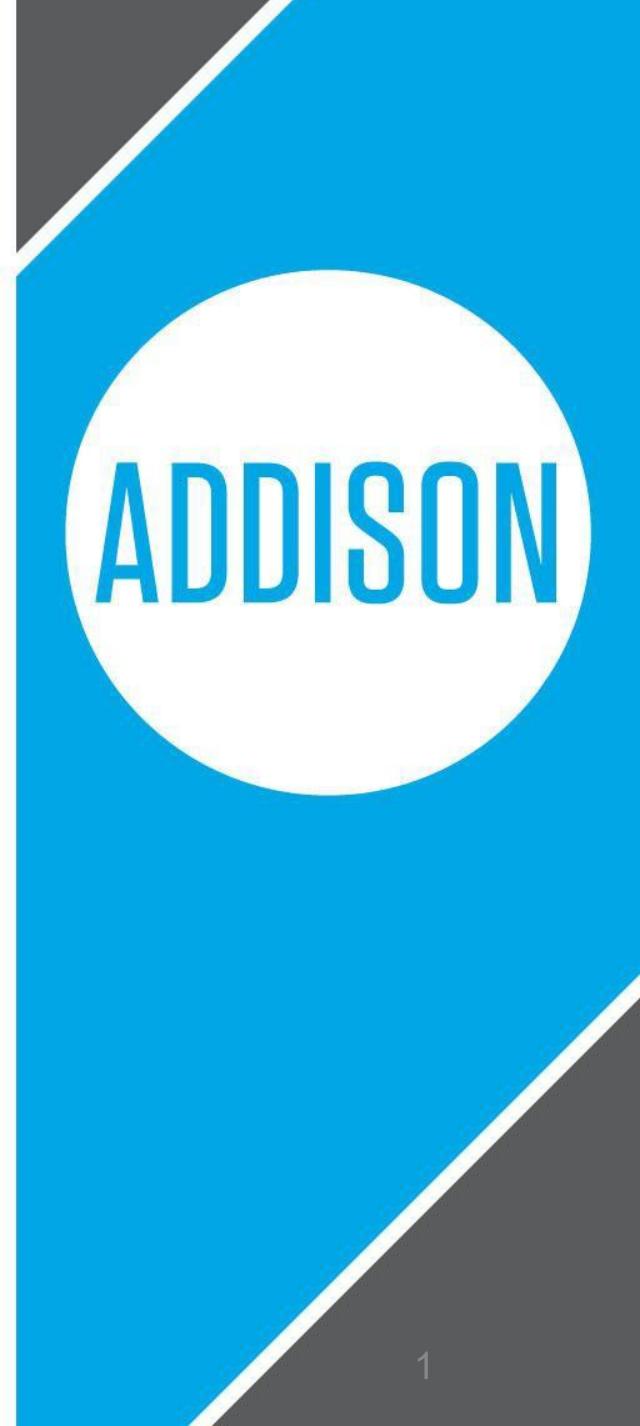


DART Membership

December 2, 2025
City Council Meeting



ADDISON

Discussion Purpose



- Addison has been a member city of Dallas Area Rapid Transit (DART) **since its creation in 1983.**
- Addison **contributes a one-cent sales and use tax** to DART.
 - From 1984 to 2025, Addison has contributed over \$400.5 million to DART.
 - Last year, in FY2025, Addison contributed \$17.6 million to DART.
 - Town's contribution is greater than service value received.
- **Four cities (Plano, Highland Park, Farmers Branch, and Irving) have called elections in May 2026 to consider leaving DART.**
 - According to an EY report analyzing FY 2023, these four (4) cities' sales tax contributions equal \$242.4M amounting to 29.1% of the total sales tax collected by DART.
 - **If those elections are successful, the remaining costs and certain service reductions would be borne by the remaining cities.**

1. DART Services in Addison

- Transit Modes
- Independent Analysis and Service Value to Addison
- Timeline / Ongoing Discussions with DART

