



City of Austin

Recommendation for Action

File #: 25-0283, **Agenda Item #:** 51.

4/24/2025

Posting Language

Authorize negotiation and execution of an interlocal agreement with the Capital Area Rural Transportation System in an amount not to exceed \$2,500,000, for an initial 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 improve access and awareness of alternative travel options. Funding: \$2,500,000 is available in the Capital Budget of the Transportation and Public Works Department.

Lead Department

Transportation and Public Works Department

Fiscal Note

Funding in the amount of \$2,500,000 is available in the Transportation and Public Works Department's Capital Budget. A fiscal note is attached.

Prior Council Action:

March 21, 2024 - Resolution No. 20240321-030, authorizing submittal of an application for the 2024 Climate Pollution Reduction Grant administered by the U.S. Environmental Protection Agency, in support of Transportation Demand Management 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 No. 20241024-042, amending the Fiscal Year 2024-2025 Transportation and Public Works Department Special Revenue Fund (Ordinance No. 20240814-007) to accept and appropriate grant funds from the U. S. 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.

For More Information:

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Additional Backup Information:

The City and the Capital Area Rural Transportation System (CARTS), 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, with a portion of the fund to be spent by CARTS, according to the terms of a the interlocal agreement.

CARTS, a regional transit agency, holds jurisdiction over the regional public transit system connecting multiple Central Texas communities to Austin and brings history of TDM planning and implementation.

On June 24, 2024, CARTS signed a Memorandum of Agreement (MOA) confirming its intent to support the

City of Austin's application for a regional TDM program through the CPRG Program. In the grant application, CARTS committed to increase CARTS service frequency for regional commuters to Austin and offer Vanpools as an option for regional commuters within its district. As a result, CARTS will lead implementation of CPRG Task 1.1. This interlocal agreement for Council's consideration would solidify and update the terms of the MOA based on the latest information.

CARTS will expand its service options by offering more frequent service on its interurban coach service and additional vanpool services from suburban communities such as San Marcos, Bastrop, and Taylor. 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 (SOV) choices available during a time of necessity and catalyze long-term behavior change as users experience the benefits of public transit.

The budget of \$2,500,000 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 CARTS to improve interconnectivity between rural areas (including low-income and disadvantage communities) and job and educational opportunities in Austin and is based on frequency and transit reliability. The annual cost per year is estimated at \$625,000 for a total not to exceed \$2,500,000 over the four-year implementation period beginning in 2026. A breakdown per year is as follows:

2025: \$0 - Planning phase only

2026: \$625,000

2027: \$625,000

2028: \$625,000

2029: \$625,000