



METRO



projectconnect

Austin City Council/ Capital Metro Board

JOINT WORK SESSION

JANUARY 14, 2020

AGENDA

- **PROGRESS RECAP**
-

- **INVESTMENT OPPORTUNITIES**
-

- **FEDERAL INVESTMENT OPPORTUNITIES**
-

- **CAPITAL METRO AND POTENTIAL PARTNERS INVESTMENT OPPORTUNITIES**
-

- **CITY OF AUSTIN INVESTMENT OPPORTUNITIES**
-

- **TRANSIT SYSTEM ANALYSIS**



PROJECT CONNECT PROGRESS RECAP



PROJECT TIMELINE



Community Engagement Ongoing



LEARNING, LISTENING & COLLABORATING

October 30, 2019

City Council and CapMetro Work Session
Update on Project Connect Program Elements

LOCAL OUTREACH

Over 25,000 people engaged - 5,000 since Oct. 30



- Street team outreach
7,938 engaged; 1,509 since Oct. 30
- Community outreach events
12,847 engaged; 963 since Oct. 30
- Live open houses
591 engaged; 234 since Oct. 30
- Virtual open houses
4,532 engaged since Oct. 30



ADVISORY GROUPS ENGAGED

Technical Advisory Committee (TAC)
Project Connect Ambassador Network (PCAN)

Corridors Program Coordination Technical Group Reviews

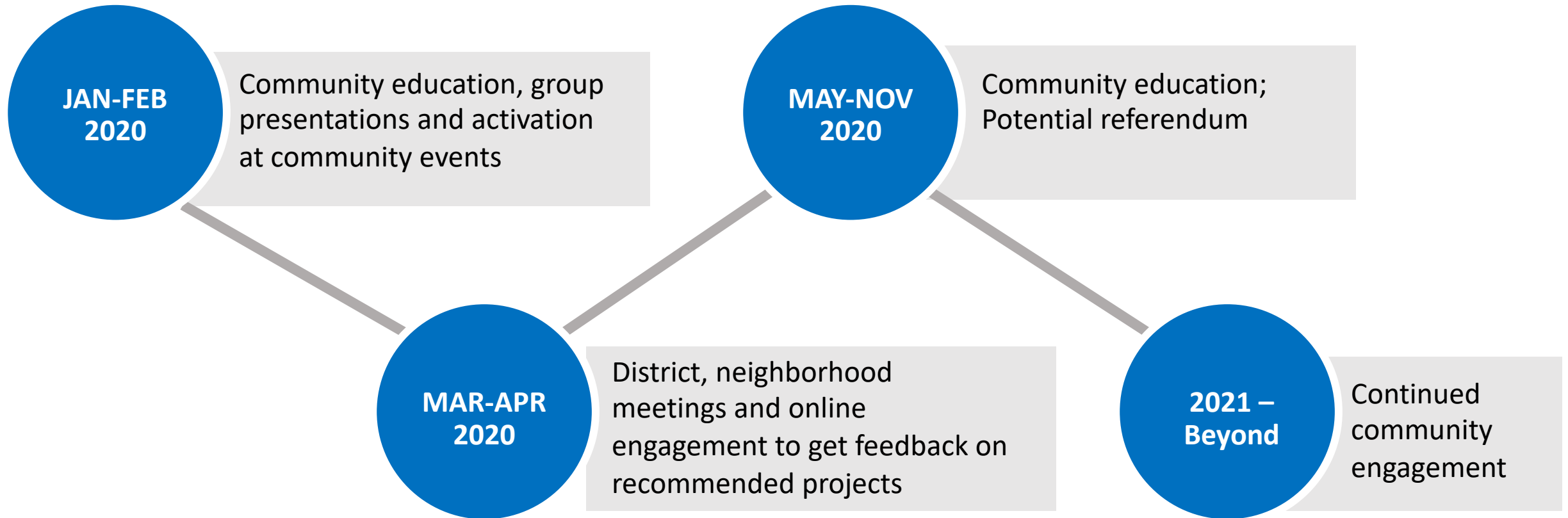


City Council & CapMetro Work Sessions

AUG 6	NOV 28	MAR 4
OCT 30	JAN 14	
MAR 9	MAY 28	



COMMUNITY ENGAGEMENT / NEXT STEPS



FEDERAL INVESTMENT OPPORTUNITIES



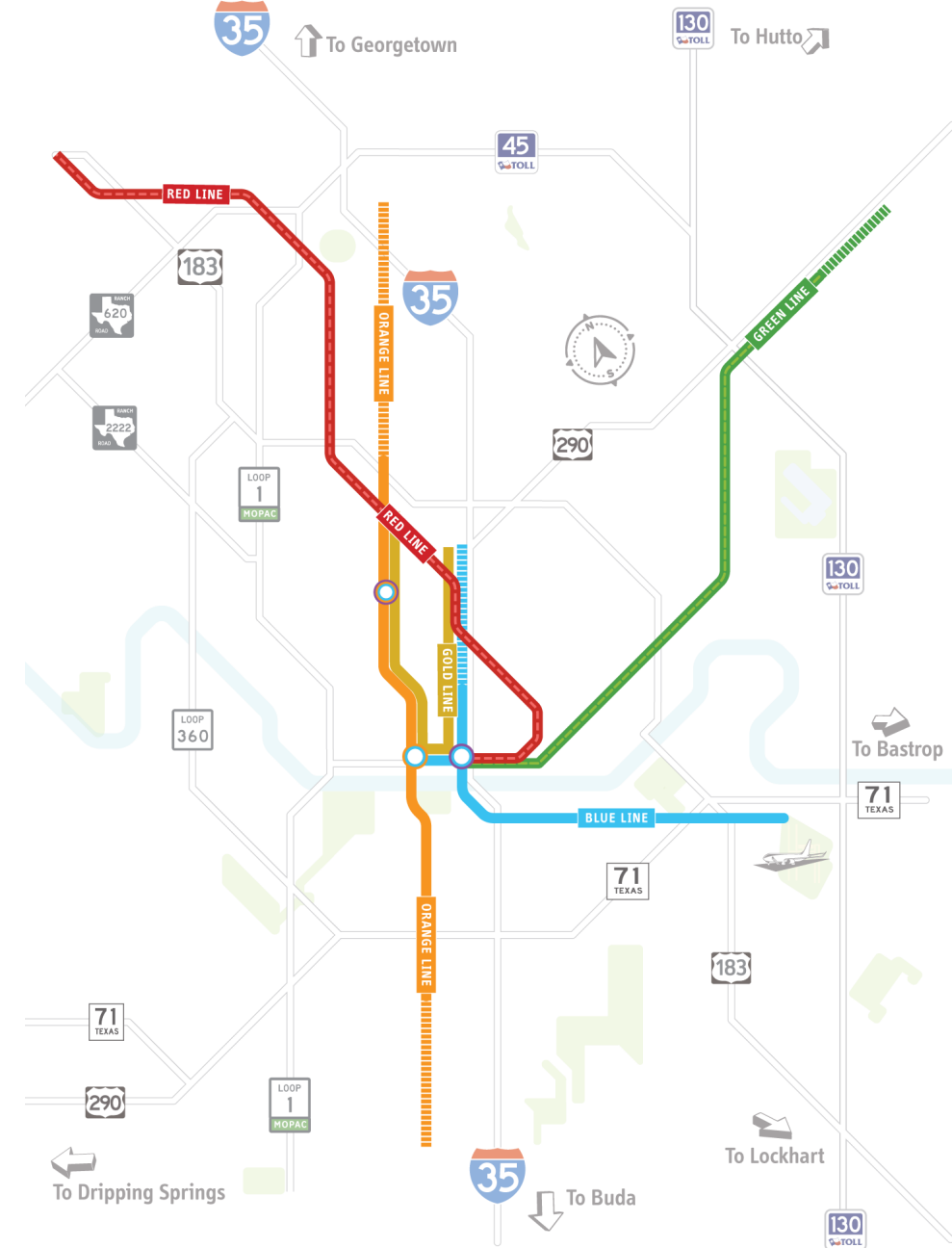
CAPITAL INVESTMENT GRANT OPPORTUNITIES

New Starts

- Fixed guideway
- Greater than **\$300M total** or
- Greater than **\$100M** in CIG funds
- Recent Federal Average Participation **45%**
- Orange, Blue and Gold Lines
- Potential Green Line

