Dallas CBD Second Light Rail Alignment
(D2 Subway)
Dallas, Texas
Core Capacity Project Development
(Rating Assigned November 2015)

Summary Description	
Proposed Project:	Light Rail
	2.34 Miles, 4 Stations
Core Capacity Capital Cost ($YOE):	$1,399.52 Million (Includes $78.3 million in finance charges)
Section 5309 Core Capacity Share ($YOE):	$699.76 Million (50.0%)
Annual Operating Cost (opening year 2024):	$5.35 Million
Existing Ridership in the Corridor:	19,200 Daily Linked Trips
	5,872,400 Annual Linked Trips
Existing Useable Space per Passenger:	5.5 Square Feet
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-High

Project Description: The Dallas Area Rapid Transit (DART) proposes to implement a second light rail alignment through the Dallas Central Business District (CBD) to supplement the existing alignment along Pacific Avenue and Bryan Street. The proposed project provides a new route through downtown for the Orange and Green lines, allowing enhanced Red line service on the existing alignment. The project includes a 1.12-mile tunnel and three underground stations. One additional at-grade station is also planned along Museum Way. DART estimates that when the project is complete, it will increase capacity in the corridor by 100 percent, which exceeds the 10 percent minimum required by law for Core Capacity projects.

Project Purpose: Continued high regional growth, highway congestion, regional transit expansion, and the introduction of a privately-funded high speed rail project will continue to increase DART system demand. At the same time, all four existing light rail lines presently operate over the same downtown alignment, constraining operations and limiting capacity. The project addresses these capacity issues and increases operational flexibility to sustain the DART system into the future. The project allows twice as many trains in the peak hour on the Red line, as well as the flexibility to adjust operations on all four lines as future passenger loads demand. Additionally, the project increases schedule reliability, enhances operational flexibility to address incidents and special events, and improves access to less-served downtown markets such as the museum district and CBD East.

Project Development History, Status and Next Steps: DART adopted a preliminary locally preferred alternative (LPA) into the region's fiscally constrained long-range transportation plan in 2014. DART adopted a revised LPA in September 2015. The project entered Core Capacity Project Development in November 2015. Based on feedback from public meetings and the City of Dallas, DART revised the alignment, conducted a revised alternatives analysis, and selected a new LPA in September 2017, which necessitated additional environmental review. DART anticipates receipt of a Record of Decision in September 2019, entry into Engineering in December 2019, receipt of a Full Funding Grant Agreement in June 2021, and completion of the project in late 2024.

Significant Changes Since Last Evaluation (November 2015): The project cost has been updated as described below. However, a revised project rating has not been prepared; the displayed project rating reflects that from November 2015.

