

# City Council & Capital Metro Board of Directors Joint Work Session Transcript – 1/14/2020

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>> Mayor Adler: We're about ready, if we could have people come in and take their seats. All right. So today is January 14th. We have a special called city council meeting to run concurrently with the capmetro board meeting, one in a series. This one's pretty exciting because it's getting pretty real now. But it is 2:11. We are in city council chambers here at city hall and I can convene this meeting. Wait if you want to convene yours, I'll say something and come back to you. >> [Off mic] >> I think you need to press the button. >> Technology. Thank you, mayor. I'd like to call to order this board meeting of the capital area

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board of directors. It's 2:11 on the 14th. Back to you, mayor. >> Mayor Adler: All right. Transportation is a huge challenge in this city, has been for decades, and huge challenges call for huge solutions. I am real -- you know, having lived in this city for almost 40 years, and certainly over the last 20, it's hard to walk up to anybody in this city and talk about -- talk about Austin without having the conversation turn to traffic and to congestion. It's a big challenge. If we're going to actually do something about it, then we have to act in big ways. We're at a crossroads, you know, we can either serve to actually fix this for generations to come, or we can keep going the way that we're going right now. I love the fact that it looks like we may be teeing up a choice

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for the community that is a true, once in a generation, decision, to actually do mass public transit in this city, to be able to move a quarter of a million people, trips deal in our city is an incredible prospect. Not that everybody is going to get out of their cars to ride public transportation, but, quite frankly, everybody who does not get out of their cars would just as soon have everybody else on the roads get out of theirs and go to public transportation. We have a chance to do something big, truly transformational, once in a generation, and those are the options I want to hear, see us discuss. We're starting now to get a little bit closer. We're going to have the meeting today to talk about it. In March, the staffs will come back with a recommendation. In may the capmetro board and the city council will decide if we have something that's ready to go to the community, and potentially

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in November, the community gets to decide. It's exciting. Today's presentation, we're going to go through. I would suggest, everybody, that we -- this whole presentation takes about 30, 40 minutes. Several speakers speaking on it. Let's get all the way through the presentation in that 30 30-or 40minute period of time and then open it up for questions on all the subparts, but let's go all the way through so if somebody wants to watch this on a video, we can get through the entire presentation. Wade, if you would, say something if you want to, then call some people to speak. >> Very good. Thank you, mayor. I just want to say, first of all, happy new year. Now that we have turned the calendar, November doesn't seem very far away, and there's lots of work to do between now and then. But I think it is perhaps great symbolism that we're here meeting

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together to address this problem in the early days of the year, and I'm excited that we're collaborating to a much deeper degree than this city council and this capmetro board have ever done before I also want to applaud the great work of our collective staff because I know they have been working hand in glove, the team in front and some here at the table, to try to put together the information that we need to answer the challenge that the mayor, I think, has just addressed to us, which is to do the right thing by future generations. And I think if there's anything that should guide us in these next few weeks and months, it is really deliberating hard to make a decision that will survive the future that we want Austin to have and that will provide opportunities for the next generation of folks who will live here, who will work here, who will live in the region but maybe

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not in the city, and to provide them affordable options for housing, good places to work, a commute that's consistent with a great lifestyle. And we've got some big decisions to make. We've got a lot of work to do. And I can't think of a better time to get started than right now. And so, city manager cronk, I don't know if you have -- Gina, would you like to say a few words? >> Thank you, wade, thank you, mayor Adler. I'd really like to just thank the city council for giving us the opportunity to be here today to share with you some of our creative thoughts on how to really advance the Austin strategic mobility plan that you've unanimously adopted and given us the mandate to move the city forward and to really embrace the mobility challenges of the future. We know that there are thousands of people that are moving here to Austin on a regular basis, and they expect a level of service

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from their mobility plans and from the city to really think about how we position this city to be successful in the years ahead. I would like to recognize the work of the entire mobility service group, particularly the Austin transportation department, led by rob spillar, and particularly Greg canally who you'll hear from today. We've worked in concert with project connect, with capmetro, and Randy's entire team here. This is really a joint effort and something that I think we are just so happy to be able to present to you today. I think that we're excited about the opportunities ahead, and we hope to hear your thoughts on the direction that we've set out. >> Thank you, Jean affirm Randy, do you want to make a few comments as well? >> Sure. Thank you, chair. Thank you, mayor. Thank you, Spencer, Gina.

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You know, I don't want to over reiterate this point, but I think -- I want to hit it again. The effort of the staff and the particular -- the way staff on the capmetro and the city are working together is really an amazing example of cross-collaboration between government agencies that I think the public at large should be really proud of. I can't think of a time in my entire career that I've actually seen two different jurisdictional agencies work this close together. I can't say publicly enough how much I appreciate Gina's leadership and Greg on the financial side of how far this has come in the last year of working together. So just kudos to all the staff and leadership, the city teams, wanting to be a partner. This is a joint venture. Capmetro has resources to bring to bear. We're not coming -- you know, we never have come to this approach just to say we can't do anything on our own and we need someone else to do everything, but clearly capmetro doesn't have enough resources to do a large vision and try to move the asmp

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needle and climate action plan needle that we all agree on without a really good partner. So we appreciate all the councilmembers, mayor, and board members to give another round of your time. This is our fifth joint session. We have multiple ones scheduled, as the mayor referenced, and it is a considerable amount of time. I want to highlight a couple of things just before we get going that I think are important. Since we met last, another community has passed a large transit initiative. That was Houston in November. They did a multibillion-dollar referendum to move their system after multiple rounds of investment. Capmetro, we announced yesterday our December ridership was up another 8-plus percent. That's 15 straight months of growth. We led the state in growth. The big issue is, we're starting to hit serious capacity limits on some of our lines, especially P.M. Rush hour, and that's today. Some of these investments we're

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talking about won't be online for 5, 10 years. We have a very big growing economy and growing population, but the stresses on the system are starting to show. Capmetro is in kind of a catch-22. We either can use some of the available money we have and address those immediate issues, but then they won't be strategic to deal with this larger picture. So the timing is kind of of the essence and it's working perfectly I think with all these joint work sessions coming together here in 2020 to really transform our community with public transportation. But I really want to humidity ridership growth and how we are seeing those strains. As we go through this process, I think Dave might hit this a little bit, whatever we do, we want to future-proof our investments. What I mean by that, scalability of technology, scalability of service. I don't think many people thought 20 years ago that Austin would be the size it is today. Maybe some people did and if they bought land, I guess they were very good smart investments.

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But we don't know, really, how big this area could really be. And I think we want to do as much future-proofing of our investments as possible to make sure we're not back in the same position of today, which has limited options to do things. And I really just want us all to kind of -- the more we can think about that long-term, the better. Again, I'll pass to you, chair, and thank you all for being here today. >> Thank you, Randy. Just quickly, we're missing a couple folks. Member Travillion, still doing the public's business. Terry Mitchell, I think, mayor, you is not him on assignment to New York City to study affordability. At least that's what he's claiming. I don't know if that's true, he may be goofing off, but he claims he's on public mission. And mayor Jonesy stepped off our board, and mayor Hill will be sworn in sometime soon, so we may get a guest appearance from him today, but he's new to our

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organization. >> Mayor Adler: We also have our councilmember, Leslie pool, who is out of town and not with us today. >> Thank you, mayor. As the mayor said, I think our hope and intention is to let our esteemed panelists get through their presentation, then we'll have about two and a half hours of free-for-all. So we'll get the fight started here in just a few minutes, but we'll hear from our experts, and then have open discussion to cross-examine at length. Jackie, do you mind kicking us off? >> Good afternoon, mayor, councilmembers, board members. My name is Jackie Nirenberg and I am the community engagement manager for capmetro. I'm just going to start by setting the context for today. The last time we had a work session in October, our project connect team presented quite a bit of data on the potential projects that could comprise our system for project connect.

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Today we're going to explore how we can turn that vision for project connect into an actionable plan by exploring investment scenarios. So we'll begin with a very brief recap of where we've been, then move to opportunities, federal investment opportunities, opportunities that capital metro and potential partners may Burbank to the table, and finally, opportunities from the city of Austin. And then we will look at the transit system and present some analysis on the system as a whole. So a little bit about where we've been. We have been for the better part of a year now, beginning back in April of 2019, been working on what's called the alternative analysis process. In that process, we've engaged very deeply with our community and have gone through several milestones. One of our biggest milestones, as I just mentioned, was

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October 2019 when we had our joint work session and discussed the potential projects for project connect. Moving forward, we are here today to talk about investment scenarios and opportunities. Our next big milestone will be March 9th, 2020, when our staff will make a recommendation on an investment program to our board of directors. And then in may of 2020, we expect or hope for the board to approve that recommendation. And then moving forward to a potential referendum and beyond. All of this time we are doing continuous community engagement, and beyond, we -- really just getting started. If we actually implement this program, it will be even deeper community engagement during the engineering work and the design work. So we have a long way to go. During this time, we have been listening, we've been learning, we've been collaborating on a lot of levels. First on the outreach level,

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we have now engaged over 25,000 team, just since October, the last time we met, 5,000. I mentioned before I'm going to say it again, we have a long way to go. 25,000 is a drop in the bucket. We have street teams, out in events, we're getting requests for presentations every day and encourage everybody to reach out to us, if you have a group that would like to hear from us. We are doing events. We are doing open houses, we are doing virtual open houses. Every time we have a public meeting, we duplicate that online so people who cannot attend can participate online. Then finally, it's really important that we continue to go where the people are. We recognize that most people cannot come out to events that we plan for ourselves. We need to meet them where they are and make it as convenient and easy for them to participate as possible. We've also been engaging with two advisory

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committees. One is our technical advisory committee, which is comprised of partner agencies, and then our project connect ambassador network, affectionately known as the can, continues to meet on a regular basis. In fact, we have a meeting scheduled for tomorrow evening to go over what we're talking about today. The membership of that group is continuing to grow. We get requests all the time for people who want to participate, and everybody is more than welcome. We're happy to welcome new voices and perspectives on board. We've also been coordinating very closely with the city, as Randy mentioned, an unprecedented amount of coordination, including the corridors program through technical reviews, through city council, obviously with these work sessions as well. Moving forward, for community engagement, right now we are still dedicated to educating the public about what it is we're trying to do. As many people as we've talked to, there's still a

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lot of folks out there who don't know what project connect is, so we're determined to get as much information out there as possible between now and March when our staff makes a recommendation to our board. Then once that recommendation is made to the board, we are planning a series of meetings in all of the council districts, including virtual open house meetings online, and parallel meetings for neighborhood groups in all of the districts as well. Then, once we make -- once the board -- if the board approves the recommendation in may, then we will go on with our community education to make sure that people understand what it is that will potentially be on a referendum in November, and we will continue that all the way through November. And then, finally, if project connect becomes a reality, we will have our work cut out for us with engagement, moving into engineering, design, and finally implementation.