Core Capacity

- Infrastructure investments for systems at or above 95%
- Existing fixed guideway at capacity or will be in five years
- Expands capacity by more than 10%
- Recent Federal Average Participation **42%**
- Potential Red Line



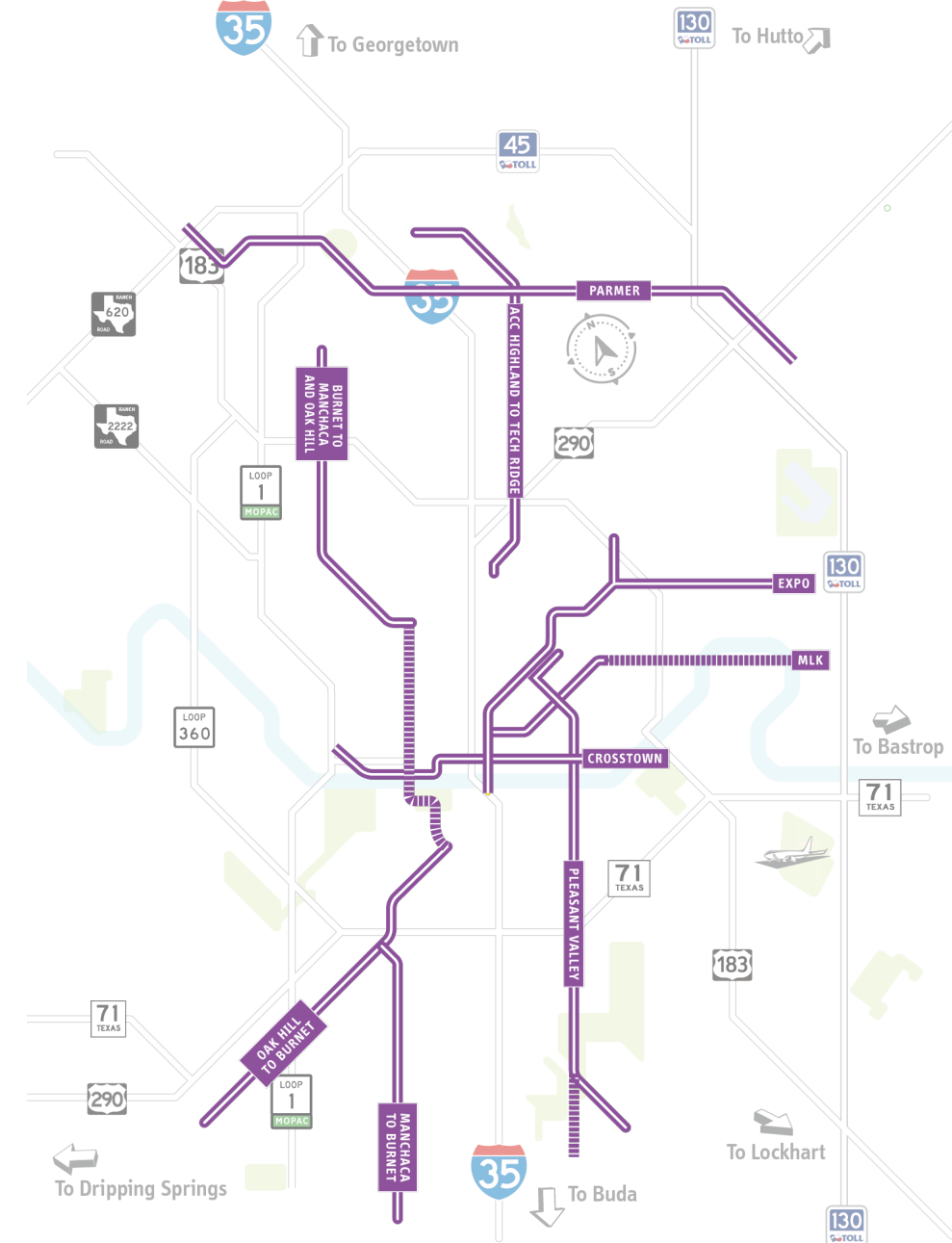
CAPITAL INVESTMENT GRANT OPPORTUNITIES

Small Starts

- Fixed guideway or corridor-based BRT
- Less than **\$300M total** *or*
- Less than **\$100M** in CIG funds
- Recent average funding is **53%**

Potential MetroRapid Opportunities

- Expo (Manor Road)
- Pleasant Valley
- Burnet to Manchaca & Oak Hill
- MLK
- Crosstown
- Parmer
- ACC Highland to Tech Ridge



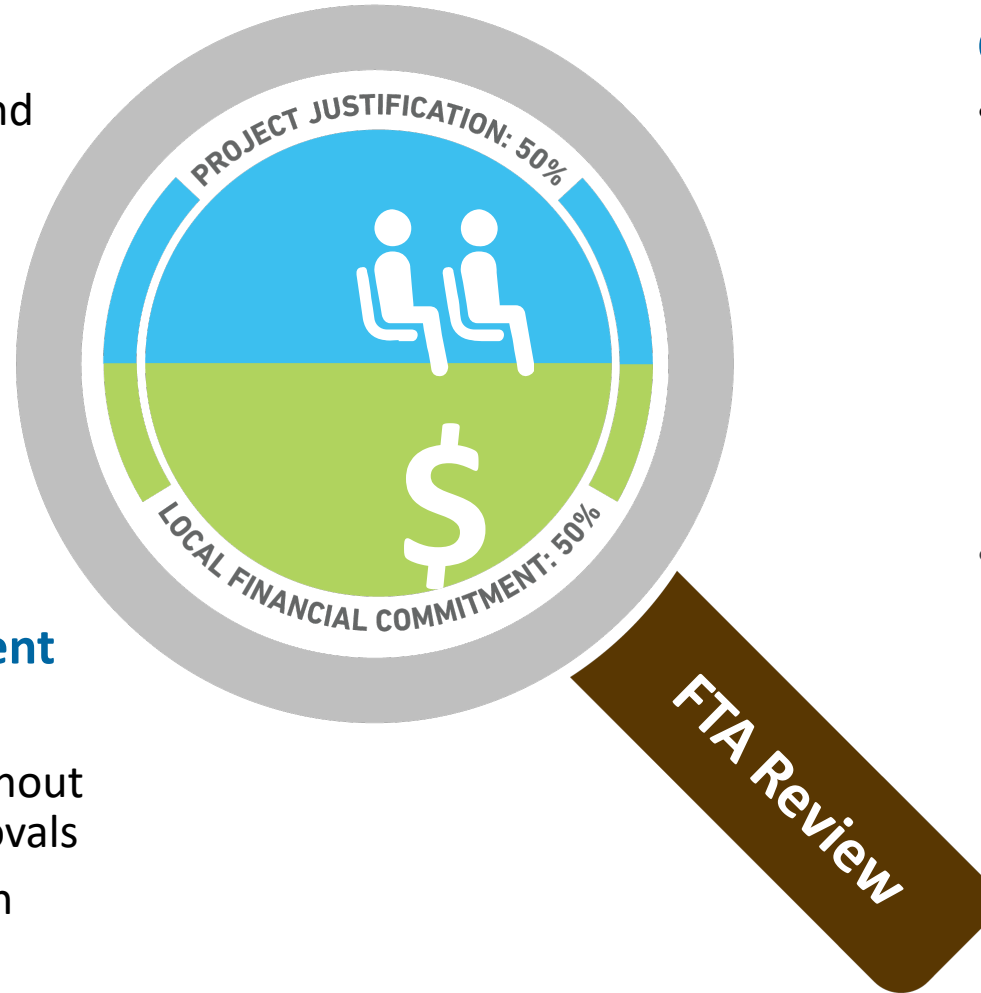
FTA REQUIREMENTS FOR GRANT AGREEMENT

Project Justification

- Project definition, scope and schedule
- Technical capacity
- Maximum federal investment in agreement
- Independent risk assessment
- Community benefits

