



**FY2023–2024
QUARTERLY
PERFORMANCE REPORT
1ST QUARTER**

OVERVIEW

In November 2020, Austin voters approved Proposition A to dedicate new revenue to the implementation of Project Connect—a program of transit projects designed to provide transportation alternatives for our community. City of Austin and Capital Metro subsequently created the Austin Transit Partnership (ATP) and tasked its Board of Directors with overseeing the program.

On September 20, 2023, ATP’s Board of Directors unanimously approved the FY 2023–24 Budget. This annual budget reflects a twelve-month fiscal year from October 1, 2023 through September 30, 2024, and

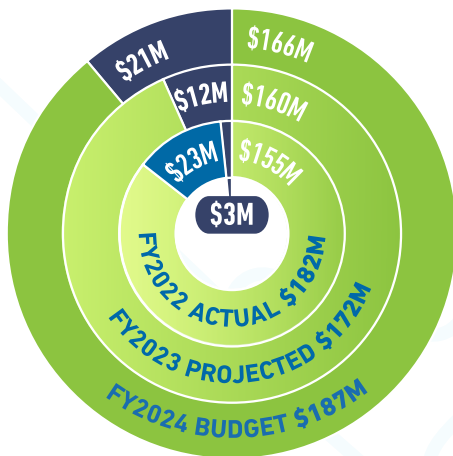
includes budgets for revenue, administrative expenses, and capital contracts. These budgets are described in more detail in the sections that follow as well as year-to-date (YTD) actual spending for the first quarter of the fiscal year (October 1, 2023 through December 31, 2023).

As ATP’s budget continues to evolve, quarterly update reports will adjust to accommodate additional financial information requested. Please reach out to input@atptx.org to request information included in quarterly reports.

REVENUE

► BY FUNDING SOURCE

	FY22 ACTUAL	FY23 PROJECTED	FY24 BUDGET
Prop A Property Tax	\$155M	\$160M	\$166M
Investment & Other Revenue	\$3M	\$12M	\$21M
CapMetro Contributions	\$23M	-	-



► FUTURE FUNDING SOURCES

Debt Proceeds **\$0M** Grant Funding **\$0M**

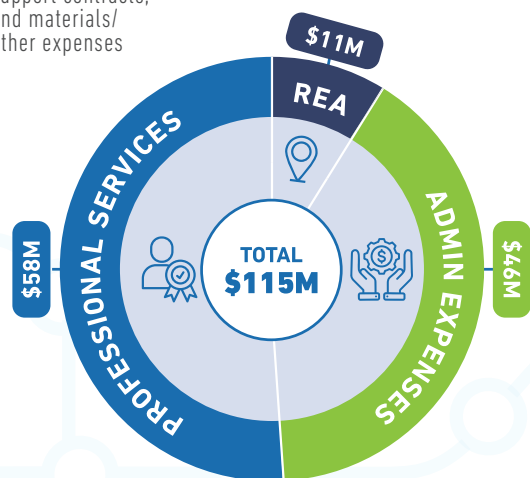
SPENDING

► AUSTIN LIGHT RAIL CAPITAL FUND

\$ FY24 TOTAL SPEND **\$115M**

Remaining appropriations from prior years **\$82M** New appropriations **\$33M**

- \$46M** Administrative expenses
Personnel, business support contracts, and materials/other expenses
- \$11M** Right-of-way & real estate acquisitions
- \$58M** Professional services



FY 2023–24 PRIORITY OUTCOMES

In FY24, ATP’s strategic objectives encompass Federal Process, Design, and Community Engagement, with a primary emphasis on solidifying the partnership with the Federal Transit Administration (FTA), advancing design and engineering efforts, and continuing to engage

with the local community. This work will be completed mainly by leveraging existing resources with HDR, HNTB, AECOM, Ernst & Young Infrastructure Advisors, and HUG Joint Venture, which have all been previously approved by the ATP Board.

