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**EXECUTIVE SUMMARY
DALLAS TRANSIT FINANCING STUDY**



Peat, Marwick, Mitchell & Co.

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July 30, 1982

EXECUTIVE SUMMARY

This report presents the findings and conclusions resulting from the Financial Planning Study for the Dallas Transit System (DTS) conducted by Peat, Marwick, Mitchell & Co. in association with William G. Barker and Associates and C. Abramson. The study was sponsored by the North Central Texas Council of Governments (NCTCOG) and funded in part through a technical studies grant from the Urban Mass Transportation Administration (UMTA).

BACKGROUND AND OBJECTIVES: THE LOCAL TRANSIT FUNDING NEED

With the federal government planning to withdraw its support for transit operations by 1985, a pivotal source of funding to sustain existing transit service and support transit improvements in the future will come from the local community. Without continued and expanded local funding, the level of transit service currently enjoyed within Dallas will be threatened, and improvements that may be necessary to accommodate growing demands for service will be unattainable.

The amount of local support required to sustain transit services in Dallas is influenced not only by the withdrawal of federal support but also by the increasing cost of providing transit services. Transit systems nationwide have been experiencing inflationary increases in most major areas of expense including salaries and wages, benefits, materials and supplies, fuel, and capital requirements. DTS has demonstrated its efforts to provide transit services in an efficient manner. Its costs are below industry norms, and it has maximized the use of farebox revenues. DTS currently covers more than 60 percent of its cost to operate transit service through fares, a high figure by industry standards. Despite the efforts to maintain its costs and to maximize the farebox revenues as the primary means of support, the need for additional local support for DTS will increase during the 1980s.

Fiscal responsibility dictates that every effort be undertaken to eliminate unproductive services, identify and remove inefficiencies in service delivery, and apply creative pricing strategies to reduce the need for public subsidy of transit. The market for and the public service concept of transit, however, generally limits the amount of funding that can be received from user payments and experience shows that some form of public funding is necessary to sustain transit service as it currently exists.

Local support for transit reflects recognition of the benefits of transit which include:

- . support for the local economy and therefore an attraction for business and industry to the DTS service area;
- . efficient utilization of the street system;
- . relief from the demand for new parking spaces and, therefore, release of valuable urban space for productive economic use;
- . mobility for the transportation-disadvantaged residents and, with this mobility, access to employment, shopping, and entertainment opportunities; and
- . a mobility "safety net" providing an alternative to the private automobile in periods of fuel shortage or restrictions on auto use due to severe pollution concentrations in the region.

These benefits will be reinforced and amplified with the continued growth of Dallas area population and the anticipated expansion of employment both in the City of Dallas and satellite employment centers outside the central business district.

DTS recognizes that the future of transit in the City of Dallas depends on the ability of the transit system and the City to carefully plan and manage the transit services and the resulting financial requirements. Accordingly, the objectives of this study were to:

- . define future scenarios for transit services;
- . develop projections of the operating and capital cost requirements for each scenario in both constant and inflated dollars;
- . estimate the amount of financing required from supplemental sources to enable the operation of each of the service scenarios assuming the recovery of between 50 and 75 percent of the cost of operations through user charges; and
- . identify, analyze, and compare for DTS and the City of Dallas alternative sources of funding that could meet the future financing needs of transit in Dallas.

PROJECT SCOPE AND APPROACH

The scope of this project was influenced by the following assumptions that were agreed upon at the outset of this study:

- . DTS would continue as a department of the City of Dallas. This study did not consider the formation of an independent transit authority.
- . The service analysis scenarios would be developed for transit services that continue to operate within essentially the same jurisdictional areas as DTS' current services. Regionwide expansion of transit service was not considered.
- . The analysis period would be the next five years-- 1983 through 1987.
- . Up to 12 funding sources would be analyzed. This analysis would consider:
 - the yield and rate requirements to meet DTS' financing needs under different operating scenarios; and
 - the legal requirements for the City of Dallas to secure the revenues from each source.
- . The analysis of funding sources did not assume that revenues would be dedicated to transit. Rather, it was intended to identify and analyze revenue sources that could serve to expand the financing resources of the City to the extent needed to support the future needs of transit in Dallas.

The study approach for this project consisted of 1) the selection and development of analysis scenarios, 2) the development of operating characteristics, expenses, and financing requirements for these scenarios, and 3) the analysis of financing alternatives.

The selection and development of analysis scenarios was the responsibility of the DTS project management committee. The characteristics of each scenario including the amount and nature of service reduction or rate of service expansion from current practice and the level of operating recovery through farebox revenues were prescribed by the DTS project management committee.

The development of the operating characteristics, total expenses, and financing requirements for each analysis scenario by the Peat Marwick and Barker Associates team relied on past work conducted by DTS or used assumptions that were agreed to by DTS.

The analysis of financing alternatives included a preliminary review of 32 financing sources identified by DTS and the City of Dallas followed by a more detailed review of the rate, yield, and implementation requirements of 12 financing alternatives.

This resulting report is strictly for the use of Dallas Transit, NCTCOG and the City of Dallas. It is not to be referred to or presented to any other party for obtaining financing or for any other purpose. Because any projection is subject to uncertainties, Peat Marwick disclaims any representation that the projections represent future financial results that will actually be achieved.

The terms of this engagement are such that Peat Marwick has no obligation to update this report or revise the projected financial results because of events and transactions occurring subsequent to the date of this report.

PROJECT FINAL REPORT

A final project report was prepared which documents the project analysis approach, assumptions, and results. The report content includes:

- . Section I: Introduction
- . Section II: Overview of Transit Performance and Financing
- . Section III: Service Analysis Scenarios and Operating Characteristics
- . Section IV: DTS Funding Needs 1983 to 1987
- . Section V: Identification and Analysis of Funding Alternatives for DTS
- . Appendix A: Transit System Financing Sources: Summary of 1981 American Public Transit Association Survey
- . Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis
- . Appendix C: DTS Operating Expenses and Revenue Requirements by Analysis Scenario and Year: 1983 to 1987 in 1982 and Inflated Dollars

. Appendix D: DTS Capital Expenses by Analysis Scenario and Year: 1983 to 1987 in 1982 and Inflated Dollars.

Copies of this report are available upon request from DTS. This Executive Summary presents the key project findings.

RECENT COMPARISONS OF DTS TO OTHER U.S. TRANSIT SYSTEMS

In the past five years, several studies have been conducted for the Dallas Transit System and the City of Dallas that have included comparisons of DTS operating and performance characteristics to other similar-sized transit systems. These past comparisons have been updated for this study.

The results of each of the comparative studies conducted to date indicate that, from an effectiveness viewpoint, DTS provides Dallas with a service which has a comparatively high level of ridership. From an efficiency viewpoint, DTS is maintaining its costs well below the average of similar-sized systems.

DTS Effectiveness

Exhibit 1 portrays indicators of transit system effectiveness. These indicators focus on transit system utilization, or ridership, in relation to the miles and hours of service provided, staff levels, and the proportion of operating cost financed by passenger fares (farebox recovery or operating ratio).

In comparing DTS to 16 other systems, it is clear that DTS has achieved far higher than average performance with respect to transit system ridership. It is important to note that DTS has the highest farebox recovery ratio among these comparable systems. This indicates that, as a matter of policy, DTS is placing emphasis on the role of the rider in paying for transit service.