Local Financial Commitment

- Current financial condition
- Committed local funds without additional actions or approvals
- Sound audited finance plan



Committed Funds

- Programmed capital funds that have all the necessary approvals (legislative or referendum)
 - Examples:
 - sales tax
 - property tax
 - vehicle emission tax
 - funding partners
- Programmed in the Metropolitan Planning Organization's (MPO) Transportation Improvement Plan (TIP) and/or other Capital Improvement Program (CIP)

CAPITAL METRO INVESTMENT OPPORTUNITIES



CAPITAL METRO'S FINANCIAL OUTLOOK

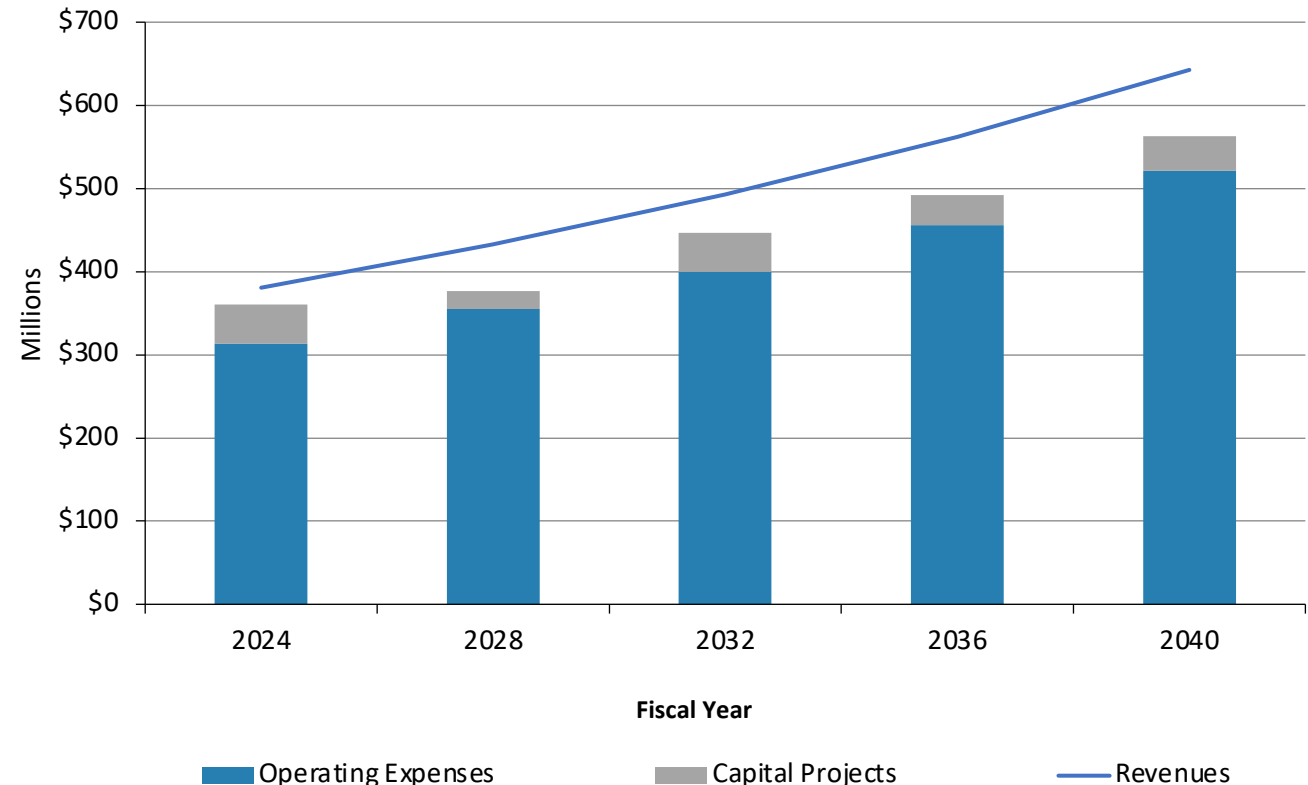
LONG RANGE FINANCIAL PLANNING POLICY AND PROCESS

Aligns financial capacity with long term service objectives

Ensures fiscal stability and sustainability:

- All reserves are fully funded
 - Three months of operating expenses
 - New capital expansion fund started in FY2018
- State of good repair of all agency assets are programmed
- Zero debt with AA - S&P bond rating

Total Revenues and Total Expenses



CAPITAL INVESTMENT OPPORTUNITIES

One-time Available Funds

Planned in Long Range Financial Plan

Capital Expansion Fund

- Revenue available after funding existing operations and asset management requirements
- Estimated \$60M - \$70M by 2022

