



City of Austin

Recommendation for Action

File #: 26-1297, **Agenda Item #:** 36.

3/26/2026

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

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

The amendment provides CapMetro with \$5M in operational funding to expand the existing Route 2 operated by CapMetro that connects downtown and portions of east Austin. The expansion provides a high-frequency, bidirectional loop across major construction projects in Central Austin, including I-35, the Convention Center reconstruction, Light Rail construction, and others. This will help alleviate congestion and provide a transit alternative for community members including construction workers who would otherwise choose a single-occupancy vehicle trip to access key destinations. The existing and proposed (redesigned) Route 2 maps are included further below. Detailed information on the route map, stop locations, service frequency, and vehicle to be used noted below:

Service Frequency:

Route 2 will continue operating as a high-frequency route (about every 15-minutes on weekdays); thus, additional resources are aimed at maintaining rather than increasing/decreasing appropriate frequency.

A redesigned Route 2 extends the route from 15.3-miles round trip to 18.2-miles round trip (~2.9-miles), which is an approx. 19% increase.

Stop Locations and Vehicles Used:

Specific new stop locations and vehicle allocation will be determined as part of CapMetro's operations planning process, which will kick off after CapMetro's Board considers this service change at their April 20, 2026, board meeting.

Route Maps:

The existing Route 2 Rosewood/Cesar Chavez currently starts at Eastside Bus Plaza, travels west along East Cesar Chavez into Downtown, then heads north to serve Rosewood Avenue, Oak Springs Drive, a short segment of Springdale Road north of Airport Boulevard before turning around and reversing direction. During Transit Plan 2035, frontline staff and operators recommended closing the loop by continuing south on Springdale Road past Airport Boulevard to reconnect with Eastside Bus Plaza. The redesigned route would then fill a long-standing gap on Springdale Road that currently has no transit service and has seen substantial recent development and growth.

The current and proposed route maps are attached.

Transit Service Plans:

While this \$5M amendment concerns a downtown circulator from East Austin to downtown specifically, other CPRG funds within Measure 1 (\$10M in general transit enhancement funding) will consider other transit service improvements citywide related to construction that reduce Vehicle Miles Traveled and connect into Route 2 or support areas outside its service area.

Annual review of grant-funded transit service is scheduled as part of the program, allowing the City (in coordination with CapMetro and CARTS) to review service and make service adjustments in response to construction in the region. This process includes reviewing potential service improvements in Southwest Austin, along with the entire 5-county MSA.

Beginning in January 2026 the grant started funding transit service improvements for CapMetro Routes 801 and 935 (attachment with routes noted in blue/green), and in March 2026 the grant will begin funding new CARTS express routes (attachment with routes noted in red/orange) from Georgetown to downtown and from Smithville/Bastrop to downtown. By August 2026 the grant will begin funding a revised CARTS/CapMetro

Route 990 between Elgin, Manor and Austin. These investments mark only the first year of the grant's implementation.

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.

With this amendment 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.