DTS Efficiency

Exhibit 2 displays indicators of transit system efficiency. These indicators focus on the cost of providing a unit of service or having a unit of service consumed. These statistics indicate that DTS is relatively successful in containing costs and provides a comparatively efficient service.

EXHIBIT 1

**COMPARATIVE ANALYSIS OF DTS AND SIMILAR SIZE TRANSIT SYSTEMS:
TRANSIT EFFECTIVENESS**

		<u>Annual Passenger Per Vehicle Mile</u>	<u>Annual Passenger Per Employee (000's)</u>	<u>Annual Passenger Per Revenue Hour (000's)</u>	<u>Annual Passenger Miles Per Vehicle (000's)</u>	<u>Annual Passenger Miles Per Revenue Hour</u>	<u>Fare Box Recovery Ratio^{4/}</u>
NO	New Orleans	7.2	NO 74.5	NO 74.0			
AC	AC Transit	3.6	AC 52.2	AC 59.5	SD 771		
M	Miami	2.9	M 47.1	SD 47.3	M 732		
	DALLAS	2.8	40.5	45.4	666	306	57.2
C	Cincinnati	2.8	SD 39.2	M 42.5	AC 600	SD 238	B 56.1
SD	San Diego	2.6	Me 35.9	C 36.3	NO 570	AC 209	M 45.7
KC	Kansas City	2.6	C 35.8	FW 35.7	H 535	M 196	NO 49.4
Me	Memphis	2.3	KC 35.6	KC 34.0	C 477	SLC 180	Me 45.1
H	Houston	2.2	P 32.7	Me 33.2	SLC 462	C 166	SD 40.4
P	Portland	2.2	FW 29.6	P 32.5	Ph 435	NO 155	AC 32.8
Ph	Phoenix	2.1	SLC 23.6	SLC 32.5	P 427	H 147	FW 33.7
SLC	Salt Lake City	1.7	H 23.0	Ph 30.0	Me 391	P 140	P 30.8
				H 29.9		Ph 133	C 30.3
						Me 119	KC 29.9
							Ph 26.5
							H 26.4
							SA 23.5
							A 21.4
							D 19.4
							SLC 9.1

^{1/} Includes both motor bus and rail modes.

^{2/} Includes both motor bus and demand response modes.

^{3/} Includes both motor bus and street car modes.

^{4/} Includes passenger fares and special fares.

Source: "National Urban Mass Transportation Statistics, Second Annual Report, Section 15 Reporting System," draft, UMTA.
The data in this report is from fiscal years ending July 1, 1979 through June 30, 1980.

EXHIBIT 2

**COMPARATIVE ANALYSIS OF DTS AND SIMILAR SIZE TRANSIT SYSTEMS:
TRANSIT EFFICIENCY**

		<u>Total Operating Expense Per Vehicle</u>	<u>Total Operating Expense Per Vehicle Mile</u>	<u>Total Operating Expense Per Vehicle Hour</u>	<u>Total Operating Expense Per Passenger</u>	<u>Total Operating Expense Per Passenger Mile</u>	<u>Total Operating Expense Per Operator Hour</u>	<u>Total Operating Expense Per Employee</u>
FW	Fort Worth	50,344	SA \$1.53 SLC 1.67	SA 22.1 Me 23.6	NO .33		FW 16.6 Me 17.8 SA 18.3	FW 22,538 SLC 23,377 NO 24,538
	DALLAS	60,375	1.72	24.4	.61	.09	19.6	24,702
SA	San Antonio	67,963			SA .62			
Me	Memphis	79,916	Me 1.72	NO 24.4	M .66	M .14	NO 19.8	SA 25,095
SLC	Salt Lake City	82,381	Ph 1.92	Ph 25.6	AC .66	NO .16	B 20.5	B 25,726
KC	Kansas City	82,497	M 1.92	M 25.6		A .17	SLC 20.8	Me 26,325
C	Cincinnati	84,410	KC 2.18	B 26.6	A .73	SD .17	KC 23.1	C 29,005
NO	New Orleans	89,664	SD 2.26	KC 27.9	Me .73	C .18	AC 23.4	H 29,189
Ph	Phoenix	90,040	C 2.26	C 29.4	FW .76	SLC .18	M 23.9	KC 30,253
M	Miami	104,158	D 2.33	D 30.7	C .81	AC .19	C 24.0	M 30,891
A	Atlanta	107,330	NO 2.36	SD 31.5	KC .85	SA .20	SD 24.2	SD 34,232
P	Portland	107,901	AC 2.37	SLC 31.6	SD .87	Me .20	P 25.6	AC 34,434
D	Denver	110,030	P 2.40	P 33.4	Ph .92	FW .20	H \$28.1	P 35,703
AC	AC Transit	113,032	B 2.43	AC 34.9	SLC .99	Ph .21		
SD	San Diego	134,037	A 2.67	36.5	P 1.09	P .25		
H	Houston	\$ 137,583	H \$2.74	H \$37.0	D 1.19	H .26		
					H \$1.27	D \$.34		

Source: "National Urban Mass Transportation Statistics, Second Annual Report, Section 15 Reporting System," draft, UM'IA.
The data in this report is from fiscal years ending July 1, 1979 through June 30, 1980.

For example, in comparison to the other systems included in this analysis, DTS has the lowest cost per vehicle and lowest cost per passenger mile.

Summary of Comparative Performance Analysis

Based on this brief comparative analysis of DTS in relation to other similar-sized transit systems, DTS is a comparatively effective and efficient transit service. It has attained higher than average ridership and a high fare recovery ratio while controlling its resource utilization and providing service at a lower than average cost.

DTS SERVICE ANALYSIS SCENARIOS

A total of nine analysis scenarios were defined by combining the analysis scenario specifications. The specifications and assumptions of the scenarios are briefly described below.

Level of Service

Vehicle miles by type of vehicle (i.e., regular 40-foot bus or articulated bus) are the primary measure used to describe level of service. The current level of service provided by DTS served as the starting point for each analysis scenario. The scenarios include:

- . a 10 percent service reduction;
- . no change in level of service;
- . an increase in service in association with anticipated increases in the City of Dallas population of approximately 2.2 percent annually; and
- . an increase in service in association with anticipated increases in the City of Dallas central business district (CBD) employment of approximately 8 percent annually during the analysis period.

Operating Ratio

The amount of operating expenses financed through farebox revenues is the fare or operating ratio. Maximizing the farebox revenues minimizes the need for supplemental public support. Each analysis scenario uses one of three operating ratios:

- . .60 operating ratio which is a maintenance of DTS' current experience of financing 60 percent of its operating expenses through fare revenues;
- . .75 operating ratio which would require an increase in fares over current levels, possibly accompanied by elimination of service with lower productivity; and
- . .50 operating ratio which would occur if fares are reduced, if fares do not keep pace with operating cost increases, if less productive service is added, or as a result of a combination of these factors.

The majority of analysis scenarios include an operating ratio of .60, DTS' current experience.