Project Connect Planning & Development

NEPA, Project Development, Record of Decision and 30% Design

- Total of \$56M programmed for Project Connect
- \$13.4M spent to date



OPERATING SOURCES

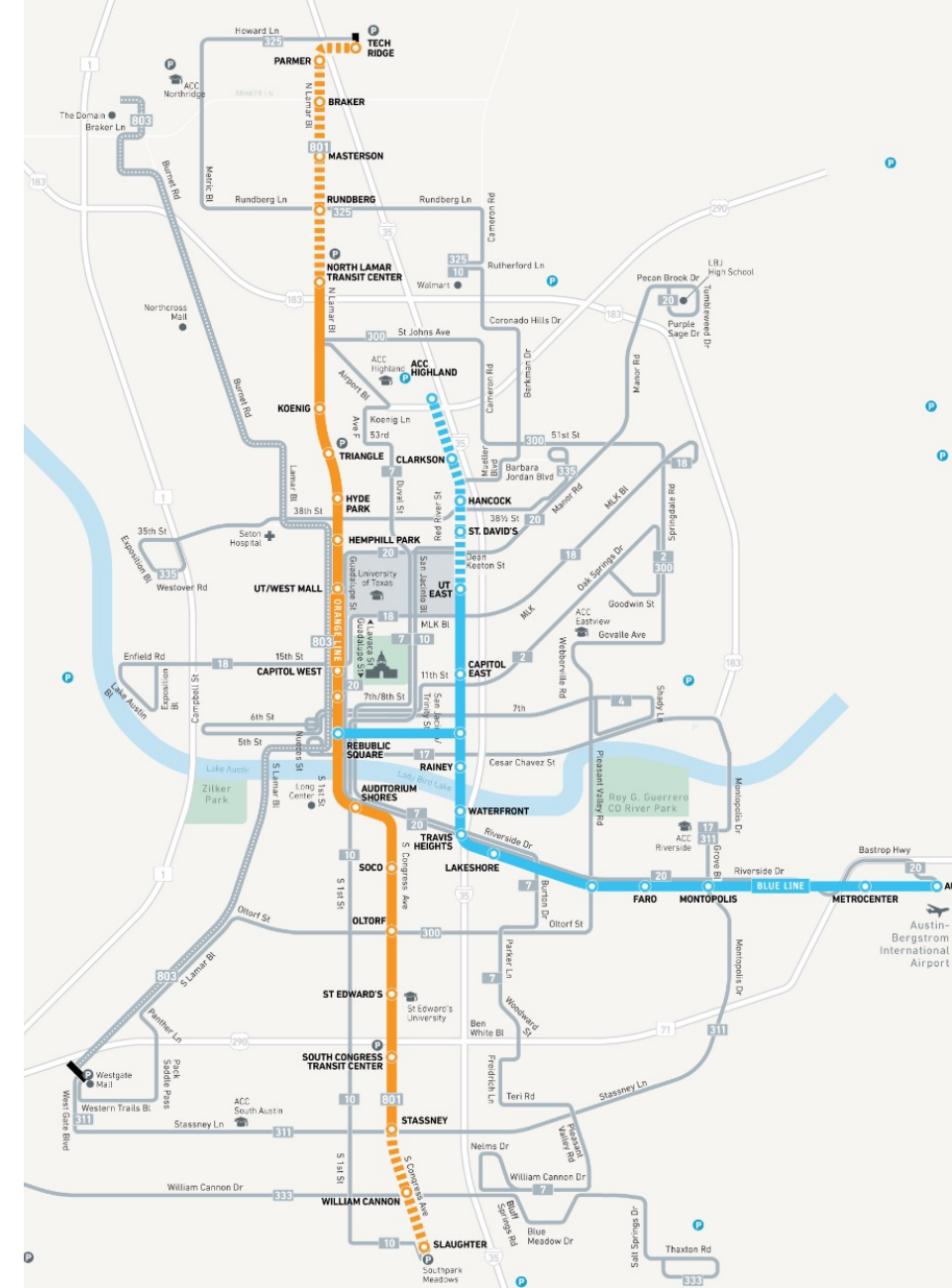
Projected Recurring Sources

O&M Funding Sources

- Revenue available after funding existing operations and asset management requirements
- FY 2023 to FY 2040 sales tax growth of 3.75% would generate an average of approx. \$36M per year

Reallocation of Existing Resources

- Service replacement of current route 801 and partial route 20 with implementation of Orange and Blue Lines
- Approximately \$7M-\$16M (2028\$) available for reallocation



POTENTIAL NEW REVENUE OPTIONS

Fare Revenue

Could generate additional \$17M - \$40M per year in 2028\$*

- 10% fare recovery currently (fare revenues/operating costs)

Parking Revenue

- Assumes \$2 per day for passengers living within service area and \$4 for outside service area
- Annual estimated revenues of \$5M in 2028 to \$10M in 2040

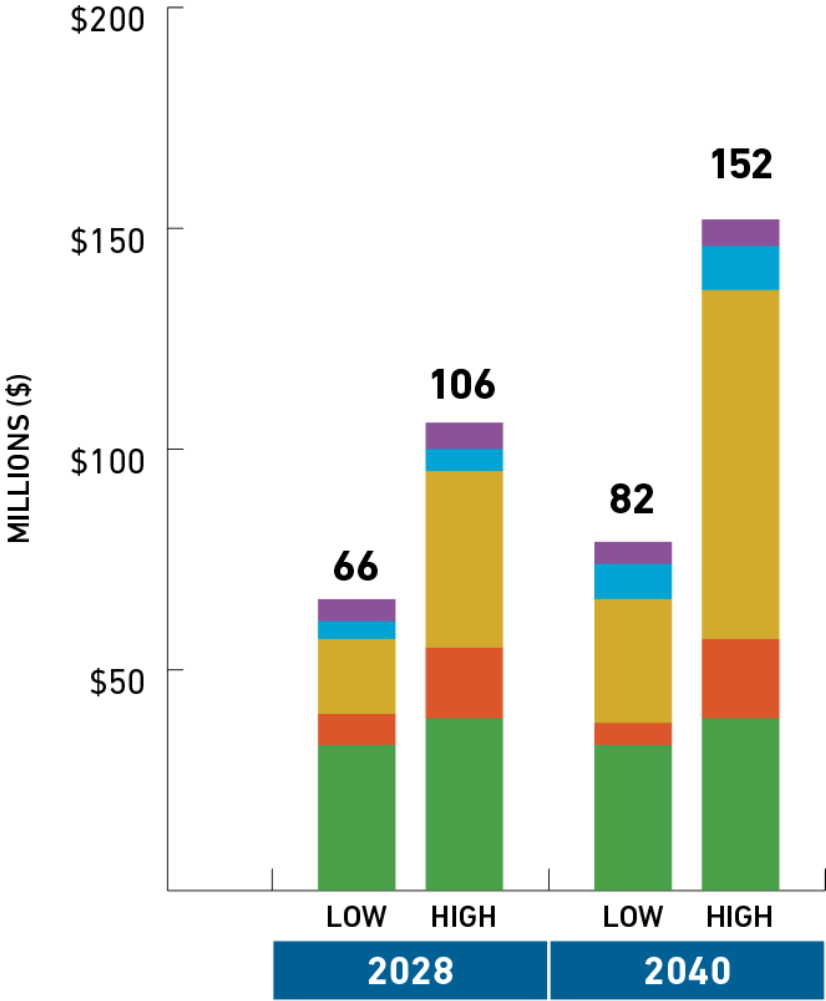
Vehicle Emissions Tax (VET)

- Existing legislative authority, election must be held in the entirety of Capital Metro's service area
- Long term revenue potentially impacted by evolving engine technology, including electric vehicles
- Forecasted revenue between 2020 and 2040 ranges from \$5M - \$6M annually

* Projections include inflationary fare increases



POTENTIAL OPERATING REVENUE OPTIONS



	2028 (\$M)		2040 (\$M)	
	Low	High	Low	High
Potential Vehicle Emissions Tax	5	6	5	6
Potential Park & Ride Fees	4	5	8	10
Additional Fare Revenues	17	40	28	79
Routes 801 & 20 Service Reallocation	7	16	8	18
Potential Available Sales Taxes	33	39	33	39
TOTAL	66	106	82	152

POTENTIAL OTHER PARTNERS

- Cities
- Counties
- State
- Other Partners
 - Central Texas Regional Mobility Authority – CTRMA
 - Capital Area Metropolitan Planning Organization - CAMPO



11/13/19



CITY OF AUSTIN INVESTMENT OPPORTUNITIES



CITY OF AUSTIN: POLICY DIRECTION

City Council Direction

- **Council-adopted Austin Strategic Mobility Plan (ASMP) includes a goal of 50/50 mode split;**

“We should increase transit share by ... Supporting the creation of a high capacity transit system ...”

- **City Council Resolution 20190808-081:**

Directed the City manager to **“analyze and report on options for the [City and other entities] to leverage resources to support the creation, operation, and maintenance of a high-capacity transit system...”**



LOCAL FUNDING OPTIONS: CRITERIA

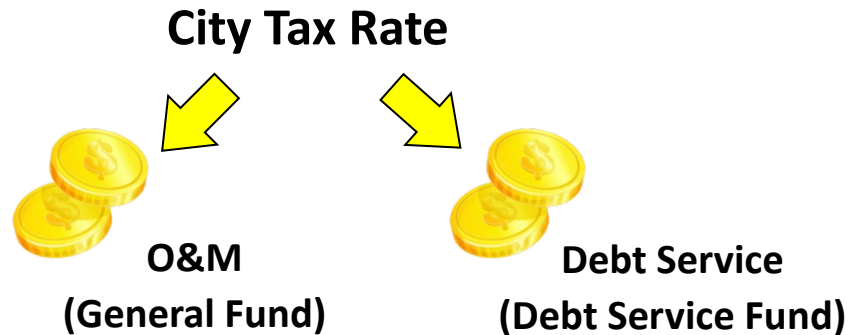
Criteria for Local Funding

- Can generate sufficient funds for the investment
- Can fund all aspects of the investment
 - Capital
 - Operations & Maintenance
 - Capital Repair & Replacement
 - Operating Reserves
 - Debt Reserves
- Can meet Federal Funding requirements and leverage all federal funding opportunities



