreement and sublease agreement with the Master Developer (such agreements, respectively, the “Development Agreement” and the “Sublease Agreement”). The Development Agreement and Sublease Agreement shall be subject to review by DART within thirty (30) days after DART’s receipt thereof to confirm such agreements are consistent with the terms of the Master Lease Agreement. During the selection and development process, DART shall promptly be provided copies of all material correspondence, RFQs, RFPs, development proposals and drafts of the Development Agreement, the Sublease Agreement and other documents relating to or likely to have an adverse impact on the DART Property or DART operations, which shall be held in strict confidence and not be made available to the public during negotiations with potential master developers. With the assistance of the Town’s consultants, the Town shall select a highly qualified commercial real estate development entity, with many years of experience developing, leasing, operating and maintaining
mixed-use developments, preferably with transit-oriented experience, with uses consistent with the TOD Policy/Guidelines, including, without limitation, mid-to-high density, urban mixed use development supporting office, residential, entertainment, retail and maker space uses, public and private parking requirements, and specialized transportation infrastructure requirements of DART that are associated with the operation of rail, bus and ancillary facilities at Addison.

10.2. **Master Developer Solicitation Process.** Subject to terms of Section 11.18 below requiring compliance with all FTA regulations, the Town shall select and execute the Development Agreement and Sublease Agreement (which agreements shall be consistent with the terms of the Master Lease Agreement) with a Master Developer within a period of twenty-four (24) months following the effective date of this Agreement, subject to a 12-month extension at the Town’s option if a Master Developer has been selected and the Town is actively negotiating the Development Agreement and Sublease Agreement with such Master Developer. Any further extension of time to execute the Development Agreement and Sublease Agreement with the Master Developer shall be subject to the written approval of DART.

## Article XI
### Miscellaneous

11.1. **Third Party Beneficiaries.** There are no third-party beneficiaries of this Agreement.

11.2. **Entire Agreement.** The recitals and exhibits to this Agreement are incorporated herein for all purposes. This Agreement constitutes the entire agreement of DART and the Town with respect to the subject matter hereof. There is no other collateral agreement, oral or written, between the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any exhibits attached hereto and which are incorporated herein.

11.3. **Amendment.** This Agreement may not be amended except by the mutual agreement of the Parties. The Parties shall provide to each other board minutes, resolutions, certificates of incumbency and other documents reasonably requested by either Party evidencing the authority of the party signing this Agreement, any amendments hereto or any other document related hereto on behalf of a Party so signing.

11.4. **Default.** Any one of the following shall constitute an event of default of this Agreement: (i) failure of either Party to negotiate in good faith; (ii) prior to termination of this Agreement, DART entering into an agreement with a developer or entity to lease or purchase all or part of the DART Property; (iii) prior to termination of this Agreement, the Town entering into an agreement with a developer or entity to lease or purchase all or part of the Addison Property that is not related to the Development; (iv) the Town's failure to diligently pursue a master developer for the Development; or (v) a material misrepresentation by a Party.

11.5. **Termination.** This Agreement shall terminate upon written notice by either Party, if the other Party breaches or is in default of this Agreement and such breach or default is not
cured within ninety (90) days after written notice thereof. Upon written termination by the non-defaulting Party, unspent funds and misapplied funds, if any, provided to the Town by DART in connection with this Agreement shall be refunded to DART, and thereafter neither Party shall have further obligations to the other pursuant to this Agreement. In addition to a claim to recover such funds, the sole and exclusive remedies for an uncured default by a Party shall be termination of this Agreement by the non-defaulting Party and a claim for reimbursement against the defaulting Party of the actual, out-of-pocket expenses reasonably incurred by the non-defaulting Party in furtherance of this Agreement.

11.6. **Governing Law and Construction.** This Agreement shall be governed by the laws of the State of Texas. The Parties agree that venue for any action shall be in state district court of Dallas County, Texas.

11.7. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.8. **Terminology.** "Hereunder," "hereof," and similar or related terminology refers to this entire Agreement. Where appropriate, all references to the singular shall include the plural and vice versa and all references to any gender shall include any and every other gender.

11.9. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original.

11.10. **Authority to Execute.** The individual signatories below each represent they have authority to sign for and bind the respective Party.

11.11. **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing) or on the day actually received if sent by courier, facsimile or otherwise hand delivered and received by 5:00 PM on such day:

**TOWN:**

Wes Pierson  
City Manager  
Addison Town Hall  
5300 Belt Line Rd  
Dallas, Texas 75254  
Fax: ________________  
E-Mail: wpierson@addisontx.gov

With copy to:  
Ashley Mitchell  
Deputy City Manager  
Addison Town Hall  
5300 Belt Line Rd  
Dallas, Texas  
Fax: ________________  
E-Mail: amitchell@addisontx.gov
And a copy to: Brenda McDonald  
City Attorney, Town of Addison  
c/o Messer Fort McDonald  
6371 Preston Road, Suite 200  
Frisco, Texas 75034  
Fax: __________________  
E-Mail: brenda@txmunicipallaw.com

DART: President & Chief Executive Officer  
Dallas Area Rapid Transit  
1401 Pacific Ave.  
Dallas, TX 75202  
Fax: __________________  
E-Mail: ____________

With copy to: Gene Gamez  
General Counsel  
1401 Pacific Ave.  
Dallas, TX 75202  
Fax: (214) 749-3695  
E-Mail: ggamez@dart.org

11.12. **Current Funds.** Each Party paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments from current revenues available to the paying Party.

11.13. **Severability and Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) hereof, and this Agreement shall be revised so as to cure such invalid, illegal, or unenforceable provision(s) to carry out as nearly as possible the original intent of the Parties.

11.14. **Force Majeure.** Except for payment of Rent, the obligations of the Parties to the Master Lease Agreement shall be subject to events of Force Majeure. For purposes of this Agreement "Force Majeure" shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other causes affecting the area in which the Leased Premises is located, or a Party's labor or supply chain, or the availability of services ("Epidemiological Event") that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other
circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Master Lease Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after occurrence of the event(s) or condition(s) causing the delay describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred. The Parties acknowledge that as of the Effective Date, the outbreak of COVID-19 ("COVID-19 Outbreak") is an Epidemiological Event, that notwithstanding the COVID-19 Outbreak, the existing effects of the COVID-19 could not have been reasonably anticipated, and that the potential continuing effects of the COVID-19 Outbreak cannot reasonably be anticipated by the Parties nor be prevented nor overcome, wholly or in part, by the exercise of commercially reasonable diligence by such Party.