► FEDERAL PROCESS

FY24 will be primarily focused on continuing to advance the work needed to solidify ATP’s partnership with the Federal Transit Administration (FTA). This includes the following Q1 achievements:

- Completing the FTA’s required steps for recognition as a federal grant recipient.
- Initiating the environmental analysis required by the National Environmental Policy Act (NEPA).
- Entering the Capital Investment Grant (CIG) process to continue the path towards a Full Funding Grant Agreement for Austin Light Rail Phase 1.

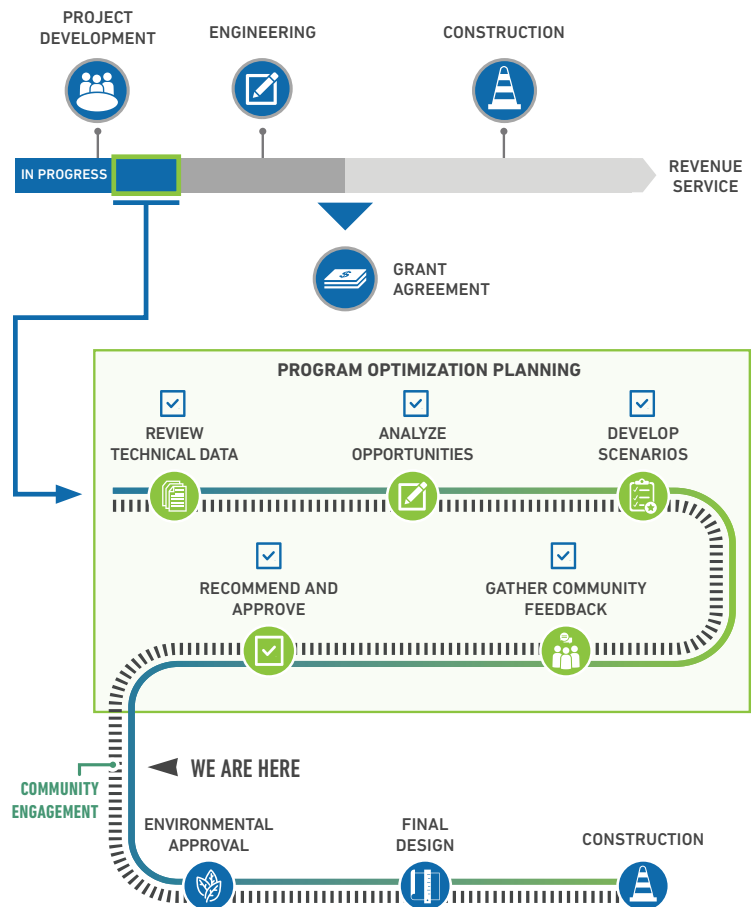
► DESIGN

ATP will advance engineering and architectural efforts by leveraging the ATP Board-approved contracts for HDR, AECOM, HNTB, and HUG. This work will inform the environmental analysis to determine right of way needs and provide additional cost information to the ATP Board and staff.

► ENGAGEMENT

The FY24 Budget also includes new resources to enhance public involvement and community engagement efforts. A key focus by ATP will be to inform design principles with human centered design and user experiences as it relates to the transit environment.

FEDERAL CAPITAL INVESTMENT GRANT PROCESS



AUSTIN LIGHT RAIL

ATP continues developing the Austin Light Rail design and environmental analysis while advancing federal process requirements. In the first quarter, design efforts focused on defining the project footprint (i.e., the light rail transitway, stations, streetscape, and required utility relocation elements) and reviewing critical user experience aspects (i.e. multimodal access for bicycle and pedestrian facilities as well as street trees provisions to provide shade).

On Friday January 19, 2024, the Federal Transit Administration (FTA) published a Notice of Intent to work with Austin Transit Partnership on advancing Austin Light Rail, a key milestone in the NEPA process. This notice will describe the project under federal environmental review and reflect the June 2023 Austin Light Rail Implementation Plan. ATP anticipates publishing the Draft Environmental Impact Statement in Fall of 2024 and will engage the community in multiple steps throughout the process.

Following extensive peer and industry engagement, ATP developed a contracting framework that spans all phases of the project. Staff identified near-term procurements including On-Call Planning and Engineering support services and a Delivery Partner to support project management, construction management, and more. ATP will share contracting opportunities and procurement next steps through a range of engagement opportunities, including events to support Disadvantaged Business Enterprise (DBE) Program, and local and small businesses.

In the first quarter of FY24, ATP held five events to share research on how people use transit in Austin and design challenges related to safety, predictability, and comfort of the future light rail and the larger public transit system. Data collected through this engagement will inform the design process and help build a transit system that prioritizes people and their experiences, and ultimately encourages more people to ride and create community connections.

Looking ahead, second quarter work will prioritize development of the CIG package for August FTA submittal, as well as review of civil design submittals from engineering firms, design criteria for vehicle technology, length and power, noise and vibration monitoring work, review of utility rules of practice and third-party utility agreements, and development of cost estimates.



Attendees and staff at open house event at UT — Feb 1, 2024

ATP REVENUES

ATP’s annual revenues come primarily from ATP’s share of the City of Austin’s ad valorem property tax rate, as approved by the voters with the approval of Proposition A in November 2020. Due to the timing of property tax receipts, the bulk of those revenues will be received in April and will be reflected in the third quarter report. Prop A-committed revenue, along with investment and other revenues and unspent prior year fund balances, comprise ATP’s total available funds (Figure 3). Monies dedicated by CapMetro for Project Connect will be retained by CapMetro for the components they are responsible for implementing pursuant to the Supplement to the Joint Powers Agreement executed on June 6, 2023. Future revenue sources will include debt proceeds and grant funding.

► **FIGURE 3: REVENUES THROUGH DECEMBER 31, 2023 (IN MILLIONS)**

SOURCE	FY24 BUDGET	YTD ACTUALS ¹
Balance from Prior Year	\$148.0	\$148.0
Proposition A Voter-Approved Revenue	166.0	0.0
Investment & Other Revenue	21.0	5.2
Total	\$335.0	\$153.2

¹ YTD Actuals include all revenues collected from October 1, 2023 to the time-period of this report.



CAPITAL EXPENDITURES

The capital budget funds the total cost of acquiring or constructing an agency asset, including design, bidding, project management, right-of-way acquisition, construction, and administrative expenses. Unlike the

operating budget, which appropriates funding annually, capital budget funds are available until expended, typically over multiple years.

MAJOR PROJECT CONTRACTS

To further light rail development, ATP has awarded several major professional services contracts. These project-specific contracts with HDR for project management support, AECOM and HNTB for advanced conceptual engineering work, and architectural and urban design firms HKS, UNStudio, and Gehl—referred to as 'HUG'—for systemwide architecture, urban design, and engineering services are detailed in Figure 6, which includes all

paid invoices during the service period. Additionally, the Board has authorized contracts with Ernst & Young Infrastructure Advisors (EYIA) for commercial, risk and project delivery advisory services, various legal firms for on-call legal services, and several communications firms for communications and marketing services. These are also detailed in the table below.

► **FIGURE 6: MAJOR PROJECT CONTRACTS AS OF DEC 31, 2023 (IN MILLIONS)**

CONTRACT	BOARD AUTHORIZED	COMMITTED (CONTRACT)	REMAINING AUTHORIZATION	SPENT TO DATE	REMAINING CONTRACT
HDR	\$26.0	\$21.0	\$5.0	\$9.8	\$11.2
AECOM	3.7	3.7	0.0	1.2	2.5
HNTB	2.7	2.7	0.0	1.1	1.6
HUG	16.7	16.7	0.0	9.4	7.3
E&Y Infrastructure Advisors	17.0	11.9	5.1	8.4	3.5
On-Call Legal Services	23.0	11.6	11.4	3.6	8.0
Real Estate Services	6.1	0.7	5.4	0.0	0.7

During the first quarter, HDR provided support to ATP related to management, oversight, and assistance with coordination and execution of the Austin Light Rail project. Deliverables and initiatives included Management Reports; FTA CIG Funding process (Readiness Documents, Ratings and Evaluation Package), Notice of Intent (NOI), FTA entry into Project Development, OMF Title VI Analysis, Draft Environmental Impact Statement; ALR draft base design oversight, design reports, guidelines, and standards.

AECOM and HNTB submitted for internal review the Austin Light Rail initial draft base design, including utilities,

as approved in June 2023. ATP provided meaningful comments and both teams addressed comments through numerous coordination meetings with ATP as well as our Partners.

The HUG team completed their research phase, delivering a comprehensive document derived from desktop studies and in-field data collection, covering Austin's urban form, codes and context, the local approach to sustainability, landscape, lighting, materials and trades, light rail precedents, and Austinites' transit experience via cognitive behavioral mapping. This research led to the definition of User Needs — or those

values most important to the future light rail rider. These User Needs formed the basis of the content in ATP’s fall 2023 community engagement period, which was also supported by the HUG team, and included a series of open houses (in-person and virtual) and surveys (analog and digital) to help form Performance Objectives that will shape forthcoming Design Guidelines for Station Areas and System-wide Elements.

EYIA focused on a variety of tasks throughout the first quarter. The main areas of focus were structured around working with ATP staff to develop the contracting framework, working with procurement to finalize the request for information on upcoming solicitations, and providing resources to staff where needed to ensure all FTA questions/comments were resolved in relation to ATP’s New Recipient submittal.

ADMINISTRATIVE EXPENSES

New in FY24, but consistent with budgeting practices for other large capital projects, administrative expenses will now be charged to Capital Projects instead of the Operating Fund to maximize allowable reimbursements from federal partners and grant opportunities. A total of \$4.0 million was expended through December 31, 2023 (Figure 4) for administrative expenses, which funded

staff labor costs, including salaries, taxes, and fringe benefits; business support contracts, including legal contracts, financial advisory services, administrative office space, and reimbursements to the City of Austin and CapMetro for project support; as well as materials and staff development expenses.

► **FIGURE 4: ADMINISTRATIVE EXPENSES THROUGH DEC 31, 2023 (IN MILLIONS)**

CATEGORIES	FY24 BUDGET	YTD ACTUALS ¹	REMAINING BUDGET
Personnel	\$16.1	\$2.5	\$13.6
Business Support Contracts	27.9	1.1	26.7
Materials & Staff Development	2.0	0.3	1.7
Total	\$46.0	\$4.0	\$42.0

1 YTD Actuals include all expenditures from October 1, 2023 to the time-period of this report.



ATP, CapMetro, and City of Austin staff holiday gathering

OPERATING FUND SUMMARY

FY24 BUDGET VS. YTD ACTUALS

	FY24 BUDGETED SPEND	FY24 ACTUAL SPEND (Q1)
Beginning Fund Balance	\$147,964,834	\$147,964,834
Revenues		
Prop A Property Tax	\$166,000,000	-
CapMetro ¹	-	-
Investments & Other Income	\$21,000,000	\$5,199,354
Total Revenues	\$187,000,000	\$5,199,354
Total Available Funds:	\$334,964,834	\$153,164,188
Expenditures & Transfers		
Administrative Expenses ²	-	-
Transfer to Operating Reserve	-	-
Transfer to Anti-Displacement Fund ³	\$20,000,000	-
Transfer to Light Rail Capital Fund ³	\$33,000,000	-
Transfer to CapMetro Projects Fund ⁴	-	-
Total Expenditures & Transfers	\$53,000,000	-
Reserved for Future Project Needs (Total Available Funds Net Expenditures & Transfers)	\$281,964,834	\$153,164,188
Operating Reserve	\$20,000,000	\$20,000,000

- 1 CapMetro committed revenue will still be utilized for Project Connect projects but will remain with CapMetro.
- 2 To maximize ATP's allowable reimbursements from federal partners and grant opportunities, administrative expenses will be charged to Capital Projects instead of the Operating Fund in FY24.
- 3 All transfers are processed at fiscal year end.
- 4 CapMetro-led Project Connect projects will be appropriated via budget amendments along with interlocal agreements approved by both the CapMetro and ATP Boards.

LIGHT RAIL CAPITAL FUND SUMMARY

FY24 BUDGET VS. YTD ACTUALS

	FY24 BUDGETED SPEND	FY24 ACTUAL SPEND (Q1)
Beginning Fund Balance	\$82,000,000	\$82,000,000
New Appropriations		
Transfer from Operating Fund ¹	\$33,000,000	-
Total New Appropriations	\$33,000,000	-
Total Available Appropriations	\$115,000,000	\$82,000,000
Expenditures		
Professional Services	\$58,000,000	\$5,362,656
Right-of-Way & Real Estate Acquisitions	\$11,000,000	-
Administrative Expenses ²	\$46,000,000	\$4,003,906
Total Expenditures	\$115,000,000	\$9,366,563
Reserved for Future Project Needs (Total Available Funds Net Expenditures & Transfers)	-	\$72,633,437

¹ All transfers are processed at fiscal year end.

² To maximize ATP's allowable reimbursements from federal partners and grant opportunities, administrative expenses will be charged to Capital Projects instead of the Operating Fund in FY24.

PORTFOLIO OVERVIEW

This report is prepared for the Austin Transit Partnership (the "Entity") in accordance with Chapter 2256 of the Texas Public Funds Investment Act ("PFIA"). The investment portfolio complied with the PFIA and the Entity's approved Investment Policy and Strategy throughout the period. All investment transactions made in the portfolio during this period were made by Hilltop Securities, ATP's Investment Advisor, on behalf of ATP and were made in full compliance with the PFIA and the approved Investment Policy.

Throughout the first quarter of Fiscal Year 2024, the investment portfolio generated \$4.7 million in net income. The investment portfolio contained a mix variety of different US Government and Federal Agency related securities over a two year time horizon. ATP, in conjunction with Hilltop Securities, continues to monitor the market and will structure future investment purchases around the cash flow needs of the Entity.

▶ PORTFOLIO SUMMARY

	PRIOR 30 SEP-23	CURRENT 31 DEC-23
Par Value	361,918,239.85	337,452,762.02
Original Cost	359,341,119.35	334,640,609.22
Book Value	360,349,446.91	335,745,201.94
Market Value	360,066,493.35	336,008,578.27
Accrued Interest	1,104,150.81	1,503,520.56
Book Value Plus Accrued	361,453,597.72	337,248,722.50
Market Value Plus Accrued	361,170,644.16	337,512,098.83
Net Unrealized Gain/(Loss)	(282,953.56)	263,376.33

▶ INCOME SUMMARY

CURRENT PERIOD	1 OCT-23 TO 31 DEC-23
Interest Income	3,812,640.50
Net Amortization/ Accretion	837,563.59
Realized Gain/(Loss)	0.00
Net Income	4,650,204.10

FISCAL YEAR-TO-DATE	1 OCT-23 TO 31 DEC-23
Net Income	4,650,204.10

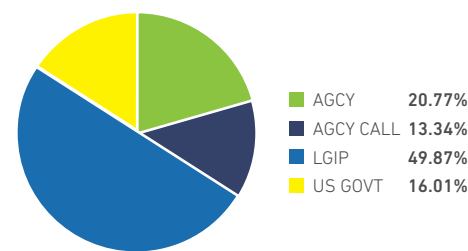
▶ PORTFOLIO CHARACTERISTICS

	PRIOR 30 SEP-23	CURRENT 31 DEC-23
Yield to Maturity	5.306%	5.354%
Yield to Worst	5.306%	5.354%
Days to Final Maturity	121	127
Days to Effective Maturity	121	127
Duration	0.72	0.67

▶ TRANSACTION SUMMARY

TRANSACTION TYPE	QUANTITY	PRINCIPAL	INTEREST	TOTAL AMOUNT	REALIZED GAIN/LOSS
Buy	40,000,000.00	(39,023,669.27)	(86,631.23)	(39,110,300.50)	0.00
Maturity	(30,000,000.00)	30,000,000.00	0.00	30,000,000.00	0.00
Coupon	0.00	0.00	1,016,000.00	1,016,000.00	0.00

▶ ASSET ALLOCATION



Source: Hilltop Securities Portfolio Overview for Austin Transit Partnership, October 1, 2023 -December 31, 2023