Addition of Nonradial/Crosstown Service

Currently DTS provides predominantly radial service. The focus of the service is the Dallas CBD. As part of this study service characteristics and the associated costs for the addition of crosstown service were estimated. The crosstown service includes seven routes. The first six of these routes were defined and recommended for phased implementation in the Dallas Crosstown Transit Route Study, prepared by Schimpeler-Corradino Associates in April 1981. The seventh route was specified by DTS and added to this study at its request. The operating characteristics of the routes described in the Schimpeler-Corradino study served as the basis for the crosstown service characteristics and patronage estimates in this study.

The analysis scenario specification either includes or does not include crosstown service, i.e., crosstown service is either added or not added to combinations of service level and operating ratio described above. Those that include crosstown service include all seven routes in each of the five years of the analysis period.

Exhibits 3 and 4 summarize the characteristics which specify each of the nine analysis scenarios in this study.

OPERATING CHARACTERISTICS, TOTAL EXPENSES, AND FINANCING REQUIREMENTS

Operating characteristics were developed for the five-year analysis period 1983 through 1987 for each of the nine analysis scenarios. Based on the analysis scenario characteristics estimates of expenses for DTS were developed in terms of:

EXHIBIT 3

ANALYSIS SCENARIO CHARACTERISTICS

ANALYSIS SCENARIO	LEVEL OF SERVICE				OPERATING RATIO			CROSSTOWN SERVICES	
	Service reduced by 10%	No change in service	Service increase with population	Service increase with CBD employment	.75	.60	.50	NO	YES
1A: Service Reduction Operating Ratio = 0.60	●					●		●	
1B: Service Reduction Operating Ratio = 0.75	●				●			●	
2: No Service Change Operating Ratio = 0.60		●				●		●	
3: Service Growth with Population Operating Ratio = 0.60			●			●		●	
4A: Increased Service Level Operating Ratio = 0.60				●		●		●	
4B: Increased Service Level Operating Ratio = 0.50				●			●		
5: Scenario 3 Plus Crosstown Service Operating Ratio = 0.60			●			●			●
6: Scenario 4A Plus Crosstown Service Operating Ratio = 0.60				●		●			●
7: Scenario 4B Plus Crosstown Service Operating Ratio = 0.50				●			●		●

EXHIBIT 4

ANALYSIS SCENARIO DESCRIPTION

Scenario 1A: A reduction in the current level of service in 1983 by 10 percent. Between 1984 and 1987 no further change in service is assumed. The operating ratio is assumed to remain at .6 as is the current experience. This means that fares will increase annually with costs.

Scenario 1B: This scenario, like 1A, includes a 10 percent reduction in service in 1983. Again, no further change in service is assumed in 1984 through 1987. A fare increase of 25 percent is, however, assumed to attain a .75 operating ratio. This fare increase is assumed to be above the rate of inflation which would be required merely to maintain the current .6 operating ratio.

Scenario 2: No change in service or operating ratio is assumed in this scenario. This is the base case alternative in which service continues to operate in 1983 through 1987 as it operates currently, in 1982. An annual .6 operating ratio is assumed.

Scenario 3: Assumes that the level of service increases with the growth in population in Dallas. This alternative replicates that of Schimpeler-Corradino Associates and Fleet Maintenance Consultants in the Facilities Study and Capital Needs Forecast: Final Report, March 1982. An annual operating ratio of .6 is assumed in this scenario.

Scenario 4A: An annual increase in service is assumed in this scenario based on 8 percent annual increase in CBD employment. A constant 30 percent mode split and annual .6 operating ratio are assumed as is the current experience.

Scenario 4B: This scenario is the same as 4A with the exception that .5 operating ratio is assumed each year. A fare decrease of 25 percent was assumed to achieve this ratio.

Scenario 5: This scenario includes the addition of non-radial service to Scenario 3. Seven routes, suggested by DTS, have been added. The operating statistics reflect an annual increase in service based on population growth. An operating recovery assumption of .6 is assumed, as in Scenario 3.

Scenario 6: This scenario includes the addition of non-radial service to Scenario 4A. The same seven routes suggested by DTS (noted in Scenario 5) were added. However, the operating statistics for the non-radial service are influenced by the assumptions made for Scenario 4A, i.e., that employment in the CBD increases at 8 percent annually.

Scenario 7: This scenario includes the addition of non-radial service to Scenario 4B. This scenario is identical to Scenario 6 except that an annual operating ratio of .5 is assumed.

- . operating expenses; and
- . capital expenses.

Based on these estimates, the City of Dallas contribution requirements were determined by analysis scenario and year.

DTS Operating Expense and Financing Requirements Estimates

The operating cost and financial requirements estimates include annual operating expenses for DTS operations, maintenance, and administration. The financial requirements estimates are based on three primary sources of funds to cover all of the operating costs:

- . transit system revenues - The primary source of transit system revenues are passenger fares. The proportion of operating costs that will be financed by fares varies between 50 and 75 percent and is specified for each analysis scenario. Other sources of transit system nonfare revenue were also included. The total nonfarebox transit system revenue represents an additional 1.5 to 3.0 percent of the annual transit system expenses in each analysis scenario.
- . federal operating assistance - This source of revenue is the UMTA Section 5 formula grant funds for transit operations. Currently, there is considerable uncertainty regarding the future availability of funding from this source. Consequently, the following assumptions were made in this analysis:
 - Section 5 operating assistance funds are to be phased out by the federal government during the next three years.
 - Recent interpretation of this policy by APTA indicates that the phasing out of Section 5 monies would occur by a 38 percent reduction in funds from FY 1982 levels for FY 1983 followed by another 38 percent reduction for FY 1984. In FY 1985, federal funds will no longer be available for operating assistance.
 - Based on the above assumption, DTS is eligible to receive approximately \$6,840,000 (in 1982 dollars) in FY 1983 and \$3,970,000 in (1982 dollars) in FY 1984.

- Federal operating assistance will continue to require matching funds (i.e., the local revenue sources are required to equal or exceed the federal contribution to the deficit).
- There are currently some funds available from Section 5 federal operating assistance that have not been expended in prior years (FY 1981 or preceding years). Historically, these funds have been available for use in subsequent fiscal years if they have not been expended in the year for which they were allocated. However, since federal operating assistance legislation has not, at this time, been passed, there is no guarantee that used funds will be available in the 1983 to 1987 fiscal year period. No carry forward ("roll-over") funding is therefore assumed in this analysis.
- . City of Dallas contribution - In this study it is assumed that the balance of transit operating expenses will be financed through general operating assistance provided to DTS by the City of Dallas. It is not assumed that these will be dedicated funds but rather revenues from the City's general fund.

The estimates of DTS operation expenses were developed in 1982 and inflated dollars. Attachments A and B of this Executive Summary present the total estimated operating expenses and sources of funds for each analysis scenario in 1983 and 1987 in 1982 and inflated dollars, respectively. For each analysis scenario the impacts of inflation result in operating expenses and financing requirements that are over 40 percent greater by 1987 when compared with the projections in constant 1982 dollars.

City of Dallas Contribution for DTS Operations

The focus of the analysis of operating expenses and funding requirements is the amount of funding that must be obtained from the City of Dallas to provide transit under each of the nine service analysis scenarios.