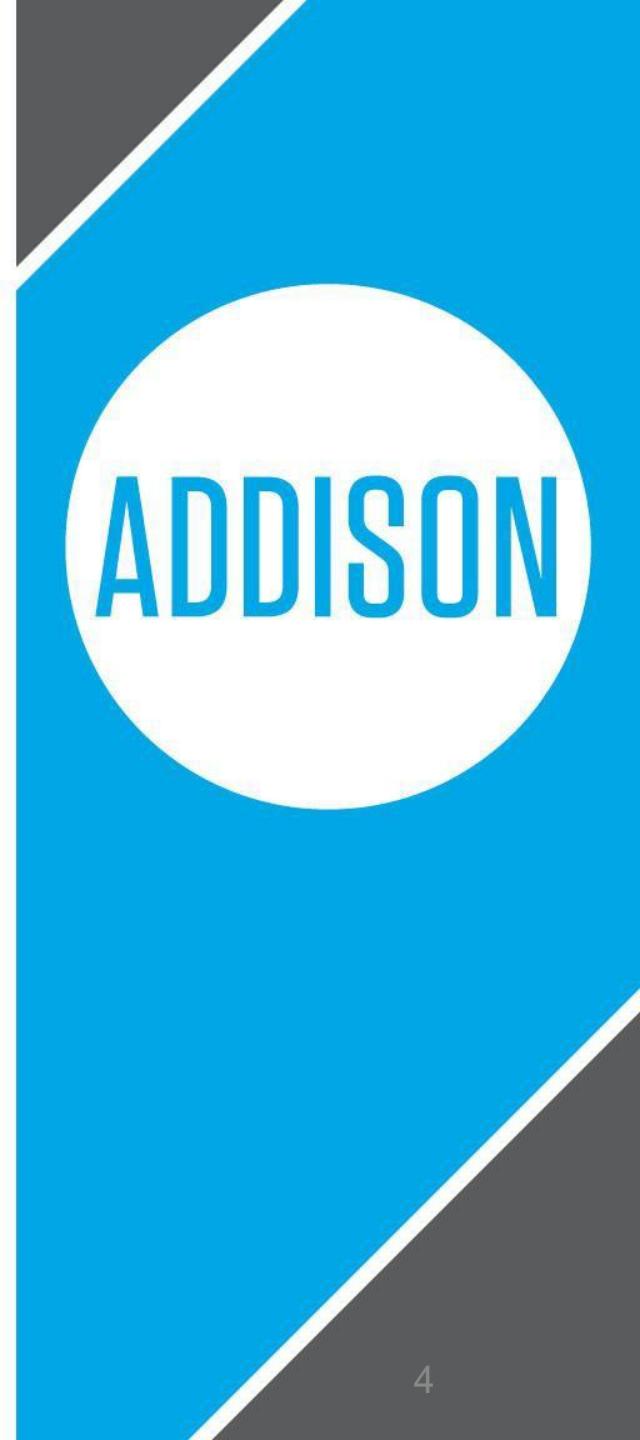
2. Sales Tax

- Sales Tax in Addison
- Local Option Sales Tax

3. Withdrawal Election Process

- Calling an Election
- After the Election and Withdrawal Obligation
- Goals for DART
- Next Steps

DART Services in Addison



ADDISON

DART Services in Addison

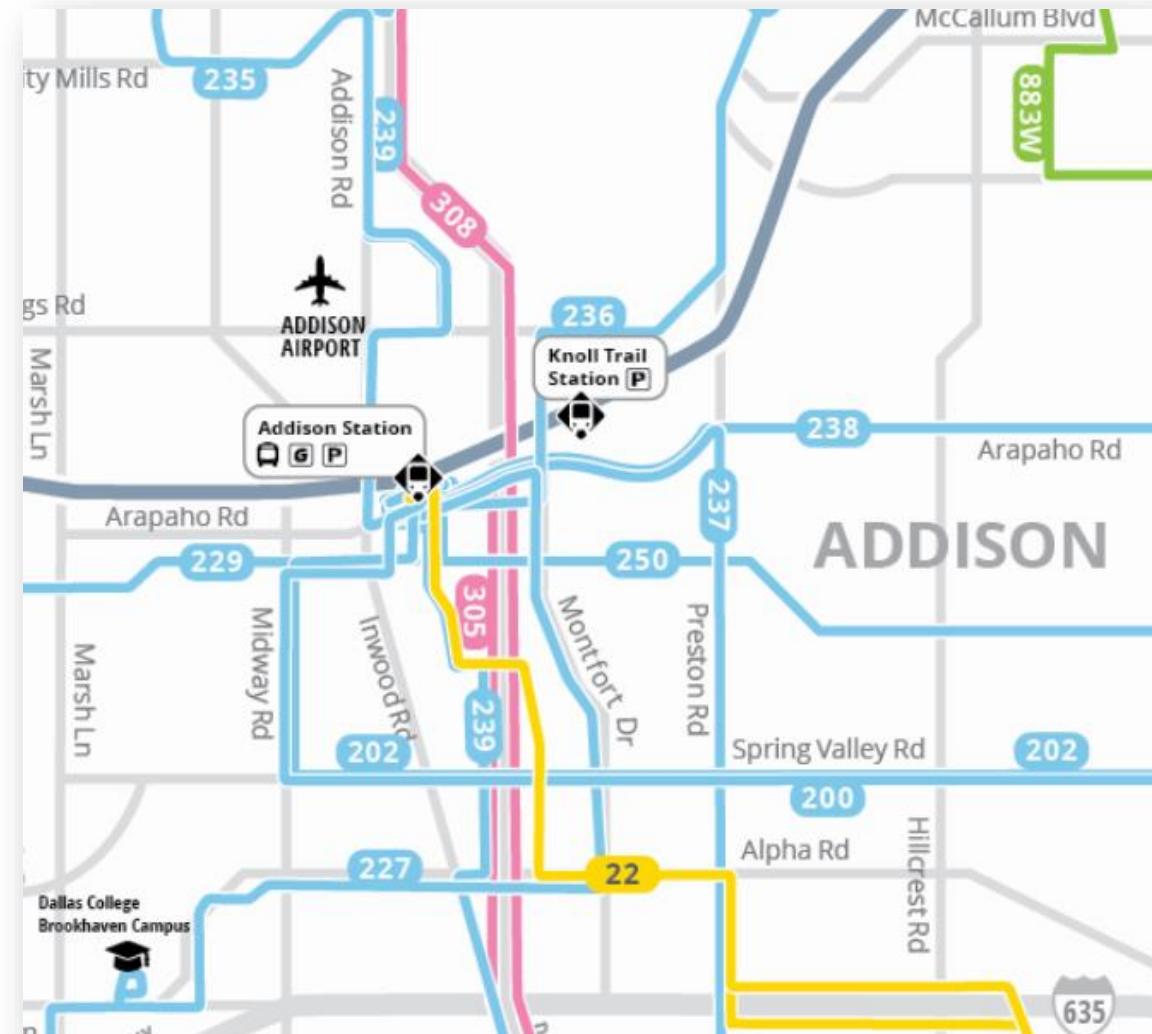


- **Addison Transit Center**

- Served by 12 bus routes and anchors one GoLink zone (Keller Springs)
 - 1,800 boardings each weekday
 - 50,000+ boardings monthly
 - Includes bus transfers at the Transit Center

- **Bus Routes including:**

- Route 235
- Route 239 (Dallas-Addison-Legacy)
- Route 305 – Express Bus, Addison Transit Center to Downtown Dallas
(Will be discontinued January 2026)



[DART System Map Link](#)