11.15. **Events of Default.** The Master Lease Agreement and the Sublease Agreement shall contain provisions for termination of the Master Lease Agreement and the Sublease Agreement for events of default (including, but not limited to, failure to pay Rent and an uncured breach of the respective lease agreement) after written notice to the defaulting party and appropriate cure periods, and other remedies typically provided to landlords and tenants under ground lease agreements, subject to the lender and subtenant protections described in Section 4.1 above.

11.16. **Privacy and Protection of Confidential Information.** DART and the Town are governed by the Texas Public Information Act and public access to public information. It will be the obligation of the prospective entities submitting proposals to the Town during the master developer selection process to mark such information that such entities deem confidential and proprietary information ("Confidential Information") prior to disclosing such information. The Town and DART shall not disclose Confidential Information except to the extent required by the Texas Public Information Act, or other applicable law.

11.17. **Condition Precedent.** The Town may not sublease any portion of the DART Property until the Master Lease Agreement has been executed by the Parties, and any such sublease shall be subject to the terms and provisions of the Master Lease Agreement.

11.18. **Notice of Sublease or Sale of DART Property.** The Master Lease Agreement shall require that the Sublease Agreement and any subsequent sublease covering all or part of the DART Property require that promptly after the Town receives actual knowledge of any sale, lease or sublease thereof, including the transfer of controlling interest in Master Developer or any sublessee, written notice of the name and contact information for the purchaser or sublessee be provided to DART at the notice address provided in the Master Lease Agreement. This notice obligation to DART shall be restated in the Sublease Agreement and any subsequent sublease covering all or part of the DART Property.

11.19. **FTA Compliance.** The Master Lease Agreement shall provide that the Town, as ground lessee, agrees to comply with Federal Transit Administration ("FTA") regulations
applicable to DART relating to the use and development of the DART Property, including, without limitation, such limited FTA review relating to terms of this Agreement, the process of soliciting and selecting a Master Developer and terms of the Master Lease Agreement and Sublease Agreement as is required under applicable FTA regulations. The Sublease Agreement shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement to comply with all FTA regulations applicable to DART relating to the use and development of the DART Property. DART shall continue to be required to comply with all FTA regulations applicable to DART’s transit operations.

(signatures on next page)
EXECUTED this the ________ day of ____________, 2021.

DALLAS AREA RAPID TRANSIT

By: ______________________________________
    David Leininger
    Interim President & Chief Executive Officer

Date: ________________________________

APPROVED AS TO FORM:

By: ______________________________________
    Gene Gamez, General Counsel

Date: ________________________________

EXECUTED this the ________ day of ____________, 2021.

TOWN OF ADDISON, TEXAS

By: ______________________________________
    Wesley S. Pierson
    City Manager

Date: ________________________________

APPROVED AS TO FORM:

By: ______________________________________
    Brenda N. McDonald, City Attorney

Date: ________________________________
Exhibit "A"

Description of DART Property

(to be attached)
Exhibit "B"

Description of Addison Property

(to be attached)
Exhibit "C"

DART Minimal Operational Needs

Passenger Amenities:

1. Air-conditioned waiting space.
2. Two (2) Restrooms.
4. Eight (8) Shelters equivalent to what exists on the site currently.
5. Service information.
6. Clear and unimpeded pedestrian access to nearby jobs and housing.

Current Transit Center Bus Operations:

1. Signalized access to bus bays sufficient to accommodate approximately 54 buses/hour at peak times (27 inbound and 27 outbound).
2. Operating hours 4:00 AM – 1:00 am every day.
3. Parking - 300 spaces designated for “DART customers only” during DART’s peak operating hours - the future number, location and sharing of parking spaces to be agreed upon by the parties.
4. Two bathrooms for operators and customers when operators are not using them.
5. Vending machines.
6. Contingency space (in addition to 12 bays) for paratransit and emergency rail shuttles.

Required future improvements to be maintained, redeveloped, or added to the Addison Transit Center and future Rail Station to be provided by the Master Developer may include a minimum of:

1. Crew room (a comfortable break room with restrooms dedicated to operators).
2. Pedestrian access (currently customers can access bus operations from the parking lot, Arapaho Road, Quorum Drive, and surrounding land uses without impediment).
3. Signalized bus access (dedicated access in both directions greatly increases safety; this feature must be maintained).
4. The construction of four (4) additional bus bays and shelters, for a total of 12, and the designation of space for the operation of at least 2 GoLink zones.
5. These estimates may be adjusted upon discussion and agreement with the Master Developer.

Future improvements shall not degrade current pedestrian access in any way for the average DART user.
Exhibit "D"

Prohibited Uses on the DART Property

No portion of the DART Property shall be used for the following uses:

1. A Stand-alone Parking Garage.
2. A dance hall.
3. An off-track betting business.
4. A billiard or pool hall.
5. For bingo or similar games of chance.
6. A massage parlor or tanning salon, except the foregoing shall not prohibit therapeutic massages such as provided by Massage Envy.
7. A game arcade or video game room.
8. A bowling alley.
10. Automobiles sales or a car wash, car repair or car rental agency.
11. A night club or discotheque.
12. An adult book or adult video tape store (which are defined as stores in which any portion of the inventory is not available for sale or rental to children under 18 years old because such inventory explicitly deals with or depicts human sexuality), or any establishment selling or exhibiting pornographic materials.
13. A “sexually oriented business”, which shall mean (i) a sex parlor, nude studio, modeling studio, love parlor, adult bookstore, adult movie theater, adult video arcade, adult movie arcade, adult video store, adult motel, or (ii) a nightclub, bar, restaurant, or similar commercial enterprise that provides live nude or partially nude entertainment or live nude or partially nude performances.
14. Flea market, or any second-hand or surplus store.
15. Manufacturing facility (other than manufacturing of food items incidental to a restaurant or catering operation).
16. Any mortuary or funeral establishment.
17. Pawn shop.
18. Any central laundry or dry cleaning plant or laundromat (except that this prohibition shall not be applicable to on-site service provided solely for pickup and delivery by the ultimate consumer, including nominal supporting facilities).