The City of Dallas contribution for transit operations increases each year between 1983 and 1987 in most of the analysis scenarios because of the elimination of federal assistance in combination with the prescribed service increases of the analysis scenarios. Even in analysis Scenario 1B in which there is a service reduction and the City of Dallas contribution decreases in 1983 to \$3,537,000 (in 1982 dollars), there is an increase in the City's contribution by 1987 to \$7,428,000 (in 1982 dollars - see Attachment A).

Exhibit 5 presents the annual DTS operating expenses and the City of Dallas contribution requirements for DTS in 1987 for each analysis scenario in 1982 and inflated dollars.

DTS Capital Expenses and Financing Requirements

The DTS capital cost estimates include four types of capital expenses:

- . revenue vehicles;
- . revenue vehicle related capital expenses;
- . new garage; and
- . other facility-related capital expenses.

Annual capital expenses for each of the nine analysis scenarios for the five-year period 1983 through 1987 were developed in 1982 and inflated dollars.¹ For purposes of this analysis it was assumed that capital expenses would be financed 80 percent through UMTA capital grants and the remaining 20 percent balance would be financed locally through City of Dallas contributions. Attachment C presents the total capital expenses, UMTA share, and City of Dallas contribution in 1982 and inflated dollars.

SUMMARY OF CITY OF DALLAS CONTRIBUTION REQUIREMENTS

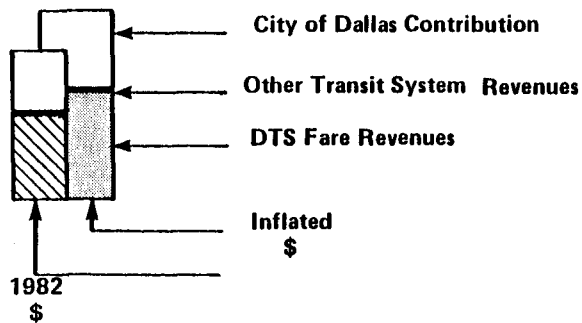
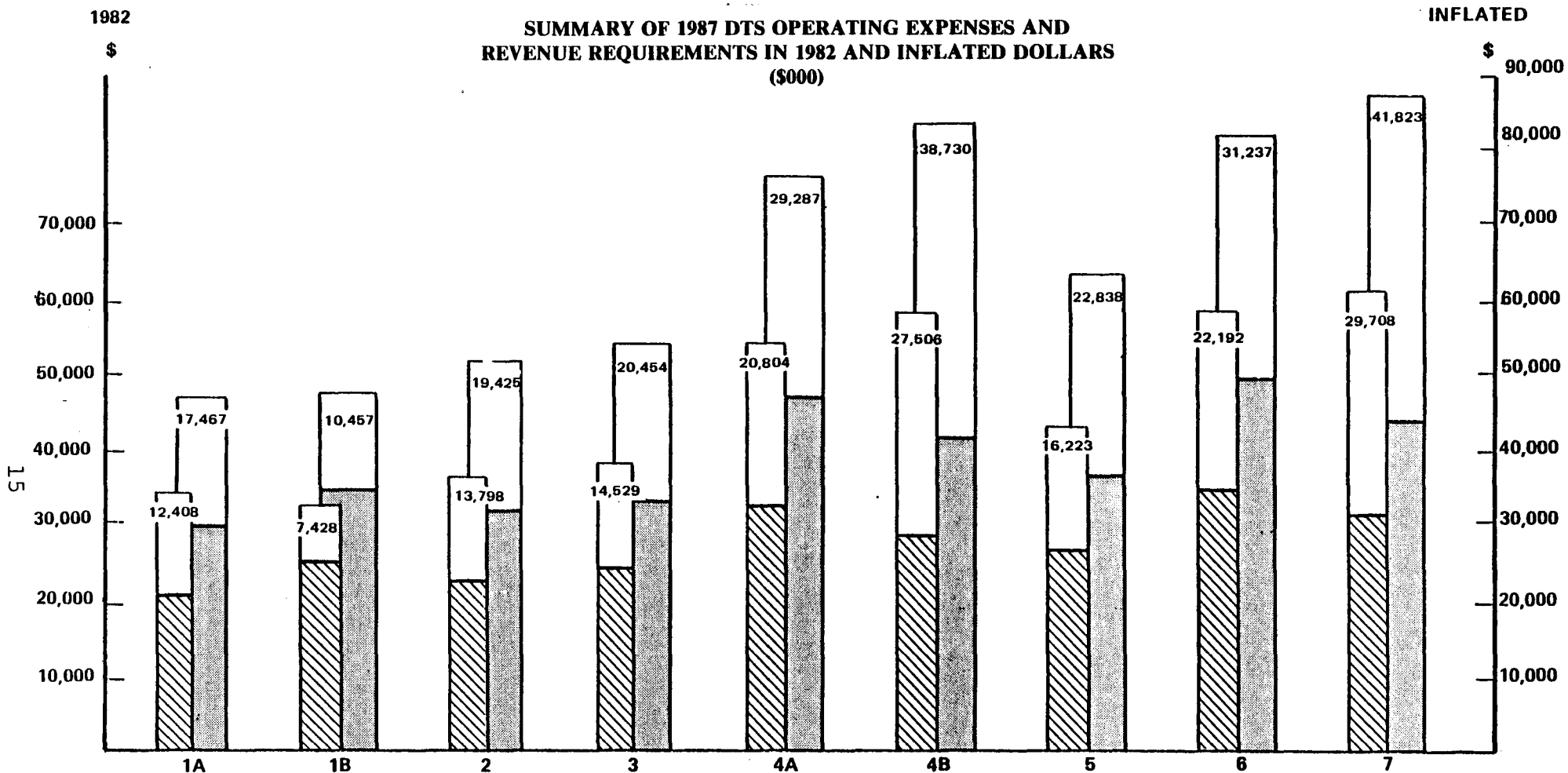
The City of Dallas contribution requirements for DTS described in this study include the sum of:

- . DTS operating expenses that are not financed through transit fare revenues, other transit system revenues and federal operating assistance (while it is still available); and
- . 20 percent of the annual capital expenses, since it is assumed that 80 percent of the expense would be financed through capital grants from UMTA.

¹ The analysis of capital needs and expenses was based in part on the Facilities Study and Capital Needs Forecast: Final Report prepared by Schimpeler-Corradino Associates and Fleet Maintenance Consultants, March 1982.

EXHIBIT 5

SUMMARY OF 1987 DTS OPERATING EXPENSES AND REVENUE REQUIREMENTS IN 1982 AND INFLATED DOLLARS (\$000)



This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

Exhibit 6 illustrates differences among the analysis scenarios in terms of their requirements for City assistance. This exhibit presents the trend in financing requirements by analysis scenario between 1983 and 1987 in 1982 dollars.

Attachments D and E present the total City of Dallas contribution for DTS by analysis scenario and year in 1982 and inflated dollars, respectively. Inflation results in approximately a 25 percent difference in the cumulative City contribution for transit expenses over the five-year analysis period.

As shown in Attachment D Scenario 1B presents the lowest cost alternative with a \$4.4 million funding requirement in 1983 increasing to \$8.4 million annual requirement by 1987 (in 1982 dollars). Scenario 7, which requires the most assistance each year, would require approximately \$24.4 million in 1983, increasing to almost \$36.2 million in 1987 (in 1982 dollars). These amounts are over four times greater than those required in Scenario 1B in 1987.