LOCAL FUNDING OPTIONS: CITY OF AUSTIN

Existing Tax Rate Revenue



Current Tax Rate is all Dedicated

- City's General Fund (Operations & Maintenance)
 - Use would require re-allocation away from existing general fund uses
- Debt service (General Obligation Debt Service)
 - Pledged for existing outstanding debt / approved bond programs

LOCAL FUNDING OPTIONS: CITY OF AUSTIN

Value Capture Opportunities

- **TIRZ (Tax Increment Reinvestment Zone)** is financing tool to encourage economic development within a defined geographic area or zone
- Purpose is to set aside property tax revenues – above a base year - due to assessed valuation growth in zone to use for specific purposes in zone
- City of Austin use of TIRZ has been strategic and specialized
 - Financial policy limits total aggregate value of TIRZ zones will not exceed 10% of City’s total tax base
- Could be used in future as tool to leverage “placemaking” investments and to achieve other policy objectives around transit stations



LOCAL FUNDING OPTIONS: CITY OF AUSTIN

General Obligation Bonds

- Public Improvement Bonds (PIBs) are authorized via Bond Elections
 - Since 2010, City has conducted six Bond Elections
 - Per City's financial policies, next scheduled bond election would be 2024

Criteria for Funding: Bonds

Capital	Yes
Operations & Maintenance	No
Capital Repair & Replacement	No
Operating Reserves	No
Debt Reserves	Yes
Leverage Federal Funding	Partial



LOCAL FUNDING OPTIONS: CITY OF AUSTIN

Tax Rate Election

- New State Law (Senate Bill 2)
 - 3.5% cap on increases to operations & maintenance funding from property taxes
 - Mandatory election if a city goes above the 3.5% cap
- Transparency for voters on specific transit investment
 - Addresses intent of Legislature to allow voters to decide on local taxes
 - In subsequent years, the “new” piece of tax rate revenue would be dedicated to the specified purpose
 - Existing O&M tax rate & uses would not be impacted

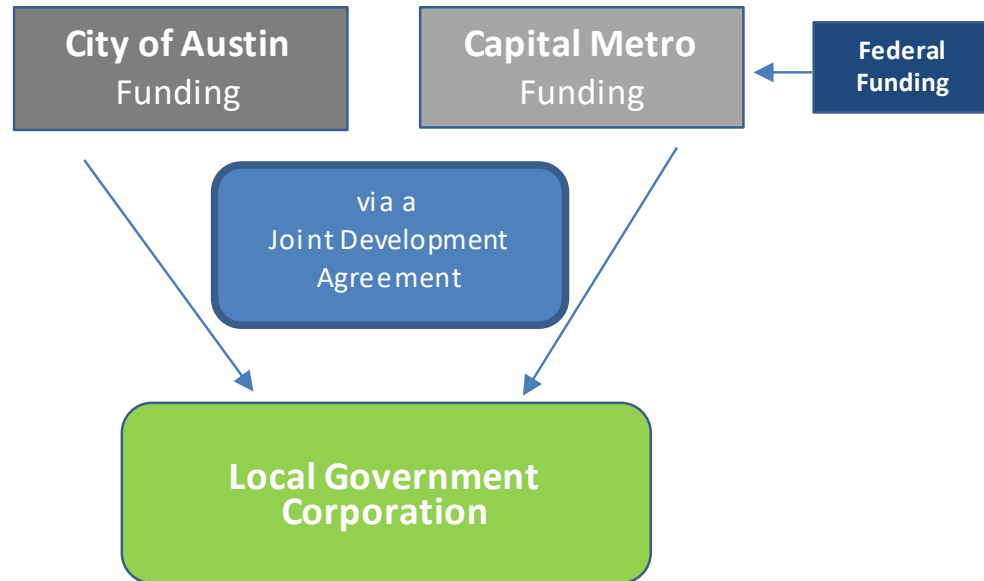
Criteria for Funding: Tax Rate Election

Capital	Yes
Operations & Maintenance	Yes
Capital Repair & Replacement	Yes
Operating Reserves	Yes
Debt Reserves	Yes
Leverage Federal Funding	Yes



CITY OF AUSTIN/CAPITAL METRO: A PARTNERSHIP

Potential Partnership Framework



Local Government Corporation (LGC)

- Can be established per Transportation Code
 - Chapter 431, Subchapter D
- Would allow for dedicated joint governance to implement the investment
- Transparency for taxpayers
- Can issue revenue bonds
- Can leverage federal funding opportunities
- Can fund operations & maintenance

TRANSIT SYSTEM ANALYSIS



TRANSIT SYSTEM ANALYSIS

October 30 Joint Work Session

- **Projects looked at on individual level**
 - Shown with independent utility for analysis purposes
 - Project ridership, capital costs and operations of maintenance based on individual projects

January 14 Joint Work Session

- **System analysis**
 - Assumes projects operate as a system
 - Projects system-wide ridership