DART Services in Addison

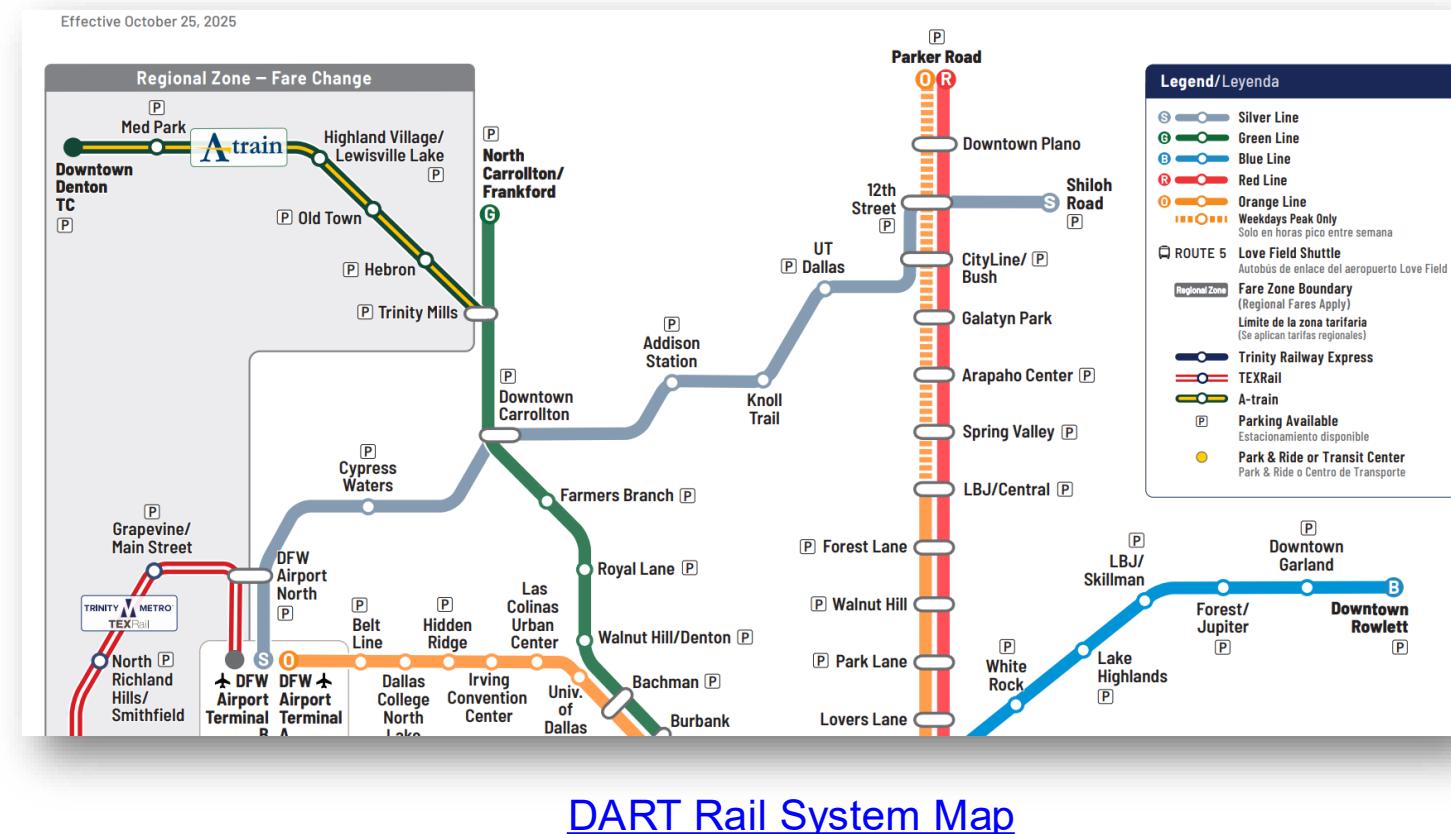
ADDISON

- **Rail**

- Silver Line recently opened in October 2025 with a station in Addison

- **GoLink / Circulator**

- Currently, no GoLink zone serving all of Addison.
- In Nov. 2024, Town staff reached out to request additional services.
- In FY2026 Budget, DART approved funding for additional services for Addison.
 - Funding for an Addison GoLink zone was approved. Preliminary communication from DART that the zone should be operational April 2026. Provides for travel within Addison zone only.
 - Partial funding (50%) approved for a circulator concept, if Town funds other half.



Service Value to Addison



- Member cities requested additional information regarding DART's level of annual expenditures within each city (2022 / 2023)
- DART engaged EY to perform an independent cost allocation analysis which accounted for regional benefits of the system while identifying expenditures & revenues allocated to each city (2023 / 2024)
- **Addison identified as a “donor” city** contributing more than the Town’s investment
According to the report, in FY23, the Town contributed \$16.3 million, while only \$9.5 million was spent in Addison.
- Due to allocation methodology for bus service in the report, *the bus service value attributed to Addison is likely overstated.*

Table 1. Total FY 2023 expense allocation by city, \$m

City	Operating expenses	Capital depreciation expenses ³	Interest expenses ⁴	Total	Sales tax contribution
Addison	8.5	0.7	0.3	9.5	16.3
Carrollton	19.6	11.9	5.9	37.3	48.3
Cockrell Hill	2.4	0.3	0.1	2.8	0.6
Dallas	412.5	186.3	91.7	690.5	407.8
Farmers Branch	12.7	5.5	2.7	20.8	24.3
Garland	41.3	14.3	7.1	62.7	45.2
Glenn Heights	1.3	0.1	0.1	1.5	1.1
Highland Park	1.7	0.1	0.0	1.9	6.3
Irving	59.1	43.1	21.2	123.5	102.2
Plano	35.0	6.4	3.2	44.6	109.6
Richardson	34.9	10.6	5.2	50.7	56.9
Rowlett	7.1	6.0	3.0	16.1	9.2
University Park	1.7	0.1	0.0	1.8	6.4
TOTAL	638.0	285.3	140.5	1,063.7	834.4

Source: EY analysis. Sales tax contribution amounts provided by DART.