Based on the analysis conducted in this study, the cumulative City of Dallas contribution for transit operating and capital expenses will range between \$38.0 and \$150.6 million in 1982 dollars (see Attachment D) and \$47.7 and \$187.7 inflated dollars (see Attachment E).

ANALYSIS OF FINANCING ALTERNATIVES

To initiate the analysis of financing alternatives to meet DTS operating and capital expenses, a list of 32 funding alternatives was compiled from three sources:

- . Revenues Issue Paper, City of Dallas, January 1982;
- . Funding Public Transportation in the City of Fort Worth, Public Transportation Advisory Committee, November 1981; and
- . Similar financial studies conducted by Peat Marwick for other transit systems, including the Houston MTA (currently in progress).

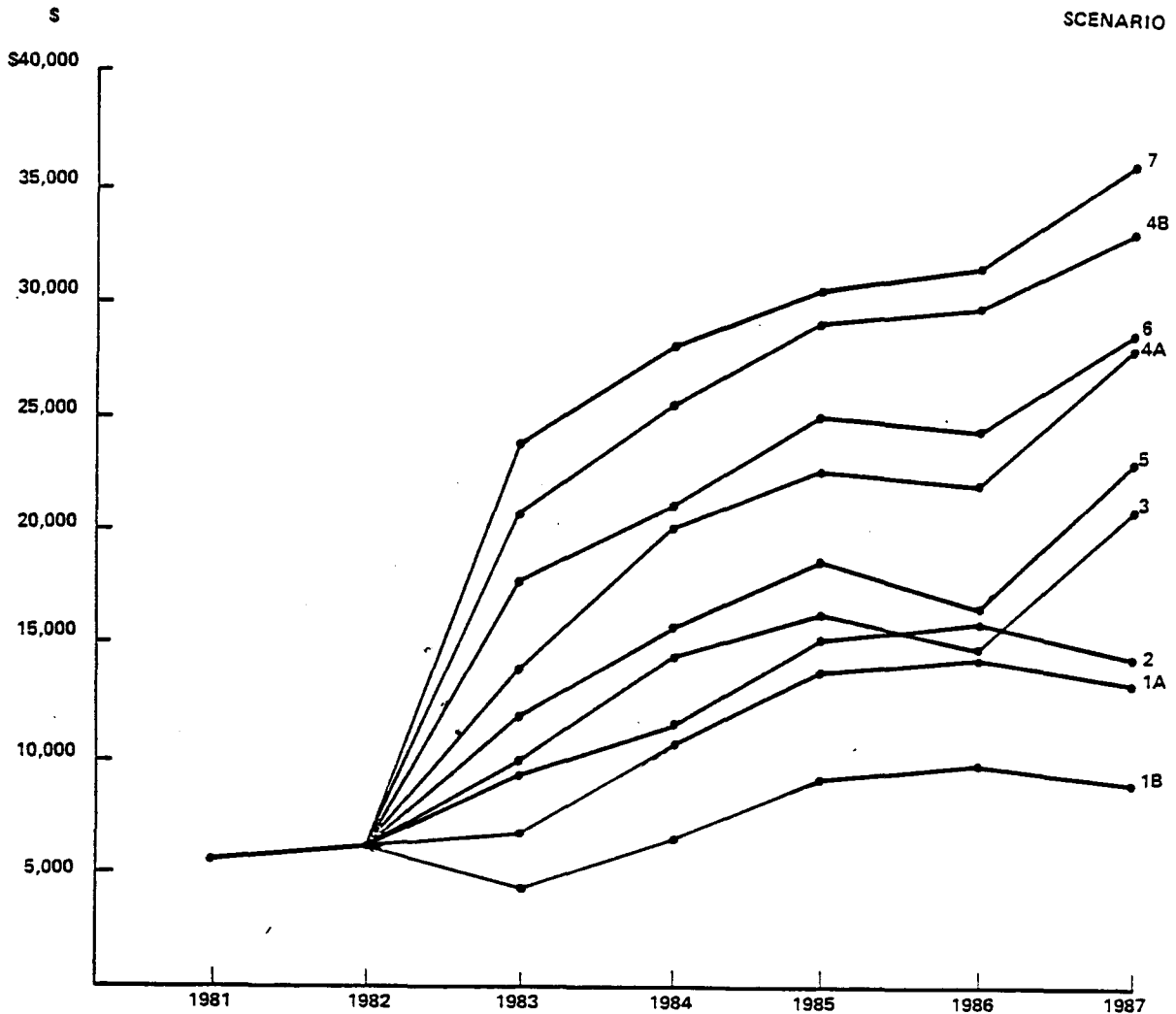
Preliminary Analysis of Financing Alternatives

The preliminary analysis involved the elimination of funding alternatives that appear to be the least likely to be implemented and meet DTS' funding needs. Funding sources were not evaluated in detail if:

- . the revenue source is currently unconstitutional, such as a lottery;

EXHIBIT 6

SUMMARY OF TOTAL CITY OF DALLAS CONTRIBUTION TRENDS
FOR DTS OPERATING AND CAPITAL EXPENSES IN 1982 DOLLARS
(\$000)



This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

- . the tax is an income or income related tax;
- . there are federal restrictions on the use of the funding source as with highway tolls on roads built with interstate funds;
- . the funds are used for other specific purposes in Dallas such as street fees and service charges which are used to partially finance service costs or hotel-motel tax revenues which are used to finance the Dallas Convention Center; and
- . the source does not appear to produce sufficient revenue to meet DTS' financing needs, as is the case with assessments, fees, and fines.

Using these criteria, the preliminary list of funding alternatives was narrowed to 12 alternatives. These revenue sources, described in Exhibit 7, were then analyzed in more detail.

Detailed Analysis of Financing Alternatives

The detailed evaluation of the 12 financing alternatives focused on two principal evaluation criteria: adequacy of yield and feasibility of implementation.

Adequacy of Yield

The yield of a financing source is the amount of revenue produced by the source in a given year. Adequacy of yield refers to the ability of a financing alternative to satisfy the financing requirements of DTS over time. Yield is measured by:

- . productivity - the amount of revenue produced per unit rate of tax or fee for the financing alternative;
- . stability - the annual growth rate of the revenue produced; and
- . rate required - the additional tax rate required to meet the DTS' financing needs. The additional tax rate required is determined by the productivity and stability of the funding alternative.

Adequacy of yield is a fundamental criterion because a funding source that is incapable of meeting the DTS' financing needs clearly has little value as an alternative.