19. Any veterinary hospital, animal raising or facilities.

20. Any facility selling guns or firearms of any kind.

21. Any use which is a public or private nuisance as may be determined by the applicable municipal authorities.

22. Any use that is contrary to applicable zoning ordinances or private restrictions.

23. Any abortion, drug rehabilitation or methadone clinic.

24. Mini-warehouse or mini-storage.
Exhibit "E"

TOD Policy/Guidelines

Transit Oriented Development Policy

DATE ISSUED: October 24, 1989
Resolution No. 890135
Amended by Resolution: 080131, 150106, 200033 Policy No. IV.03 (Planning)

Section 1. Purpose

DART is the steward of a significant public investment which includes important real property assets. These real property assets can also be used to leverage the viability of the transit system and to add to its value to the community. Continuing expansion and maturation of the transit system along with federal, regional and local initiatives that direct and concentrate transit oriented development and urban infill around transit facilities enhance the value of these assets. DART seeks to work in close partnership with its service area cities to identify and implement Transit Oriented Development (TOD) opportunities which reflect service area cities land use, housing, parking, and other related goals and policies. Promoting quality transit oriented development on or near the DART transit system can elevate the quality of life, attract riders and generate new opportunities to create direct and indirect revenue for DART, and environmentally sustainable livable communities that are focused on transit accessibility.

2.2 Joint development is a subset of TOD and is development in which DART has a formalized relationship with a developer or service area city for land use, infrastructure improvements, and shared facilities.

2.3 Livable Communities are places where transportation, housing and commercial development investments have been coordinated so that people have access to adequate, affordable and environmentally sustainable transit and housing options.

2.4 Walkable by design is to create linked clear and continuous pedestrian circulation with buildings, transit, and open space oriented to the sidewalks and with parking located behind or under the building.

2.5 Shared parking is parking that serves multiple destinations within walking distance and accommodates various uses that have high demand during different periods of the day.

2.6 Parking structures designed for alternative future uses are parking structures designed with horizontal floors, comfortable floor to ceiling heights and loading capacity to accommodate another structural use such as housing, office, or retail.

2.7 Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.

Section 2. Definitions

2.1 Transit Oriented Development (TOD) is walkable by design and characterized by the integration of transit facilities or elements, either bus or rail, throughout the development of intensive, high quality uses oriented towards DART facilities by others and/or development which is located adjacent to a transit facility. Transit Oriented Development shares a functional or financial relationship to the transit system.

2.2 Joint development is a subset of TOD and is development in which DART has a formalized relationship with a developer or service area city for land use, infrastructure improvements, and shared facilities.

2.3 Livable Communities are places where transportation, housing and commercial development investments have been coordinated so that people have access to adequate, affordable and environmentally sustainable transit and housing options.

2.4 Walkable by design is to create linked clear and continuous pedestrian circulation with buildings, transit, and open space oriented to the sidewalks and with parking located behind or under the building.

2.5 Shared parking is parking that serves multiple destinations within walking distance and accommodates various uses that have high demand during different periods of the day.

2.6 Parking structures designed for alternative future uses are parking structures designed with horizontal floors, comfortable floor to ceiling heights and loading capacity to accommodate another structural use such as housing, office, or retail.

2.7 Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.
Section 3. Goals

DART recognizes that Transit Oriented Development can be a means to accomplish the following goals:

3.1 Enhance the quality of life through the coordinated development of accessible pedestrian and non-motorized environments at transit stops and stations.

3.2 Increase transit ridership through the coordinated planning of land use and quality development projects on and around DART station properties and along DART transit routes and corridors.

3.3 Enhance the value of DART real property and other assets by designing transit facility access, and circulation to accommodate future TOD while maintaining accessibility and visibility to transit.

3.4 Contribute to the on-going economic vitality of service area cities while expanding opportunities for a broad range of housing and employment options serving increasingly diversified populations.

Section 4. TOD Strategies

4.1 DART seeks to foster cooperative relationships with other governmental entities, local communities, and the private sector for the development of comprehensive development plans, station area plans, innovative approaches to parking, property acquisition and disposition, and development of financial strategies and tools such as assessment districts, tax increment finance districts, or improvement districts, any of which may be located on and off DART property.

4.2 DART seeks to coordinate the development of livable communities at or around DART transit facilities through planning efforts with other governmental entities and communities in the DART service area early on in the development process to enhance multi-modal access to and from DART stops and stations and ensure appropriate transit supportive uses.

Article XII 4.3 DART seeks to enhance the future value of planned DART facilities for TOD through one or more of the following:

a. strategic acquisition of property and/or use of underutilized parking spaces to capture potential TOD opportunities;

b. early design of transit facility elements such as, parking, circulation, and access;

c. platform and infrastructure placement and orientation, in anticipation of reallocating surface parking spaces to incorporate eventual transit oriented uses. When feasible, these spaces should be integrated into TOD through the use of shared parking structures designed for alternative future uses.

4.4 DART seeks to encourage direct connections, including pedestrian and alternative modes, to transit stops and stations from surrounding development. Projects shall be consistent with City/Community TOD policies and plans.

4.5 DART seeks to use the appropriate method of disposing of DART real property for Transit Oriented Development projects to achieve specific development objectives, incorporate service area cities’ housing goals, and demonstrate a financial benefit to DART.
Section 5. Implementation Process

The President/Executive Director or his designee shall develop written procedures necessary to fully implement this Policy.
INTERLOCAL AGREEMENT

BETWEEN

DALLAS AREA RAPID TRANSIT AND RICHARDSON, TEXAS RELATED TO A MASTER GROUND LEASE FOR IMPLEMENTATION OF A TRANSIT ORIENTED DEVELOPMENT AT THE DART ARAPAHO CENTER STATION

This Interlocal Agreement (hereinafter referred to as the "Agreement"), is made and entered into by and between the DALLAS AREA RAPID TRANSIT ("DART"), a regional transportation authority organized and existing pursuant to Chapter 452, Texas Transportation Code, and Richardson, Texas (the "City"), a Texas home rule municipal corporation, (each a "Party" and collectively referred to as "the Parties") acting by and through their respective representatives.