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So we've got a long process ahead and we're excited about it. Now I'd like to introduce Dave couch, our program officer for project connect. Excuse me, no, we'd like to introduce raynet. >> Good afternoon, mayor Adler, city council members, and board members. I'm raynet. I'm the cfo of capital metro and I'm here today to talk to you about federal investment opportunities. Now, project connect presents a very unique opportunity to attract federal investment to our local infrastructure. Jackie was telling us about previous joint session, and you may recall on August the 6th in 2018, that the team went in detail about the federal process and how the grant programs work. I am just going to very briefly recap some of the biggest opportunities in those areas. The most significant funding

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opportunity is with what is called the capital investment grant opportunity, or cig. This is the fda's federal grant program for major protects. It's authorized by the fast act, and it requires annual congressional approval every year. And the allocation has carried between 1.98 billion to 3.3 billion per year, nationwide, in the most recent five years. This is a discretionary grant, for eligible, high-capacity transit in fixed guide way systems. It's very important to note that these grants are paid out at a maximum of a hundred million dollars per year. So if you have a 2 billion-dollar grant, then it may take 20 years for that grant to be paid up. Fortunately, there are

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various financing opportunities out there to help finance that grant. The first program is new starts, and this is for the bigger projects with the larger costs. It is for a fixed guide way transit project, and the total project needs to be greater than 300 million, or otherwise the grant needs to be more than a hundred million. Looking back over the most recent four years of grant awards, the average federal participation in these projects is greater than 45%. And potential projects that would be eligible for new starts would be the Orange line, the blue line, the gold line, and also potentially the green line. Next we have the core capacity grant programs. This is for infrastructure investments of systems that are at or above capacity or

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will be approaching capacity within the next five years. The project needs to expand the capacity by more than 10%, and recent awards in this category had a federal participation of more than 42%, and a line that has a potential for this grant is the red line that is currently exceeding capacity at the peak times. And then next we have small starts, which offer smaller projects than new starts, with a total capital project of less than 300 million or the capital grants request of less than a hundred million dollars

in funds. This has a bigger average federal participation of more than 53%, and if you reflect back on the project connect vision map, those would be those purple lines for the metrorapid lines

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that are similar to the 801 and 803 that we operate today that are also seeing very high capacity. The federal government will view this program the same way that we do, and that is that this is a long-term investment in the transportation services of the region, and not just a once-off capital project. The federal government has a robust selection and oversight process and is very involved and cooperative throughout the duration of the program. The fta evaluation criteria for new and small starts are based 50% on the project justification and 50% on the local financial commitment. For project justification, there are six equally weighted criteria, and they include the potential

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ridership of these lines, the land use, the cost effectiveness or the balanceship -- balancing of cost versus ridership, congestion relief or new riders that the system will realize, the economic development effects and the environmental benefits. The fta will also evaluate and conduct a risk assessment based on the technical capacity of the grantee to be able to execute the project. They will also evaluate the financial capacity of the grantee. They will look at partner agreements to acquire things like right-of-way and for utilities, and they will want to ensure that the grantee has the project management plan in place to properly manage the project. They will also look at the track record of the grantee being able to complete similar projects of a similar size.

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The key question here is that the federal government is going to want to make sure that they are making a safe investment, and also, very important, that the community is behind the project. Next, when you look at the local financial commitment, there are three criteria. First, what is the current financial condition of the grantee? Does it have positive historical cash flow? What is the age of the bus fleet? What is our bond rating? And has there been recent service cuts? I'm very fortunate to say that in all of these aspects, capital metro will perform very well. Second, the fta will verify that the local funds for capital and operating funds are committed. Now, what does it mean that funds are committed? There is a definition over to the right on the screen of what it means to have

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committed funds. But committed funds are programmed capital funds that have all the necessary approvals, that is legislative or referendum, to be used for the program without requiring any additional action. Now, this is very important as we choose the various funding sources for capital metro to remember that definition of committed funds. It's also important that the metropolitan planning organization has the project's programs in their transportation improvement plan. And then the third criteria for local financial commitment is that there is a reasonable financial plan and reasonable cost estimates. They will do some stress testing analysis, want to make sure there is conservative planning assumptions and debt capacity available in the

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event there are additional costs or revenue shortfalls. The key takeaway in this section is to remember that there's a long-term investment that needs a dedicated funding source. A dedicated funding source is required not just by the federal government, but it will also be required by the bondholders. It's also important to note that 30% of the local funds need to be committed before the project can be requested to enter into the engineering phase. Next I'll tell you some more about the opportunities that exist within capital metro to invest in project connect. Excuse me. I'm fortunate to tell you today that capital metro is

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in a very strong financial position and that while we have -- like Randy was saying, we can do some things; we cannot do everything. And if you look on the chart on the right, the red line shows our projected revenue stream per our long-range financial plan. And the bars are showing the combination of our projected operating expenses and capital projects. And you can see that, combined, we do project to have some funds available to invest in project connect. The issue is the ongoing operating and maintenance cost of the system, and that remains our biggest challenge in terms in finding a funding source. Capital metro has very robust, long-range planning process and it takes into account future service levels, inflation, contractual pricing

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increases and ongoing maintenance of our assets. Our biggest expense in state of good repair is replacement of our fleet and that is also one of the requirements that the fta is looking for in the financial condition assessment. Our existing operations are also fiscally sustainable in the long-term and are stable, and all our reserves are fully funded and totals three months of operating expenses. We also

started the capital expansion fund in fiscal 2018, and to date, we have accumulated \$40 million in that capital expansion fund. And while we have zero debt, we do have an smp credit rating of aa minus, that puts us in the top tier of mass transit entities. Capital metro was cited our

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very strong management and governance, bolstered by prudent financial policies, very strong liquidity position, and strong economic fundamentals as key factors in underpinning our strong credit rating. The capital metro board asks staff to identify potential funding opportunities for investment in project connect. And the next four pages will show what opportunities could be available, should our board choose to adopt certain policies. First, we have funds available for one-time use. I spoke about this capital expansion fund that we continue to invest in, and we estimate that by the end of 2022, we'll have between 60 and \$70 million available in that fund. Second, we have also been funding the project connect process for a total of

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\$56 million over seven years, with \$13.4 million spent to date. So these are the one-time funds, and then talking about ongoing revenue sources that are potentially available to invest in the ongoing operating and maintenance cost, O & M of the system. 80% of capital metro's revenue is coming from the penny sales tax in our service area, and we have been enjoying an average of 4.5% growth in sales tax this century. That is phenomenal when you take into account that that included two [indiscernible]. In the long range financial plan model, if you assume that sales tax is growing by at least 3.75% in the future, then that would generate an additional 36 million per year that we can put towards project

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connect service. And this is taking into account the continuation of the funding of the existing operations, as well as our asset requirements. In addition to that, we also have to consider that the Orange line and the blue line will replace some of the service that is currently in place on the 801 and on route 20. And with that service cost being repositioned for the Orange line and blue line, that could potentially bring in another 7 to 16 million in annual O & M for the Orange and blue lines. Next, to look at new revenue options, considering that the new system will provide additional services and also have additional ridership, that could generate an additional 17 to \$40 million

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in fares. This is dependent on the final system plan and ridership estimates and will be further refined as we progress through the analysis. Then we are currently not charging for parking at the park & rides, but if we were to start charging for parking at the park & rides, that could generate an additional \$5 million per year. Then there is the vehicle emissions tax, and we have existing legislative authority in the transportation code to levy a vehicle emissions tax. This is an annual charge. To give you an example, a sedan would be approximately four to six dollars per year while a truck could be eight dollars per year. But note that the vehicle emissions tax would require voter approval in an election. That could also generate

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between 5 to 6 million annually, but the growth of this will be impeded as the electric vehicles are being adopted more generally by the population. So in conclusion, capital metro is in great financial shape, but cannot afford to pay for the entire system. If the board were to choose to pursue all of these opportunities, it could generate between 66 and 106 million per year in 2008. So while capital metro has funding available to invest in project connect, it cannot fund everything. The funding of the O & M is the biggest challenge, and the fta will verify that the funds are available and committed, not only for capital, but also nor for operating and maintenance, as well as replacements and

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maintenance of the assets. Next I want to talk about potential other partners in our area. Our service area includes the city of Austin, our biggest city. And then it also includes manor, Leander, laga vista, Santa Anna, and some unincorporated areas of Travis county and Williamson county, they all contribute a penny of their sales tax to capital metro. Many cities outside of our service area have developed or are in the process of developing their own transit development plans, and we are contracting with some of those cities to provide services to their communities. We've also had discussions with Travis county, but they are very limited in what they can do. Counties lack the statutory authority to issue date to fund transit infrastructure or operations.

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They can participate in the funding of transit projects through an interlocal agreement and through annual appropriations, but they can only contract one year at a time. And counties also have the authority to participate in tax increment financing, also called a tif, or in tax increment reinvestment Zones, also called a tirz, that was designated by a city. We're also working with ctrma on potential park

& rides along toll roads. And talking about the state, the state mostly funds highways, and they do some passthroughs of federal funds for rural transit. Not so much for urban transit. And then campo's policy board may have the opportunity to give some highway monies towards transit. Many of you serve on campo's

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board and can make those type of decisions. With this, I'm going to hand it over to Greg canally, who I've been working with at the city to identify investment opportunities. >> Thank you, raynet. Good afternoon, mayor and council, board chair and board, I'm Greg canally with city of Austin finance. As raynet said, we have been working in partnership, and to echo what Randy and Gina have said, said it well, I think we're sitting here today with some ideas and new ideas about how we could look at investing in this large -- this large system that has been worked on so well, and I think a lot of it comes from the conversations that we've had, the collaboration that we've had to get here today. I think as raynet just mentioned, I think it's been known that capmetro has had the ability to put some funds into a potential investment of this size, but not significant or sufficient enough. And I think because of that being known, we've had clear

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policy direction from the city council around this. I think starting first and foremost with the adoption of the Austin strategic mobility plan, which at the core, was the goal of getting us to a 50/50 mode applicant, and the city high-capacity transit system. In addition to that, this past August, the city council passed a resolution even more specific and directive around looking at ways for the city to leverage the resources and analyze those resources to support the creation, I think key to this language, is operation and maintenance of a high-capacity transit system. So moving beyond just the initial capital funding, which is really a conversation we've always had, but adding on these two critical components, I think, is really -- has been clear for the community that we need to look at an all-inclusive financial solution. So with that direction, again, we've been working closely to come up and put

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together some options for consideration and discussion for today and in the upcoming month as we continue working. Building on the work that you've just heard from raynet and looking around the federal funding, such a significant share, we want to make sure that we can access that funding to get 40% for a local project. We first really started looking at our options, first from a lens of what should the criteria be for the local funding, before actually solving for what it should be. First and foremost, we want to make sure that we can look at funding sufficient funds for the entire investment and looking at

a financial, sustainable model over the course of time, not just up front. And all aspects of the investment, I think raynet touched on this as well when she was going through the federal investment opportunities, again, things just beyond the capital cost we talk about when we talk about building a new system,

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but it is the operations and maintenance, which I think in the past has been an issue for us to get our hands around how to get a source that we can fund, but also work with the federal government to show them that it's a sustainable and ongoing funding revenue stream. And also something, those things that you read about a lot now throughout the country, that older systems are dealing with, is taking care of their systems that they built 20-30 years ago. I think there's lots of examples in the United States, as elsewhere, the idea of capital repair and replacement. I think the language that is used is state of good repair. So we want to make sure that we can map towards that as well. Then also important things for the bondholders for fta, for our financial practices, the idea of having sufficient reserves, both from the operating side and debt service. And stressing again, the need to make sure that the federal funding requirements, that we can leverage all of those. I want to mention another source of funding at the federal level, in addition

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to the two programs that were highlighted, the federal government also has a transportation infrastructure financing act that provides really low interest rate investments and funding and borrowing, even lower typically than what the city can get with our aaa credit rating. So we want to make sure that we have access to those funds as well and the criteria that we want to try to map towards. So I want to lay out a few options. This slide is really talking about our tax rate revenue, and it's also a little bit educational for those folks that are not as familiar with how the city tax rate works. I think it's going to come into play a few slides down from now, talking about it. But the city's tax rate, we are one of several jurisdictions that levy taxes, and the city's tax rate is currently about 43 cents. Of that, there's actually two pieces of the tax rate. One advertise operations and maintenance rate, and that is used for the general fund

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purposes, for public safety, parks, library, and health, and our debt service piece. Sitting here today, in January 2020, both of those funding streams are all dedicated. We go through an annual budget process with the community, and as the city manager putsies proposed budget together, with the council, in advance of that budget, for several budget cycles, typically the needs of the community outway where

we are with our general fund revenue. Any changes to that, to look at using this existing revenue stream from the O & M would require reallocation away from some of our current uses. The same goes with our debt service rate. Debt service is the portion of the tax rate that we use to pay off bonds that have been authorized and authorized by voters by bond elections. So what we're using that revenue now is for both the existing debt, plus we have planned for the debt that has been authorized but we still need to implement over the upcoming years.

