



City of Austin

Recommendation for Action

File #: 24-4172, **Agenda Item #:** 31.

3/21/2024

Posting Language

Approve a resolution authorizing the City Manager to submit an application for financial assistance from the State Infrastructure Bank for the I-35 Cap and Stitch program in an amount not to exceed \$193,000,000.

Lead Department

Transportation and Public Works Department

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

December 14, 2023 - Resolution No. 20231214-060 authorizing negotiation and execution of an advance funding agreement with the Texas Department of Transportation for engineering and design study for cap and stitch improvements on the IH-35 Capital Express project for a total estimated cost of \$1,818,334 with the City's share of the costs estimated to be \$166,667 plus any cost overrun was approved on consent on a 10-0 vote with Council Member Ryan Alter absent.

December 14, 2023 - Resolution No. 20231214-061 authorizing negotiation and execution of an advance funding agreement with the Texas Department of Transportation for the City to contribute \$15,445,000, for 30% of the design and other associated costs of cap and stitch structures to be integrated into the IH-35 Capital Express Central Project was approved on consent on a 10-0 vote with Council Member Ryan Alter absent.

September 21, 2023 - Resolution No. 20230921-097 authorizing the submittal of a grant application to the United States Department of Transportation for the Fiscal Year 2022-2023 Reconnecting Communities and Neighborhoods Notice of Funding Opportunity for construction of improvements associated with the I-35 Cap and Stitch Program was approved on consent on an 11-0 vote.

September 21, 2023 - Resolution No. 20230921-098 authorizing negotiation and execution of a grant agreement with the United States Department of Transportation for \$1,120,000 for the Our Future 35: Connecting Austin Equitably Mobility Study was approved on consent on an 11-0 vote.

September 28, 2022 - Resolution No. 20220929-059 authorizing the submittal of the Our Future 35: Connecting Equitably Study - Planning Grant as a candidate for the Reconnecting Communities Pilot program. Resolution was approved on an 8-0 vote with Council Member Kelly abstaining, Council Member Harper-Madison off the dais, and Council Member Fuentes absent.

For More Information:

Richard Mendoza, Director, 512-974-2488; Kimberly Olivares, Deputy Chief Financial Officer, 512-974-2924; Michelle Marx, Acting Transportation Officer, 512-974-2856; Gilda Powers, Quality Consultant, 512-974-7092; Stella Deshotel, Business Process Consultant, 512-974-8054.

Additional Backup Information:

This item would authorize the City to pursue a loan from the State Infrastructure Bank (SIB) Transportation

Loan Program, administered by the Texas Department of Transportation (TxDOT).

The overall goal of the SIB program is to provide innovative financing methods to communities to assist them in meeting their transportation infrastructure needs. The SIB program allows borrowers to access capital funds at or below market rates. In Texas, SIB Financial assistance can be awarded to any public or private entity authorized to construct, maintain, or finance eligible transportation projects.

The loan, not to exceed \$193,000,000, is anticipated to be used for the following projects related to the City's I-35 Cap and Stitch Program:

- \$19.0M for TxDOT to complete 100% design for City-funded caps and stitches;
- \$165.0M for Roadway elements (see Exhibit A for definitions) for future caps at Cesar Chavez Street to 4th Street, 4th Street to 7th Street, 11th Street, 12th Street, and 38th Street to Airport Boulevard (see Exhibit B for a map of cap and stitch locations); and
- \$9.0M for roadway elements and the deck structure for a future stitch at Holly Street.

If awarded, loan repayment will be incorporated into debt service portion of tax rate.

On November 7, 2023, staff provided a briefing to Council during a work session wherein staff shared TxDOT's milestones for funding City-funded cap and stitch improvements. As a result, Council authorized the negotiation and execution of a \$15,000,000 Advanced Funding Agreement with TxDOT, finalized on February 6, 2024, through which the City committed to funding 30% design and other associated costs for City-funded caps and stitches. The deadline to fund the remaining balance of \$19,000,000 for 100% design is December 2024 and would be included in the SIB financial assistance application.

TxDOT also requires that funds for roadway elements be identified and secured by December 2024. Funding roadway elements by December 2024 (the remaining \$174,000,000) preserves specified future cap deck opportunities. The determination of which cap decks to phase and fund concurrent with TxDOT's CapEx project construction is not required until early 2027.