Service Value to Addison



According to the report, in FY 2023, DART's total operating costs were \$638M of which \$8.5M was spent in Addison

DART FY2023	Total Operating Cost	Spent in Addison
Bus Service	\$304.1M	\$7.3M
Paratransit	\$35.7M	\$100k
System Admin	\$58.6M	\$1.1M
Light Rail Service	\$189.4M	\$0
GoLink	\$14.9M	\$0
Commuter Rail / Streetcar	\$35.3M	\$0

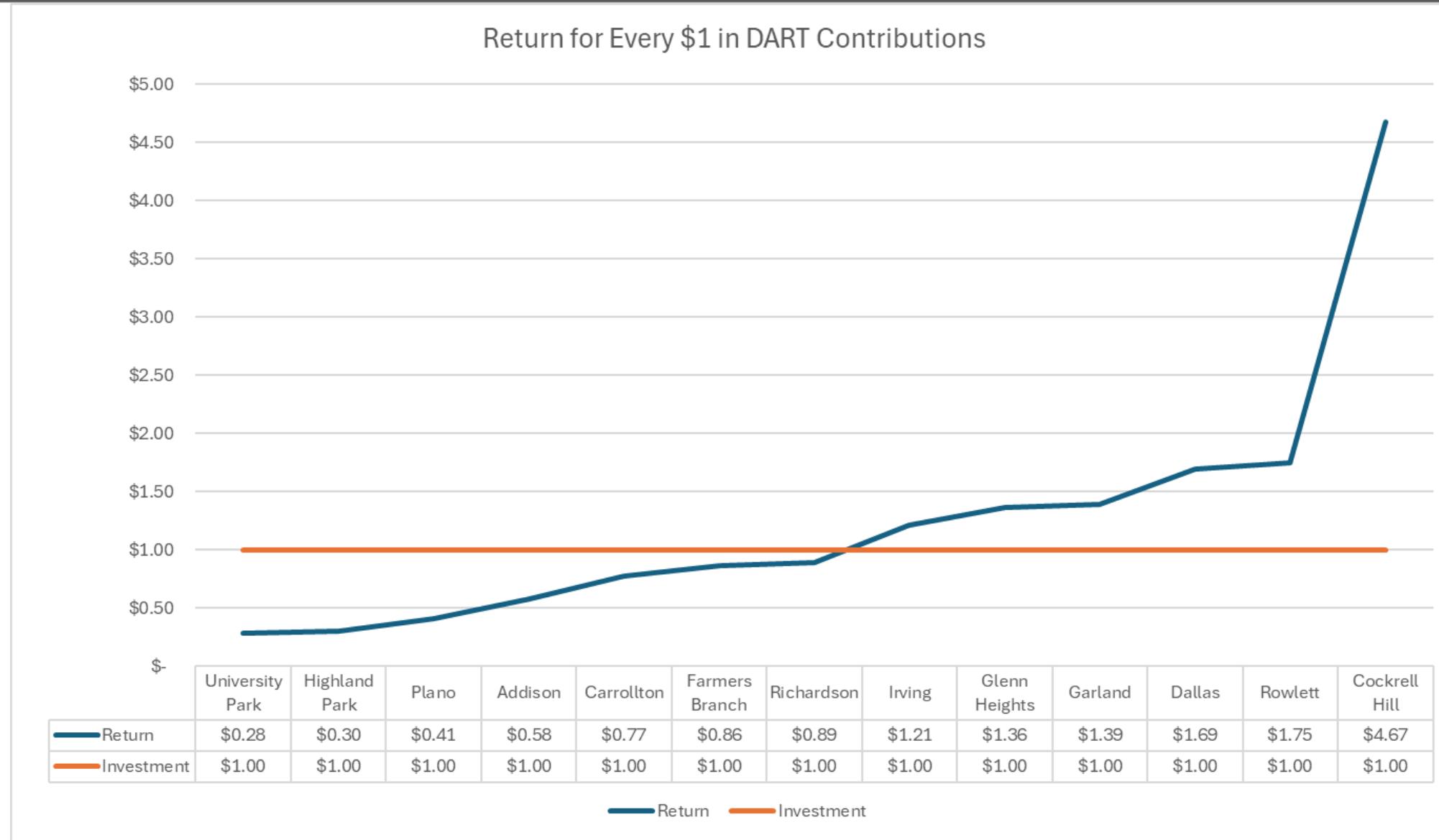
Of \$7.3M of Bus Service, the allocation factors used are likely not reflective of value to Addison

- Includes data from the Addison Transit Center
- Bus Boardings based on location of boarding (including transfers at Addison Transit Center) rather than destination

Table 11. Allocation factors by member city

Mode	Metric	City			
		Addison	Carrollton	Cockrell Hill	Dallas
Bus	Bus Stop Count	1.15 %	2.18 %	0.36 %	67.89 %
	Bus Route Miles	1.90 %	1.90 %	0.40 %	67.72 %
	Bus Revenue Hours	1.47 %	1.53 %	0.50 %	74.29 %
	Bus Revenue Miles	1.59 %	1.62 %	0.49 %	72.61 %
	Bus Boardings	2.89 %	1.23 %	0.89 %	74.19 %
	Bus Vehicles during Peak	9.29 %	2.58 %	2.80 %	48.46 %
	Bus Modal Admin (Derivative Metric)	2.40 %	1.63 %	0.76 %	70.58 %