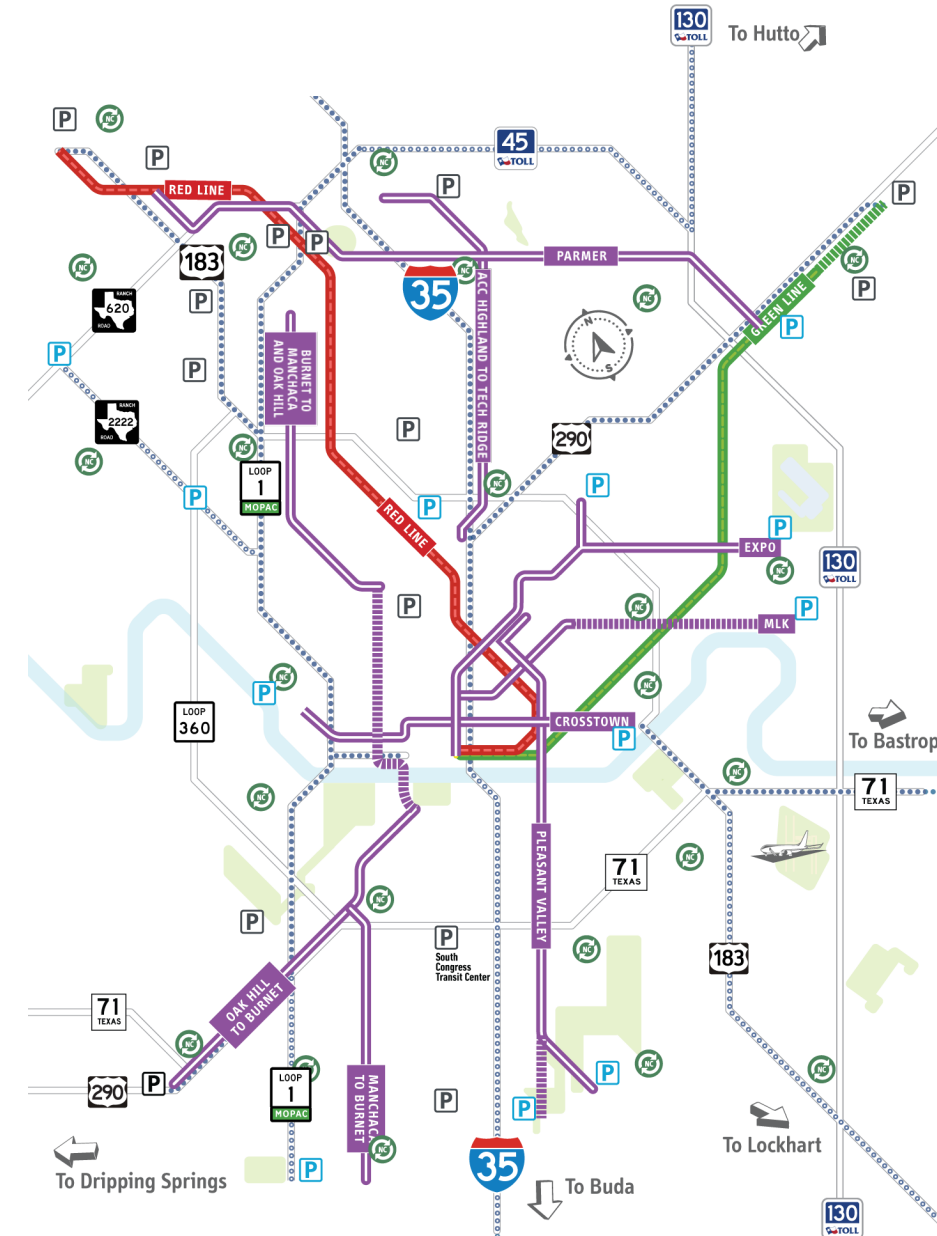


VISION PLAN

PROJECT CONNECT SYSTEM ELEMENTS

System Elements	
MetroRapid	\$150M - \$170M
MetroRail Red	\$55M - \$65M (Phase I) \$340M - \$380M (Phase II)
MetroRail Green	\$460M - \$510M
MetroExpress and Park & Rides	\$85M - \$100M (Phase I) \$95M - \$120M (Phase II)
Neighborhood Circulators	\$2M - \$3M
Support Facilities (Bus and/or Rail)	\$250M - \$300M
Fare Collection Systems	\$20M - \$30M
Total System Elements	\$1.5B - \$1.7B
40% Federal	\$600M - \$680M
Local Commitment	\$900M - \$1.02B

Note: Excludes Orange, Blue and Gold Lines



VISION PLAN

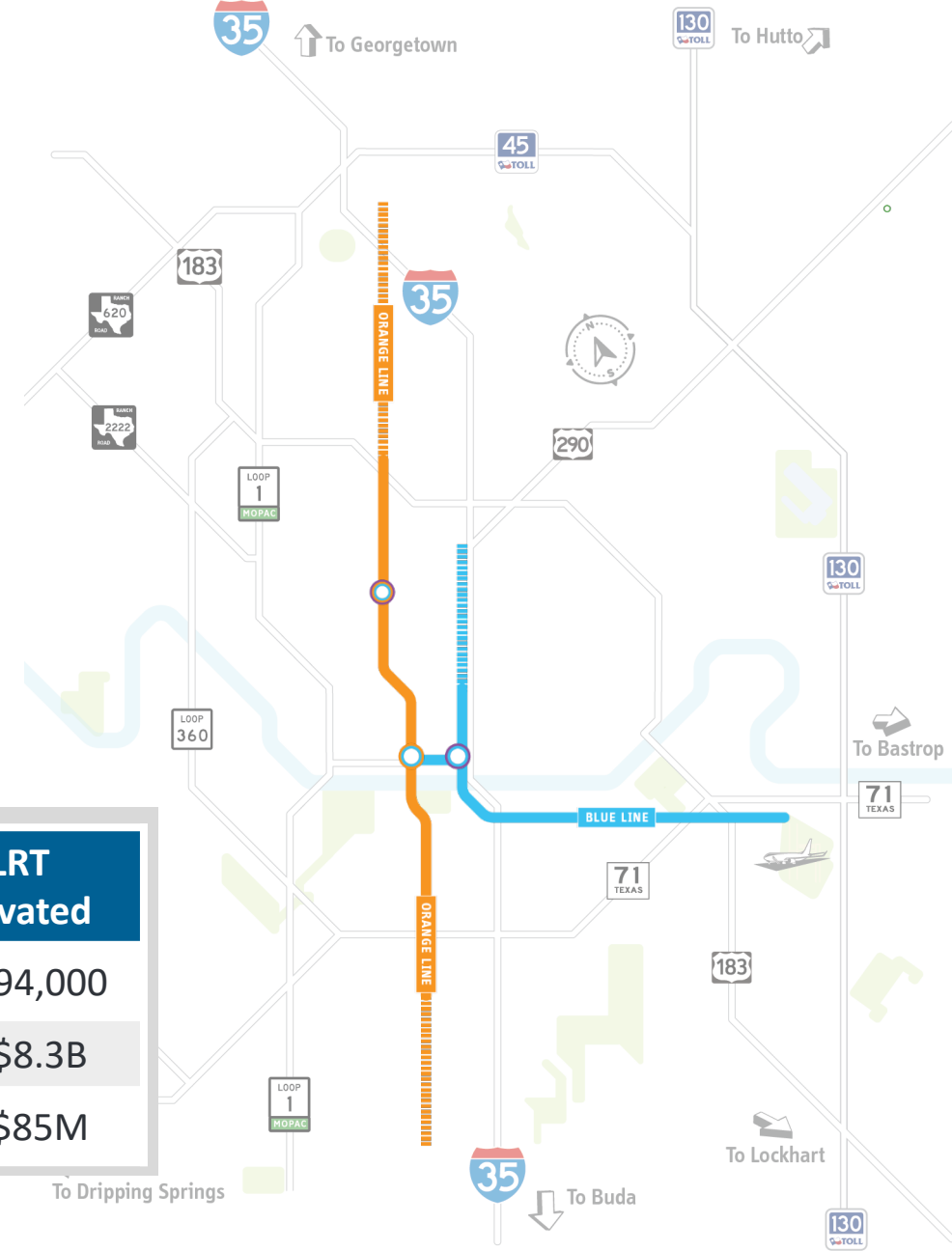
HIGH CAPACITY TRANSIT OPTIONS

Orange Line

- Tech Ridge to Slaughter

Blue Line

- AUS Airport to ACC Highland and Republic Square



High Capacity Transit (HCT)	BRT Street Level	BRT Elevated	LRT Street Level	LRT Elevated
System Ridership total with HCT (2040)	247,000	258,000	277,000	294,000
HCT Capital Cost 2025\$ (B)	\$3.2B	\$5.5B	\$5.9B	\$8.3B
HCT O & M, 2028 (M)	\$39M	\$50M	\$86M	\$85M