Exhibit 8 presents the results of the analysis of the adequacy of the yield and rate requirements of each of the 12

EXHIBIT 7

FUNDING ALTERNATIVES ANALYZED IN DETAIL

<u>Source</u>	<u>Description</u>
1. Cigarette Tax	An excise tax levied by the City of Dallas on cigarettes sold within the City Limits (e.g., x¢ per pack).
2. Employer Tax	A flat rate tax levied by the City of Dallas on all employers within the City Limits based on the number of employees and the number of workdays (e.g., x¢ per employee per workday).
3. Liquor/Beer Tax	An excise tax levied by the City of Dallas, at the wholesale level, on liquor and beer sold within the City Limits (e.g., x¢ per gallon of liquor; \$x per barrel of beer).
4. Motor Fuel Tax	An excise tax levied by the City of Dallas on motor fuels sold within the City Limits, at the retail level (e.g., x¢ per gallon or x% of total retail sales).
5. Parking Tax	
. On Street	An increase in the current parking rates of all parking meters located within the City Limits (e.g., x% increase in parking meter rates).
. Off Street	A parking space tax levied by the City of Dallas on all parking lots and parking garages located within the Central Business District (e.g., \$x per space per day).
6. Property Tax	An increase in the current City of Dallas property tax on all real and personal property, excluding motor vehicles located within the City Limits (e.g., increase property tax x¢ per \$100 of assessed valuation).
7. Property Tax on Vehicles	An increase in the current City of Dallas personal property tax on vehicles (located within the City Limits) (e.g., increase property tax on vehicles x¢ per \$100 assessed valuation).
8. Public Utilities Excise Tax	An increase in the current City of Dallas tax on the gross receipts of utilities within the City Limits (e.g., x% of gross receipts).
9. Sales Tax	An increase in the current City of Dallas retail sales tax on the sale of taxable items within the City Limits (e.g., increase sales tax x%).
10. Sales Tax on Services	A tax levied by the City of Dallas on the sale of specific services within the City Limits (e.g., x% sales tax on services). The taxable services could be defined using the Department of Commerce's Standard Industrial Codes and would exclude medical, dental, educational, and nonprofit organization services.
11. Vehicle Registration	A fee imposed by the City of Dallas on all vehicles registered within the City Limits (e.g., x% of state registration fee).
12. Vehicle Sales Tax	An excise tax levied by the City of Dallas on the sale of vehicles within the City Limits (e.g., x% of sales).

EXHIBIT 8

ADEQUACY OF YIELD OF FINANCING ALTERNATIVE IN 1982 DOLLARS

Assumptions:
DTS Financing Requirements -
Operations and Capital (Millions of 1982 dollars)

	1983	1987
Minimum	1.12	8.42
Maximum	24.39	36.18

Funding Alternative	PRODUCTIVITY (in 1982 dollars)		RATE REQUIRED TO MEET DTS FINANCING REQUIREMENTS			
	1983	1987	1983		1987	
	(Millions)	(Millions)	Minimum	Maximum	Minimum	Maximum
Cigarette Tax	1.02 (1¢ per pack)	.80 (1¢ per pack)	1.1¢ per pack	23.9¢ per pack	10.5¢ per pack	45.2¢ per pack
Employer Tax	1.80 (1¢ per employee per work day)	1.52 (1¢ per employee per work day)	.6¢ per employee per work day	13.6¢ per employee per workday	5.5¢ per employee per workday	23.8¢ per employee per workday
Liquor Tax						
. Barrel Beer	.96 (\$1 per barrel)	.89 (\$1 per barrel)	\$1.17 per barrel	\$25.41 per barrel	\$9.46 per barrel	\$40.65 per barrel
. Gallon Liquor	1.61 (\$1 per gallon)	1.39 (\$1 per gallon)	\$.70 per gallon	\$15.15 per gallon	\$6.06 per gallon	\$26.03 per gallon
Motor Fuel Tax						
. Cents Per Gallon	3.82 (1¢ per gallon)	2.78 (1¢ per gallon)	.29¢ per gallon	6.38¢ per gallon	3.03¢ per gallon	13.01¢ per gallon
. Percent of Sales	6.54 (1% of sales)	7.52 (1% of sales)	.17% of sales	3.73% of sales	1.12% of sales	4.81% of sales
Parking Tax						
. On Street	.0078 (1% of rate)	.0062 (1% of rate)	143% of rate	3123% of rate	1352% of rate	5807% of rate
. Off Street CBD	14.62 (\$1 per space/5 days per week)	11.95 (\$1 per space/5 days per week)	\$.08 per space per day/5 days per week	\$1.67 per space per day/5 days per week	\$.71 per space per day/5 days per week	\$3.03 per space per day/5 days per week
Property Tax (excluding vehicles)	2.37 (1¢ per \$100 assessed valuation)	3.27 (1¢ per \$100 assessed valuation)	.47¢ per \$100 assessed valuation	10.3¢ per \$100 assessed valuation	2.6¢ per \$100 assessed valuation	11.1¢ per \$100 assessed valuation

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

EXHIBIT 8 (Continued)

Assumptions:		
DTS Financing Requirements -		
Operations and Capital (Millions in 1982 dollars)		
	1983	1987
Minimum	1.12	8.42
Maximum	24.39	36.18

Funding Alternative	PRODUCTIVITY (in 1982 dollars)		RATE REQUIRED TO MEET DTS FINANCING REQUIREMENTS			
	1983	1987	1983		1987	
	(Millions)	(Millions)	Minimum	Maximum	Minimum	Maximum
Property Tax on Vehicles	.09 (1¢ per \$100 assessed valuation)	.12(1¢ per \$100 assessed valuation)	12.4¢ per \$100 assessed valua- tion	271.0¢ per \$100 assessed valua- tion	70.2¢ per \$100 assessed valua- tion	301.5¢ per \$100 assessed valuation
Public Utilities Excise Tax	9.47 (1% of receipts)	9.84 (1% of receipts)	.12% of receipts	2.58% of receipts	.86% of receipts	3.68% of receipts
Sales Tax	84.02 (1% of sales)	96.28 (1% of sales)	.01% of sales	.29% of sales	.09% of sales	.38% of sales
Sales Tax on Services	28.63 (1% of sales)	29.75 (1% of sales)	.04% of sales	.85% of sales	.28% of sales	1.22% of sales
Vehicle Registration						
. All Vehicles	.87 (\$1 per vehicle)	.68 (\$1 per vehicle)	\$1.29 per vehicle	\$28.03 per vehicle	\$12.38 per vehicle	\$53.21 per vehicle
. Personal Vehicles	.73 (\$1 per vehicle)	.58 (\$1 per vehicle)	\$1.53 per vehicle	\$33.41 per vehicle	\$14.52 per vehicle	\$62.38 per vehicle
Vehicle Sales Tax	6.80 (1% of sales)	6.67 (1% of sales)	.16% of sales	3.59% of sales	1.26% of sales	5.42% of sales

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

funding alternatives examined in detail (in 1982 dollars). For each alternative the following information is provided:

- . the productivity (in 1982 dollars) of the revenue source in 1983 and 1987;
- . the minimum rate required in 1983 and 1987 to meet the DTS funding needs. This represents the tax rate by funding alternative that would be required to finance the City of Dallas contribution for the lowest cost analysis scenario described in this report - Scenario 1B;
- . the maximum rate required in 1983 and 1987 to meet the DTS funding needs. This represents the tax rate by funding alternative that would be required to finance the City of Dallas contribution for the highest cost analysis scenario described in this report - Scenario 7.

Feasibility of Implementation¹

Feasibility of implementation refers to a combination of factors that may affect the likelihood of a potential financing alternative being implemented. Two key factors that influence the feasibility of implementation are the legislative and administrative requirements involved in the implementation of the funding alternative. Feasibility of implementation is an important consideration since a funding source is unattractive if its probability of being implemented is very low.

