

## 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 Area Rural Transportation System in an amount not to exceed \$2,500,000, 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 improve access and awareness of alternative travel options. Funding: \$2,500,000 is available in the Transportation and Public Works Department's Capital Budget.

### CURRENT YEAR IMPACT

<b>Department:</b>	<b>Transportation and Public Works</b>
Project Name:	Climate Pollution Reduction Grant - CARTS 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>\$2,500,000</u>
Estimated Available	<u>\$15,000,000</u>

**ANALYSIS / ADDITIONAL 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 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