



Fiscal Year 2025 Executive Summary

Chattanooga Area Regional Transportation Authority
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CARTA is the public transit system that has served the city of Chattanooga, Tennessee in Hamilton County for 51 years. Since its inception in 1973, CARTA has a worldwide reputation for innovation and excellence and is a unique authority. CARTA's mobility services are comprised of four (4) divisions that provide approximately 4,000 trips daily: fixed route bus service that includes CARTA GO, an on-demand, neighborhood service; CARTA Care-a-van, the complementary demand response paratransit service for disabled and elderly citizens; and a free all-electric shuttle service that services, Downtown Chattanooga, the North Shore, and Historic St. Elmo; and the Lookout Mountain Incline, one of the most visited attractions in the world. In addition to our transportation services, CARTA manages and enforces the downtown parking operations and owns three parking garages, manages over 4,500 daily parking transactions. CARTA also owns and operates the Lookout Mountain Incline Railway, which is one of the most visited tourist attractions in the world.

Our Mission: To provide a cost effective, efficient, and safe multimodal transit system for the citizens, visitors and businesses of the City of Chattanooga, Hamilton County, and the surrounding areas.

Our Vision: To drive economic development in support of a vibrant and thriving community. We provide access to opportunity in the areas of workforce development, jobs, health, wellness, education, and affordable housing.

Reimagining mobility: Chattanooga Mayor Tim Kelly's vision to improve local infrastructure and public transit as one of the seven goals of the One Chattanooga Plan was demonstrated by his appointment of eight directors to the CARTA Board in 2023 that led to a national search and appointment of our new Chief Executive Officer, Mr. Charles D. Frazier in January 2024. Under our new leadership, CARTA is committed to making a significant impact in our community.

FY2025 Budget Request

CARTA Operating Assistance: \$8,300,000

Requested funds will be used to support CARTA's core operations, which are the transit services. CARTA operates fourteen fixed bus routes, an on-demand neighborhood route, and CARTA Care-a-van service that is mandated (but unfunded) under the Americans with Disabilities Act (ADA).

The budget increase includes the following areas of improvements: improve the quality of our services, develop and invest in our workforce to be poised for success, management efficiencies, infrastructure improvements, safety and security enhancements, and capitalize on opportunities for future growth by enhancing innovation.

CARTA will provide the following information upon request:

- Detailed accounting of how and for what purpose the municipal funds were spent;
- List of accomplishments or outcomes achieved through the use of the municipal funds;
- Copies of Annual Financial Statements or an annual form prescribed by the comptroller of the treasury and prepared and certified by the chief financial officer as set forth in the Tenn Code Ann. 6-54-111 (c).
- Copies of other financial and operational information.

CARTA Capital Assistance: \$1,500,000

CARTA is also requesting capital assistance which will provide the local match to CARTA's fiscal year 2025 federal and state funding of \$6,373,045 in previously awarded grants and \$10,374,183 in discretionary funds that CARTA is actively pursuing.

Notable funded projects include fare technology replacement, bus shelter improvements, and painting CARTA's bus barn and breezeway. Notable unfunded projects include replacement of electric shuttle vehicles and the replacement of smaller vehicles for CARTA Care-A-Van and CARTA GO.

CARTA's strategic plan for future opportunities: CARTA's strategy to fulfill our vision will be our mobility plan that focuses on infrastructure improvements and identify parking and transit-oriented development opportunities. Our future mobility ecosystem entails an inclusive network to consist of mobility hubs, high frequency bus routes, shared-use facilities,

microtransit zones to serve areas that are not feasible for larger vehicles, a diverse fleet of vehicles to support the multifaceted transportation options, all using technology to provide more innovative solutions to modernize public transit in our community.

Grant Awards: CARTA was awarded a Department of Energy research grant (\$760,868 in federal funds) in partnership with Vanderbilt University to further identify potential energy savings and reduce ongoing operating costs. In 2020, CARTA was awarded a new DOE grant (\$1,755,150 in federal funds) to develop artificial intelligence systems to improve transit operations. In addition, CARTA is a sub-recipient supporting a National Science Foundation award to improve transportation accessibility in underserved neighborhoods. These projects are specifically looking at the integration of demand responsive microtransit and fixed route operations to improve coverage and accessibility of transit services. CARTA has been recommended for a 2024 DOE award of \$3,293,793 in federal funds for the project "AI-Powered Autonomy-Aware Neighborhood Mobility Zones: Equitable Solutions and Business Models for Revamping Transportation." Collectively, these projects are designed to enhance equitable planning and implementation of public transportation resources to support One Chattanooga.

CARTA recently received an award of \$920,581 in IMPROVE Act Funds from the Tennessee Department of Transportation for the replacement of fare technology. The total budget for this project is \$1,440,228 and includes the awarded IMPROVE Act funds (75%) as well as local match funds of \$230,146 (25%). In addition, CARTA had prior year IMPROVE Act funds (\$289,501) that it has gotten approval from TDOT to use for this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Frazier", written over a horizontal line.

Charles Frazier
Chief Executive Officer, CARTA
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