- . The legislative requirements for implementation of a funding alternative include all the actions that must be taken by the State legislature, and/or the city council, in order for the funding alternative to be adopted. These requirements are defined in the Texas State Constitution, the Texas Tax Code and the City of Dallas Charter.

¹ The findings presented in this report for the feasibility of implementation of the potential funding sources are based on a review of the Texas State Constitution, the Texas Tax Code and the City of Dallas Charter. This review should not be considered a substitute for a legal opinion.

- . The administrative requirements for implementation include the actions that are involved in assessing and collecting the tax. In order to assess the tax liability and make exemptions, if appropriate, a system for reporting the tax base must exist. The collection mechanism includes specification of who will collect the tax, when and how often the tax will be collected and how delinquent payments will be dealt with.

The final report for this project prepared for DTS describes the legislative and administrative requirements for implementing each of the 12 financing alternatives analyzed in this study. Exhibit 9 summarizes these requirements.

EXHIBIT 9

SUMMARY OF THE FEASIBILITY OF IMPLEMENTATION

Funding Alternative	LEGISLATIVE REQUIREMENTS		ADMINISTRATIVE REQUIREMENTS			Other Constraints
	State Legislative Action	City of Dallas Council Action	Mechanism In Place	Existing Mechanism Adaptable	Implement Assessment & Collection Mechanism	
Cigarette Tax	X	X		X		Revenue does not grow with inflation.
Employer Tax	X	X			X	Revenue does not grow with inflation.
Liquor/Beer Tax						
. Barrel Beer	X	X		X		Revenue does not grow with inflation. Uncertain whether tax revenues would go to Convention Center.
. Gallon Liquor	X	X		X		
Motor Fuel Tax						
. cents per gallon	X	X		X		Municipal League is currently proposing 1¢ gas tax to offset property taxes. State gasoline tax receipts go into State Highway Fund and Available School Fund.
. % of sales	X	X		X		
Parking Tax						
. on street		X	X			City is trying to build up parking in CBD - tax is counterproductive.
. off street (CBD)	X	X			X	
Property Tax		X	X			Tax source currently overburdened.
Property Tax On Vehicles		X	X			Low collection rate; talk of phasing out tax in City.
Public Utilities Excise Tax		X	X			
Sales Tax	X	X	X			
Sales Tax on Services	X	X			X	
Vehicle Registration	X	X		X		Current State revenues dedicated to the State Highway Fund, constitutionally. Question whether local tax would also be dedicated.
Vehicle Sales Tax	X	X		X		

ATTACHMENT A

**SUMMARY OF OPERATING EXPENSES AND REVENUES BY
ANALYSIS SCENARIO IN 1982 DOLLARS
(\$000)**

Analysis ¹ Scenario	Year	SOURCES OF REVENUE				
		Total Operating Expenses ²	Total Fare Revenue ³	Other Transit Revenue ⁴	Federal Operating Assistance ⁵	City of Dallas Contribution
1A: Service Reduction Operating Ratio .60	1983	31,672	19,003	840	5,914	5,915
	1987	33,119	19,871	840	--	12,408
1B: Service Reduction Operating Ratio .75	1983	31,652	23,739	840	3,536	3,537
	1987	33,072	24,804	840	--	7,428
2: No Service Change Operating Ratio .60	1983	35,017	21,010	871	6,568	6,568
	1987	36,673	22,004	871	--	13,798
3: Growth with Population Operating Ratio .60	1983	35,425	21,255	875	6,647	6,648
	1987	38,516	23,110	875	--	14,529
4A: Increased Service Level Operating Ratio .60	1983	42,233	25,340	937	6,840	9,116
	1987	54,520	32,712	1,004	--	20,804
4B: Increased Service Level Operating Ratio .50	1983	44,105	22,052	954	6,840	14,259
	1987	57,061	28,530	1,025	--	27,506
5: Scenario 3 plus Cross- town Operating Ratio .60	1983	39,345	23,607	895	6,840	8,003
	1987	42,801	25,680	898	--	16,223
6: Scenario 4A plus Cross- town Operating Ratio .60	1983	46,181	27,709	957	6,840	10,675
	1987	58,037	34,820	1,025	--	22,192
7: Scenario 4B plus Cross- town Operating Ratio .50	1983	48,061	24,031	974	6,840	16,216
	1987	61,510	30,755	1,047	--	29,708

¹ Based on assumptions and operating characteristics described in Appendix B.

² Based on operating costing procedure described in Appendix B.

³ Based on fare level and ridership assumptions described in Appendix B.

⁴ Includes charter, advertising, and other revenues included in Appendix C.

⁵ Based on information provided by APTA in May 1982, regarding the federal operating assistance policy. It is assumed that transit operators will receive 62 percent of their 1982 operating assistance in 1983. It is also assumed that the federal operating assistance requires 50-50 local matching funds and that funds are not "rolled-over" from one year to the next.

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

ATTACHMENT B

**SUMMARY OF OPERATING EXPENSES AND REVENUES BY
ANALYSIS SCENARIOS IN INFLATED DOLLARS
(\$000)**

Analysis ¹ Scenario	Year	SOURCES OF REVENUES				
		Total Operating Expenses ²	Total Fare Revenue ³	Other Transit Revenue ⁴	Federal Operating Assistance ⁵	City of Dallas Contribution
1A: Service Reduction Operating Ratio .60	1983	33,857	20,314	898	6,322	6,323
	1987	46,625	27,975	1,183	-	17,467
1B: Service Reduction Operating Ratio .75	1983	33,836	25,377	898	3,780	3,781
	1987	46,559	34,919	1,183	-	10,457
2: No Service Change Operating Ratio .60	1983	37,434	22,460	931	7,021	7,022
	1987	51,628	30,977	1,226	-	19,425
3: Growth with Population Operating Ratio .60	1983	37,869	22,721	936	7,106	7,106
	1987	54,223	32,534	1,235	-	20,454
4A: Increased Service Level Operating Ratio .60	1983	45,147	27,087	1,002	7,312	9,746
	1987	76,753	46,052	1,414	-	29,287
4B: Increased Service Level Operating Ratio .50	1983	47,148	23,574	1,020	7,312	15,242
	1987	80,330	40,165	1,443	-	38,730
5: Scenario 3 plus Cross- town Operating Ratio .60	1983	42,060	25,236	957	7,312	8,555
	1987	60,255	36,153	1,264	-	22,838
6: Scenario 4A plus Cross- town Operating Ratio .60	1983	49,367	29,620	1,023	7,312	11,412
	1987	81,700	49,020	1,443	-	31,237
7: Scenario 4B plus Cross- town Operating Ratio .50	1983	51,378	25,689	1,041	7,312	17,336
	1987	86,594	43,297	1,474	-	41,823

¹ Based on assumptions and operating characteristics described in Appendix B.

² Based on operating costing procedure described in Appendix B.

³ Based on fare level and ridership assumptions described in Appendix B.

⁴ Includes charter, advertising, and other revenues included in Appendix C.

⁵ Based on information provided by APTA in May 1982, regarding the federal operating assistance policy. It is assumed that transit operators will receive 62 percent of their 1982 operating assistance in 1983. It is also assumed that the federal operating assistance requires 50-50 local matching funds and that funds are not "rolled-over" from one year to the next.