VISION PLAN

LRT SYSTEM WITH DOWNTOWN TUNNEL

Orange Line

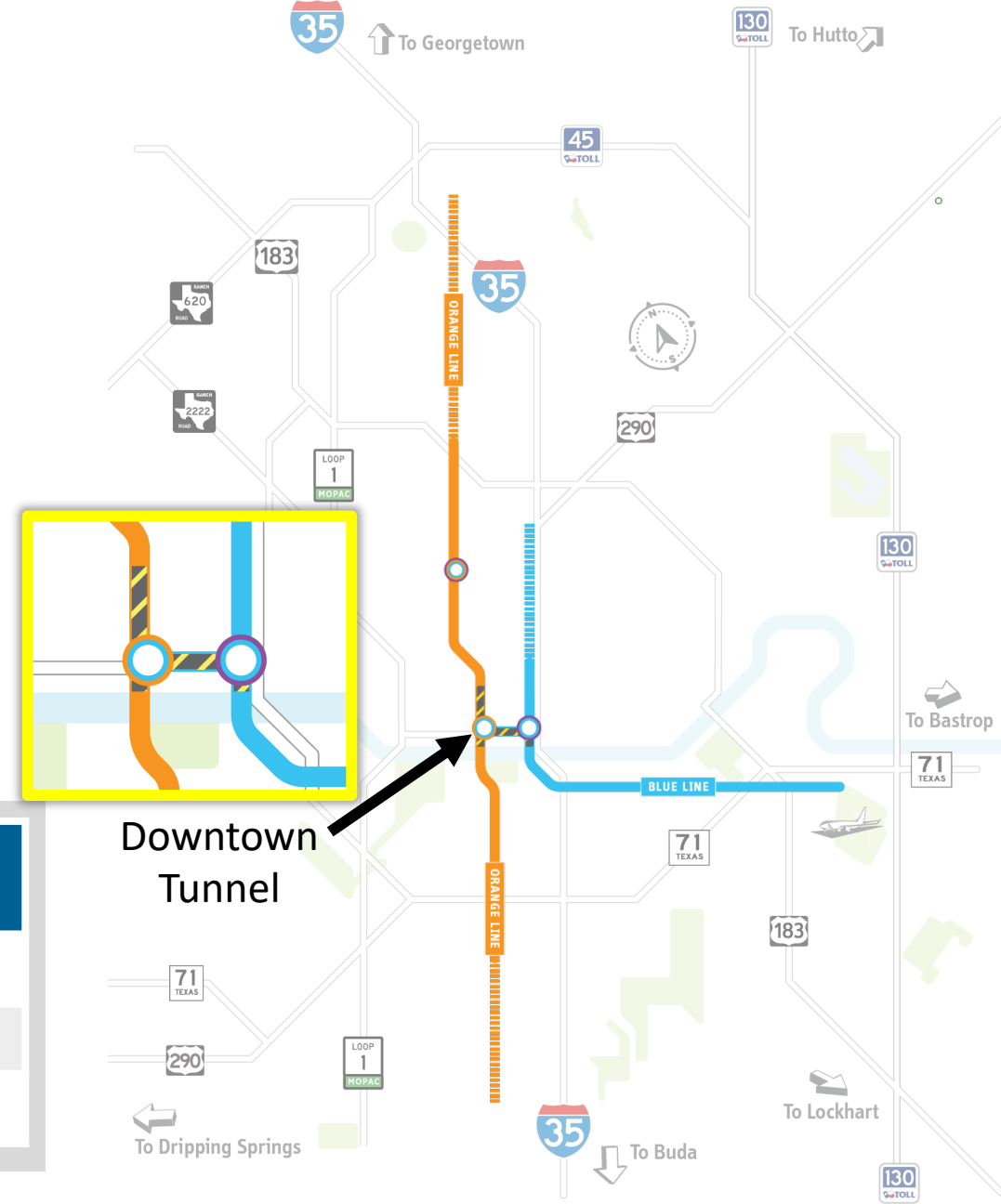
- Tech Ridge to Slaughter

Blue Line

- AUS Airport to ACC Highland and Republic Square

Downtown Tunnel

- Conceptually Guadalupe, 4th Street, Trinity
- 1.6 Miles



High Capacity Transit	LRT Street Level	LRT Elevated
System Ridership total with HCT (2040)	287,000	299,000
HCT Capital Cost 2025\$ (B)	\$7.9B	\$10.3B
HCT O & M, 2028 (M)	\$96M	\$89M

CITY OF AUSTIN RIGHT OF WAY

LRT & BRT SYSTEM

Orange Line (LRT)

- North Lamar Transit Center to South Congress Transit Center

Blue Line (LRT)

- Airport to North Lamar Transit Center

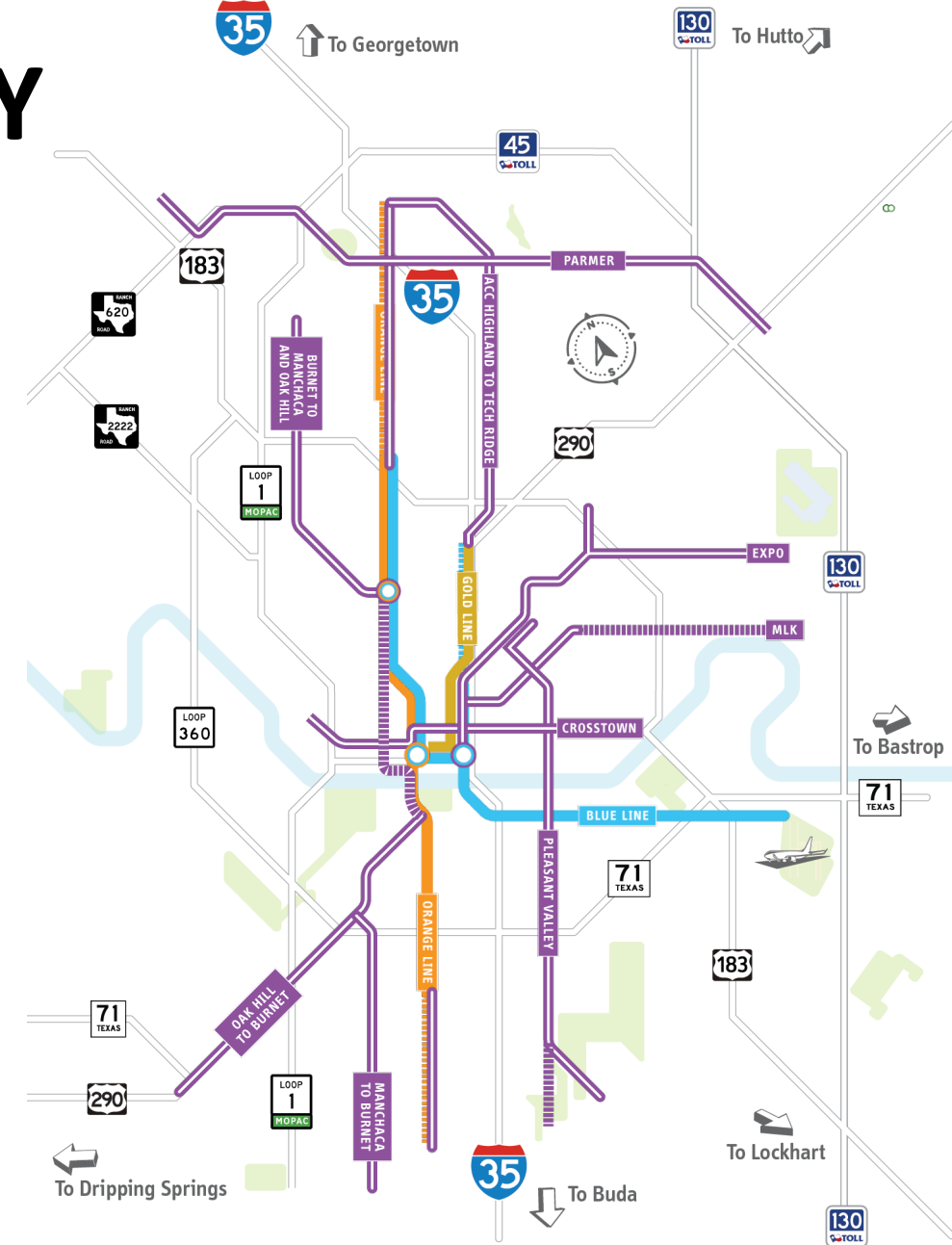
Gold Line (BRT)

- ACC Highland to Republic Square

MetroRapid (801)

- Tech Ridge to North Lamar Transit Center
- Slaughter to South Congress Transit Center

High Capacity Transit (Only)	LRT Street Level	LRT Elevated
System Ridership total with HCT (2040)	270,000	281,000
HCT Capital Cost 2025\$ (B)	\$3.9B	\$6.4B
HCT O & M, 2028 (M)	\$61M	\$51M



CITY OF AUSTIN RIGHT OF WAY

LRT & BRT SYSTEM WITH DOWNTOWN TUNNEL

Orange Line (LRT)

- North Lamar Transit Center to South Congress Transit Center

Blue Line (LRT)

- Airport to North Lamar Transit Center

Gold Line (BRT)

