



Irving and Rowlett Update

Dallas City Council

Transportation and Environment Committee

January 14, 2008

Current Financial Status

(\$ in millions)

Additional Funding Estimate	\$	900
Value Engineering – Level 1	\$	260
Financial Plan Opportunity – Level 1	\$	210
Revenues & Other Sources – Level 1	\$	27
Sub-total	\$	403
Value Engineering – Level 2	\$	47
Financial Plan Opportunity – Level 2	\$	12
Revenues & Other Sources – Level 2	\$	350
Total	\$	(6)

Value Engineering

Current Impact Evaluation

Irving 1 & 2

- Roadway Reduction at North Lake College
(Brangus Road)
- Vertical Circulation to People Move
- Hidden Ridge Alignment

Rowlett 1

- Rowlett Road Grade Separation

Project Schedule

- Irving 1
 - Issue Request for Qualification (RFQ)
January 30, 2008
 - Award Notice to Proceed (NTP)
December 15, 2008
 - Revenue Service
December 2011
- Irving 2 & Rowlett 1
 - Revenue Service
December 2012

Financial Plan Opportunities-

Level 1

(\$ in millions)

Bond Funding Available	\$	40
FY 2007 Operating Budget Savings	\$	25
FY 2007 Actual Sales Tax Growth	\$	55
Financial & Capital Reserves	\$	55
Reduction of Operating Reserves	\$	35
Total	\$	210

Revenues & Sources

Level 1

- Trackage Rights Agreement \$ 15M
- Hedge Interest Rates \$ 12 - 20M

Revenues & Sources

Level 2

- Additional Debt
 - Issue Bonds Against Federal Formula Funds
 - Accelerate Debt
 - Voter Authorization/Legislative Change
- Public Private Partnerships (PPP)
 - Design/Build/Finance
 - Private Capital Provider
 - Public Facilities Corporation

Future Considerations

- Value Engineering – Level 3s
- CBD/SOC-3 Cost Reviews
- Will Continue Work On:
 - PPPs
 - Cost reductions
 - Revenue enhancements

Next Steps

- COTW & Board – January 22, 2008
 - Financing Recommendations
 - Draft FY 2008 Financial Plan – 30-Day Member City Review
- Procurement
 - Request for Qualifications – January 2008
 - Notice to Proceed – December 2008
- Irving 1 Revenue Service – December 2011

Irving - Rowlett Opportunities Matrix

PROJECT REVIEW	Amount (millions YOE)	Level	Comments
Value Engineering			
Irving 1 & 2	\$101	1	
Irving 3	\$136	1	Correction of estimate, no change in project.
Rowlett	\$23	1	
Total Level 1	\$260		
Irving 1 & 2	\$18	2	
Rowlett	\$29	2	
Total Level 2	\$47		
FINANCIAL PLAN OPPORTUNITIES	Amount (millions YOE)	Level	Comments
1. Remaining, unprogrammed portion of \$2.9 B	\$40	1	Routine Adjustment
2. FY07 Operating Budget Savings (\$21.5 M)	\$25	1	Routine Adjustment
3. Growth on FY07 Actual Sales Tax	\$55	1	Routine Adjustment
4. Financial & Capital Reserves	\$55	1	Set balance to \$20 million; Requires Board approval
5. Reduce Operating Reserves to one month	\$35	1	Requires change in, or waiver to, Financial Standard
Total Level 1	\$210		
6. Delay CBD & SOC-3 up to 12 months	\$12	3	Study of various scenarios regarding length of delay and combinations under currently underway
7. FY08 Operational Budget Savings	\$XX	3	Still under review
8. FY09 Permanent Operational Budget Cuts	\$XX	3	Still under review
9. Other Capital Project Cuts/Delays	\$XX	3	Still under review
REVENUES / SOURCES	Amount (millions YOE)	Level	Comments
1. Trackage Rights (Inland Port)	\$15	1	Currently in negotiations
2. Hedge interest rate to ensure lower rate	\$12 - \$20	1	
3. Additional Debt			
A. Accelerate current approved debt	\$350	2	Provides additional time to work on PPP, legislation and/or elections.
B. Issue debt supported by federal funding	\$XX	2	Use formula funding as funding source. Could combine with additional CP if needed.
4. Public Private Partnerships			
A. Design/Build/Finance	\$XX	2	Private entity would provide the financing and DART would pay through availability payments.
B. Private Capital Provider	\$XX	2	Consortium would provide funding needed for an agreed upon return on their investment.
C. Public Facilities Corporation	N/A	4	Cities and Counties are the only entities allowed to use these. Would require one of our member cities to set up .
5. Use 40yr debt	\$60 - \$80	2	
6. Structure debt to work within cash flow	\$XX	2	Debt would be structured to have the least negative impact on our cash flow.
7. Public Public Partnerships	\$XX	2	Work with NCTCOG to provide capital funding similar to 4.B.
8. Grants (Including additional CMAQ)	\$XX	3	
9. Denton and/or Cottonbelt revenues	\$XX	3	
10. Additional contributions to Irving-3	\$XX	3	Currently programmed in at \$123 million
11. Additional Advertising Revenues	\$XX	3	
12. Point-of-Sale for Sales Taxes	\$XX	3	For future years; should see impact in 6-12 months

Financing Options Matrix
As of 1/8/2008; 3:00 pm

- Option 1: Use increased commercial paper and combination of other financing mechanisms such as issuing bonds against formula funds and/or Fixed Guideway funds, interest rate exchanges, etc. to bridge the funding needs until additional debt is authorized.
- Option 2: Accelerate voter-approved long-term debt; other solutions for CBD/SOC-3 will be used (i.e., Option 1)
- Option 3: Select a private entity to handle entire project including financing (DBFOM or DBFM)
- Option 4: Use private capital provider for financing
- Option 5: Supplement current debt with debt issued by a DART-created public facilities corporation. Must be created by a member city.

	Public Private Partnerships (PPP)				
	Option 1 Federal Funds Bonds & Incr. CP	Option 2 Accelerate Debt	Option 3 DBFOM/DBFM	Option 4 Private Cap. Provider	Option 5 Public Fac. Corp.
Provides sufficient funding for I & R	Maybe	Yes	Yes	Yes	Yes
Can implement in time for I-1	Yes	Yes	Yes	Yes	Maybe
Requires voter approval	No	No	No	No	No
Negatively impacts other voter-approved projects	Maybe	Maybe	No	No	No
Counts against debt cap	No	Yes	Maybe	Maybe	No
Requires legislation change	No	No	Maybe	Maybe	Maybe
Requires Board approval	Yes	Yes	Yes	Yes	Yes
Requires DART policy change	Yes	No	No	No	Maybe
Requires AG review of concept	Yes	No	Maybe	Maybe	No
Requires AG approval of concept	Yes	No	Maybe	Maybe	Yes
Cost of option	TBD	TBD	TBD	TBD	TBD
DART issues debt	Yes	Yes	No	No	No