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We're going to talk about the next slide with some other opportunities, and we want to talk about one of these, the idea of value capture. We know this discussion has come up in previous joint work sessions as an opportunity. The big value capture opportunity that we typically talk about in the community is a tax increment reinvestment zone, sometimes referred to as a tif, generally used as a financing tool to look at encouraging economic development. What makes it work is in a very defined zone or geographic area, and it's authorized under chapter 311. The idea is you set aside property tax revenue for the specific purpose above a base years, then invest them in that zone. The city of Austin has been very strategic and specialized about the use of our -- of this tool, of this economic development tool. A lot of it has to do with our financial policies around our tax base and our assessed evaluation. Our current policy calls

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that the value of land and improvements inside any Zones or combination of all of our tax increment Zones will not exceed 10% of our tax base. Again, this is a financial management tool and a financial practice. So while we don't think that, in itself, value capture and specifically a tif could look at funding a large investment that has been discussed over these months when it comes to project connect, we do believe that it can be a tool to leverage place-making opportunities and investments, leveraging private sector investments, as well as trying to achieve public policy objectives around transit stations in the future as we get closer to building out stations. I think this community has had a discussion over the last decade, I think the term we've used is tif for TODs around transit oriented development, to do investment not included in a project connect investment, things we know from a policy

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pepper, affordable housing and others, to leverage that tool. It's something we're going to keep tracking and looking at as we move forward. I really want to get into kind of the two core funding options we've been looking at that we wanted to put out there for discussion topic. The first is a general obligation bond. I think the community is familiar with these. These are voter referendums where we go to the

voters for either a single or multiple proposition referendum for specific dollar amounts for each of those propositions. As part of those propositions, voters not only authorize the dollar amount, but they authorize the imposing of necessary tax levy of the bond program, it's about that debt piece of the tax rate levying and in the past, increasing that debt rate. Just some historical kind of

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background, since 2010, the city has conducted six bond elections, and our financial policy really requires us to look at having bond elections when we're about two years out from our remaining bond -- appropriations and bond sales that we need to do. Right now, we would project the next general obligation bond program, which is usually a multiproposition bond program like we had in 2018, would occur in 2024. That being said, we have had special single purpose bond programs. In fact, one of those occurred in 2016 for a large investment in our mobility of over \$700 million, and that is one of our active bond programs that we're in the process of building out. In addition, the other large active bond program is the most recent one that was approved in 2018. So both of those bond programs are active projects, in development throughout the city,

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throughout the community, and both those bond programs are looking -- they're six- to eight-year bond program from an implementation perspective. Applying this tool to the criteria we laid out, certainly general obligation bonds are great at raising capital. We know how to do that, we know how to go to the bond market to get this capital. It does not meet the test when it comes to operations and maintenance, which I think in the past has been an issue as we've mentioned. Also, typically we do not use general obligation bonds for this capital repair, state of good repair. We typically use operating funds for those. It does meet the ability to do our debt reserves through our general obligation debt reserve fund. Cannot do the operating reserves. And it can partially get at the federal funding, but not entirely, specifically around the low interest loans of the tif program that I mentioned. So another idea that we have been pursuing and want to do

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kind of put out for discussion is the idea of a tax rate election. Tax rate election is not a new idea for this community. In 2012, the community went to the ballot, in November of 2012, for central health, one of our partner agencies in the community, for them to kind of change the health care delivery system in Travis county. And to support the university of Texas and the Dell medical school in their build-out in operations. And that was a successful -- that was a successful referendum, so the community does have experience. In light of the new state law that I think most people are familiar with, the new state law,

senate bill 2, around local property taxes, it took the prior cap on how much revenue a local entity can bring in year over year from 8% down to three and a half percent.

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And, again, this just applies to the maintenance and operations piece that I mentioned on the previous slide. The other change in the new statute is that if a city went above this now three and a half percent, it would be a mandatory election. In the past it was a rollback election a petition-driven election. We actually think this statute provides an opportunity for transparent in going to the voters for a specific transit investment. At the core, it addresses the legislative intent of allowing the voters to decide on local taxes and how they should be spent for such a large investment. Mechanically, how it could work, the new piece of this tax rate, if it was dedicated per the election language, would be dedicated to this specific purpose. And I think really key to mention here is that if this was a path we would pursue, it would hold harmless the

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existing part of our operations and maintenance tax rate, so those funds and the uses for those funds are public safety and parks would not be impacted by the addition at 3.5%. . Would not be impacted by the addition at 3.5%. this provides an opportunity to hit all the boxes and important to focus on again is the operation and maintenance, something we have over the years struggled with how to fund, in itself a transparent way of looking at the full long-term financial investment like this in one possible referendum around the tax rate. We've also been talking, you know, a partnership, I think you've heard is the theme that started off with Randi and Gina,

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how we've gotten here, what's key to us is this partnership working but also how we can move it forward so it is a concurrent discussion when we're looking at the financing, we know how something can be implemented is important so we start looking at option what is a potential partnership framework could look like and again wanted to put those out there the idea that with both partner agencies, the city of Austin and cap metro, would join the funding resources and cap metro is the grandee from the federal government would also be able to bring those funding sources together and an option is to form a robust, rigorous local government corporation. The city has some experience with creating local government corporations. Our initial thoughts are, again, this is regardless of the funding source that we would bring in to the table, we believe a strong partnership that is put together as a joint



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venture is necessary regardless of the funding stream, but a local government corporation provides the state statutory way to get there. Local government corporations are actually defined under the transportation code, specifically for cities under chapter 431, subchapter D it allows for a few things, I can that are critical. First, allows for dedicated joint venture who entities partnering funds, we want to make sure there is a way to implement those funds jointly. Very top line, it provides some very high level transparency for voters around specified purpose. There is the ability for the lgc to issue its own bonds using a revenue stream from both of the entities and most importantly, I believe with look at really again we want to try to fully leverage all the federal funding opportunities that would be out there in this lgc as an Eade can

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help us get to that -- an idea can help us get to that point. I'll turn it over to Dave now. >> Thank you, Greg. Mayor, city council members, chair cooper and members of the cap metro board, I'm Dave couch, the project connect program officer. What I would like to do is take us through the next series of steps that we started back in October and the point I would like to make is in October, what we showed was two different high-capacity lines, the blue and the or rack line, each with independent utility with that came a series of capital costs, ridership and operating. Now we've taken it and the next portion is presentation, will be how that looks when you start to do things as a system. What it is that allows to you operate certain ways, how there are changes in the ridership,

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how there are changes in what the capital costs are and operating and maintenance. As you step through each one of these different potential ways to go ahead and look at it on a systems basis opposed to just two individual lines. I would like to start with what is the underlying portion of project connect. These are pieces that are not the high capacity. These are other sections of the rapid line similar to the existing 801 and 803. There are seven was those, and those are showing in purple. The map that we've got, the vision map. The red and the green line extension, expansion of the red line is a potential and also out into the future potential for the green line. More metro express and park and rides bring people from the edges of the region into the downtown, into the core, so that that provides that reach out into a true regional basis. We started the neighborhood

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circulators, the pick up service, have six of those in place. With the vision to go ahead and increase those so it provides that connection from the individual neighborhoods into the sections that will have the higher capacity. Support facilities as we go forward, there will be a bus garage. I also look for a fair collection system that would be there and there region wide. Those are the base pieces that are there and those underly everything that is there for the over all high capacity program. If I go to the high capacity option, afternoon afternoon and I start again with the section we had on the over all vision map, it has got the Orange line from tech ring to slaughter, the blue line from the airport into downtown and republic square, and each one of those results in a ridership because you've got that combination, the intercomp nexttivity, if you will, so it -- interconnectivity, if you will it looks at rightership,

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what is there for the street level and you look at what the intended costs are when you look at what is elevated. The next piece is the down town tunnel, this would give you, again, the connection that is there for the number system full system but now the advantage of the downtown tunnel that would eliminate things that are there that are interferences, it would provide better efficiency, a safer system. You would get things off the street short fall you would continue to utilize the existing street level for the local bus service and other services, so it gives you that separation, if you will, to be able to have that. It gives you the ability to eliminate what would happen in a lot of downtown, the traffic network with a number of street lights you could wind up having

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to stop at. It gives you that increase by having it under ground in this case, we're looks at something that is a 1.6-mile tunnel section that would be conceptual in Guadalupe, 4th street and the lower portion of Trinity it goes ahead and gives that portion in the core, then would be able to provide that safer, more efficient and separated service. When we take it to the next step and start to look at what is there, in terms of how you second cent shallly do things -- sequentially do things, this is that visionary multi-year system we would be looking at. The starting point will be something that could bes in the city of almost a right of way. As we start to look at that, and look basically also at our service locations, look at what we have for the north Lamar transit center and our major

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center down at south congress, those are two operating points in the city street network that could be the locations that we would have for the northern and southern end of the Orange line. In sequence, then going forward, also the utilization of the blue line from the airport and, again, this gives us something we can start as we're now looking at a system basis to be able to do interlining, something to

take the blue line. Instead of 910-minute frequency. -- 10-minute frequency, we would get that to a 5-minute frequency. That makes it more attractive for riders and will allow and shows you you have an increase in ridership. With each one of these, as you go forward, there is the change in each one of the capital costs in this, when you compare what would be there for light rail at the surface and what would be there for elevated.

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It is a smaller number on the capital side than what was there when we started to look at the over all system because it is a smaller area. The length would be a section originally looked at as the blue line, the section that would come down from the north at ACC highway down to the downtown station and across 4th street, so that would be run as a brt line. And then, at the ends, you go above the section that is the north Lamar transit center that would continue to be the 801 and the southern stretch from the south congress transit center all the way down slaughter. With that, and I'll summarize each one a couple of slides back it show what is occurs when you start to do the ridership and then the costs that are there as you look at changes that are outlined. The brt system, again, looking at the city right of way and the

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service area that we've got, and you start to look at what is there for the Orange line. In going again to the concept of a downtown tunnel, at this point in time, it still is that core section in the middle of downtown with the limits on the Orange line that are north Lamar and the south congress transit center. On 9 blue line coming in from the airport and again that interlining, to be able to run at 5-minute frequency up the Orange line. So that gives you that core section and, again, with the gold line coming down from ACC highland, and across and into republic square, at the same time we would continue with the utilization of the 801 to the north and to the south, but in this case, we go ahead -- okay.

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The downtown tunnel section, this is the same concept we had for the full vision with that downtown tunnel section, basically something that would be part of the way on Guadalupe, also across 4th street and then a portion of Trinity. About 1.6 miles of tunnel. With that, you see the ridership is at the 270,000 per day level. The cost for this at street level would be some \$5.9 billion, with an annual oem cost of \$63 million. Those are the four different ways we have looked at it to approach this on a systems basis opposed to what we had done when we looked at it on an individual line basis previously. That would give us the ability to go ahead and go in a sequential construction method and do the things that would be here for the central portion, for the city of Austin right of

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way and the extension to the north and south, beyond that. As every other system in the world has the grown, you don't start with a full system, and as you look at this with respect to what the construction techniques would be and the timing for the construction, it is normal that you would start things and go ahead and build systems from the core and center and go out. That's part of what under lies the concept of doing it in an area that is there within the section that is the right of way of Austin and gives us the ware area that is the main points of service also at south congress. If I take all of that and put it into one chart, as a comparison of each one of the different portions that I went through earlier, when you take the bus, rapid transit, and harkening back to the discussion we had at the meeting in October, you wind

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up with bus ratched transit by the time you get to 2014, basically at capacity. So return on investment at 2040. The construction timeline to get that in place, you would be looking at somewhere in the 14-year time frame you would have that investment in place and have that capacity there. When we start to look at the same thing that is there for the bus rapid transit on elevated, it also brings up what the cost is the intended cost that is there for the increase, when you go to an elevated system. When we look at each one, when we say mostly street level, it is about 10% of it might be elevated and 9 other 90% would be at street level. The portion that is elevated is about a 50/50 split to where we are right now. This is the very, very

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beginning, conceptual stage, it is based on early plaining and there is a lot more that goes into the engineering analysis, noting only where it could be, what it could be, how it could be, at grade or above, but also refinement of not only that but also capital operating costs and ridership. If I move over to light rail and look at what the over all vision map is, it brings us back, if we stay, I will go through them mostly at street level portion, it gives us, with the vision map, some 277,000 customers per day, with an 5.9cle in 5.9 billion in cost in the operating that's shown. As you start to go through what it would change in the downtown tunnel, it is about a \$2 billion difference what is there, at grade verses the tunnel section in. Look at what is there for the city right of way it.