RECITALS

WHEREAS, DART is the steward of a significant public investment which includes important real property assets which can also be used to leverage the viability of the transit system and to add to its value to the community, continuing the expansion and maturation of the transit system along with federal, regional and local initiatives that direct and concentrate transit oriented development and urban infill around transit facilities enhance the value of these assets; and

WHEREAS, DART seeks to work closely with its member cities to identify and implement Transit Oriented Development ("TOD") opportunities by promoting high quality TODs on and near DART owned properties, which can attract transit system riders and generate new opportunities to create revenue for DART, and environmentally sustainable livable communities that are focused on transit accessibility; and

WHEREAS, through its years of creating and managing successful rail systems in its 13 service area cities, DART has learned valuable lessons about what is needed for successful TODs and has documented the lessons learned over the years and has adopted the DART Transit Oriented Development Policy, as amended in February, 2020 by DART Board Resolution No. 200033 and the DART Transit Oriented Development Guidelines published in September, 2020, attached hereto as Exhibit "D" (the "TOD Policy/Guidelines") designed to assist the general public and the development community in understanding DART's approach to TOD and transit facility design and how to succeed in TOD projects; and

WHEREAS, the DART Board of Directors (the "Board") has authorized the President & Chief Executive Officer of DART or his/her designee to pursue the active development of available real estate owned by DART at or near passenger-train and bus stations and to work with area cities and the appropriate regional, state and federal agencies in furtherance of these objectives, as stipulated in Board Resolution 200033; and

WHEREAS, the City has identified an area comprised of approximately 15.____ acres of land owned by DART, as generally depicted in Exhibit "A" (the "DART Property"), as an important development opportunity in support of the City’s neighborhoods and has notified DART
of the City's desire to assume responsibility, subject to and conditioned upon development coordination and operations rights to be reserved by DART with respect to rail, bus and ancillary facilities at DART's Arapaho Center Station, for the development of the DART Property as part of the City's Arapaho Center Station TOD planned development, and to enter a long term master ground lease agreement with DART for the DART Property (the "Master Lease Agreement") in accordance with the general terms set forth herein (the development as a whole being sometimes referred to herein as the "Development"); and

WHEREAS, DART desires to enter the Master Lease Agreement with the City provided that the terms, covenants and conditions of the Master Lease Agreement: (i) are consistent with the terms of a market rate ground lease taking into consideration the future operational requirements of DART in regard to rail and bus services that must be accommodated in the Development; and (ii) provide for preparation of a Declaration of Covenants, Conditions and Restrictions (the "CCRs") containing, among other items, permitted and prohibited uses of both the DART Property and adjacent City property which are consistent with the uses identified in the TOD Policy/Guidelines, on terms reasonably acceptable to the City, DART and the Master Developer (as defined below) and being for the benefit of DART and the City in connection with development, use, maintenance and operation of the Development; and

WHEREAS, Chapter 791 of the Texas Government Code provides authorization for local governments to contract with each other for the performance of governmental functions and services.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the Parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I
Term

1.1. Initial Term. An initial term of 49 years commencing on the date of expiration of the Pre-Development Period (as defined below).

1.2. Extension Options. Two (2) successive twenty-five (25) year extension options conditioned upon the existence of no uncured default by the City under the Master Lease Agreement and other objective conditions to be provided in the Master Lease Agreement.

1.3. Termination Due to No Development. DART may terminate the Master Lease Agreement in the event construction has not commenced on the DART Property within sixty (60) months after the effective date of the Master Lease Agreement. In addition, DART may terminate the Master Lease Agreement with respect to the Lot upon which the Bowman Building is located or any other platted Lot on the DART Property upon which construction has not commenced within ten (10) years after the effective date of the Master Lease Agreement, in which case Annual Base Rent shall be equitably adjusted by the Parties to account for the part of the DART Property released from the Master Lease Agreement.

1.4. Termination by the City. The City may, upon written notice to DART, terminate the Master Lease Agreement in the event the City is unable to enter into a Development Agreement or
Sublease Agreement (as such agreements are defined below) with a Master Developer within forty-eight (48) months after the effective date of the Master Lease Agreement.

**Article II**

**Base Rent**

2.1. **Pre-Development Period.** The Pre-Development Period (herein so called) shall commence on the date of execution of the Master Lease Agreement by the Parties and continue for a period of sixty (60) months to provide for necessary Master Developer selection, survey/platting, securing entitlements, financing, completion of permitting and commencement of construction.

2.2. **Rent Commencement.** No Base Rent shall be due or payable until the first to occur of the following (the “Rent Commencement Date”): (i) the day following the expiration of the Pre-Development Period, (ii) the date DART’s ability to use transit facilities located on the DART Property is materially and adversely impacted by development or constructions activities (such as, by way of example and not limitation, the installation of construction fencing which encloses the DART transit facility) unless alternate transit facilities reasonably comparable to DART’s current transit facilities are provided by the City for use by DART within reasonable proximity to the current transit facilities, and (iii) the date of issuance of a Certificate of Occupancy for the first building completed on the DART Property. DART shall be responsible for the payment of all expenses relating to DART’s transit operations. Notwithstanding the foregoing, DART may continue to collect, for its own account, all rent and other revenue from the Bowman Building and other areas of the DART Property currently leased until the day Base Rent first becomes due and payable, provided, all operating and capital expenses incurred during that period of time with respect to the leased property shall be DART’s responsibility.

2.3. **Annual Base Rent.** Annual Base Rent shall be payable to DART on an absolute net basis (subject only to DART’s obligations with respect to all operating expenses related to DART’s transit operations, including operation of any dedicated DART patron parking, bus lane pavement, the transit platform and rail lines, as set forth in Section 7.1 below), without offset for any reason or cause whatsoever, and shall be payable in advance in equal monthly installments.

Annual Base Rent under the Master Lease Agreement shall be determined based upon the appraised market value of the land component of the DART Property (taking into consideration any land dedicated solely to DART operational and infrastructure requirements as set forth in Section 7.3 below) (the “DART Land Value”) promptly following the Rent Commencement Date and incorporated into the Master Lease Agreement (and paid by the City as soon as a determined). The process whereby DART’s and the City’s respective appraisers determine the “market value of the land” shall be as follows: (a) DART’s appraiser and the City’s appraiser each determine the DART Land Value; (b) if the higher market value is not more than 5% more than the lower market value, the market values will be averaged, (c) if the difference is more than 5%, the appraisers will select a third appraiser from a list preapproved by DART and the City and that appraiser will decide which of the two appraisals most closely represents the market value, and the market value in that appraisal will be used. Annual Base Rent for the first five (5) years of the term following the Rent Commencement Date (“Initial Base Rent”) shall be determined by multiplying the DART Land Value by no less than four percent (4%) or equivalent value, as determined by DART’s and the City’s appraisers, as described below, to be market. The initial Annual Base Rent under the
Master Lease Agreement shall be determined 180 days preceding the expiration of the fifth (5th) year of the term of the Master Lease Agreement following the Rent Commencement. Each tenth (10th) year thereafter and also 180 days preceding each Extension Term and also promptly after issuance of a Certificate of Occupancy (or comparable certificate) for each building completed on the DART Property (each a "Rent Adjustment Date"), Base Rent shall be adjusted (but never to an amount that is less than two percent (2.0%) or more than three percent (3.0%) per year cumulative since the most recent Rent Adjustment Date over the Base Rent payable since the most recent Rent Adjustment Date) to an annual amount calculated as follows:

the greater of (i) the DART Land Value, as appraised, and (ii) the appraised market value of all improvements located on the DART Property as of the date of appraisal times [15%], multiplied by by a “factor” determined by the appraisers, following the same process noted above, to be the market factor for determining initial rent on an unimproved tract or improved tract of land (as applicable) with similar characteristics as the DART Property located within a 10 mile radius of the DART Property, but not less than 4.0%.

