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Transit Demand study: Leander can provide transit with busing for \$3M versus \$10M it gives Cap Metro The Goodman Corporation

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Summary

Service Plan

- The scenarios are **very scalable**
- Transit **bus** service can be provided to meet the project transit need for about \$3 million
- Contracting for rail service can be provided for about \$10 million annually (\$2,800 per hour)
- This cost could double over the next 10 years as trips and demand for transit grows.

Cap Metro Fully Burden Cost

- Local Bus = \$61 per hour
- Commuter Bus = \$213 per hour
- Commuter Rail = \$2,830 per hour

Projected Annual Cost – Summary			
Service	Base Scenario	Plus Scenario	Max Scenario
Commuter Service (Bus)	\$660,000	\$830,000	\$1,310,000
Local Service (Microtransit)	\$460,000	\$1,400,000	\$1,400,000
Administration (2 FTE)	\$125,000	\$200,000	\$200,000
Total Annual Cost*	\$1,245,000	\$2,430,000	\$2,910,000

*Cost estimate are subject to change based on pricing structure of service provider contract, age of vehicles, maintenance and other services provided.

THE GOODMAN CORPORATION

Leander could spend only about \$3 million annually to cover its citizens' public transportation needs with busing and micro transit rather than spend nearly \$10 million Leander provides annually for the Capital Metropolitan Transportation Authority (Cap Metro) rail system, according to the final Transit Demand analysis The Goodman Corporation will present Thursday to the Leander Council.

The study estimates the cost of servicing Leander's stations at about \$7.9 million per year for Capital Metro with 92% of it being the cost of maintaining and running the light rail system.

Because it will be presented during a briefing session, the Council will not take any formal votes on the issue Thursday. However, its analysis of the merits of Leander's Cap Metro costs will likely be a major factor in whether the Council eventually puts an exit from the Cap Metro before the voters in a future election.

The two-year-long debate by the prior and current Councils over the merits of this idea has simultaneously drawn hundreds of public comments in support of staying in recent years, including the biggest turnout for a Council meeting in recent years, and sharp criticism noting Leander spend quadratically more per person for its public transportation than other regional cities, particularly since its funding is fixed instead of being scaleable to its needs.

Notably, Cap Metro officials have repeatedly not shown up for recent Council discussions about the issue.

A voting majority of the Council consisting of at least Leander Mayor Christine Sederquist and Council members Jason Shaw, Kathryn Pantalion-Parker and Chris Czernek are open to putting a withdrawal from Cap Metro before voters on a future election ballot.

However, Sederquist has been adamant that she would not support a withdrawal until the study was complete and the replacement service was fully in place first to ensure no resident suffers a loss of service.

Leander currently pays half of the sales taxes it is allowed to levy to participate in the Cap Metro system, which amounted to about \$9.4 million in 2021 and is estimated to grow to \$18.4 million by 2032. The payment is outlined in Texas law and would require a legislative bill to change.

Meanwhile, prior to the pandemic, Cap Metro's Leander station in 2019 only averaged an estimated 635 boardings per day, including 265 rail boardings, 300 MetroExpress bus boardings and 70 rideshare app Pickup boardings.

The total dropped dramatically during the pandemic and is very slowly rebuilding, resulting in the station only averaging 130 boardings per day, including 80 rail boardings, 30 MetroExpress bus boardings and 20 Pickup boardings. At the same time, Leander's rapid population growth led to a surge in the sales tax revenue it collects each year.

As a result, Leander pays more than four times more for its public transportation than most other similarly sized cities in Texas. The report cites the static nature of Leander's contribution making it unable to scale its contribution up or down to its needs.

When considering the impact of a Cap Metro withdrawal, the study finds there is no linear relationship between the absence of rail and the number of new developments in Leander that would not be realized. However, it clarifies that this is because too many complicated factors go into determining to develop or buy a space for it to be isolated to only rail, not that rail has absolutely no impact on those decisions.

The study also found the rail does make it easier to retain and attract workers and can help contribute to new business creation. It also notes that having access to rail can help Leander market itself to major firms based out of the East Coast, such as ones that recently opened major headquarters in Cedar Park, because those firms are accustomed to light rail access.

Lastly, the Cap Metro light rail system currently lacks locations along its length that are relevant for Leander residents due to there not being enough density along its station locations yet. However, it also notes the light rail poses an option to eventually provide a direct route and faster route to the Austin airport and potential east-to-west travel across the county in the future.

Previous proposals debated by the Council could include busing to drop people off at the Lakeline Station just outside of Cedar Park to continue to utilize Cap Metro's infrastructure without being a member. However, it is unknown what Cap Metro's future funding or usage of the station will be once if it is reduced to barely reaching into Williamson County at all.

The report concludes that Leander could meet all of its current transit needs for less than \$3 million annually by providing and administering its own commuter busing and rideshare-style local microtransit service, including the cost of additional staff it would hire. The total is only a third of its Cap Metro contribution.

However, it notes this approach is easily scalable into the future as Leander's population grows but warns that these costs could double or more over the coming decade.

The report notably focuses on what is required to meet Leander residents' needs when leaving town but doesn't delve into the costs or challenges of bringing people into Leander once major developments like Northline are online, which will be critical for turning Leander's upcoming major developments into an actual economic engine for the city. U.S. 183 and other highways leading into Leander already face major hurdles from their inadequate ability to handle traffic jams caused by the sheer volume of people using them, which is expected to only increase as Cedar Park and Austin continue to grow.

Light rail system could bypass the traffic, which could act as a deterrent to visiting Leander.

Beyond the cost of building its own public transportation, Leander will be legally required to pay off its share of the millions Cap Metro invested in the Leander rail system, which was estimated at \$33.7 million as of March 31.

As a result, Leander would immediately receive no further Cap Metro service as soon as any public vote to withdrawal is approved but would still have to pay in its sales tax for three more years to pay off the debt without any benefits in return.