

# Process and Implications of Potential Withdrawal from DART

City Council Work Session  
August 22, 2017



ADDISON

## Agenda



ADDISON

- DART in Addison
- Cotton Belt History
- Addison Sales Tax Payments
- Withdrawal Process
- Real Estate
- Projected Financial Obligation

## DART in Addison

ADDISON

- **August 13, 1983:** Addison voters approved a dedicated one-cent local sales tax to fund DART
  - 13 fixed bus routes with 118 bus stops that operate directly within the Town
- **Fall 1985:** Bus Services begins operating
- **June 1999:** Addison Transit Center opens



000 Local Bus Route  
000 Rail Feeder & Transit Center Bus Route  
000 Express Bus Route

## Cotton Belt History

ADDISON

- Original **1983** service plan included a multi-modal service plan for rail, bus, paratransit, high occupancy vehicle (HOV) lanes, and in some instances, street repair funding to support the bus network
- **1989:** New Directions Transit System Plan is adopted
  - Cotton Belt corridor right-of-way is identified and recommended for purchase to preserve it for “transportation purposes”
- **1990:** DART completes purchase of 54 miles of the Cotton Belt corridor

## Cotton Belt History



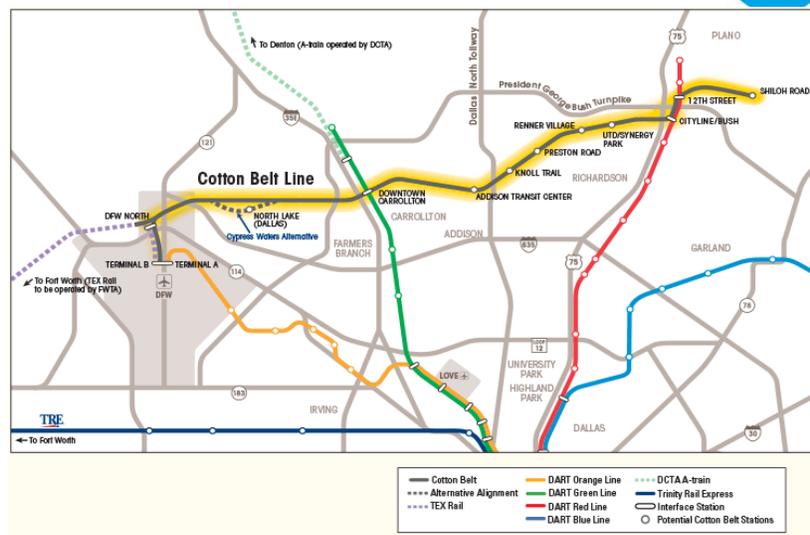
- **1995:** Addison Transit Center included in Transit System Plan Update
- **2000:** DART long-term Bond financing initiative approved – Cotton Belt project is not included
- **2006:** 2030 Transit System Plan Update adopted – Cotton Belt recommended as the preferred east-west alignment
  - DART's Twenty-Year Financial Plan reflected funding and addition of the Cotton Belt project to the Transit System Plan as one of a group of projects
- **2011:** DART amends FY2011 Financial Plan to delay Cotton Belt project seven years from FY2028 to FY2035 due to recession

5

## Cotton Belt History



- **2016:** DART advanced implementation of the Cotton Belt to the year 2022 in its Fiscal Year 2017 Twenty-Year Financial Plan
- **2017:** DART Board denies ability to apply for \$1 billion in low-interest federal loans to pay for the Cotton Belt



6

## Addison Sales Tax Payments



- As of September 30, 2016:

| Year      | Sales Tax Collection | Year         | Sales Tax Collection    |
|-----------|----------------------|--------------|-------------------------|
| 1984-1999 | 89,684,917.78        | 2009         | 8,827,700.98            |
| 2000      | 9,430,392.49         | 2010         | 8,853,958.78            |
| 2001      | 9,060,346.29         | 2011         | 9,140,005.70            |
| 2002      | 8,186,132.88         | 2012         | 10,681,577.88           |
| 2003      | 8,073,825.27         | 2013         | 12,020,476.20           |
| 2004      | 8,546,276.53         | 2014         | 13,082,857.92           |
| 2005      | 8,733,350.40         | 2015         | 12,671,040.66           |
| 2006      | 8,765,382.04         | 2016         | 12,485,439.59           |
| 2007      | 9,406,503.75         | <b>Total</b> | <b>\$257,263,739.04</b> |
| 2008      | 9,936,553.89         |              |                         |

7

## Withdrawal Process



- A participating municipality has the right to **call an election** every 6<sup>th</sup> calendar year (2020). This process can be initiated by either official action of the governing body or by citizen petition (8% of the number of registered voters in Addison)
- If the withdrawal election is held and voters approve, all of DART's public transportation services to and within the withdrawing municipality **must cease on the day following** the canvassing of election returns
  - Withdrawal does not affect DART's right to travel through Addison
- Calculation and payment of financial obligation
  - Calculation based around Addison's share of DART's outstanding debt, which is prorated for each city by their population

8

## Withdrawal Process – Timeline



| Date              | Action  |
|-------------------|---|
| February 28, 2020 | Last day to order election  |
| March 20, 2020    | Issue notice of withdrawal to DART Board, Texas Department of Transportation, and State Comptroller |
| May 9, 2020       | Election Day  |
| May 18, 2020      | Canvass election results  |
| May 19, 2020      | DART service to Addison ceases  |
| Fall/Winter 2023  | Addison outstanding obligation repaid and certified by the DART Board                               |

9

## Real Estate



- Title to all real estate in Addison (including DART improvements but excluding right-of-way or improvements to right-of-way) vests with Addison if claimed by resolution within 30 days of the election's effective date
- However, if the real estate and improvements are "necessary for the continuation of service to the remaining units of election," DART can retain the use for not longer than 15 years. If they elect to do so, DART would be responsible for all maintenance and operations costs for the facility

10

## Projected Financial Obligation

A blue circular logo with the word "ADDISON" in white capital letters.

- As of September 30, 2016:
  - Net Obligation: \$46,270,927
  - Repayment: 3.5 years
  - Comptroller will continue to collect transit sales tax within Town until the full debt payment has been satisfied
- For 2020:
  - To be answered in early October after the Board has adopted its Fiscal Year 2018 Financial Plan