



MEMORANDUM

To: Mayor and City Council

From: Mindi Hurley, Director of Community Development

Date: August 25, 2026

Reference: Consider approval of the Seventh Amended and Restated Interlocal Agreement by and between the City of Coppell and Denton County Transportation Authority to provide transportation services for Coppell businesses; and authorizing the Mayor to sign.

2040: Create Business and Innovation Nodes

Introduction:

This item is presented for Council consideration and approval to increase the maximum-not-to-exceed amount for the remaining time on the current contract to cover the actual costs of the program.

Background:

In partnership with Denton County Transportation Authority (DCTA) and Lyft, the City of Coppell started a workforce transit test program for Coppell businesses on October 1, 2019. The program was established to study trends and gauge the need for a long-term solution to workforce transit in Coppell. City Council entered into a 1-year contract with DCTA each year from 2019 to 2024 to continue the program and study trends while a long-term solution continued to be evaluated.

A \$50,000 budget was sufficient to cover costs of ridership for each previous year. Due to the success of the program, City Council and DCTA decided to enter into a three-year contract for the program on October 1, 2025. A \$50,000 budget was set for each year at that time based on historic data.

The workforce transit program usage, up until this year, had been steady with minimal increases each year as more businesses and individuals learned about the program. However, ridership has increased significantly in FY26. As a result, the current projections based on actual ridership to date for FY26 show that the cost of the program will exceed \$90,000 for this fiscal year alone. As a result, the maximum-not-to-exceed amount for the remaining time on the current contract needs to be increased to cover the actual costs of the program.

Coppell has over 20 businesses that have employees that utilize the workforce transit program. Previously, there were approximately 150 rides per month. For FY26, there has been an average of

416 rides per month. Based on these increased ridership numbers, the projected annual cost for the program for the remainder of the contract is as follows:

FISCAL YEAR	ANNUAL PROGRAM COST
FY26	\$95,075
FY27	\$121,682
FY28	\$153,765

Based on these projections, the new ILA reflects a total cost for the term of the agreement not-to-exceed \$370,522. The increased cost for services for FY26 can be covered by previous year encumbrances for the program, and staff will increase the budget request for future years to cover the additional projected costs.

Businesses have shared that this program has been a beneficial tool to help them attract employees, and it has been very beneficial for employees that would have otherwise had to walk to work or seek employment in another community with public transportation. The program is part of our business attraction and retention efforts, which are essential components of economic development for a community. The program is being utilized by a wide variety of businesses in Coppell. The service is being utilized seven days a week across different shift times throughout the day. Ridership is also spread throughout the community.

Lyft will continue providing all mobility services, and DCTA will administer the contract and provide all administrative and operational services associated with the program. The City of Coppell will make monthly payments to DCTA for reimbursement of all costs associated with services provided by Lyft and the monthly administrative fee.

Partnering with Lyft for the mobility service provides the greatest amount of flexibility for this program. All other aspects of the program will remain the same with the exception of the annual and total maximum not-to-exceed cost.

Benefit to the Community:

By attracting and retaining businesses in Coppell, residents have an opportunity to find employment close to home, and the revenue from businesses helps offset the tax rate for residents.

Legal Review:

City Attorney reviewed the Interlocal Agreement.

Fiscal Impact:

Total costs shall not exceed \$370,522.00 for the Term of Agreement.

Recommendation:

Staff recommends approval.