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Takes us to something that comes down to a 3.9 billion initially, that part the sequential that would be there, and the downtown tunnel, it would come up to 5.9 billion. Those are total costs and it important we look at those as total costs. If I use the example of the last one, which is the downtown section, the city of Austin right away it would -- that 5.9 billion would translate to 2.4 billion, which is the anticipated federal share and some 3.5 for what would be the local share. With it also comes the \$63 million annual operating and maintenance cost which Greg addressed earlier in different ways andity potential to be able to get funding for that. Elevated, as you look at that, it has the increasing cost because of the fact that you are going with the elevated structures, it is about 50% elevated, compared to the 10%

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that would be included in light rail. So each one of those numbers, while there is an increase in what the ridership is, there also is a large increase in what your capital costs are. So each one of those pieces as you start to go forward reflects an ability to increase ridership if you're elevated, it brings with it a cost and each one of those trickles through the four different wares that we have gone through tomorrow go ahead and take it and summarize it, so that we have got not only what the high capacity is, which is the first line, also what it is for those initial systems elements, the \$1.67 billion that I summarized at the very, very beginning be, it gives you just using the column to the right, if I could, it shows you that if you had elevated, with the tunnel, you go ahead and there is an increase with that because

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the 40% on the federal side, you're looking at something that would be in the \$4 billion range from federal. If I back away from that and go to the other extreme for the light rail, at street level, you can have something that, for the vision plan, it would be 3.9. You add to it the pieces that would be there for the initial investments, if you will, for the other systems implements, the federal share would could back, the 2 -- would come back, 2.2 with a local share of 3.4. We want to show what the differences were, the distinctions were, before originally in October to show the independent utility, on the systems basis, all of the lines and all of the different features acting in concert to show what that change is in the ridership. That concludes -- the last piece

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that we have is what the additional steps are as we start to go forward. This is a very, very large investment. We have to look at what that translator to in terms of project funds and also governance. One of the steps is to develop a program, construction, basically sequencing timeline. I talked a little bit about sequencing when we were going through the portion that was related to the area that was: Was: Within the city right of way. Develop what is there for revenue and cost model that is compliant with the

fta requirements. With the expectation that the vast majority of this program would be funded at or above 40%. The last piece is something that Greg started to talk about, was establishment of roles, responsibilities of capital metro, the city, and the potential for the creation of an

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lgc, a form that joint venture would be able to manage and deliver the program. >> Thank you, Dave. Thank you all for that good presentation. I think everybody can see a lot of good work has been done and we really advanced the ball in terms of questions what do we want to build, how can we pay for it and how do we do governance with that, I think mayor with your concurrence, what makes sense is for people to in clockwise order, cross-examination or comment. With that, I'll hand it to you. >> I don't need start so if anybody has any questions, we will start where they are. Anybody have any questions for these folks right now? Yes. >> Try to get this a little closer. You know, this is a great opportunity for Austin.

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You know, my biggest concern is as we have seen the other rail systems and especially around the east coast where they don't have the funding to keep the maintenance upgrade to it. If we're going to be investing this kind of money into a system like that, I would definitely encourage my colleagues that we look at all possible funds outside and inside, and if we do have to go to is a local voters and ask for a maintenance tax to maintain and operate this, that we make sure that we make commitment that we use those funds solely for that purpose and not be allowed to divest it any other way but use it for the maintenance and operation, because that's very important. You know, also, if we -- if

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we're going to go into a rail system with a computer also that we do go out and make sure that we contract and negotiate with all the other communities and make sure that they are willing to get on board before we do any expansion into the metro area. But, I think this is something that has come and we're reaching that point now that we have no other way of moving people around Austin but through, you know, a mass transit system, and I'm going to support that but I want to make sure we make it a commitment that these fundings do get dedicated to the operation and maintenance of the system. >> Council member Flannigan. >> We had some great conversations in October and they were briefly mentioned

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today about ridership projections and capacity, and I wanted to kind of comment on that again, make sure I'm understanding it correctly. With a bus system, a brt system, by the time you reach 2040 or maybe even before you reach 2040, you can no longer fit any more buses on the line. Logistically, geometrically, you are amaxed out. Is that right? >> You're looking at peak ridership, the peak of the peak, and that is the max served with brt. >> In that scenario, billions would have been spent and in 20- years we won't be able to use the system we built. That's the problem with bus. >> You're beyond capacity, yes. >> So you're talking rail. I find that kind of exhilarating and nerve racking. That is a big question of light

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rail street and with tunnel. It was talked about in October against the ridership capacity number because of the number of cars you can platoon. Can you explain why the tunnel gets you more capacity? >> The tunnel gets you more capacity because you do not have any of the interferences that are there, whether it is traffic signals, whether it is bikes, scooters, pedestrian crossings, traffic signals, you're completely isolated and it then allows you to go ahead and decrease in he essence, the run time. When you decrease that travel time, it gives you more capacity, it allows to you go ahead and put more vehicles there it also gives you the ability, because if you're on the surface, you're restricted to basically a three-car, and we're looking at what the alternatives are in the future to be able to do more to provide

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any extra extras beyond that. >> And -- extra capacity beyond that. >> My understanding is running surface rail through downtown would degrade compatible bus service because it would impact the priority lanes and right of way and would be, again, a very difficult geometric problem. >> That's correct. >> And the street grid, our downtown is pretty small as far as downtowns go, you can't block all the lanes. >> We get limited because of the downtown grid. Two, not being able to have any more than a 3 light rail vehicle consist, which we could do things which may be possible in we go under ground. That is something as we go to the future to look at it. We've got to do a lot more than we are at the current stage of the preliminary looks. >> I understand there are benefits of safety and applicability, but I'm thinking we're going to ask the community

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through our work here to make a very big decision for the future of the city, future of the region. And what is exciting about the map is that it is not just about Orange and blue, we're talking about a system

that touches almost every corner of the city, and we're talking about not just a major investment, we're talking about rail in a tunnel. That's a subway. I mean, wow! That's what real cities do. In fact, not only do real cities do it, other cities are now starting to do it and wish they had done it. Dallas is in the middle of that conversation now. It seems like, as I interpret this information, and I poured through it before today and a lot of the analysis leading up to today, we go small and fail because it will be full by the time, you know, 10-years after

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it is built, you can't put more in it, or we can make the right investment for the future of our city. That seems to be the choice in front of us. The other thing I'm excited about is we're not talking about doing it the way we tried to fail before. I'm glad to see your analysis on why bond elections are problematic when it comes to transportation. We did that resolution in August to think bigger than bottom elections because they limit our ability to do the work, they also limit our long-term ability to make it continue to work, as council member Renteria said, if you just build it and don't maintain it, it stops working. The tax rate election as a tool is something that no one in Texas has done, because essentially, -- that no one in Texas has done, because I don't imagine that's what the legislature imagined but it does

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allow us to dedicate these funds to and there will be a legal restriction to the funds to transit or transportation and it will be clear and unassailable. Is that your understanding, as well? >> That's correct, council member. It does provide an opportunity hit all the criteria for the oem long-term but certain flee craft anything potential referendum, you would look at a dedicated source, a dedicated transit revenue source that is valuable for a couple reasons. First and foremost with the federal government, we need to show the funds are exited long-term, so what you said is correct. >> So the last thing I have to say is, the other question that I know I will hear from my constituents is what else could we have spent the money on to fix traffic or address transportation. And it is not that we don't have an example, have a multi

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billion dollar propose AI. In my district we recently lived through the construction of a new highway. I moved into far northwest Austin when 183, there were stop lights. I lived through all of that construction hundreds of millions and now billions other time to invest in that corridor and now the traffic is worse. It's worse. You can spend \$4 billion at the road and it is at capacity the day you open it. The famous example in Houston, the widest freeway in the road, worst traffic than before they started it. Or we make an investment in our community and it lasts for generations because of the unique



qualities of subway. I'm very excited about this. I want to do a lot more work on the governance piece, that is the last piece to nail down and understand. When I've done my research on other cities that struggled, end up, the money guy is not in charge of the decisions and the

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decision guy is not no charge of the money and things get crazy. Our lgc guy is getting crazy but this is a big decision for us and the community and it is time to make it. >> Thank you, council member. Member kich in. >> You go first. >> Harper Madison. >> I think I echo so much of what council member Flannigan said, sort of segue, the thing about the lgc, some of my questions about the logistics of the ldc. Is there a dedicated staff for that government corporation, do they work for the city, do they work for cap metro, just sort of interested in some details. >> Certainly, council member. We have in laying out a big picture structure around lgcs that's some of the work we want

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to do starting next week, I think starting tomorrow, start looking at ultimately if the goal is to make sure we could follow through on implementation of the transit investment, what is the best structure. It could be a hybrid model, there is city staff and cap metro staff and dedicated staff to be eyes on the prize getting that work done. So we will be working with our attorneys, law attorneys to look at what that structure could be in lay out options around all of those questions. We think there is multiple ways to get there. We want to make sure that the set up, again, is aligned to help with fta, we need to show that there are not only the funds are committed, but the resources and the capabilities exist at the lgc level carry it out you fundamentally, a

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co-creation council could be created and we want to make sure the oversight of the creation on the front end, the city council and the cap metro board, as that gets created, it is long-term. There's feedback loops, report backs, independent audits about what is happening. We have particulars to work out able we will continue to dive on that over the upcoming months ever coming back with a specific recommendation around that. >> Thank you, I appreciate your respond. You answered my second question, follow-up question, about accountabilities being wilt into the system but the audits you mentioned and other things satisfy that curiosity. I have a question about backlash at the state level. Do we have any concerns about raising taxes specifically fortran for transit and how that will play out at the state level. >> Who wants to take that one? [Laughter] >> I think that the, you know,

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the legislature has limited certain tools and there are certain tools that they have chosen not limit. They have, the legislature has put specific rules on how do you bond elections, that might include rail or transit. And we need to comply with those rules under state law, they have put in rules about how much we could increase a tax rate without going to the voters, but when I was up at the legislature speaking on behalf of the cities, I heard all of the legislators, the governor's offices are lieutenant governor's office, the speaker's office, repeatedly say if there is a project your community wants to do that would require your city to go beyond 3.5%, then we are drafting a

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legislation specifically to allow your city to do that without a vote. If it is important enough for the community, let the community vote to do that. And there is precedent for that. It's exactly what we did with the medical school. The community said we wanted to do a medical school, we dedicated a dedicated tax rate to do the medical school. This is doing the same thing we did with the medical school and it is the way the legislature, I think, told us we are supposed to move forward on these things. >> I would just reiterate from the cap metro stand point, we've had a very good working relationship with txdot. And txdot, in fact, made a major grant for the downtown station so I don't think there is other reason to expect anything other than great expectations to how that would work. >> Thank you tomorrow have a fully functions multimodal transportation system we need major upgrades in terms of

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infrastructure, and so I want to find out if the investment and transit will also somehow subsequently impede the investment for sidewalks and other infrastructure. >> President Clark? >> Council member, I think that is a great question. It is something we heard a lot during the community engagement process. I will walk you through an example I think will help articulate how valuable the transit program could be to the other modes of walking, cycling and eastern quite frankly -- and even quite frankly shade and things like that. The reason it seems like a lot of money is we're not putting 2-6 rail, down the middle of a street and trains run on it. You have to fundamentally change the structure of the street itself, so a piece of a roadway, let's make it easy, south congress, needs to be resurfaced and there is a trainage issue, could be old utilities or signal

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lights, say some of our sidewalks are in disrepair or missing and say part of our bike network is not there. When we're done with that corridor, if you will, the light rail segment, all of those components get gone. So it is kind of like pretend the street looks like X today and when Y happens, you have in this case, light rail down the middle of the street. New resurfaced roadway, new bike facilities, new pedestrian facilities. Probably drainage and utility improvements throughout the corridor that's the only way to do it. That is why it costs more but the value the federal government basically pays 40% of that program. Two things, one it quickly accelerates the sidewalk master plan and bike master plan to take all those components this' not just Orange and blue.