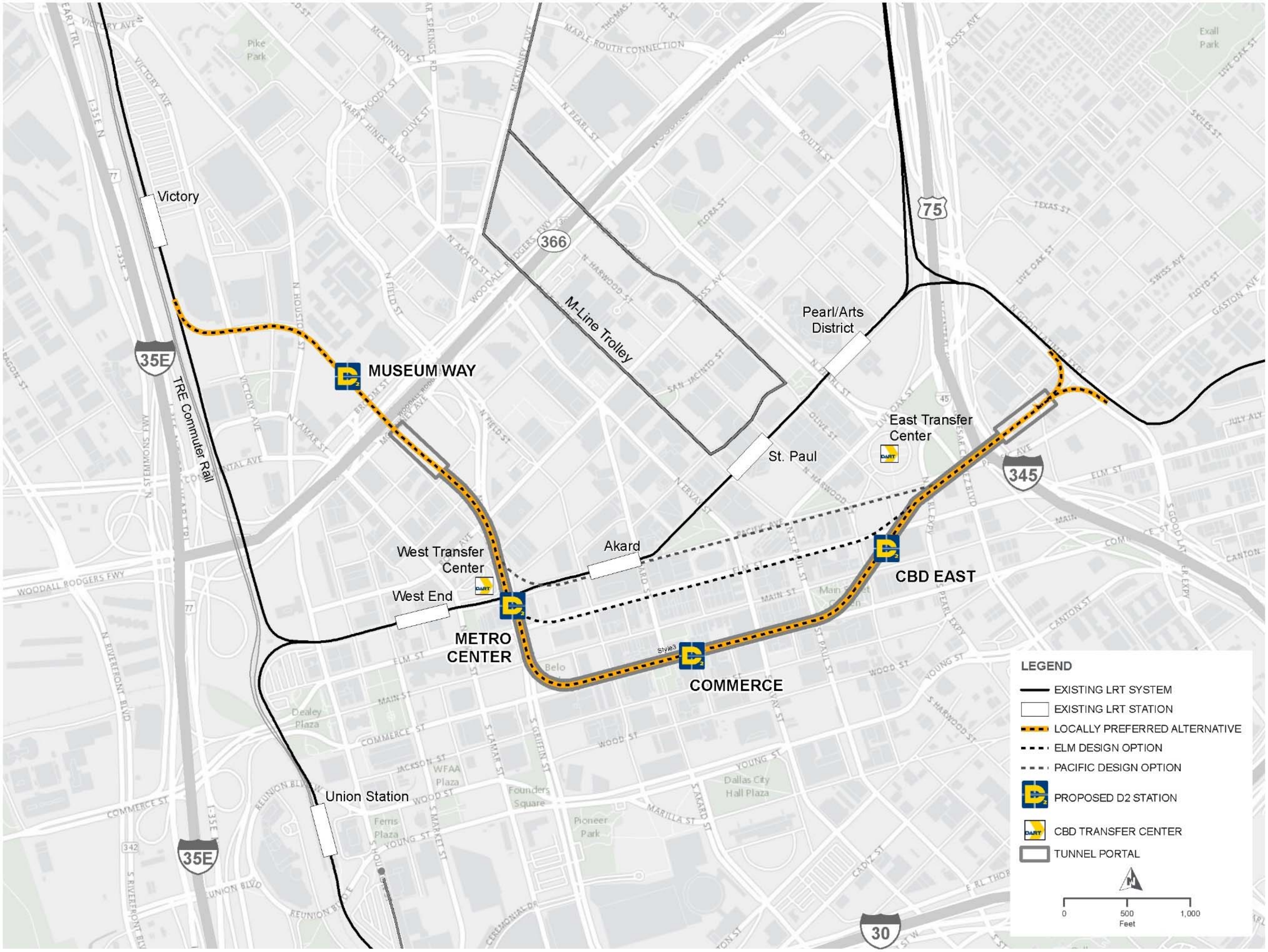
Based on feedback from public meetings and the City of Dallas, DART revised the proposed alignment to incorporate a longer tunnel on a different routing through the downtown core, which resulted in a significant change in project scope and cost. The project cost estimate changed from $650.45 million to $1,399.52 million. The amount of Core Capacity funding DART is seeking increased from $325.22 million to $699.76 million, retaining the previous CIG share of 50.0 percent.

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal: Section 5309 Core Capacity	$669.76	50.0%
Local: DART Senior Sales Tax Revenue Bonds	$669.76	50.0%
Total:	**$1,399.52**	**100.0%**

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

TX, Dallas, CBD Second Light Rail Alignment (D2)
(Rating Assigned November 2015)

Factor	Rating	Comments
Local Financial Commitment Rating	**Medium-High**	
Non-Section 5309 Core Capacity Share	**N/A**	The Core Capacity share of the project is 50.0 percent.
Project Financial Plan	**Medium-High**	
Capital and Operating Condition (25% of plan rating)	Medium-High	• The average age of the bus fleet is 3.9 years, which is younger than the industry average. • Dallas Area Rapid Transit's (DART) most recent bond ratings, issued in December 2014, are as follows: Moody's Investors Service Aa2, and Standard & Poor's Corporation AA+. • DART's current ratio of assets to liabilities, as reported in its most recent audited financial statement, is 2.49 (FY2014). • There have been no service cutbacks or cashflow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of plan rating)	High	• 100 percent of the non-Section 5309 funds are committed or budgeted. Sources of funds consist solely of sales tax-backed revenue bonds to be issued by DART in 2018 and 2019. • 99.9 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include sales tax revenue, farebox revenue, and lease and rental income.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium	• Assumed growth in revenues for the sales tax revenue is more conservative than historical experience since 2005; however, this source of revenue has shown variability in recent years. • The capital cost estimate is sufficient for this stage of the project. • The financial plan shows that DART has the financial capacity to cover cost increases or funding shortfalls equal to at least 14 percent of estimated project costs. • Farebox revenues are reasonable; other operating revenues, such as advertising and lease and rental income, appear to be more optimistic than historical experience. • Operating cost estimates appear to be more optimistic than historical experience. • Projected cash balances and reserve accounts are 16.5 percent of annual systemwide operating expenses.



MUSEUM WAY
METRO CENTER
COMMERCE
CBD EAST
Victory
Pearl/Arts District
St. Paul
Akard
West End
Union Station
West Transfer Center
East Transfer Center
M-Line Trolley
TRE Commuter Rail
LEGEND
EXISTING LRT SYSTEM
EXISTING LRT STATION
LOCALLY PREFERRED ALTERNATIVE
ELM DESIGN OPTION
PACIFIC DESIGN OPTION
PROPOSED D2 STATION
CBD TRANSFER CENTER
TUNNEL PORTAL
0
500
1,000
Feet