The Parties intend that Annual Base Rent will be “reset” every Rent Adjustment Date following the Rent Commencement Date based on the appraised market value calculation set forth above.

2.4. Excess Rent Received by City under the Sublease Agreement on DART Property. In the event the City receives annual base rent under the Sublease Agreement with the Master Developer covering the DART Property which is in excess of the annual base rent then payable by the City under the Master Lease Agreement, such excess annual base rent shall be shared 50% by the City and 50% by DART. It is understood that property taxes, sales taxes and other taxes paid directly by the Master Developer or paid to the City for remittance to the appropriate taxing authority shall not be considered base rent for purposes of excess rent calculations. Further, any rent paid by the Master Developer under the Sublease Agreement which is rebated, credited or refunded to the Master Developer by the City as reimbursement for development costs incurred by the Master Developer, such as infrastructure improvements, signalization or other public improvements, shall not be considered base rent for purposes of excess rent calculations.

Article III
Intentionally Deleted

Article IV
Unsubordinated Ground Lease

4.1. Unsubordinated Ground Lease. The Parties agree the Master Lease Agreement will be unsubordinated. Appropriate subtenant and lender protections, such as non-disturbance and notice and cure rights, will be included in the Master Lease Agreement.

Article V
Intentionally Deleted

Article VI
Declaration of Covenants, Conditions and Restrictions
6.1. **Permitted Uses.** The DART Property shall be used as part of a mixed use transit-oriented development with uses consistent with the TOD Policy/Guidelines including, without limitation, mid- to high-density urban mixed use development supporting office, residential, entertainment, retail and maker space uses, public and private parking requirements and specialized transportation infrastructure requirements of DART that are associated with the operations of rail, bus and ancillary facilities at DART’s Arapaho Center Station. The Master Developer shall comply with the operational and infrastructure requirements for continuation of transit services and public accommodation on the DART Property referenced in Section 7.3 below and further described on Exhibit “B” attached hereto. The proposed development by the Master Developer must comply with the TOD Policy/Guidelines and be consistent with a best-in-class transit-oriented urban mixed-use development in terms of density and mix of uses. Any modification or improvements to the DART Property that directly and adversely impacts DART’s operational needs as described in Exhibit “B” must be reviewed and approved by DART, which approval shall not be unreasonably withheld, delayed or conditioned.

6.2. **Prohibited Uses.** The Master Lease Agreement will contain restrictions against the use of the DART Property for the noxious uses described on Exhibit “C” attached hereto. Further, in no event shall any portion of the Development be used for mini-storage or mini-warehouse purposes or for a parking garage ("Stand-alone Parking Garage") that is not integrated into the Development to provide parking support for a hotel, office building, retail building, transit center or other building(s) on the DART Property.

6.3. **CCRs.** The CCRs, covering both the DART Property and the adjacent property of the City, shall be recorded in the Real Property Records of Dallas County, Texas at the time a memorandum of the Master Lease Agreement is recorded.

**Article VII**

**Capital and Operational Expenditures**

7.1. **Project Capital and Operational Expenditures.** Except as set forth below, the Master Developer, as subtenant, shall be responsible for all expenditures related to the Development and improvements thereon including, without limitation, all property management, leasing, maintenance, repair, insurance and taxes, and all capital expenditures for infrastructure, grounds and facility improvements and replacements with respect to the DART Property (it being understood that the appraised market value of the DART Property for purposes of determining Base Rent will take into consideration any DART operational or infrastructure requirements outlined in Section 7.3 below). DART shall be responsible for all capital expenditures relating to the construction and installation of the DART rail line (including the track and platform), all ticket kiosks and all informational boards and all operating expenses related to DART’s transit operations, including operation of any dedicated DART patron parking, bus lane pavement, the transit platform and rail lines. The City, as the sublessor under the Sublease Agreement, shall have the responsibility for using commercially reasonable efforts to enforce the Master Developer’s compliance with these obligations.

7.2. **City’s Responsibilities.** The City will provide such land use entitlements, tax abatements and other incentives as the City determines in its sole discretion to be appropriate for obtaining a
qualified master developer. The City shall be responsible for oversight of the initial Master Developer and any subsequent master developer(s).

7.3. **DART Operational and Infrastructure.** The City acknowledges DART has ongoing operational and infrastructure requirements associated with DART’s Arapaho Center Station area that must be accommodated in the transition of the DART Property to commercial development uses and in DART’s future use and operations as provided in Exhibit “B”. The Master Developer must comply with the requirements set forth in Exhibit “B”.

7.4. **DART Property.** Any future development of the DART Property must preserve at least the levels of service provided in the DART January 2022 Service Changes and Bus Network Plan (as referenced in Section 7.6 hereof) due to be approved by the Board in August, 2021. This requirement can be met by the introduction of additional acreage or other means and is not restricted solely to operations at the DART Property. DART shall reserve the right to redevelop and rebuild its operational and infrastructure improvements at any future date as long as DART pays all costs of doing so; however, in no event shall any such redevelopment or rebuilding affect any other portions of the Development, including any other buildings or parking areas on the DART Property, unless approved by the City.

7.5. **DART’s Responsibilities.** DART will provide assistance with location of electric power, on-location permits and fiber access when available and as may be mutually agreeable. DART agrees to work in a collaborative and timely manner with the City and Master Developer in planning, design construction activities, in particular as those pertain to interactions with North Central Texas Council of Governments (NCTCOG), Texas Department of Transportation (TxDOT), Federal Transit Administration (FTA) and other relevant state or federal agencies. DART shall be responsible for coordinating and managing the FTA review process set forth in Section 11.18 below.

7.6. **Notification of Minimal Operational Needs.** The minimal DART operational and infrastructure continuing requirements are included in Exhibit “B”. DART is currently in the process of finalizing comprehensive Service Change and Bus Network Plan due to be implemented in January, 2022. DART will inform the City and the Master Developer of operational impacts related to the Bus Network Redesign.