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There are some components in purple, you need null Ada accessibility aspect to that whole block. It is a fair amount of the city. If we can take advantage of those programs through this, were it is Ada or other operational dollars or future dollars for leverage to spread this to other areas of the city that need that, as well. Again, the more we can maximize programs for 40% federal funding, those boxes kind of get checked and that gives the city the money to allocate money for the specific tasks. I hope that gets a better, using an example of how that money could be spread. >> Thank you, that's helpful so, lastly, it is hugely important the people of east Austin see tangible upgrades to their exist service, as we're having the

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conversation about future programmatic investments, I would like to know if there is any future investment in the metro rapid lines, excuse me that make them more attractive than regular bus service and what can council do to help cap metro to achieve that, you know, stuff like right of way transit priority lanes, Q jumps, signal protections. Just want to make certain that our, like you pointed out, robust partnership is seeing tangible benefit. >> I'll take that again, and if you want to add in. First of all, I very much appreciate -- right now we're probably getting everything I could imagine out of city staff. The reality is we can tonight so much at one time bull we've implemented bus priority lane on 5th street. When you say 5th street west,

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people go, it sons west side. It doesn't matter where the segment of priority is, it affects the entire line. Everyone on that service, no matter where you are on the line, gets the benefit of a congested zone being taken care of. We have a lane on Guadalupe that was a really big partnership and that moves about 25% of the actual buses to the peak rush hour. There are are people living in tech ridge getting advantages from that lane near mlk, as an example. As you talk but grades, while Orange and flu is

getting a fair amount of attention, on slide 28, the elements, we all should remember our goal, and cap metro unanimously approved the vision plan and city council approved the vision plan, we have a neighborhood pick up, we have a couple in your district,

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it could be things like improved bus service which could be some metro rapid lines. For instance, in the technical analysis right now, the expo line looks like it will have the highest level of our return on investment, and that is Maynard road so that might be up be one to go into the process. Green line has been a discussion piece what components would come together there. And the express bus pieces, as well, which we're working with ctr. We should always try to go back to the vision and to Dave's point, a logical sequence to get things done. We have a group called -- what's the name of the group? The improvement group? Veteran transitism provement group. Sorry it has been a long week and it is only Tuesday. Our team and the city staff,

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they meet every two-weeks, they go through the data to continually move the service better every day. It is a combination of daily tackle and long-term sequencing. >> Council member kitchen. >> Kitchen: Thank you, I think you answered a lot of my questions and thank you council member Har per Madison about the questions you raised about the whole system. Randi, I think you said slide 28 shows us, if you look at a combination of slide 28 and then what we're talking about for high capacity that will get us this whole vision plan, am I understanding correctly. >> That's correct. >> If you look at 34, those are

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the projections to get us the whole plan. That important because as the council member said, we are looking at a system, a system that works for the whole community, and in some places, that's park and raids or neighborhood circulator he is and other places it is ensuring the bus system is as best, doing what it needs to be. In other words, dedicated lanes and as rapid as possible. If I understand correctly, that's what we're showing to get to the whole vision plan, right? >> I would say the oil nuance to that, the vision plan two also be components outside of the city of Austin, so we're very much partnership cap metro and the city of Austin today. You will see them separated. There are parts of the express service we know we need to improve in the city elements and cap metro service in the city

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areas. There are places, when 35 gets resolved one what, whatever resolution looks like often 35, we should be returning as a region -- should be running at a region. Those aren't the responsibility of 9 city of Austin, but as our region goes, cap metro will form partnerships with other regional stakeholders to be added to the vision plan. There is an Austin piece, I would say the foundation of the house and slowly but surely we will add rooms or paint rooms or whatever analogy you want to say as the region evolves. >> That would mean, for example, on slide 28 where we talk about metro rapid, additional dollars that would mean, for example, additional improvements to 803 as it goes down south Lamar. And see the purple lines.

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>> That's correct. >> All right. And then, let's see, . >> I should mention that is also the electrification of those lines, as well. Some of that might be more buses, it might be buss that are 40-foot that turn into 60-foot buses based on capacity ante hand modeling, everything we want to move forward to is zero emission. >> We have additional work to be done in parts of the road that are not city of Austin right away so we have to slaughter and we have portions that don't belong to the city of Austin. Can you speak to that? >> Those are areas that are txdot that we have to work with them in partnership to be able to go ahead and do that extension that if light rail is chosen, to be able to do that

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out and into the future in meantime, we continue to run the 801 service in both the north and south end. >> Okay. So what about the cost, at the point at which we are able to work something out with txdot, do we anticipate additional cost and are those in here somewhere? >> If you look at what the costs are for the full system, then the full system would include those costs. >> Kitchen: Okay. >> And depending what the timing is to do that, that would determine whether there could be anything above that. Again, doing this in a sequentialal manner, we've got to build a portion of it at a time. >> Kitchen: I understand that we don't controlling portions of that and we need to work with txdot on that, I wanted to make sure I know that is our eventual goal and we had the costs factored in to get to that point.

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>> As we go through the process, one of the real keys here, we want to get a record of decision for the entire alignment, so from tech ring to slaughter. So eastbound if, as Dave presented the city of Austin piece is a construction sequence, if that is what ends up happening, we will get the environmental clearance for the entire alignment so then a good example, this is Greg's piece but this is one of the

values of it and the election component, as monies become available, you will have the local approval vote, the federal environmental clearance, you then go into the extension, verses coming back and saying we will need the environmental component of the environmental side and another local vote, the community says we want the whole pose and the federal improvement environmentally, build the cash flow and demand comes together. >> By doing that, the environmental process, with the full thing we have to go through, from the time we get to a regular decision, that is still good for a five-year

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period after that and small supplemental you have to go through if you're going beyond that five-year period. The key is, as Randi said, to clear the whole line. >> I just want to echo what all my colleagues have said. I think so that this is very exciting, that we're at this point right now. Council member Flannigan, I like the words you used. It is time to transform the system and it is passed time. We have to do something big, we have to do something that works for the whole community, and we need to -- and I do mean the entire community and thank you, council member Harper Madison for speaking to the other systems that we need to address so I'm excited to be here and excited to work with the community over the next couple months to the point we get the right package on the ballot for people to vote on. >> Council member Ellis.

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>> I know a couple of people have mentioned slide 28 but I have a question about phase one anaphases two for the metro express and park and rides, are those things listed in another place or are they still kind of in the works for the first stage and second same of the projects? >> Phase one is in the service area and phase two is what goes beyond. That would be something in phase one that could be funded under the program and phase 2 looking for outside funding to do that expansion. >> I appreciate that clarification. On discussions about the local government corporation, I know we have a lot of community partners in cities that wouldn't necessarily be inside the taxing jurisdiction of the city of Austin, and I don't want to speak for anyone else but I feel like there is good intent with wanting to partner with cedar park, Leander, buter, the keel

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and I've been thinking in my head about how that would work and who is responsible for what. We want to be responsible not voters and maintain good partnerships across the region. It is about regional air quality and traffic and congestion sir, hope people see this as an opportunity for partnership rather than who is responsible for what and who gets each part of it, we can all work together on that. If I have more questions, I'll pipe in later. >> Thank you. Member alter. >> Thank you, I appreciate all the work

that has gone into getting us to this point, and I am really happy to see our city staff engaging with cap metro directly, and as a collective body, I was really thinking about all of the cost over time, not just the capital costs that need to go in. We have to be able to fund the full cycle here. I'm really happy to see us be

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able to dive into those questions. So a couple comments on sort of the general vision and I have a bunch of finance questions because I think that's the elephant in the room that we need to talk about. So I really like the direction that we're going with the right of way with the interoperability and having places where you can just get on the train and get all the way to the airport. I think that collar fees the system that is lacking in the longer version, which is important for a lot of people who are trying to understand how they can come effect into the system. As we do that, and -- they can connect into the system. As we do that, then gets to the questions about the park and ride, we have people in Austin who are nowhere near any of these lines.

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If we cannot convince them they will come effect into the lines -- connect into the lines, it is going to be a harder sell for them to make this investment. So I would really encourage us to think about the folks not on the line, how we can communicate the benefits of it. One thing, to make it clear to do that, but then broadly speaking we're going to have to really think about how the changes in having so many other people take transit benefits folks who may need to rely on their car to get down town to what that does to traffic downtown, et cetera, and have some of those scenarios to be able to communicate the benefits if you're not anywhere near these lines and you don't have reliable transit. Tran says the density doesn't support it but you may have a lot of responsibility in paying for it. So I think we need to have those conversations and be up front about that.

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So, as I'm understanding the finances, if we look at slide 34, if we go with a Cadillac vision of the Lrt, he will indicate with tunnel, -- elevated with tunnel, in the core right of way which seems to make sense we will confine ourselves to the core right of way. Choices, we're looking at 6.1 billion, and the main funding I heard was the tax election. What does that amount of money translate for the average household to pay? We need to have a sense of that number when we did the tax election for central health, if I am remembering correctly, and please correct, it is something like -- and please correct me if I'm

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wrong, can you speak to how much money we raise with the central health and how much that cost but then also any projections you have for, you know, how much of a tax rate increase are we talking about and how should we be thinking about that. Because we also can't go up to 8% so we're raising taxes less because of that, but we're going to have to be able to be honest about what this number looks like and simply saying we to want to have a tax election doesn't help us to translate this to what we would be asking our community to shoulder in order to make a transformational investment, we as policy makers need to understand that, as well. >> Certainly, council member, agreed. As we look at our previous attempts at this, we look at bonds which have a tax impact. Tax rate election is different. I think the work ahead of us in the upcoming weeks prior to coming back in March now that we have somber numbers and looking

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at I think this inner lining of the potential Orange and blue lines, this idea of the need to finalize an integrated cash flow model, it is certain leap true we would be going to a referendum and the idea of putting the question about what it would cost in an all-in cost opposed to just the capital costs in coming down heater and trying to -- later and trying to figure out an oem that is the nice way of being fully transparent. We will begin the rest of our meetings to start working towards that number as soon as possible it gets down looking at

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the investment. We view this as an over all investment. When you think about it in terms of investment, it is both what you're getting for that investment, what the result of that investment is and ultimately how to fund it, and they go hand in hand together. As we work in looking at these options that the cap metro staff has laid out, we're going to match that up with different financing and funding scenarios and that's our work in the upcoming weeks ahead and we look forward to coming back and walking the council and the board and ultimately the community through those options. >> I appreciate that answer but that really didn't answer my question. I'm trying to understand the magnitude of a tax election that gets us anywhere close to that. I have, you know, we can all agree we want a transformational system and this might be a great financing mechanism, but at the moment, you know, is this a \$1,000 more I'm asking people a year to pay in perpetuity? Is it 10,000? I mean, if you get 35 million

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from what somebody paid, and again, I may not have these numbers right, but if my numbers are right for central health, and you had to pay \$700 extra, and you know, how do we translate that? There's got to be a back of the envelope mat that at least gives us a sense if we're in the ballpark of something we can ask people. We can all agree we want to do a transformational transit and this might not be a reliable funding mechanism. What I'm concerned about is if we wait and wait and wait until the analysis comes back and we haven't done that back of the envelope argument we may be far 60 and ask some other questions. >> I should have mentioned something Earl we are that is helpful on the cost side, I apologize, I should have mentioned it on the opening comments. We think it is important on a team basis Dave and all of our

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consulting people is doing an incredible job, using best practices. Dave has been involved in pretty significant capital projects we think it important to have a third party to make sure our methodology is sound. So apta association, all pro actively thought let's bring this that group, they do what is called peer reviews and that is going to happen next week, and they're going to come in and I think the team is confirmed from Seattle, Houston, Dallas and Phoenix, all people that have built similar programs, all bigger or very much bigger, things like tunnel, light rail, et cetera and they will come in an analysis to see, are we in the ballpark for all of our methodologies. Which feel comfort about that but that is a good due diligence check and open to the community. To deeper piece, I would answer two ways.