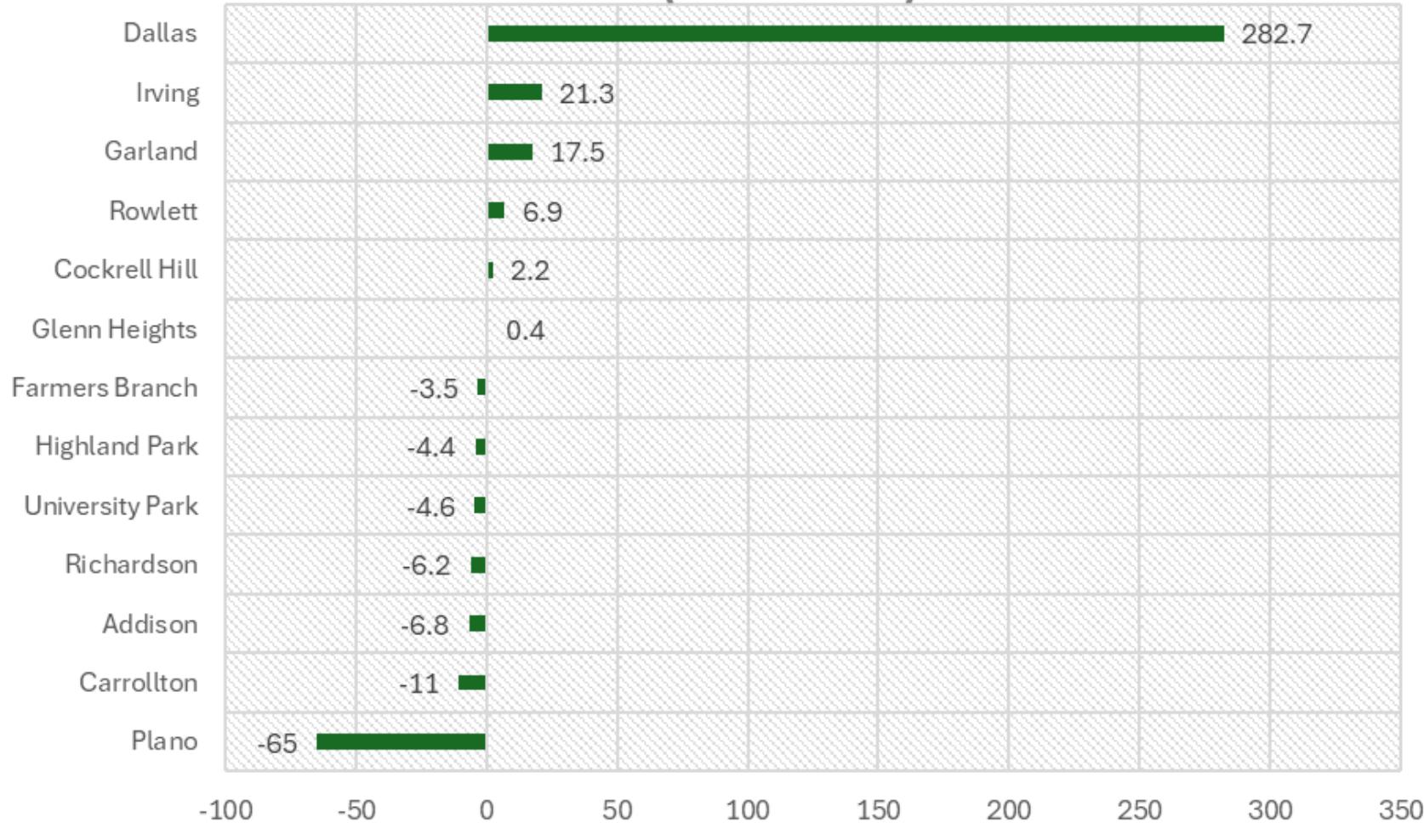
Service Value to Addison



Service Value to Addison



Net Benefit (Subsidy)
(in millions)



Timeline / Ongoing Discussions



- **2025** - Member Cities have **continued to engage DART on discussions regarding governance and alternatives** for contribution models.
- **January 2025** - **Legislation introduced** in 89th State Legislative Session to address.
 - HB 3187 / SB 1557 – annual rebate of up to 25% of sales tax to each jurisdiction for use on eligible projects.
 - HB 5049 / SB 2118 – DART Board make-up change to allow one vote for each city, except City of Dallas is entitled to 3 votes.
- **February 2025** - With introduced legislation, **DART asked cities to engage in collaborative discussions to resolve and to create a model to provide funding back to donor cities** rather than through state legislation.
 - Addison passed a resolution of support for continued full funding and **working collaboratively with DART, neighboring cities, and regional partners to advocate for sustainable, equitable, and accessible transit solutions** that benefit all residents of the North Texas region.

Timeline / Ongoing Discussions



- **March 2025** - DART approved creation of a General Mobility Program (GMP) “in response to demands by certain member cities and to avoid proposed state legislation.”
 - Program would **reallocate 5% of DART’s annual sales tax revenue to seven (7) donor cities** as identified in the EY Cost Allocation Study: Addison, Carrollton, Farmers Branch, Highland Park, Richardson, Plano, and University Park.
- **July 2025** – DART notifies donor cities that to receive funds from the GMP, the City Council would need to pass a resolution and agreement committing to not seek further efforts or actions for legislation that would reduce or divert any portion of DART’s voter-approved one-cent sales tax.
 - Agreement would require reimbursement of any funds to DART if legislation passes that results in the redirection or reduction of any portion of DART’s voter approved one cent sales tax.
 - Effectively, binding future Councils and any policy or advocacy actions by a donor city indefinitely.
 - **Staff and Legal would not advise to approve the GMP as written and have made our concerns known to DART.**

