

CAPITAL BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

4/24/25

CONTACT DEPARTMENT:

Transportation and Public Works

SUBJECT: 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 Transportation and Public Works Department's Capital Budget.

CURRENT YEAR IMPACT

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|------------------------|---|
| Department: | Transportation and Public Works |
| | Climate Pollution Reduction Grant - CapMetro |
| Project Name: | ILA |
| | U.S. Environmental Protection Agency, Climate |
| Project Authorization: | Pollution Reduction Grant |
| Funding Source(s): | GCP-Public Works-Grants |
| CIP FDU: | 8950-6207-1966 |
| Unencumbered Balance | \$17,500,000 |
| This Action | <u>\$10,000,000</u> |
| Estimated Available | <u>\$7,500,000</u> |

ANALYSIS / ADDITIONAL 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 ILA. CapMetro, a municipal transit agency, holds jurisdiction over City of Austin public transit system and brings history of TDM planning and implementation.

CapMetro will provide service enhancements to its existing bus and pickup routes. Offering convenient transit service is crucial to presenting transit as an attractive transportation choice. By increasing service frequency, the agency will reduce passenger wait times, improve schedule predictability, and induce additional passenger demand. Specifically, the service improvements will expand the non-single occupancy vehicle choices available during a time of necessity and catalyze long-term behavior change as users experience the benefits of public transit.

The budget of \$10,000,000 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 to increase service frequency of this vital transit resource for Austin residents, including low-income and disadvantaged communities' residents; and shuttles/circulators to improve service provision in and around planned construction.

CapMetro service frequency improvements and transit reliability funding under the CPRG Program is estimated to cost \$2,500,000 per year for a total not to exceed \$10,000,000 over the four-year implementation period beginning in 2026. A breakdown per year is as follows:

2025: \$0 – Planning phase only
2026: \$2,500,000
2027: \$2,500,000
2028: \$2,500,000
2029: \$2,500,000