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One, when you said 6.1 billion, you were just picking a number. A, generally in the transportation world, we don't make Cadillac references in cars, you would appreciate. That ideally it is the optimal train set build but right now we don't feel like that is going to be fully needed. What we want to put is a change to say at the level of design we are at, that could be, if you will, worse case from a cost point of view, but in reality, we think working with the city we will nod need is that elevated to determine the actual return on investment ridership. Your point on how much it costs, Greg gave you the best answer, integrated model they're working on. I would just ask everyone, I guess remember the timeline, we're in January, mid January, we're still a month and a half away before coming to the council and the board with a joint recommendation and then

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we're looking at a late may, ideally, approval process. Time to your point, we don't have five-years to get everything put together. We do feel confident that we have a period of time to make sure we're doing in the correct way to get you information that is very comprehensive for a March process which

will lead to a big community engagement process which leads to a may decision making. I wish I had all the information for you today but the team is working to wrap up the final details. >> If you start to look at the Cadillac >> If I could look at that and you try to compare what the daily ridership would be, versus what's there if we did it at street level, it's less than a 10% difference for what you have for daily ridership for very large difference in what the cost is. Those are the kinds of considerations that have to be taken into account as we go

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forward with this. >> Alter: So I appreciate that and I know that a lot of time, and I know that -- I can tell a lot of due diligence has happened since our last meeting, but five billion or four billion is still a lot of money. I'm not sure I can get that in a tax election. Our general budget is a billion dollars and it doesn't all come from property taxes. I'm just trying to get my head around what we can do with that money. Even if we all agree that we want to do the transformation, we have to have the finances in order in order to pull it off. So I think we need to get some answers to those questions. I think some further information -- and I asked this of the folks I met with last week, I guess -- I'd like to know some costs per ride information across the different scenarios. I'm hearing that where staff has landed is on the light rail, and I understand the arguments and I appreciated the comments of councilmember Flannigan, which I think it's important that we really communicate those to the

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public, of how we landed, but we also need to be able to look at some of those cost numbers to be able to communicate and sell this down the line. -- So having some sense of that. I had some questions of funding I wanted to go through. When we talk about this 40% federal funding, this is money that doesn't -- how does that go -- does that money, separate from the campo money, that's separate pots of money than the campo money so that money does not depend on allocations from campo. >> That's correct. It has to be approved in the long range transportation plan, but as a federal grantee in transit, the money comes to us as the grantee. Just like we have federal grants that deal with the fta every year. >> Alter: Okay. The scenarios so far do not include state funding. So in an ideal world, we'd have a state government that would help us to invest in transit, and if

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you look at some of the reports that have come out with peer transit for peer cities, mid America regional council did one, we're dead last in state funding. And I think in this process, over the course of this project, our state legislature may change. We can't put that into our projections in terms of its views about the importance of transit, let's say. It may change. And we should have plans that we are pitching

to try to get some funding for the state over time to go into that. Ctrma also could be able to spend some money on some of that 1.8 billion of additional amounts, and we should be talking to ctrma for those commuter lines. And I think we could be getting some of those commitments for

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those commuter lines. I'm not seeing that captured in here. We didn't talk about a transportation user fee. Can that be used for any of this if we wanted to do that? >> Councilmember, I think --en the current use of the transportation user fee similar to our tax rate is, in essence, spoken for, and I know there's some restrictions on the use of that, but we can certainly set with STD and some other folks to talk through that. >> Alter: Okay. Then my other question has to do with the fares. And it's a complicated question because I'm a really big fan of the changes that you made for the children in our community to be able to ride free, and I appreciate the low cost of capmetro's fares. And I'm not trying to change those things. But in looking at some of the comparative work on transit, our fair recovery ratio is about

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11% as calculated in 2016. Has that changed any with the changes that have been implemented, and can you tell me what assumptions we're making about that over time in this process? >> Our most recent calculation for fare collection recovery is 10%. And once we have a system plan identified or a recommendation, we will run difference scenarios at different fare levels to present the options that can be generated for fare revenue. >> I just want to add in on that part, it is -- you hit a nail on the head, which is, it is very complicated. To some person they might just say, we raise fares and that takes care of a big piece. Across the country there's a large debate about should everything be free in regards to transit. Then there's a lot of people think that should not be the case. To us, there's two factors. One, the board has to approve

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that and you have to go through an entire fta equity analysis and really show how you're doing all of that. The second piece is, when you go through the financial model piece, we can't just say we promise to raise fares this way, this way, this way in the future, if we have no history of showing that, because then it won't be -- it won't stand up to the rigorness of the risk assessment. It'll go into the bucket of, well, they're saying that but they don't have a history of following through, policywise. I think to us, we know the fares, regardless if we didn't raise fares outside of an inflationary increase, just by ridership growth we'll grow our fare revenue. The question, from a policy view, does capmetro board over time want the users to actually pay a little bit more. And you can do that in ways that most cities with

addressing equity through what's called fare capping. So fare capping, just quickly on that, would be the idea of, if you are lower income and must be you can't buy a monthly pass, so

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let's pretend easily a monthly pass is a hundred dollars, to make it easy, fare capping would mean -- and sometimes people do it, say 60% mfi, there's different policies people would do. If some people can't afford a monthly pass, as they use transit, and say on the 18th of the month they hit a hundred dollars, because daily or single tickets cost more than the average of monthly, once they hit that number, they'd be free the rest of the month. It's a nice way of doing fare equity to assure someone of low income isn't hit, but making sure someone maybe like me or maybe other people in this room that could afford to pay a little bit more to take a transit trip are also doing that. So it's a really complicated policy question that most agencies around the electricity are grappling. >> Alter: And I understand that. I'm trying to understand -- and there are multiple parts of that numerator and denominator and costs of doing business are also in there, and to the extent we've

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looked at those, I just want to point out, though, that there are some big variations if you look at some of these comparisons, and there are positive side of being the lowest cost and doing what we're doing, but as we're trying to fund this, I'm just -- I need to understand better its role in the models as we move forward. And we're going to need to communicate that. And, you know, it could be that making it free makes it better for people, you know, to do the tax election. I don't know, but it's a question that we need to resolve as part of the process. >> Great point. And we are, to your point, we are, I think, currently the keep the transit fare of any large city in the United States. >> Alter: Thank you. >> I think I would add to that discussion that as compared to, say, a Dallas or a Houston where I'm familiar, we have a very young commuter population, in the sense that whereas people who work at my law firm in Dallas,

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who don't live close in, are used to commuting and have been commuting for years, and that's just part of what they're doing. Here in Austin, we're still changing minds about the best way to get into downtown. So we're still, I think, relatively new into the process of creating a commuting culture. And so the pricing that we're doing speaks to that as well as we try to solve a regional issue, creating a commute culture is -- I think we're way behind a lot of those other cities that have larger revenue capture than we do. Other questions, comments? Mayor? >> Mayor Adler: I appreciate all the work that everybody has done. Obviously there's been a lot of work on this. I also appreciate everybody in the

community that's been going to community meetings here for the last two and a half, three years, on this, and I hope the community can see their work and their input in the options that

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are being presented here. I mean, I just -- I really like -- I just like this. You know, we've done transit plans before, we've taken to the communities, but we've never had something that looked as comprehensive as this, as regional that's. And if we're going to fundamentally change transportation in this city, it's going to take something like this. You know, we often don't look at the back page of this, like I've always looked at this side of the page but never this side of the page, but this really does show the regional connections and how this works in getting it out to Leander and Round Rock and Hutto and Elgin and manor and bastrop and Lockhart and San Marcos, Buda, as you go through this. I mean, it's the whole system. And I think that when you think about a whole system like this, and you think about the impacts that that could have on our community, you know, we have a community that is -- it is keen about the environment and keen

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about working on climate change. We know that in our city, our biggest contributor toward our climate - or carbon footprint is our energy generation, which is why it's been so important for us as a community to get to renewable energy sources, and we've been really successful in that. And soon, hopefully, we're going to be closing the coal plant and closing the gas plant on decker. But as soon as we get past the energy generation, the next big one staring us in the face is transportation. And we're not going to be able to move forward on impacting our carbon footprint in this city unless we do something on transportation. And, you know, the staff did a lot of work on that with the strategic mobility plan in getting us to where we can meet our climate change goals, we can meet the things we needed to do on quality of life so we can spend less time in traffic and more time with our families and our children. And something like this is

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absolutely key to that and key to long-term affordability in this city. We have too many people in this city that, right now, in order to be able to get from where they live to where they work, it's a two-hour trip, and it's hard to hold a job and hard to get a good job when you're having to do that kind of thing, when your only option is to pay \$10,000 a year to maintain a car, as opposed to being able to ride in a public transit system. You know, when people -- when we look at household expenses, the largest household expense in our city right now for people is housing. And we're trying to do as much as we can on affordability and housing. The very next thing is transportation. And if we're really going to address

affordability in this city, we have to address housing. But the next big thing for us to be able to address is transportation, which is why I really like doing something that is this -- this big. The bus versus rail conversation

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is one we've had in this community now for several different years. I think we've gone into further detail than -- an analysis of that than I've seen in the past. You know, the truth is, while I said I wanted to keep an open mind when we were starting this process a year ago based on the initial numbers that we've seen, trying to guess where it was we were going to end up, if I had to bet at that point, I would have guessed I would be supporting bus rapid transit at this point, just because of the impact on cost. I'm happy we all said we were going to keep our mind open as we went through the process, because now that you look at it, as has been pointed out, and as you talked about it, if we're talking about a system this big that's going to take us 10 to 14 years to build out, that's going to be one that, by 2037, we're already saying doesn't work for us anymore and we're trying to try and figure out how to retrofit it, I mean, we're literally

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talking about within five years of completing the project, we're going to want to be retrofitting the project. And we've had the opportunity with some people in the community and other community leaders to go to other cities, and a lot of us went to other cities. I went to so many cities, they kind of all blend together so I'm not sure what I saw in one city versus another city, but was it Seattle that we went to, where we went to the lines that had been planned for brt, now they're trying to retrofit those lines in order to make them rail? And it's crazy and it's a headache. The one thing they said to us is, don't do this again. I mean, do it right first and save yourself a lot of money. And it just makes sense that we shouldn't be investing billions of dollars for something that we're going to want to be retrofitting five years after we've completed it. I know it's a lot more money to do rail.

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You know, someone mentioned that it was like an 18th century technology or something like that, except I've now seen the rail in these other cities, and it is anything but a dated technology. This is incredibly modern and high-tech stuff. But I think we need to spend the money so that we're not making a decision that's good for the next couple decades, but one that's good actually for the next couple generations, the discussion about tunnel is another big ticket item. You know, you've talked about how if we -- getting things off our streets downtown and getting them on the ground just makes intuitive sense if you've driven our streets downtown, trying to put rail yet and add to that, obviously, it's going

to -- I mean, I can't imagine that. But as we look at the tunnel, it makes sense to me that we're going to want at some point to be able to have a rail that has more than three cars.

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When you go to other cities, you have five cars, six cars, seven cars, eight cars that are being pulled along, and we can't do that downtown at our service because our blocks aren't long enough. We get outside of downtown, then we can start running a rail with more cars. So that makes sense to me that if we're actually looking for a generational answer, we should be looking seriously at a tunnel. And you had -- I want to ask this question, you had mentioned something before -- I think it was in October -- about what the impact would be if taking the line underground. And you said that it impacted not just downtown and travel downtown and people coming downtown, but it impacted the service and frequency on a line in mlk, existing service on south Lamar. Would you -- do I remember that correctly? >> You definitely do. So what I think we were trying to articulate is -- and I think it's

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incredibly important, everything is connected in a system. So nothing doesn't impact -- there's nothing that stands alone. Everything impacts each other. So, for instance, if you take Guadalupe as it is today, with a transit priority lane, I think the statement, if we put light rail, as an example, in the middle of Guadalupe, Gina can work all the magic she can, there's only so much, though, she's going to be able to do for prioritizing bus if we're going to have anything else move in the entire core. And that's not just people with vehicles that we talk a lot we're trying to produce, but we're talking business vehicles, we're talking deliveries, the things that make a city actually function, police, fire, sanitation, et cetera. So we're not going to -- I think we have to be pretty knowledgeable in the sense that we can't take the whole corridor for transit, it's just not going to be possible to make -- because the city has to work. So if, for instance, we do light rail and if you take, I don't know, the 7 bus and 3 -- not 300 -- a bus that's not considered a local bus that feeds into downtown, we've got to make sure we're doing whatever we can

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to be additive to the transit system, not that someone gets a much better experience because someone else's experience now is sitting in traffic and it's worse. There's an equity argument to that, a system efficiency argument to that, because if this system goes down, ridership could go down. >> Mayor Adler: My understanding -- my recollection was, what we had talked about was that the limiting factor on the frequency we can add on the buses on south Lamar or the limiting factor on the frequency we can add on buses on mlk is the fact that if we add a lot more buses to increase frequency, when they get downtown, they end up stacking up so that the limiting factor on frequency way out mlk and way down

south Lamar is the stacking downtown. And if I take whatever it is in a tunnel so that it's not stacking downtown the same way, then I can increase frequency on my buses out mlk and I can increase

