From: GRA
To: Maura Gast
Subject: Armstrong: Here's what's derailing DART
Date: Sunday, April 20, 2025 5:05:35 AM

Armstrong: Here's what's derailing DART

Legislative push by member cities reveals a breakdown in partnership.

The Dallas Morning News
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April. 19, 2025

A DART streetcar traverses the Trinity River below electrical transmission lines near downtown Dallas, April 9, 2025. James Armstrong has ideas on how to better reform DART.
(Tom Fox / Staff Photographer)

The controversy surrounding Dallas Area Rapid Transit reminds me of the first lesson I learned in business school. Day one of my Intro to Business class of 100 students, we were divided into teams of five and given an assignment to create imaginary businesses that would compete against the other teams at semester's end. This group project made up 70% of our grade.

As one would expect from a class of would-be CEOs, my team was filled with type A personalities. It was contentious – each member, including myself, touting their high school achievements to show why they should be the leader of the group. Halfway through the semester we ended up in our professor's office asking to dissolve the group and revert to a standard test.

Our professor reminded us that the assignment is the test and that the test wasn't as much about the principles of business as it was about learning the principle of partnership.

In the end, we were able to pull it together and win the competition, but it wasn't until we moved as a team, leveraging each other's strengths to fill the gaps in each other's weaknesses. As great as we were in our own right, no one individual was greater than the whole working together.

DART is our region's group project, and if the grade was given today, it would be an F. Here's why.

DART's dilemma

DART operates on a $1.8 billion budget with sales tax revenue being 70% of total revenue. It covers a 700-square-mile service area, 13 cities, and has an overall ridership of almost 50 million annually. Nearly two-thirds of those riders use DART to commute to work, according to the agency.

CEO Nadine Lee, who is a 30-year transportation expert, has a good handle on the agency's operations. DART's customer ratings for timeliness, cleanliness and safety have mostly improved since the pandemic.

And yet, some of DART's member cities want to reduce their contributions to the group project, even appealing to Austin for legislative changes to the agency's governance and funding.

The issue is that DART hasn't adapted to the needs of its constituents. DART hasn't had a new member city join since 1983, and has been stuck with the same revenue structure since its inception. Failure to expand to outer economic centers and evolve to meet the needs of its member cities has led to internal frustration. DART isn't adjusting to leverage the strengths and opportunities of each team member. Its group project has become a "what's in it for me" project.

Plano's point

In 2023, a financial report pushed by Plano, commissioned by DART and completed by accounting firm EY showed a snapshot in time of member cities' contributions vs. services received. Plano showed about a $65 million deficit. In fact, the report showed that most participating cities contributed more than services received.

This is the impetus of some cities' move to claw back revenue from DART. Rightfully so. Who in their right mind would pay for services they don't receive and receive services that they don't need?

Another report, The Economic Impact Near DART Light-Rail Stations 2019-2021, completed by researchers at the University of North Texas, identified 31 development projects within a quarter mile of DART rail stations, comprising about $429 million in commercial development and $540 million in residential development. Those projects contributed $1.8 billion in economic impact for the DFW economy. In addition, they provided 10,747 construction jobs and $49.6 million in state and local tax revenue.

While those numbers don’t erase the gap between revenue contributed and services received, it does show that participating cities are benefiting from DART and derailing DART could result in loss of that benefit.

Those numbers also don’t address the deeper question about group projects. Is DART a common good whose sum is greater than its parts, or is it an investment vehicle with expected ROI?

Two bills in the Legislature seek to resolve the conflict by treating DART as an investment. The solution that House Bill 3187 and its twin Senate Bill 1557 offer is a reactionary short-term solution that will have devastating long-term effects not only on services but on the future of DART and consequently the future of our region.

It’s the wrong approach and a bad business move. Effective reform isn’t about derailing the institution you’re trying to improve, but about creating change in the most strategic way so that nothing is lost in the transition.

Course correction

Here is how we should go about reforming DART.

First, the governance of DART needs to be reformed. That seems to be the most common theme from member cities. Currently, board member allotment is based on the city’s population, with Dallas having seven seats and sharing another with Cockrell Hill. The other cities appoint the remaining seven seats. Even if there was a reform of board composition based on sales tax revenue contributed, Dallas’ representation would only decrease by one, with Garland and Irving losing its unshared seat. Plano would gain one unshared seat.

A fair resolution would be to expand the board so that all member cities have a seat but not necessarily a vote. Members like Dallas, whose contribution is over half of the revenue received by DART, should have more seats than smaller cities. But no single city should control a majority of votes.

In terms of revenue structure, DART’s current system is antiquated and needs to change, but the proposed legislative measure to cut the agency's revenue by 25% is the wrong approach.

Currently, member cities contribute one cent from every dollar of sales tax they collect. Together, those contributions represent more than 70% of DART's revenue. Since Texas law restricts municipal sales taxes to 2%, this model restricts other cities that heavily depend on sales tax revenue from joining. Instead of fighting over pennies, DART partners should develop a long-range strategic revenue plan that expands the network and pours money back into participating cities through a mobility fund.

City leaders know how to best utilize funding toward their transportation needs. That strategic plan should also look at significantly decreasing some of its underutilized services, like bus systems, and pour resources into modernized initiatives like the Go-Link service.

Meaningful transportation solutions must be customized to the city's needs or else cities would be smart to find cheaper, more efficient options to answer the transportation needs of their residents.

While we focus on fixing the governance and revenue structure, we also must fix our mindsets. Long-term solutions will require trust from all sides that each partner will fulfill its part of the plan.

A group project

The test before our region is less about the nuances of transportation and more about whether we can collaborate to evolve into a regional superpower.

Like my business school project, collaboration is fueled by a mutual respect that isn't based on quantity of leverage but by a baseline understanding that we are all in this together. It's an approach that recognizes that the success of one is dependent upon the buy-in and efforts of the other.

Dallas needs its suburban cities, and those cities need Dallas. It's time we started acting like it so we can win, together.