Sales Tax

ADDISON

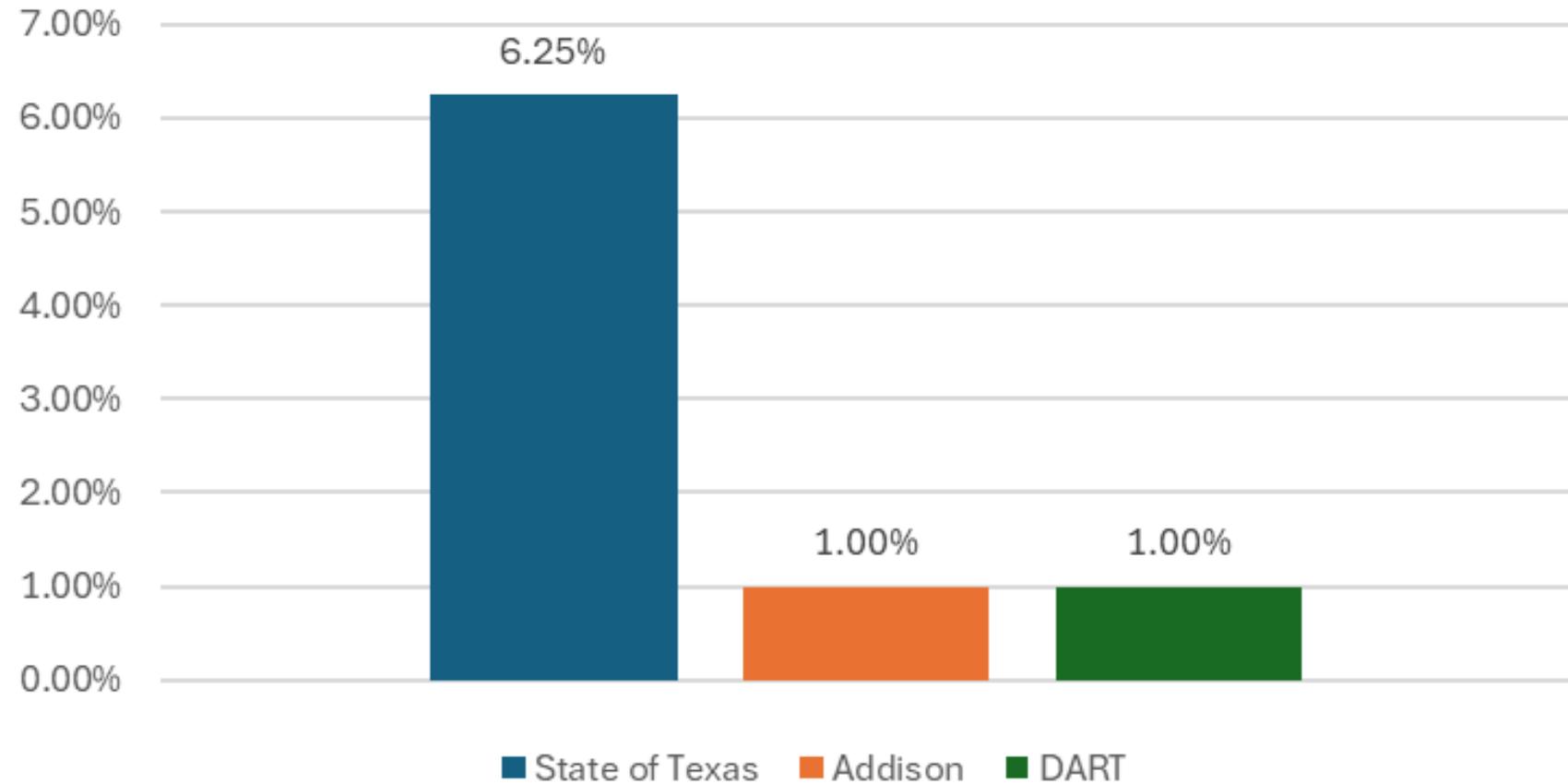
Sales Tax in Addison



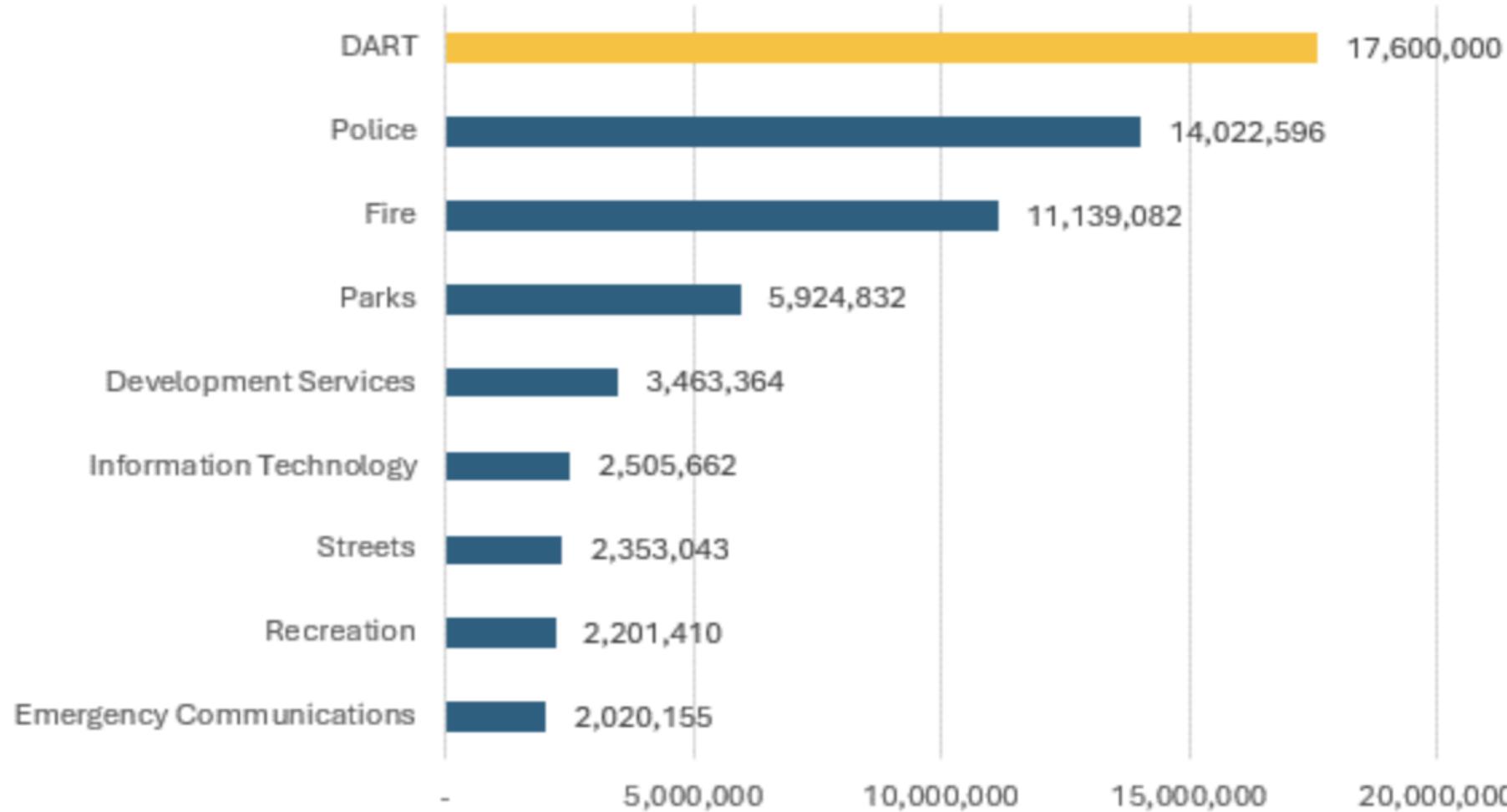
Last year, in FY2025, Addison's one-cent contribution to DART totaled **\$17.6 million**.

From 1984 to 2025, Addison has contributed over **\$400.5 million** to DART.

Where does sales tax go?



General Fund Expenses by Type



This chart shows the annual operating expenses in the Town's General Fund by department.

The Town's annual contribution to DART represents more than any department, including the Addison Police Department.

Local Option Sales Tax



