Memorandum

CITY OF DALLAS

DATE October 17, 2025

TO Honorable Mayor and Members of the City Council

SUBJECT **October 22, 2025, City Council Agenda Item #25-2813A: Dallas Streetcar Operations and Maintenance Funding for FY25-26**

On October 22, 2025, the City Council will consider an agenda item for FY25-26 Dallas Streetcar Operations and Maintenance (O&M) funding. This action will authorize payment of $2,330,143.00 to Dallas Area Rapid Transit (DART). The City's total obligation for FY 25-26 Dallas Streetcar O&M costs is $2,580,143.00, less a credit of $250,000.00 from DART's Public Transportation Improvement Program that was reprogrammed from the K-12 Student Transit Program to the Dallas Streetcar O&M costs for FY25-26. The required funds are included in the City's recently approved FY26 budget in the Dallas Streetcar System Fund and the Streetcar Developer Fund.

As previously shared, the Dallas Modern Streetcar is a City-owned facility that links the Eddie Bernice Johnson Union Station to Methodist Hospital in Oak Cliff and the Bishop Arts District. The 2.45-mile system was constructed using State and Federal grant funds with the expectation of providing an economic stimulus, neighborhood revitalization, and an alternate mode of public transportation for at least a 30-year period. Streetcar operations began in 2015.

The City maintains Interlocal Agreements with the North Central Texas Council of Governments, Federal Transit Administration, Texas Department of Transportation, and DART pertaining to the Dallas Streetcar System. These agreements established the City of Dallas as the owner of the Dallas Streetcar and the responsible entity for funding the ongoing O&M expenses and identifies DART as the operator.

To address City Council's requests to explore other funding scenarios for the ongoing O&M expenses, a contract award was awarded on November 13, 2024, to Gresham Smith, Inc. to evaluate and recommend alternative funding models. The approach and initial findings were briefed to the Transportation and Infrastructure Committee in April 2025 and work is ongoing, with another briefing anticipated in early 2026.

If you have any questions or concerns, please contact Ghassan "Gus" Khankarli, Ph.D. P.E., PMP, CLTD, Director of the Department of Transportation and Public Works, at Ghassan.Khankarli@dallas.gov.

Service First, Now!

Dev Rastogi

Dev Rastogi
Assistant City Manager

c: Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors