Sam Sargent, J.D.
Capital Metro

Palm Beach TPA Enhanced Transit Peer Exchange
January 17, 2020
AGENDA

• CAPITAL METRO AT A GLANCE

• SYSTEM REDESIGN - CAP REMAP
  • THE PROBLEM & SOLUTION
  • EQUITABLE IMPROVEMENTS
  • VICTORIES & LESSONS LEARNED

• LONG-RANGE VISION – PROJECT CONNECT
  • SYSTEM PLAN
  • PLANNING & ENGAGEMENT PROCESSES
  • INVESTMENT OPPORTUNITIES
CAPITAL METRO AT A GLANCE
### Agency Overview

<table>
<thead>
<tr>
<th><strong>SERVICE AREA</strong></th>
<th>1.1 million residents, 543 square miles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEMBER CITIES</strong></td>
<td>7 cities, including Austin</td>
</tr>
<tr>
<td><strong>ANNUAL BUDGET</strong></td>
<td>$403.7 million</td>
</tr>
<tr>
<td><strong>ANNUAL RIDERSHIP / AVERAGE WEEKDAY</strong></td>
<td>31 million annual / 119,000 average weekday</td>
</tr>
<tr>
<td><strong>FLEET SIZE</strong></td>
<td>540 revenue vehicles</td>
</tr>
<tr>
<td><strong>WORKFORCE</strong></td>
<td>365 administrative, 1150 contract operations</td>
</tr>
</tbody>
</table>
**Agency Governance**

**STATE ENABLING LEGISLATION**
Chapter 451 – Texas Transportation Code

- Metropolitan transportation authority
- Member cities vote into system
- 1-cent sales tax
- Limited revenue sources

**BOARD STRUCTURE**
8-member board

- 3 members appointed by MPO
- 2 members appointed by City of Austin
- 1 member appointed by Travis County
- 1 member representing small cities
### Agency Finances

#### Annual Budget
- **FY2020 OPEX**
  - $287 million
- **FY2020 CAPEX**
  - $110 million

#### Revenue Sources
- **Sales Tax**
  - $265.7 million
- **Grants**
  - $60.1 million
- **Fares**
  - $22.5 million
## Contract Operations

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Company</th>
<th>Total Cost</th>
<th>Duration</th>
<th>Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED ROUTE BUS – MV Transportation</td>
<td></td>
<td>$1.4 billion</td>
<td>5 years, plus two 3-year options</td>
<td></td>
</tr>
<tr>
<td>PARATRANSIT – MTM Transit (Ride Right)</td>
<td></td>
<td>$210 million</td>
<td>4 years, plus two 3-year options</td>
<td></td>
</tr>
<tr>
<td>COMMUTER RAIL – Herzog</td>
<td></td>
<td>$117.5 million</td>
<td>7 years</td>
<td></td>
</tr>
<tr>
<td>FREIGHT RAIL – Watco Companies</td>
<td></td>
<td>$5 million (16.5 percent of revenue)</td>
<td>20 years, plus five 6-year options</td>
<td></td>
</tr>
</tbody>
</table>
Agency Fares

Current Fare Structure

- Under 18 ride free
- University partnerships
- Transit Empowerment Fund
- MetroWorks program
- Reduced Fare program
  - Seniors
  - Medicare
  - Customers with disabilities
  - Military personnel
Agency Fares

Farebox Recovery Comparisons

PEER AVERAGE
18.2%
## Agency Facilities

### PARK & RIDES
17 facilities

### RAIL STATIONS
9 stations (1 additional proposed)

### BRT STATIONS
48 station pairs

### MAINTENANCE FACILITIES
3 facilities, 300,000 square feet
- Electric fleet facility U/C

### ADMINISTRATIVE SPACES
6 facilities, 100,000 square feet
Agency Innovation

AUTONOMOUS VEHICLE PILOT
- Easy Mile

ON-DEMAND PICKUP SERVICE
- 6 active microtransit zones
- Positive ridership growth

INTEGRATED FARE SYSTEM
- Study complete, into procurement

FLEET ELECTRIFICATION
- 2 vehicles onsite, 8 on order
- 4 Proterra buses, 6 New Flyer

STOP AMENITIES PROGRAM
- Real-time departure, solar
Agency Successes

Continuous Improvement

- 15 straight months of ridership gains
  - Up 26.3 percent on MetroExpress
  - Up 5.7 percent on MetroRapid

- K-12 Ride Free
  - Over 3 million trips (and counting)

- Expansion of On-Demand Pickup Service
  - 6 active zones, growing ridership

- State and National Awards
  - Texas Agency of the Year
  - Safety, Mobile Technology recognitions
Agency Successes

Continuous Improvement

• Stop Amenities
  • 125 shelters and 80 solar lights
  • E-paper, real-time departure units

• Downtown Station Reconstruction
  • $37 million terminal station
  • Operational flexibility, new plaza

• New Transit Centers
  • 4 new transit facilities

• MetroRail Track Improvements
  • TIGER V double-tracking, PTC
SYSTEM REDESIGN
CAP REMAP
The Problem

What's next for Capital Metro? Transit agency charts region's infrastructure needs as bus ridership plummets

Boardings have fallen, dragged down by a 11% decrease in bus rides since 2012. Here's what the public transit agency plans to do about it.

**CAPITAL METRO BUS SERVICE RIDERSHIP**

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>35M</td>
<td>30M</td>
<td>25M</td>
<td>20M</td>
<td>15M</td>
</tr>
</tbody>
</table>

**Capital Metro ridership**

In millions by fiscal year

- 1985: 1.8*
- 1990: Free Fare experiment
- 2000: Strike
- 2007: Record rainfall
- 2008: Record gas prices
- 2009: Fare increase and strike
- 2010: 31.2
- 2013: 34.2
- 2014: 33.2
- 2015: 32.8

* CMTA ridership figure in 1985 was only for July, Aug., Sept.

Source: Capital Metro

LINDA SCOTT / STAFF
The Solution

MORE MORE BETTER

FREQUENT RELIABLE CONNECTED

CAPSS REMAP

ARRIVING JUNE 3
Cap Remap Goals

BUILD RIDERSHIP
• Retain existing customers, create new markets

MATCH SERVICE TO MARKETS
• The right service for the environment

ENHANCE CUSTOMER EXPERIENCE
• Safe, secure, inviting, innovative

ENSURE FINANCIAL SUSTAINABILITY
• Improve the system for the long term
Households Within ½ Mile of Frequent Routes

POPULATION SERVED BY HIGH FREQUENCY ROUTES
- 331,600 (31%) before
- 542,500 (51%) after

BEFORE – 6 Frequent Routes
- 30 percent weekday trips
- 12 percent weekend trips

AFTER – 14 Frequent Routes
- 53 percent weekday trips
- 65 percent weekend trips
Households in Poverty Within a 5-Minute Walk

Before Cap Remap

15%
4,073

After Cap Remap

27%
7,069
Households in Poverty Within a 10-Minute Walk

Before Cap Remap

33%
8,647

After Cap Remap

48%
12,678
Minority Populations within a 5-Minute Walk

Before Cap Remap

12%
59,029

After Cap Remap

22%
109,781
Minority Populations within a 10-Minute Walk

Before Cap Remap

25%
127,007

After Cap Remap

39%
197,264
Cap Remap Victories

**INCREASED RIDERSHIP**
- 15 straight months, 15-percent increase

**INCREASED SERVICE HOURS**
- Additional 120,000 hours of service

**MORE CONSISTENT FREQUENCY**
- Elimination of weekend, alternate schedules

**MORE BALANCED RIDERSHIP**
- Increased weekend, midday, late night trips

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Cap Metro ridership increase among highest in nation

Cap Metro May 2019 ridership increased 11.5 percent over the same period in 2018.

From — Capital Metro
Jun 25th, 2019

Capital Metro released ridership figures for May, announcing an 11.5 percent increase over the same month in 2018. This year-over-year increase is among the highest of transit agencies nationwide.

May’s ridership continued the recent growth across Capital Metro’s entire transit system:

- Weekday ridership was up 9.8%.
- Saturday ridership was up 9.9%.
- Sunday ridership was up 32.1%.

The gains this month can be found throughout Capital Metro’s bus network, with MetroRapid and MetroExpress ridership up nearly 19 percent each and MetroBus up 11 percent. The agency also saw slight gains with MetroAccess ridership up 3.4 percent.
LONG-RANGE VISION
PROJECT CONNECT
A Growing Challenge
Austin MSA Population
It’s A Matter of Geometry

TRANSITWAYS

PEOPLE MOVED PER LIGHT CYCLE
126 People - 80 in transit.

PEOPLE MOVED PER LIGHT CYCLE
235 People - 204 in transit.
LONG TERM VISION PLAN

- Commuter Rail
- Red & Future Green Lines
- Local Bus Service
LONG TERM VISION PLAN

- Better bus stops
- Greater frequency
- Real time arrival info
- Greater capacity
LONG TERM VISION PLAN

- ACC Highland Airport (AUS)
- Downtown/Convention Center
- Republic Square
- Tech Ridge
- Slaughter
- Crestview
- P
- Existing Park & Ride
- Existing Regional Express Routes
- Neighborhood Circulators
- Proposed Park & Ride
- Proposed Regional Express Routes
- Colton Park
- Manor
- Auditorium Shores
- Triangle
- Republic Square
- Downtown/Convention Center
- Airport (AUS)
- ACC Highland
- Local Bus Service
- Commuter Rail
- High Capacity
- Rapid Transit
- Dedicated Pathways
- Alternative Operating Route
- MetroRapid Routes
- Transit Priority Treatments
- Red & Future Green Lines

Operating Route

Express Routes
LEARNING, LISTENING, COLLABORATING

Over 25,000 residents engaged to date

City Council & Capital Metro Work Sessions

<table>
<thead>
<tr>
<th>Aug</th>
<th>Nov</th>
<th>Mar</th>
<th>Oct</th>
<th>Jan</th>
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<tbody>
<tr>
<td>6</td>
<td>28</td>
<td>4</td>
<td>30</td>
<td>14</td>
</tr>
</tbody>
</table>

Virtual Open Houses and Dashboard

Stakeholder Groups Engaged

- Technical Advisory Committee (TAC)
- Project Connect Ambassador Network (PCAN)
- Businesses, neighborhoods, government agencies, faith communities, and more
## Peer City Visits

<table>
<thead>
<tr>
<th>City</th>
<th>Project Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOS ANGELES</td>
<td>Measure M - $120 Billion (40 years)</td>
<td></td>
</tr>
<tr>
<td>SEATTLE</td>
<td>Sound Transit 3 - $54 Billion</td>
<td></td>
</tr>
<tr>
<td>DENVER</td>
<td>FasTracks - $8 Billion</td>
<td></td>
</tr>
<tr>
<td>MINNEAPOLIS</td>
<td>System Expansion - $3.1 Billion</td>
<td></td>
</tr>
<tr>
<td>INDIANAPOLIS</td>
<td>Red Line BRT Project - $100 Million</td>
<td></td>
</tr>
</tbody>
</table>
Art in Transit & Placemaking

Integrated Art Elements – Houston METRO

Placemaking – Denver Union Station
Art in Transit & Placemaking

LEED Certified Facilities – Julia Carson Transit Center (IndyGo)

Art in Station Design – Hollywood / Highland (LA Metro)
Transit & Technology

- Proterra Electric Buses – In Service
- Volvo Autonomous Bus - Singapore
- Surface Current Collection - France
- Automated Maintenance - Singapore
- Suica Card – Japan
- Hydrogen Fuel Cells - Germany
Transit & Economic Development

- Every $1 invested in public transportation = $4 in economic returns
- Every $1 billion invested = 50,000 jobs created
- Every $10 million in investment yields $30 million increased business sales
- An estimated $37 billion of public transportation expenditures flows to the private sector
- Home values near high-frequency public transportation performed 42 percent better

*American Public Transportation Association*
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 within 5 years
• Expands capacity by more than 10%
• Recent Federal Average Participation 42%
• Existing Red Line
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
• New and existing BRT lines
CAPITAL METRO INVESTMENT OPPORTUNITIES
• Aligns financial capacity with long term service objectives

• Ensures fiscal stability and sustainability

• All reserves are fully funded
  • 3 months operating reserve
  • New capital expansion fund
  • State of good repair

• Zero debt with AA bond rating
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
• FY 2023 to FY 2040 sales tax growth of 3.75% would generate an average of $36 million 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 REVENUE

Fare Revenue with Ridership Increases
• Additional $17M - $40M per year (estimate)
• 10% fare recovery today

Parking Revenue
• Annual estimated revenues of $5 to $10 million

Vehicle Emissions Tax (VET)
• Existing legislative authority, election must be held
• Long term revenue likely impacted by electric vehicles
• Forecasted revenue between $5 million and $6 million
POTENTIAL OPERATING REVENUE OPTIONS

<table>
<thead>
<tr>
<th>Revenue Option</th>
<th>2028 ($M)</th>
<th>2040 ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Potential Vehicle Emissions Tax</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Potential Park &amp; Ride Fees</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Additional Fare Revenues</td>
<td>17</td>
<td>40</td>
</tr>
<tr>
<td>Routes 801 &amp; 20 Service Reallocation</td>
<td>7</td>
<td>16</td>
</tr>
<tr>
<td>Potential Available Sales Taxes</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>66</strong></td>
<td><strong>106</strong></td>
</tr>
</tbody>
</table>
CITY OF AUSTIN
INVESTMENT OPPORTUNITIES
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

<table>
<thead>
<tr>
<th>Criteria for Funding: Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
</tr>
<tr>
<td>Capital Repair &amp; Replacement</td>
</tr>
<tr>
<td>Operating Reserves</td>
</tr>
<tr>
<td>Debt Reserves</td>
</tr>
<tr>
<td>Leverage Federal Funding</td>
</tr>
</tbody>
</table>
LOCAL FUNDING OPTIONS: CITY OF AUSTIN

Tax Rate Election
- New State Law (Senate Bill 2)
- 3.5% cap on funding increases; election required
- Transparency for voters on specific transit investment
- 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

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Yes</th>
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<td>Capital</td>
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<td>Leverage Federal Funding</td>
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</table>
Local Government Corporation

- Can be established under state law
- Dedicated joint governance to implement project
- Transparency for taxpayers
- Can issue revenue bonds
- Can leverage federal funding opportunities
- Can fund operations & maintenance
PROJECT CONNECT
NEXT STEPS
PROJECT TIMELINE

APR 2019
Project Connect Plan Alternatives Analysis Begins

OCT 2019
October 30 Joint Work Session

JAN 2020
January 14 Joint Work Session

MAR 2020
Investment Program Recommendation

MAY 2020
Potential Investment Program Approval

NOV 2020
Potential Referendum

2021 – Beyond
It’s Go Time!

Community Engagement Ongoing
ENHANCING TRANSIT FOR ALL
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