A city that is not a member city with DART, or withdraws from DART, is eligible to utilize the 1% sales tax as a local option sales tax.

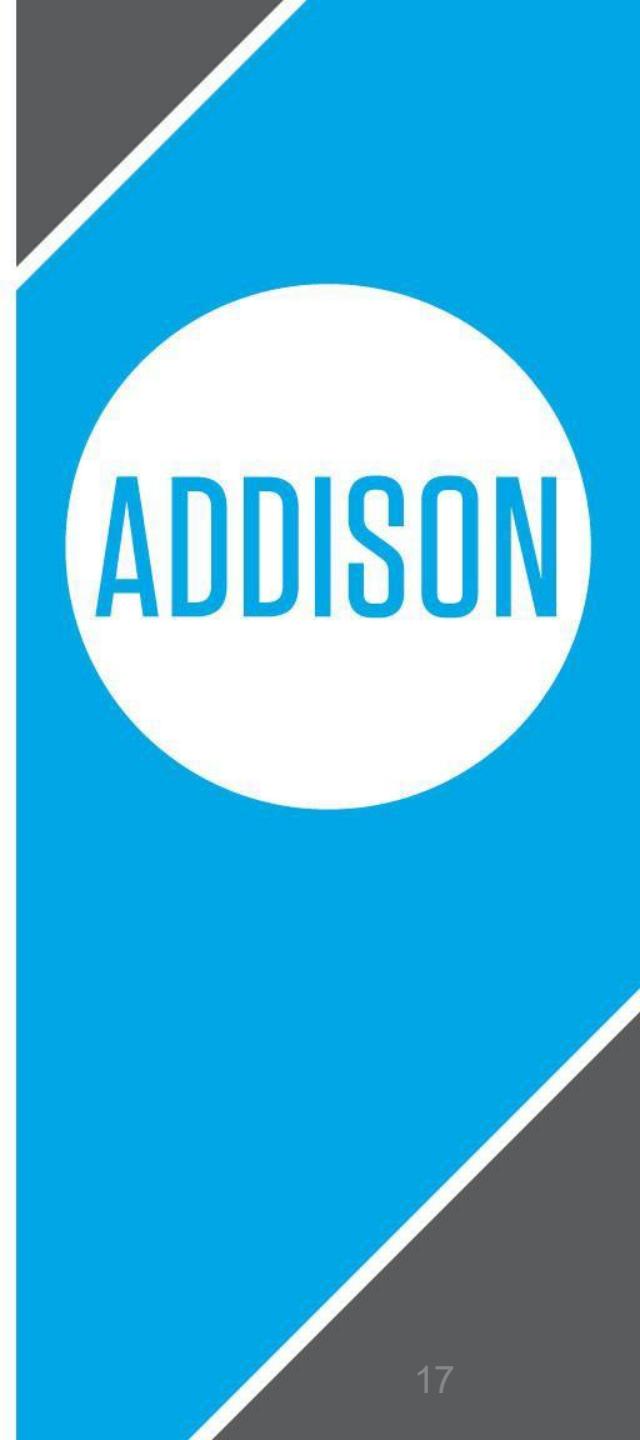
Below are some examples of what local options sales taxes can fund:

- Economic Development (4A and/or 4B Corporation)
- Alternative Transportation Solutions
- Police and Fire (Crime Control District/Fire Control District)
- Parks/Recreation/Trail Uses (4B Corporation)
- Street Maintenance
- Property Tax Relief

For Addison, uses other than transportation would provide some type property tax relief as they replace property tax funding for services currently funded by the General Fund.