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frequency on my buses out south Lamar. Is that true? >> That's electricity. If we don't take care of the foundation, so I've used auto right/wrong example. You're going to have a beautiful kitchen with beautiful cabinets but if your counseling is cracked, you probably don't have a great house. You have to have the downtown core built correctly for multiple generations because it impacts everything around -- >> Mayor Adler: And I think an important message on convey, because someone on south Lamar saying why do I want to spend more money doing a tunnel downtown, the answer I guess, if you live out south Lamar, you want to spend the money to do a couple downtown because it's going to increase the potential for frequency of your bus way down south Lamar. So I like that discussion about tunnel, and I look forward to the continued conversation about that. I also like contemplating this dedicated tax rate election. And I like it, in part, because eats the most transparent public election that you can have because it actually reflects the cost, not just the capital costs, but the m&o costs and operation

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costs and government costs are actually going to the voters and saying all in, this is what this really costs. And it's a -- I like it because it's really transparent that way. I like it because we've will ever done it before. You know, thank you to senator Watson and to the other people that used it for the first time here with the medical school. But I like that we've already done it before and our community already has experience with it. I would like to know, after this meeting, as soon as you can get it, the questions that councilmember alter was asking, I'd like to know what it costs. And I think the whole community is going to want to know that. And one way I think I'd like to know is, I'd like to know, when you look at those numbers, is this costing us the same number of pennies that we increased the medical school? Is it more than that? If you could give us that number, not only absolute service, but also give it to us in comparison to whatever it was that we did

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back then with the medical school because people know what that was. People voted to do a dedicated tax election for a medical school. We've done that we know what that costs, we know what that feels like. I'd like to know what this is. So when you come with those numbers, I'd like for you to present it that way as well. I like that it covers o&m. I like that it enables us to have the income stream to be able to do something like the green line. I like that when we go to vote, we're voting on the whole thing, and we'll do the environmental on the whole thing. And we have an income stream that, when it



appropriate for us to do the green line, however fast that is, we are ready, it's going to -- already improved environmental, already has an income stream that can support it, so we can move into that and other elements of the project. Nearing the end here, obviously, it costs a lot of money. You know, if we were to do the city right-of-way at this point, it's like, you know, three in a of to six billion dollars. That's a lot of money, three and a half to six billion dollars. I would point out the cost to do

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I-35, nine billion dollars. Right? And we need to do I-35. And I hope the state follows through as they've indicated that they would and completes that project so that we can -- so that we can get that done. And I know that billions of dollars are, like, really big dollars, but relatively, that we could get a public mass transit in our city for less than what it costs to do I-35, I think, is a really significant thing in a way to think about it. When we talk about the general fund, which is one billion dollars a year, obviously, if we got one billion dollars a years, we could do tons more than a \$4 billion project because we're not talking about paying for it in four years, we're paying for it over 20, 30 years, or something like that, but I think we do need to know what the numbers are. I like bringing in the state and the rma to perhaps pay for the

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park & rides, and for that kind of stuff to bring in partners. And finally, I'll conclude with, this is our once in a generation election. This is the city's once in a generation election. And the choice is going to be pretty clear and pretty stark. Everybody has been complaining and complaining about traffic in this city, to an ever increasing degree. We have a chance to actually do something about it, fundamentally, that will change things for generations in our city, and that's the choice. And I, for one, ultimately will be voting for that generational change. >> Thank you, mayor. I think mayor pro tem had a couple minutes. >> Garza: I don't want to repeat too much of what other people have said, but, yes, I think it's important to have numbers as soon as possible, so I appreciate you saying that you will get to work on that because I know that that will be one of the single, you

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know, most important issues as we weigh which financing tool to use. But for the public, I want -- I absolutely believe that than investment in our public transit is one of the single most effective ways to address not just congestion, but so many of our challenges, to address equity issues, to address our climate crisis, environmental justice issue, getting -- getting people access to school and jobs. This is really, really exciting. It is going to cost a lot, and it's unfortunate that we don't have the partners to help us. You know, I, too, went on some of these trips, and it's neat to see how other regions have done it,

but they have other tools to do it, and so it's hard to translate that success to what we could do because we don't have the same tools, we don't, you know, get the same kind of funding,

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et cetera. And so it's going to take a special Austin solution, just, you know, as in every other way. But as we are having these discussions of cost -- because I, too -- you know, I understand when people look at that map and think, well, I'm not close to it, I'm not close to that line or it doesn't touch me; why should I invest in it? And I hope we talk more about the cost to our community if we don't do this because that will be a significantly more cost to our community, and it's a cost to our environment. It will affect our carbon footprint. I think, Jimmy, you mentioned we had our first -- or earliest ozone action day last year, really, really early -- not this time, in a previous meeting you mentioned that, something else. And, again, just the cost to our equity issues and our quality of life here. So it's exciting, we're at a pivotal point.

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We can keep putting bandaids on this, or we can really try to address some of our biggest, biggest challenges. And for me, it's making sure that we're not just a city where you have to be able to live close to downtown and you have to -- or you have to own a car, because not every family has the luxury to do that. And so we will be helping so many in our community remain in our community and be prosperous in our community. So I'm excited to see what the numbers are and how we get to a decision. >> Thank you, mayor pro tem. Councilmember Casar? >> Casar: Thanks to everybody for all the work on this so far, and I agree, looking at the map and at the numbers that you could describe it as big, but also a lot of this, when I describe it to folks that I talk to, it's also what they expect.

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I mean, it's also sort of a common sense question people get once they've gone to other cities, about why is it that a city that is as advanced and as thoughtful and has access to as many resources as Austin, why do we have a way to get hundreds of thousands of people around to all different parts of the city without having to sit in traffic, considering that's what some cities have been able to do since we've had big cities. Why can't we get hundreds of thousands of people around to see their family, to get to their job, different kinds of people from different in connection, to get around without having to sit in traffic, if that's what they decide to do. And the reason has been because we collectively have not come together to do it. And I think folks regret that. And I think as the mayor pro tem said, we will continue to regret that if we don't do what I think we all just expect and what is reasonable and what's right. So, sure it's big because we've waited so long and we've missed

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it so many times, so it's time to catch up, but I think it's also just the baseline expectation. And I appreciate that what seems like the professional staff from the organizations have come together to say is, well, if you want to do that effectively and efficiently and in a way that will last, in a way that gets you not stuck while you're on it, in a way that supports the existing bus infrastructure and the riders that depend on that, it means you've got to have trains on your most frequent and important lines, it means you need bus rapid transit investments, it means that you need the kinds of dollars going into the system that doesn't hurt your existing bus service, and that's how you move 300,000 people in the way that people expect. And so I think that we just -- we can call it bold or we could just call it doing the thing that we should have always done and that people would expect. >> Thank you. Councilmember kitchen -- I'm sorry. >> Kitchen: Was there anyone else who had spoken first? >> Councilmember tovo?

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>> Tovo: Thanks very much. I'll echo the thanks you've already heard for all the tremendous work getting us to this point. I think this is exciting and will be transformational for our community. I'm particularly excited to see more details about the downtown tunnel, I think for the reasons that have been discussed before, that's a very viable alternative and one that we should be giving serious consideration to. I haven't had an opportunity yet to ask questions about this, and we all, just for the public's benefit, we are -- I mean I believe I'm probably not the only councilmember here seeing this, the numbers for the first time. We all had the opportunity to be briefed with a high level overview, with the numbers in terms of cost estimates that are on 34 and 33, we're seeing for the first time. And one thing that I would be interested, and maybe we can do it outside this meeting, I'm having a little trouble matching up the ridership numbers in 33 with the cost alternatives in 34. And so as we're going out and talking with our communities about this, I'd like to be able

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to explain the different relationship, as we talk about the alternatives and solicit community impact, it's clear what the cost differentials are, it's not clear what the ridership had impact is. We've talked about some of the benefits of tunneling versus at street level for ridership, but I can't point to one place where I can outline for them the elevated -- you know, the difference between elevated and whatnot. Can you clarify for us -- I know there have been different conversations about crossings, light crossings and opportunities to connect to the green way, potentially. Do these cost estimates have within them one lake crossing, or two, and what is the best -- what is the scenario -- what is the alternative that reflects

those two options? Within -- if you could point us to which slide and where we would find that information. >> When you look at the --

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>> Tovo: The more detailed level in the earlier engages. Earlier pages?>> Basically what we have done is combine the high capacity so I do not have a differentiation in what is the Orange line and what is the blue line. The intent is to have a crossing of the lake at Trinity so that that would be a bridge overlay. We're still looking at what's there at first street. The condition of the existing bridge is not conducive to going ahead and utilizing that for transit. So the potential is there to go ahead and build a second bridge structure -- excuse me -- that would be parallel to that. >> Tovo: And we had an opportunity to talk about that yesterday in our briefing meeting for this one, but it's not clear to me whether the estimates include the upgraded first street crossing, an upgraded first street crossing, or just a crossing at Trinity. >> At the point that we're at right now, we have an estimate for what a new bridge would be at

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Trinity, what a new structure would be at first street. There's a tremendous amount of engineering analysis that would have to be done that has not been completed yet, to look at what the changes would have to be to first street. What we do know is that it is a structure that is in excess of 50 years old, and we'd have to look at what the potential is. Our initial study in the initial looks that were done in any 2014 indicate that there are structural problems with it that we have to work through and look at. There also is a difference with whether you were diagnose lrt or brt. So that's something, as we continue our process, our current -- our current look at it is that it would require a second bridge, but we have to complete that analysis. 2. >> Mayor Adler: In terms of the cost estimates, do they include any costs? Or just some preliminary one?

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>> They're preliminary ones at this point. Everything at this point, you're starting to look at things in that 10% design range. You're really at the conceptual level, so using -- you're using estimates that are there, that are based on other work that has been done around the country, and there is not a detailed estimate for any portion -- >> Tovo: But there's some estimates in there for that. Okay. Thanks. One of the things that I requested from staff, and I look forward to seeing this, is some examples of other communities, potential in Texas or elsewhere, that have used tax rate elections, that is with the exception of 2012, you know, a relatively new ask of our community, and I want to be able to understand how it's worked in our communities and have they ever -- do they typically or do they ever have -- have a measure that requires reaffirmation from the voters at any point in the future, are they

always kind of a permanent change, absent any other proactive action? So I look forward to seeing some of that information. I assume you don't -- that that's

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something you're going to work to -- >> Absolutely. I think that's valuable as we come forward in presenting a recommendation not only about the investment but how to fund the investment. We really do want to look at a lot of things, cash flow, how the federal comes in to zero in on what the right number needs to be for that investment. Part of that is providing context so what other communities do. Certainly what we're doing -- I think a question came up earlier -- is around the state. We're doing what the state statutes allow, we're working within the state statutes. Certainly, every state is different. We're going to look at what other build-outs have occurred around the country, more recent ones, looking at federal funding and how that works and how they did their funding match. We think that would be valuable. To put it in perspective, what we would be asking our voters, how the disthat fee, certainly in Texas, if we could find examples, but elsewhere as well. That work is underway and our consultants are helping pull all that data around. But we think it is really

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important to have that context. We appreciate the question. >> Tovo: And I would just add that, you know, as we have this conversation about a tax rate election, you know, when we talked about -- when we talked as our council about what the impact of the state legislation could be on our budget, we had, it seemed to me, some significant concerns about how to fund the increasing needs in our community without a tax rate election in years to come. So how does that -- you know, I think one of the questions for us is how does that layer -- how does that layer on this designated -- I mean this would be designated for the transit system, but if we are in a position of not being able to fund some of the -- some of our existing city services because of the tax cap, the 3.5 tax cap, we would be in a position of needing to go and ask our community for a tax rate increase just to fund other services. So I think we need to be thinking about -- just aware of that. I'm not sure that we have any other financial alternatives outside of a tax rate election to

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fund this system. But it's something to be aware of. >> Obviously be aware and educate around it and communicate with how it works, the interplay between the two of those, I think that would be, again, part of our recommendation to educate around that. >> Tovo: And for the near future, the opportunity to go and ask voters -- I'm not talking about legal by, I'm just talking about politically, if it forecloses the opportunity to go to the voters and ask for an increase to fund some other critical services, what are

other options for making sure those needs get met. And I know we're looking creatively at other revenue opportunities and we'll need to continue to do so. Again, thank you, I think this is an exciting time for our community and look forward to hearing the community's response. >> Kitchen: There's one other thing that I wanted to ask about. First off, I appreciate what everyone is asking for, that you all come back with your estimate

