



City of Austin

Recommendation for Action

File #: 26-2832, **Agenda Item #:** 46.

2/26/2026

Posting Language

Authorize negotiation and execution of an amendment to the interlocal agreement with the Capital Metropolitan Transportation Authority for the implementation of the United States Environmental Protection Agency Climate Pollution Reduction Grant received by the City to increase funding by \$5,000,000 for a total amount not to exceed \$15,000,000. Funding: \$5,000,000 is available in the Capital Budget of Austin Transportation and Public Works.

Lead Department

Austin Transportation and Public Works

Fiscal Note

Funding in the amount of \$5,000,000 is available in the Capital Budget of Austin Transportation and Public Works.

Prior Council Action:

March 21, 2024 - Resolution Number. 20240321-030, authorizing submittal of an application for the 2024 Climate Pollution Reduction Grant administered by the United States Environmental Protection Agency, in support of Transportation Demand Management (TDM) programs related to commute alternatives during multiple extended infrastructure construction projects in Austin and Travis County, was approved on an 11-0 vote.

October 24, 2024 - Ordinance Number 20241024-042, amending the Fiscal Year 2024-2025 Transportation and Public Works Department Special Revenue Fund (Ordinance Number. 20240814-007) to accept and appropriate grant funds from the United States Environmental Protection Agency in the amount of \$47,854,062 and amending the Fiscal Year 2024-2025 Transportation and Public Works Department Capital Budget (Ordinance No. 20240814-007) to transfer in and appropriate \$47,854,062 for Mobility Hub projects and regional mobility education, was approved on an 11-0 vote.

April 24, 2025 - A motion to authorize negotiation and execution of an interlocal agreement with the Capital Metropolitan Transportation Authority in an amount not to exceed \$10,000,000, for a term of five years, for the implementation of the United States Environmental Protection Agency Climate Pollution Reduction Grant received by the City, as part of the regional approach to transportation demand management to collaboratively develop tailored transit service enhancements aimed at addressing short-term and long-term construction mitigation measures. Funding: \$10,000,000 is available in the Capital Budget of the Transportation and Public Works Department, was approved on a 11-0 vote.

For More Information:

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Additional Backup Information:

The City and the Capital Metropolitan Transportation Authority (CapMetro), along with other partners, collaborated on a grant proposal for Transportation Demand Management (TDM) improvements through the

Climate Pollution Reduction Grant (CPRG). The proposed project was selected for a CPRG grant for up to \$47,854,062 in federal financial assistance. A portion of this funding will be spent by CapMetro, according to the terms of this interlocal agreement. CapMetro, a municipal transit agency, holds jurisdiction over City of Austin public transit system and brings history of TDM planning and implementation.

In addition to previously approved improvements to Routes 935 and 801, CapMetro will provide increased service, connectivity and new bidirectional movement on Route 2 (Rosewood/Cesar Chavez) in order to meet the grant goal of shuttles/circulators for Austin residents, including low-income and disadvantaged communities' residents; to improve service provision in and around planned construction. As a result, CapMetro will lead implementation of CPRG Task 1.3 (grant-funded shuttles/circulators) in addition to its existing leadership of Task 1.2 (CapMetro route improvements). This amendment Number One to the subject interlocal agreement) for Council's consideration would solidify and update the terms of the ILA based on the latest information.

The budget increase of \$5,000,000 is necessary to improve the reliability and usability of the transit system to attract and retain new transit riders, key to the project's carbon emissions reduction strategy. The budget is reasonable to support the magnitude of service change for CapMetro.

CapMetro service frequency improvements and transit reliability funding under the CPRG Program is estimated to cost \$3,750,000 per year for a total not to exceed \$15,000,000 over the four-year implementation period beginning in 2026, ending in December 2029.