- In 2025, Addison collected over \$17 million in sales taxes.
- **\$17 million is approximately 25 cents on the property tax rate.**

Withdrawal Election Process



ADDISON

Calling an Election to Withdraw



- Per State law (Chapter 452-Subchapter Q of the Texas Transportation Code), **a Member City has the right to withdraw from DART, but only once every six years.**
 - 2026 is an eligible “out” year for DART member cities.
- Member cities may consider adding the question of DART withdrawal to the voters in 2026.
 - For the May 2026 election, a city must pass an ordinance calling for a withdrawal election by February 13, 2026.
 - Once a city passes the ordinance, the Secretary of State, Comptroller, and DART must be immediately notified (certified mail sent the next day).
 - A city that has passed an ordinance to call a withdrawal election may choose to rescind it any time before 45 days before the election.

After the Election



- If a withdrawal election is successful, all DART service stops the day after.
- The DART Board calculates the amount owed by the city at the time of the election.
 - The calculation is found in Chapter 452 of the Texas Transportation Code
 - DART projected this calculation for each city in 2024 – see *next slide with Addison's repayment estimated to be 3 years.*
- The city's sales tax is committed to DART until the amount owed is satisfied.
 - Once the outstanding obligation is paid, the city can take the full one cent to a vote of the citizens for any use allowable by law (streets, economic development, property tax relief, public safety, etc.).
- Withdrawal does not affect DART's right to travel through a withdrawing member city.

Withdrawal Obligation



Here is the prior information provided by DART for all Member Cities for FY2024.

Projected Financial Obligations of DART Service Area Cities

Estimated Values as of September 30, 2024

Service Area City	Allocation Percentage (1)		General Obligations	Specific Obligations*	Less: Assets	Net Obligation**	FY 2024 Sales Tax Receipts (2)	Repayment (In Years) (3)
	General Obligation	Assets						
Addison	0.66%	1.53%	\$64,715,448	\$1,381,452	(\$11,409,237)	\$54,687,663	\$16,721,354	3.0
Carrollton	5.31%	5.33%	518,290,683	1,295,361	(39,799,613)	479,786,431	\$47,657,474	8.3
Cockrell Hill	0.15%	0.10%	14,818,404	0	(754,082)	14,064,323	\$602,656	16.4
Dallas	51.88%	52.03%	5,066,530,893	529,991,030	(388,792,843)	5,207,729,080	\$423,239,148	9.9
Farmers Branch	1.43%	2.22%	139,797,952	13,240,533	(16,613,695)	136,424,791	\$23,509,256	5.1
Garland	9.78%	7.33%	955,594,806	8,631,002	(54,757,828)	909,467,979	\$42,983,299	15.2
Glenn Heights	0.63%	0.35%	61,444,911	306,108	(2,630,029)	59,120,991	\$1,230,179	27.0
Highland Park	0.35%	0.48%	34,429,970	0	(3,612,103)	30,817,867	\$8,440,615	3.3
Irving	10.21%	10.63%	997,024,190	157,698,390	(79,431,290)	1,075,291,290	\$103,130,123	8.6
Plano	11.35%	12.04%	1,108,929,361	30,084,308	(90,011,742)	1,049,001,927	\$115,971,060	7.6
Richardson	4.75%	5.37%	464,047,167	37,518,717	(40,113,327)	461,452,557	\$51,970,249	7.5
Rowlett	2.49%	1.73%	242,901,419	0	(12,917,853)	229,983,566	\$9,477,525	16.9
University Park	1.01%	0.87%	98,186,009	0	(6,464,359)	91,721,650	\$6,850,695	10.6
TOTAL	100.00%	100.00%	\$9,766,711,212	\$780,146,901	(\$747,308,000)	\$9,799,550,114	\$851,783,633	N/A

Withdrawal Obligation



- Town staff used the latest financial information provided by DART's 06/30/2025 interim financial reports to replicate DART's calculation provided in the previous slide for FY2024.
- **Based on this calculation from DART and latest financial information, staff preliminarily estimates that Addison would repay its portion and withdrawal obligation in 2.88 years.**

Member City	Allocation %	General Obligation	Specific Obligation	Less: Assets	Net Obligation	FY 2025 Sales Tax Receipts	Repayment (In Years)
Addison	0.67%	58,645,878	5,989,440	(13,871,959)	50,763,359	17,634,389	2.88

Goals for DART



- **Create a financial model** to support the growing and evolving region.
 - Make it financially attractive for other cities to join to have a true regional system.
 - Cost borne by member cities should be lower to allow them to be financially competitive with non-member cities in the area.
- **Create an adaptable, scalable model.**
 - Developing a model for cities to select, choose, and pay for service based upon transit mode would help to achieve these goals.
- **Reimagine the governance model** created in 1983 (42+ years old).
 - Each member city would have a member on the DART Board entitled to a weighted vote.
- **Find innovative solutions to mobility needs.**
 - Leverage technology and private-partnership solutions.
 - Enhance data and performance metrics to monitor and adapt services.

Next Steps



- A withdrawal election may be called once every 6 years by member cities of DART. 2026 is an eligible year.
- For the May 2026 election, a city must pass an ordinance calling for a withdrawal election by February 13, 2026.
- If a withdrawal election is called,
 - Town would continue to work with DART on potential solutions that advance the goals.
 - Should a withdrawal election be successful, the Town is prepared to have alternate transit solutions in place.
 - Staff has begun to have initial discussions with providers and could explore these options further, as well as partnering with DART or other transit agencies for specific transit modes.

Questions