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of impact on -- impact on voters from a taxing perspective, as soon as possible because that's a number one question for people, and I know people are already starting speculate and doing back of the envelope analysis and it's more complex than that. The sooner we can come back and be working from a set of in business that take into account all the complexities, including the timeline and all the other things, I think that would be helpful. There's another aspect of that I wanted to talk about. We had -- you know, we have been talking about the importance of building a package and making sure that we finance a range of supports to transit that include sidewalks and bike lanes and bus shelters and all those kinds of things. And as Randy explained, a lot of that is built in to what we are talking about in terms of along

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these transit lines, but some of it may not be. So I would just ask our staff -- I know that atd has been working on a list of projects that might be projects that would be supportive of this transit system. So I would ask that you all continue to do that and think about how those might be funded. I mean, those might be funded through our existing cip program, our capital improvement program, for example, our some other mechanism. And there may not be that much once we take into account what we can build along the lines, as Randy said, but I still think it's important to think through that because, you know, we've all been talking about equity and we've all been talking about the importance of helping everyone in the community, and as councilmember harper-madison said, really thinking of the details of our existing bus system. So this is our opportunity to really think about on the ground,

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real life barriers that make it difficult for people to actually use our transit system, whether it's something like a bus shelter or something like just crossing the street safely. This is our opportunity to identify those kinds of things. And so I would like to ask our staff to continue to look at asmp and the other information that we've gathered to make sure that we are addressing those kinds of needs, one way or the other, just because if we don't do that, we're going to have parts of our community not really be able to use the system. So, thank you. >> So, councilmember, thank you for that. I just want to really

emphasize that all of the great work of atd and public works is not on pause and that we are actively working through the 2016 mobility bond, as well as the 2018 bond.

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Some of that debt is just getting issued, but as we have sort of fortified our partnership with capmetro, we've identified opportunities where we can actually leverage the work that we're doing in concert to improve the transit system, particularly our bus network, and sort of stretch some of those dollars already. But as we think about sort of building out our network, we know how important it is to be cognizant of our vision zero goals, our all ages and abilities network, our urban trails programs, all of that really works in concert to support our mobility network, and thinking about how this is all really supportive of the asmp goals. Thank you. >> Councilmember alter. >> Alter: Thank you. I wanted to just echo some of the comments that councilmember tovo made about trying to understand how this interplays with our ability under the three and a half percent to go to the voters,

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should we not be able to fund basic needs through the budget. But it could be that what we say is, we think this is the highest priority, and as a council, we're going to commit -- you know, we're not going to raise them this year and we're not going to raise them next year, then that means that the marginal impact, if we would have done that -- you know, we can factor that into how we're thinking about the amount. And then I just got some information thanks to capmetro on some of the central health and I have half my numbers right and half of them wrong, so I just wanted to clarify that it was a county wide -- this is the information I have from capmetro, I haven't verified this, but that it was a county wide 5 cents raise, 54 million, and 35 million of that went to the med school with the balance going for additional health care for residents, and that was somewhere between a hundred and \$200 per median household. That's still pretty far from

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5 billion, but it's better than what I was saying it was per household. And I just want to be clear, I'm trying to figure out how we fund this, and I have questions about this mechanism and whether it's going to get us far enough. And I don't want us to get to may and not have the funding source we need, so I think we need to get the questions answered sooner rather than later, and we have to understand that they are going to impact how people will vote on whether to make a transformational investment. And there's both division that we have to sell the voters on, but then there's also the logistics of how we fund it. And I appreciate all the work that has gone into kind of capturing all the costs understand a fees so we have less surprises than maybe we have in how we've thought about these things in the past, but

that number is ultimately going to matter in how that interplays with our three and a half percent cap is going to be really important as this unfolds. >> Councilmember, again, we will

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be working at speed to get to that because it is important, ultimately, to get the right investment in the overall timing of it. So we're working towards it. And I will say this, certainly when we look at a tax rate election as a really viable, really good option, it's not the same as just looking at what we did in a bond election because of we're trying to fund also operations costs, trying to fund reserves, something we don't typically do, so we're adding a much -- four or five categories of complexity to it, plus bringing in the federal money. So that's why it's not as simple as saying here's what we did in a bond election and we can translate that. But we're working towards that and we agree that we want to get that out in concert with investment and we're working at speed towards that and we're looking forward to coming back and having the discussion with city council. >> Alter: I think the central health was a tax rate election, not a bond election, and it was also county wide, which is something I haven't heard us talk about. I don't know if county wide would pass so I don't know that we want to go there.

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I don't know if that is an option for us. >> It was -- central health, as I mentioned, it was the similar tax rate election for five cents, back in -- now going on eight years for those numbers that you -- the investment that they got for that five cents back then. So it does show you again, the community has the experience with this. Certainly what I would say, as numbers change -- and this investment is a much different scale, it gives you at least a good kind of guardrail where we are, where we're headed. >> Alter: I don't know the politics of election passing county wide, but that would be more funding, and it's just something for us to be this I go -- fuss to be thinking about. >> Thank you. Councilmember Flannigan. >> Flannigan: I desperately tried to find a way to engage the county in this and it seems pretty clear that the state does not allow the county to participate in that way. However, it's unfortunate that Mr. Travillion isn't here because while my understanding of state

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law is that they can't fund transit, they could be the partner on the sidewalks and they could be the partner on the other elements that are pretty significant and valuable to the taxpayers. So it's not -- I think we may have gotten the county off the hook a little bit too early, but I don't think that means the county goes to the voters because I'm not interested in going to the voters three, four, five, six times. Go to the voters once. We've got a big plan. We're going to figure out how long it's going to take, what the tax bill is, obviously we're going to figure out those things, but we're not going to do this in a way that



sets this up for failure in the future. My hope is that the county comes to this as a partner. And I would encourage my colleagues, if you feel the need to start your statement with, I haven't verified this information, maybe we should wait and not say it until it's verified. I think there's a lot of really important information about what it means to take ten-year-old numbers and apply them to modern analysis. Also, it's just a very different thing to talk about central health, and I think central health was not just a tax rate

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election, it was also partially a tax swap election because we, as a city, had released some of our authority under health, public health, in order to transfer, so it was far more complicated than what we're discussing here. To my mind, this is a new opportunity because a tax rate election is not something that existed before the last session. It was -- central health was a legislatively created opportunity. This is very different, to my mind. >> President Clarke. >> Just a couple comments on that. Again, to reiterate what Greg said, we are very high priority and we've heard that from everyone and we know that, and you can count on us, that's what we're working on. I think it's important probably to really look at puts and takes, in a sense of the timing is really great because we have apta coming in to do this cost methodology analysis, to start firming up our conceptual cost estimates over the next several weeks, into early, mid-february, and we're going to do a public report out on their report sometime in the mid to late February range, which we think again is a really good

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credibility piece there. At the same time, it's really a balance between, as you mentioned, certain numbers, but also a scale of time. So, again, that's a little different than, again, maybe a bond or something else where I'm doing this to that. So I think we'll probably be figuring out ways to bring back to you all the difference between options of dollars and options of time to find that sweet spot that you all think is that right level. So, you know, we can get the entire system built incredibly fast if there's a lot of cash flow available. We could also get the system built over a very long period of time if the decision is that the cash flow is going to be slower. So that's really -- so to me, it's not that it's -- it's all -- all or nothing, as much as the scale between cost and time on a continuum and where we find that right piece. And we will be bringing back lots of information on that. As far as the county, maybe I should just add two cents on this.

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I think councilmember Flannigan has hit -- our understanding, the state law -- but I will say the county has talked about potential partnerships, so right now we run partnership with them in the eastern

crescent and do some service work under contract for them. We've also had some, I would say, exploratory conversations about tif ters, could he they participate in something like that. Also, could they have some real estate value capture, joint ventures maybe with capmetro, maybe joint capmetro, county, and city, do they have parcels of land that could be better activated for credit centers and those kinds of things. Very preliminary but I do think it's important that we say we're trying to work with every stakeholder. Ctrma, to your earlier point, has been a really good partner and 'rweyng to advance the conversation of them maybe capital funding some park & rides, do some more express bus service as well. I talk to my staff all the time,

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it would be great if Gina and I came from the Massachusetts area, the state runs transit and the state is where all money comes from. The governor can stay here's \$400 million and we're going to do that. We don't have that scenario. We don't have an mpo that is probably as used to transit projects as other parts of the country. So I think, you know, we're going to have to figure out all the tools in the toolbox to put the larger vision plan together. >> I think maybe we're at the point where we can shut this down. I have just a couple quick comments. One is, I've been in Austin 22 years this month. The second one is, I've been dealing with transportation issues about 17 years since that time period, and it began as a dah here when txdot shut down the proposed construction on I-35 back in the early 2000s. And so we began looking at the red line as an alternative to getting people into downtown.

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Today, I want to just jump up to 50,000 feet and think about what we heard. We heard that a state-of-the-art bus rapid transit system, based on current campo models, would be at maximum capacity at 2040. There have been people telling us for years that we just need to build more roads or run more buses on the roads that we have. The studies are telling us today, state-of-the-art bus system would be maxed out at 2040. Campo is going to change their model in the very near future, and it's going to go the direction of maxing out sooner, not later. And the campo models, to my understanding, don't fully appreciate, take into account, the changes, for example, at our airport, which is projected to have 15 million more people in the next 20 years. That's not all built into the campo model.

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Some of it probably is because there are people living here going out, but not the other way. That's not taking into account on the models that we have, that we're looking at today. And what's exciting to me is -- and I think this point maybe got lost in the conversation, we're talking about building a program that's 200 -- even on the smaller city of Austin right-of-way footprint, 270,000 people. That's 2.7 times

what we're transporting today. That's a huge impact in our community, and it's a huge building block for a regional system that is robust, that is big, and that won't let our children and their children's children generations down. For me, I don't have a -- I don't have a career as an elected official ahead of me. The only guiding point for me is trying to do the right thing, both in terms of solving the

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problem in a robust fashion and in a cost-efficient way. And today we've heard really great information. I appreciate all the good work. I thank -- of course the elephant in the room is financing and how to do do. So I think the work ahead of us is narrowing down the options but going through the iterative process, how much can we reasonably throw at this problem and what can we get for that? And we may have to spend some time working through that. The community expects no less of us. But thanks to the good work of everybody because I think we're really now at a point, with just a handful of months remaining, where we can have a very substantive conversation about -- about what this program looks like. Councilmember kitchen. >> Kitchen: I just wanted -- you reminded me of something quickly I wanted to point out and that has to do with the airport. And this is something for our staff. I know that when we're talking about the blue line, we're accounting for and we're talking about a line to the airport. We also -- we're also from the

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city side working on an airport master plan. And I will not a question from a constituent, because it wasn't apparent to them in the conversations about the airport master plan, that there was a space and planning for -- for the high-capacity transit to come into it. I just mention that to you all. I think it's important as we continue to talk about the airport master plan in other contexts, that we add to that conversation the potential for the high-capacity transit coming in, because the materials that were presented didn't speak to it and there was some concerns about that. So that's just an FYI. And for the public, I just want to -- as I reassured the constituent that I spoke to, that was that the airport master plan does account for high-capacity transit coming to it, so... >> So, councilmember, thank you. That certainly is part of our plan.

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We've already had airport personnel sort of embedded with capmetro and project connect staff, to think through what that blue line needs to work like, to look like. A good example of that would be Washington national where there is a direct connection to transit from the airport. The airport is a great example of how we think about the future. The airport is 20 years old. And we've already had 16 million passengers. And we know that with the 2040 master plan, we need to accommodate even more, so

transit needs to be part of that. Thank you. >> Mayor, if you're ready, I'm ready to adjourn the capmetro board meeting. I got a text from a colleague, Eric Stratton, whose absence I did not note, he's home with the flu so we appreciate him staying home with the flu. [Laughter] And with that, our capmetro board meeting is adjourned. Thank you, everybody. >> Mayor Adler: And at 4:55, the city of Austin council meeting is

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also adjourned. Thank you. >> Thank you all.