**Article VIII**

**Insurance**

8.1. **Insurance.** The Master Lease Agreement shall require the City during the Term, as extended, to obtain and maintain such commercial general liability and casualty insurance policies as are typically required for such lease agreements consistent with the types and coverages required by DART and the City's risk managers. The City shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement, to obtain and maintain such commercial general liability and casualty insurance policies as are typically required for such lease agreements consistent with the types and coverages required by DART and the City’s risk managers. Such insurance policies shall name DART and the City as additional insureds.
Article IX
Indemnity

9.1. **Indemnity.** The Sublease Agreement shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement, to indemnify, defend and hold DART and the City harmless from third-party claims arising from the development and construction activities on the DART Property and the use, operation, maintenance, repair and replacement of improvements on the DART Property, except for claims arising from DART’s transit operations or any DART capital improvement projects that may occur at the station area.

Article X
Master Developer

10.1. **Master Developer.** The City shall have the exclusive authority to solicit proposals for the development of the Development (including the DART Property), evaluate the proposals (subject to input from DART’s representatives following receipt of the responses to the RFQ/RFP), select the developer (the “**Master Developer**”) to serve as the master developer for the Development and execute the development agreement and sublease agreement with the Master Developer (such agreements, respectively, the “**Development Agreement**” and the “**Sublease Agreement**”). The Development Agreement and Sublease Agreement shall be subject to review by DART within thirty (30) days after DART’s receipt thereof to confirm such agreements are consistent with the terms of the Master Lease Agreement. During the selection and development process, DART shall promptly be provided copies of all material correspondence, RFQs, RFPs, development proposals and drafts of the Development Agreement, the Sublease Agreement and other documents relating to or likely to have an adverse impact on the DART Property or DART operations, which shall be held in strict confidence and not be made available to the public during negotiations with potential master developers. With the assistance of the City’s consultants, the City shall select a highly qualified commercial real estate development entity, with many years of experience developing, leasing, operating and maintaining mixed-use developments, preferably with transit-oriented experience, with uses consistent with the TOD Policy/Guidelines, including, without limitation, mid-to-high density, urban mixed use development supporting office, residential, entertainment, retail and maker space uses, public and private parking requirements, and specialized transportation infrastructure requirements of DART that are associated with the operation of rail, bus and ancillary facilities by DART.

10.2. **Master Developer Solicitation Process.** Subject to terms of Section 11.18 below requiring compliance with all FTA regulations, the City shall select and execute the Development Agreement and Sublease Agreement (which agreements shall be consistent with the terms of the Master Lease Agreement) with a Master Developer within a period of twenty-four (24) months following the effective date of this Agreement, subject to a 12-month extension at the City’s option if a Master Developer has been selected and the City is actively negotiating the Development Agreement and Sublease Agreement with such Master Developer. Any further extension of time to execute the Development Agreement and Sublease Agreement with the Master Developer shall be subject to the written approval of DART.
Article XI
Miscellaneous

11.1. **Third Party Beneficiaries.** There are no third-party beneficiaries of this Agreement.

11.2. **Entire Agreement.** The recitals and exhibits to this Agreement are incorporated herein for all purposes. This Agreement constitutes the entire agreement of DART and the City with respect to the subject matter hereof. There is no other collateral agreement, oral or written, between the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any exhibits attached hereto and which are incorporated herein.

11.3. **Amendment.** This Agreement may not be amended except by the mutual agreement of the Parties. The Parties shall provide to each other board minutes, resolutions, certificates of incumbency and other documents reasonably requested by either Party evidencing the authority of the party signing this Agreement, any amendments hereto or any other document related hereto on behalf of a Party so signing.

11.4. **Default.** Any one of the following shall constitute an event of default of this Agreement: (i) failure of either Party to negotiate in good faith; (ii) prior to termination of this Agreement, DART entering into an agreement with a developer or entity to lease or purchase all or part of the DART Property; (iii) the City's failure to diligently pursue a master developer for the Development; or (iv) a material misrepresentation by a Party.

11.5. **Termination.** This Agreement shall terminate upon written notice by either Party, if the other Party breaches or is in default of this Agreement and such breach or default is not cured within ninety (90) days after written notice thereof. Upon written termination by the non-defaulting Party, unspent funds and misapplied funds, if any, provided to the City by DART in connection with this Agreement shall be refunded to DART, and thereafter neither Party shall have further obligations to the other pursuant to this Agreement. In addition to a claim to recover such funds, the sole and exclusive remedies for an uncured default by a Party shall be termination of this Agreement by the non-defaulting Party and a claim for reimbursement against the defaulting Party of the actual, out-of-pocket expenses reasonably incurred by the non-defaulting Party in furtherance of this Agreement.

11.6. **Governing Law and Construction.** This Agreement shall be governed by the laws of the State of Texas. The Parties agree that venue for any action shall be in state district court of Dallas County, Texas.

11.7. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.8. **Terminology.** "Hereunder," "hereof," and similar or related terminology refers to this entire Agreement. Where appropriate, all references to the singular shall include the plural and vice versa and all references to any gender shall include any and every other gender.

11.9. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original.
11.10. **Authority to Execute.** The individual signatories below each represent they have authority to sign for and bind the respective Party.

11.11. **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing) or on the day actually received if sent by courier, facsimile or otherwise hand delivered and received by 5:00 PM on such day:

- **City:** City of Richardson
  - Attention: City Manager
  - 411 West Arapaho Road
  - Richardson, Texas 75080
  - Fax: ________________
  - E-Mail: ________________

- **Copy To:** Peter G. Smith
  - Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
  - 1800 Ross Tower
  - 500 North Akard
  - Dallas, Texas 75201

- **DART:** President & Chief Executive Officer
  - Dallas Area Rapid Transit
  - 1401 Pacific Ave.
  - Dallas, TX 75202
  - Fax: ________________
  - E-Mail: ________________

- **Copy To:** Gene Gamez
  - General Counsel
  - 1401 Pacific Ave.
  - Dallas, TX 75202
  - Fax: (214) 749-3695
  - E-Mail: ggamez@dart.org

11.12. **Current Funds.** Each Party paying for the performance of governmental functions or services pursuant to this Agreement shall make those payments from current revenues available to the paying Party.