- ACC Highland to Republic Square

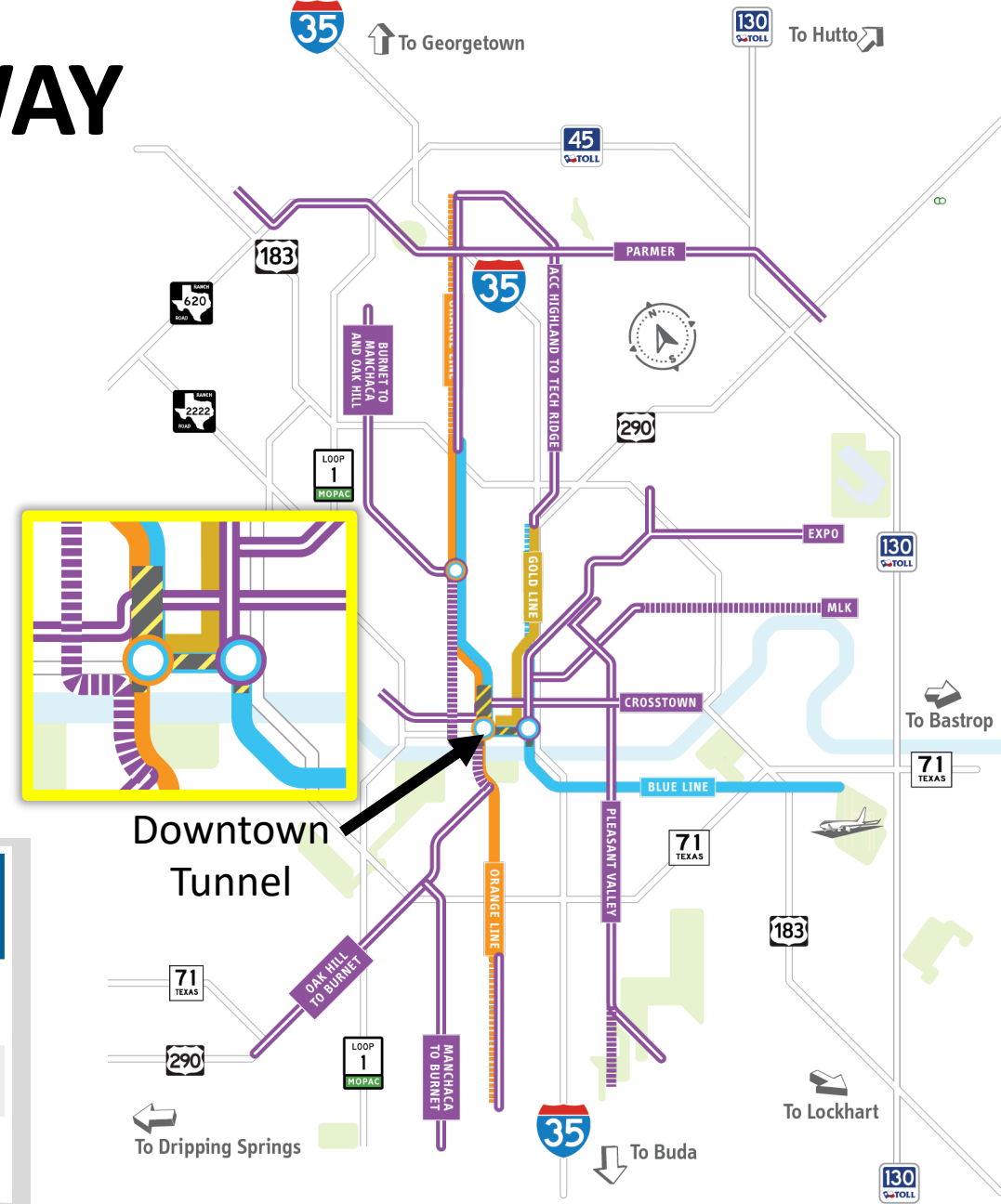
MetroRapid (801)

- Tech Ridge to North Lamar Transit Center
- Slaughter to South Congress Transit Center

Downtown Tunnel

- Conceptually Guadalupe, 4th Street, Trinity
- 1.6 Miles

High Capacity Transit (Only)	LRT Street Level	LRT Elevated
System Ridership total with HCT (2040)	270,000	284,000
HCT Capital Cost 2025\$ (B)	\$5.9B	\$8.4B
HCT O & M, 2028 (M)	\$63M	\$55M



HIGH CAPACITY SYSTEM SUMMARIES

BUS RAPID TRANSIT

Mostly
Street Level

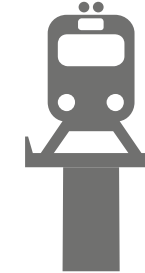


Elevated

	Ridership 2040	Capital Cost & Funding Split 2025\$ (B)		O&M 2028\$ (M)	Ridership 2040	Capital Cost & Funding Split 2025\$ (B)		O&M 2028\$ (M)
PC Vision Map	247k	\$3.2B	\$1.3B (F) \$1.9B (L)	\$39M	258k	\$5.5B	\$2.2B (F) \$3.3B (L)	\$50M
PC Vision Map with downtown tunnel	--	--	--	--	--	--	--	--
COA ROW LRT & BRT System*	--	--	--	--	--	--	--	--
COA ROW LRT & BRT System with downtown tunnel*	--	--	--	--	--	--	--	--

LIGHT RAIL TRANSIT

Mostly
Street Level



Elevated

	Ridership 2040	Capital Cost & Funding Split 2025\$ (B)		O&M 2028\$ (M)	Ridership 2040	Capital Cost & Funding Split 2025\$ (B)		O&M 2028\$ (M)
	277k	\$5.9B	\$2.4B (F) \$3.5B (L)	\$86M	294k	\$8.3B	\$3.3B (F) \$5.0B (L)	\$85M
	287k	\$7.9B	\$3.2B (F) \$4.7B (L)	\$96M	299k	\$10.3B	\$4.1B (F) \$6.2B (L)	\$89M
	270k	\$3.9B	\$1.6B (F) \$2.3B (L)	\$61M	281k	\$6.4B	\$2.6B (F) \$3.8B (L)	\$51M
	270k	\$5.9B	\$2.4B (F) \$3.5B (L)	\$63M	284k	\$8.4B	\$3.4B (F) \$5.0B (L)	\$55M

* Described on Slide 31

* Described on Slide 32

F 40% Federal Share

L 60% Local Share



VISION PLAN CAPITAL COSTS SUMMARY

PROGRAM LEVEL

	OVERALL SYSTEM VISION						COA ROW LRT & BRT SYSTEM			
	BRT Street Level	BRT Elevated	LRT Street Level	LRT Elevated	LRT Street Level with Tunnel	LRT Elevated with Tunnel	LRT Street Level	LRT Elevated	LRT Street Level with Tunnel	LRT Elevated with Tunnel
High Capacity Transit (HCT)	\$3.2B	\$5.5B	\$5.9B	\$8.3B	\$7.9B	\$10.3B	\$3.9B	\$6.4B	\$5.9B	\$8.4B
+ System Elements \$1.7B	\$4.9B	\$7.2B	\$7.6B	\$10B	\$9.6B	\$12B	\$5.6B	\$8.1B	\$7.6B	\$10.1B
40% Federal Funding	\$2B	\$2.9B	\$3B	\$4B	\$3.8B	\$4.8B	\$2.2B	\$3.2B	\$3B	\$4B
Local Funding	\$2.9B	\$4.3B	\$4.6B	\$6B	\$5.8B	\$7.2B	\$3.4B	\$4.9B	\$4.6B	\$6.1B



PROJECT CONNECT ADDITIONAL STEPS

INVESTMENT, PROJECT FUNDING & GOVERNANCE

- Develop program construction sequencing timeline
- Develop a Federal Transit Administration compliant integrated revenue and cost model
- Establish roles and responsibilities of City, Capital Metro and a potential LGC Joint Venture





Austin City Council/ Capital Metro Board

JOINT WORK SESSION

JANUARY 14, 2020