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

ATTACHMENT C

**DTS TOTAL CAPITAL EXPENSE REQUIREMENTS BY
ANALYSIS SCENARIO AND YEAR 1983-1987
(\$'000)**

Scenario	Year	1982 Dollars			Inflated Dollars		
		Total Capital Expense	UMTA Share @ 80%	City of Dallas @ 20%	Total Capital Expense	UMTA Share @ 80%	City of Dallas @ 20%
1A	1983	4444.7	3555.7	888.9	4751.4	3801.1	950.3
1A	1984	11596.4	9277.1	2319.3	13239.6	10591.7	2647.9
1A	1985	11928.6	9542.9	2385.7	14572.0	11657.6	2914.4
1A	1986	11762.5	9410.0	2352.5	15446.5	12357.2	3089.3
1A	1987	4952.5	3962.0	990.5	6972.1	5577.7	1394.4
1B	1983	4444.7	3555.7	888.9	4751.4	3801.1	950.3
1B	1984	11596.4	9277.1	2319.3	13239.6	10591.7	2647.9
1B	1985	11928.6	9542.89	2385.7	14572.0	11657.6	2914.4
1B	1986	11762.5	9410.0	2352.5	15446.5	12357.2	3089.3
1B	1987	4952.5	3962.0	990.5	6972.1	5577.7	1394.4
2	1983	14586.2	11669.0	2917.2	15592.6	12474.1	3118.5
2	1984	11596.4	9277.1	2319.3	13239.6	10591.7	2647.9
2	1985	11928.6	9543.0	2385.7	14572.0	11657.6	2914.4
2	1986	11762.5	9410.0	2352.5	15446.5	12357.2	3089.3
2	1987	4952.5	3962.0	990.5	6972.1	5577.7	1394.4
3	1983	15672.8	12538.2	3134.6	16754.2	13403.4	3350.8
3	1984	24405.1	19524.1	4881.0	27863.3	22290.6	5572.7
3	1985	18473.9	14779.1	3694.8	22567.7	18054.2	4513.5
3	1986	4122.0	3297.6	824.4	5413.0	4330.4	1082.6
3	1987	34913.1	27930.5	6982.6	49150.7	39320.5	9830.2
4A	1983	28349.1	22679.8	5669.9	30305.2	24244.1	6061.1
4A	1984	32735.6	26188.5	6547.1	37374.2	29899.4	7474.8
4A	1985	28275.2	22620.2	5655.0	34541.0	27632.8	6908.2
4A	1986	18808.7	15047.0	3761.7	24699.6	19759.7	4939.9
4A	1987	31687.6	25350.1	6337.5	44609.8	35687.8	8922.0
4B	1983	33601.6	26881.3	6720.3	35920.1	28736.1	7184.0
4B	1984	32916.1	26333.4	6583.3	37580.3	30064.2	7516.1
4B	1985	28856.5	23085.2	5771.3	35251.1	28200.9	7050.2
4B	1986	19971.2	15976.9	3994.2	26226.2	20980.9	5245.3
4B	1987	32268.8	25815.1	6453.8	45428.0	36342.4	9085.6
5	1983	22916.7	18333.4	4583.3	24498.0	19598.4	4899.6
5	1984	24405.1	19524.1	4881.0	27863.3	22290.6	5572.7
5	1985	18473.9	14779.1	3694.8	22567.7	18054.2	4513.5
5	1986	4484.2	3587.3	896.8	5888.7	4710.9	1177.7
5	1987	34913.1	27930.5	6982.6	49150.7	39320.5	9830.2
6	1983	35593.7	28474.9	7118.7	38049.7	30439.7	7610.0
6	1984	32735.6	26188.5	6547.1	37374.2	29899.4	7474.8
6	1985	28275.2	22620.2	5655.0	34541.0	27632.8	6908.2
6	1986	19170.9	15336.7	3834.2	25175.2	20140.2	5035.0
6	1987	31687.6	25350.1	6337.5	44609.8	35687.8	8922.0
7	1983	40845.5	32676.4	8169.1	43663.8	34931.1	8732.7
7	1984	32916.7	26333.4	6583.3	37581.0	30064.8	7516.2
7	1985	28856.5	23085.2	5771.3	35251.1	28200.9	7050.2
7	1986	20333.4	16266.7	4066.7	26701.8	21361.4	5340.4
7	1987	32268.8	25815.1	6453.8	45428.0	36342.4	9085.6

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

ATTACHMENT D

**TOTAL CITY OF DALLAS CONTRIBUTION FOR DTS
OPERATING AND CAPITAL EXPENSES IN 1982 DOLLARS
(\$000)**

<u>Scenario</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Cumulative Total</u>
1A	6,804.9	10,268.3	14,450.7	14,595.5	13,398.5	59,516.9
1B	4,425.9	5,883.3	9,602.7	9,679.5	8,418.5	38,009.9
2	9,485.2	11,590.3	15,793.7	15,963.5	14,788.5	67,621.2
3	9,781.6	14,594.0	17,362.8	14,716.4	21,511.6	77,966.4
4A	14,785.9	20,119.1	23,392.0	22,948.7	27,141.5	108,387.2
4B	20,979.3	25,753.3	29,176.3	29,479.2	33,959.8	139,347.9
5	12,586.3	16,157.0	18,955.8	16,433.8	23,205.6	87,338.5
6	17,793.7	21,697.1	25,021.0	24,810.2	28,526.5	117,848.5
7	24,385.1	27,135.3	31,221.3	31,685.7	36,161.8	150,589.2

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.

ATTACHMENT E

**TOTAL CITY OF DALLAS CONTRIBUTION FOR DTS
OPERATING AND CAPITAL EXPENSES IN INFLATED DOLLARS
(\$000)**

<u>Scenario</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Cumulative Total</u>
1A	7,272.3	11,721.9	17,653.4	19,060.3	18,861.4	74,569.3
1B	4,731.3	6,715.9	11,731.4	12,711.3	11,851.4	47,741.3
2	10,140.5	13,230.9	19,293.4	20,962.3	20,819.4	84,446.5
3	10,456.8	16,660.7	21,209.5	19,326.6	30,284.2	97,937.8
4A	15,807.1	22,968.8	28,577.2	30,255.9	38,209.0	135,818.0
4B	22,426.0	29,400.1	35,642.2	38,712.3	47,815.6	173,996.2
5	13,454.6	18,445.7	23,156.5	21,580.7	32,668.2	109,305.7
6	19,022.0	24,769.8	30,566.2	32,580.0	40,159.0	147,097.0
7	26,068.7	30,980.2	38,239.2	41,617.4	50,908.6	187,814.1

This financial projection has been prepared on the basis of information and assumptions described in "Appendix B: Sources of Information and Assumptions for the Dallas Transit System Financial Analysis," prepared by Peat, Marwick, Mitchell & Co. and William G. Barker & Associates, June 1982. The achievement of any financial projection may be affected by possible fluctuating economic conditions and is dependent on the occurrence of events which cannot be assured. The actual results, therefore, may differ from the projection and the difference could be material. This exhibit is intended for the use of the Dallas Transit System in assessing alternative regional transit service plans. It is not intended for use in a prospectus or in any other manner to obtain or to induce any form of external financing.