11.13. **Severability and Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) hereof, and this Agreement shall be revised so as to cure such invalid, illegal, or unenforceable provision(s) to carry out as nearly as possible the original intent of the Parties.
11.14. **Force Majeure.** Except for payment of Rent, the obligations of the Parties to the Master Lease Agreement shall be subject to events of Force Majeure. For purposes of this Agreement "Force Majeure" shall mean any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other causes affecting the area in which the Leased Premises is located, or a Party's labor or supply chain, or the availability of services ("Epidemiological Event") that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Master Lease Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after occurrence of the event(s) or condition(s) causing the delay describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred. The Parties acknowledge that as of the Effective Date, the outbreak of COVID-19 ("COVID-19 Outbreak") is an Epidemiological Event, that notwithstanding the COVID-19 Outbreak, the existing effects of the COVID-19 could not have been reasonably anticipated, and that the potential continuing effects of the COVID-19 Outbreak cannot reasonably be anticipated by the Parties nor be prevented nor overcome, wholly or in part, by the exercise of commercially reasonable diligence by such Party.

11.15. **Events of Default.** The Master Lease Agreement and the Sublease Agreement shall contain provisions for termination of the Master Lease Agreement and the Sublease Agreement for events of default (including, but not limited to, failure to pay Rent and an uncured breach of the respective lease agreement) after written notice to the defaulting party and appropriate cure periods, and other remedies typically provided to landlords and tenants under ground lease agreements, subject to the lender and subtenant protections described in Section 4.1 above.

11.16. **Privacy and Protection of Confidential Information.** DART and the City are governed by the Texas Public Information Act and public access to public information. It will be the obligation of the prospective entities submitting proposals to the City during the master developer selection process to mark such information that such entities deem confidential and proprietary information ("Confidential Information") prior to disclosing such information. The City and DART shall not disclose Confidential Information except to the extent required by the Texas Public Information Act, or other applicable law.

11.17. **Condition Precedent.** The City may not sublease any portion of the DART Property until the Master Lease Agreement has been executed by the Parties, and any such sublease shall be subject to the terms and provisions of the Master Lease Agreement.
11.18. **Notice of Sublease or Sale of DART Property.** The Master Lease Agreement shall require that the Sublease Agreement and any subsequent sublease covering all or part of the DART Property require that promptly after the City receives actual knowledge of any sale, lease or sublease thereof, including the transfer of controlling interest in Master Developer or any sublessee, written notice of the name and contact information for such purchaser or sublessee be provided to DART at the notice address provided in the Master Lease Agreement. This notice obligation to DART shall be restated in the Sublease Agreement and any subsequent sublease covering all or part of the DART Property.

11.19. **FTA Compliance.** The Master Lease Agreement shall provide that the City, as ground lessee, agrees to comply with Federal Transit Administration ("FTA") regulations applicable to DART relating to the use and development of the DART Property, including, without limitation, such limited FTA review relating to terms of this Agreement, the process of soliciting and selecting a Master Developer and terms of the Master Lease Agreement and Sublease Agreement as is required under applicable FTA regulations. The Sublease Agreement shall require the Master Developer, as the subtenant, during the term of the Sublease Agreement to comply with all FTA regulations applicable to DART relating to the use and development of the DART Property. DART shall continue to be required to comply with all FTA regulations applicable to DART’s transit operations.

*(signatures on next page)*
EXECUTED this the _______ day of ____________, 2021.

DALLAS AREA RAPID TRANSIT

By: ______________________________
    David Leininger
    Interim President & Chief Executive Officer

Date: ______________________________

APPROVED AS TO FORM:

By: ______________________________
    Gene Gamez, General Counsel

Date: ______________________________

EXECUTED this the _______ day of ____________, 2021.

RICHARDSON, TEXAS

By: ______________________________
    ______________________________
    City Manager

Date: ______________________________

APPROVED AS TO FORM:

By: ______________________________
    ______________________________
    City Attorney

Date: ______________________________
Exhibit "A" - Description of DART Property

DART Arapaho Center Station
200 Woodall Drive

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an as-built survey and represents only the approximate relative location of property boundaries.
Exhibit "B"

DART Minimal Operational Needs

*(WHEN KNOWN, TO BE REPLACED TO ADDRESS LOCATION, LAYOUT, PASSENGER AMENITIES, TRANSIT CENTER BUS OPERATIONS AND FUTURE IMPROVEMENTS TO BE MAINTAINED OR REDEVELOPED AT THE DART ARAPAHO CENTER STATION)*

**Passenger Amenities:**

1. Air-conditioned waiting space.
2. Two (2) Restrooms.
4. Eight (8) Shelters equivalent to what exists on the site currently.
5. Service information.
6. Clear and unimpeded pedestrian access to nearby jobs and housing.

**Current Transit Center Bus Operations:**

1. Signalized access to bus bays sufficient to accommodate approximately 54 buses/hour at peak times (27 inbound and 27 outbound).
2. Operating hours 4:00 AM – 1:00 am every day.
3. Parking - 300 spaces designated for “DART customers only” during DART’s peak operating hours - the future number, location and sharing of parking spaces to be agreed upon by the parties.
4. Two bathrooms for operators and customers when operators are not using them.
5. Vending machines.
6. Contingency space (in addition to 12 bays) for paratransit and emergency rail shuttles.

**Required future improvements to be maintained, redeveloped, or added to DART’s Arapaho Center Station and future Rail Station to be provided by the Master Developer may include a minimum of:**

1. Crew room (a comfortable break room with restrooms dedicated to operators).
2. Pedestrian access (currently customers can access bus operations from the parking lot, Arapaho Road, Quorum Drive, and surrounding land uses without impediment).
3. Signalized bus access (dedicated access in both directions greatly increases safety; this feature must be maintained).
4. The construction of four (4) additional bus bays and shelters, for a total of 12, and the designation of space for the operation of at least 2 GoLink zones.
5. These estimates may be adjusted upon discussion and agreement with the Master Developer.

Future improvements shall not degrade current pedestrian access in any way for the average DART user.
Exhibit "C"

Prohibited Uses on the DART Property

No portion of the DART Property shall be used for the following uses:

1. A Stand-alone Parking Garage.
2. A dance hall.
3. An off-track betting business.
4. A billiard or pool hall.
5. For bingo or similar games of chance.
6. A massage parlor or tanning salon, except the foregoing shall not prohibit therapeutic massages such as provided by Massage Envy.
7. A game arcade or video game room.
8. A bowling alley.
10. Automobiles sales or a car wash, car repair or car rental agency.
11. A night club or discotheque.
12. An adult book or adult video tape store (which are defined as stores in which any portion of the inventory is not available for sale or rental to children under 18 years old because such inventory explicitly deals with or depicts human sexuality), or any establishment selling or exhibiting pornographic materials.
13. A “sexually oriented business”, which shall mean (i) a sex parlor, nude studio, modeling studio, love parlor, adult bookstore, adult movie theater, adult video arcade, adult movie arcade, adult video store, adult motel, or (ii) a nightclub, bar, restaurant, or similar commercial enterprise that provides live nude or partially nude entertainment or live nude or partially nude performances.
14. Flea market, or any second-hand or surplus store.
15. Manufacturing facility (other than manufacturing of food items incidental to a restaurant or catering operation).
16. Any mortuary or funeral establishment.
17. Pawn shop.
18. Any central laundry or dry cleaning plant or laundromat (except that this prohibition shall not be applicable to on-site service provided solely for pickup and delivery by the ultimate consumer, including nominal supporting facilities).

19. Any veterinary hospital, animal raising or facilities.

20. Any facility selling guns or firearms of any kind.

21. Any use which is a public or private nuisance as may be determined by the applicable municipal authorities.

22. Any use that is contrary to applicable zoning ordinances or private restrictions.

23. Any abortion, drug rehabilitation or methadone clinic.

24. Mini-warehouse or mini-storage.
Exhibit "D"

TOD Policy/Guidelines

Transit Oriented Development Policy

DATE ISSUED: October 24, 1989
Resolution No. 890135
Amended by Resolution: 080131, 150106, 200033 Policy No. IV.03 (Planning)

Section 1. Purpose
DART is the steward of a significant public investment which includes important real property assets. These real property assets can also be used to leverage the viability of the transit system and to add to its value to the community. Continuing expansion and maturation of the transit system along with federal, regional and local initiatives that direct and concentrate transit oriented development and urban infill around transit facilities enhance the value of these assets. DART seeks to work in close partnership with its service area cities to identify and implement Transit Oriented Development (TOD) opportunities which reflect service area cities land use, housing, parking, and other related goals and policies. Promoting quality transit oriented development on or near the DART transit system can elevate the quality of life, attract riders and generate new opportunities to create direct and indirect revenue for DART, and environmentally sustainable livable communities that are focused on transit accessibility.

2.2 Joint development is a subset of TOD and is development in which DART has a formalized relationship with a developer or service area city for land use, infrastructure improvements, and shared facilities.

2.3 Livable Communities are places where transportation, housing and commercial development investments have been coordinated so that people have access to adequate, affordable and environmentally sustainable transit and housing options.

2.4 Walkable by design is to create linked clear and continuous pedestrian circulation with buildings, transit, and open space oriented to the sidewalks and with parking located behind or under the building.

2.5 Shared parking is parking that serves multiple destinations within walking distance and accommodates various uses that have high demand during different periods of the day.

2.6 Parking structures designed for alternative future uses are parking structures designed with horizontal floors, comfortable floor to ceiling heights and loading capacity to accommodate another structural use such as housing, office, or retail.

2.7 Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.

Section 2. Definitions
2.1 Transit Oriented Development (TOD) is walkable by design and characterized by the integration of transit facilities or elements, either bus or rail, throughout the development of intensive, high quality uses oriented towards DART facilities by others and/or development which is located adjacent to a transit facility. Transit Oriented Development shares a functional or financial relationship to the transit system.
Section 3. Goals

DART recognizes that Transit Oriented Development can be a means to accomplish the following goals:

3.1 Enhance the quality of life through the coordinated development of accessible pedestrian and non-motorized environments at transit stops and stations.

3.2 Increase transit ridership through the coordinated planning of land use and quality development projects on and around DART station properties and along DART transit routes and corridors.

3.3 Enhance the value of DART real property and other assets by designing transit facility access, and circulation to accommodate future TOD while maintaining accessibility and visibility to transit.

3.4 Contribute to the on-going economic vitality of service area cities while expanding opportunities for a broad range of housing and employment options serving increasingly diversified populations.

Section 4. TOD Strategies

4.1 DART seeks to foster cooperative relationships with other governmental entities, local communities, and the private sector for the development of comprehensive development plans, station area plans, innovative approaches to parking, property acquisition and disposition, and development of financial strategies and tools such as assessment districts, tax increment finance districts, or improvement districts, any of which may be located on and off DART property.

4.2 DART seeks to coordinate the development of livable communities at or around DART transit facilities through planning efforts with other governmental entities and communities in the DART service area early on in the development process to enhance multi-modal access to and from DART stops and stations and ensure appropriate transit supportive uses.

Article XII 4.3 DART seeks to enhance the future value of planned DART facilities for TOD through one or more of the following:

a. strategic acquisition of property and/or use of underutilized parking spaces to capture potential TOD opportunities;

b. early design of transit facility elements such as, parking, circulation, and access;

c. platform and infrastructure placement and orientation, in anticipation of reallocating surface parking spaces to incorporate eventual transit oriented uses. When feasible, these spaces should be integrated into TOD through the use of shared parking structures designed for alternative future uses.

4.4 DART seeks to encourage direct connections, including pedestrian and alternative modes, to transit stops and stations from surrounding development. Projects shall be consistent with City/Community TOD policies and plans.

4.5 DART seeks to use the appropriate method of disposing of DART real property for Transit Oriented Development projects to achieve specific development objectives, incorporate service area cities’ housing goals, and demonstrate a financial benefit to DART.
Section 5. Implementation Process

The President/Executive Director or his designee shall develop written procedures necessary to fully implement this Policy.
Agenda Report

DATE: June 8, 2021

SUBJECT: Briefing on Silver Line Claims and Cost Impacts

RECOMMENDATION

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

BUSINESS PURPOSE

• The Board was briefed in executive session at the January 26, 2021, February 23, 2021, April 27, 2021, May 11, 2021, and May 25, 2021 Committee-of-the-Whole meetings on the status of the claims and cost impacts for the Silver Line Project.

• On June 8, 2021, the Committee will be briefed on the progress of DART's administration of contract changes in the design-build contract with Archer Western Herzog 4.0, Joint Venture (AWH) for the Silver Line Regional Rail project, including the status of negotiations.

• This briefing will help achieve Board 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.
DATE: 	June 8, 2021

SUBJECT: 	Briefing on Limited Waiver of DART Personnel Policy and Non-Disclosure Agreement for Gary C. Thomas

RECOMMENDATION

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

BUSINESS PURPOSE

• The Committee considered this item on May 25, 2021 and requested additional information related to the DART Personnel Policy and Non-Disclosure Agreement (NDA). The Committee will receive an update on this item and consider its impact on evaluating the status of the Silver Line Rail Corridor Project and other capital improvement projects.

• This briefing will assist DART in achieving Board Strategic Priority 3: Innovate to enhance mobility options, business processes, and funding.