

TRANSPORTATION
PUBLIC WORKS

City Council Briefing
March 19, 2024

Robert Goode, Assistant City Manager
Richard Mendoza, Director Transportation and Public Works
Kimberly Olivares, Deputy Chief Financial Officer



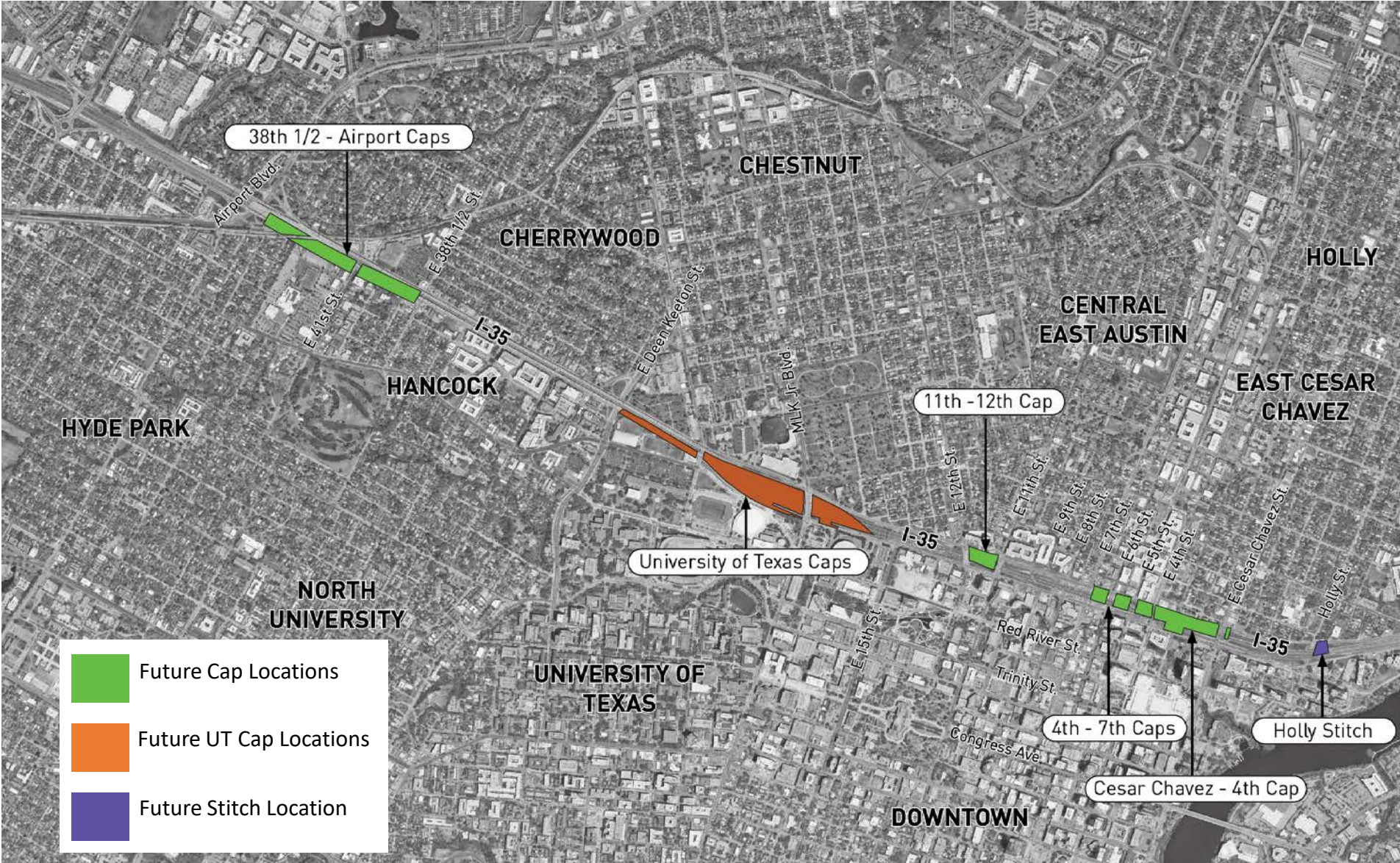
AGENDA:

- I. Overview of Cap Project
- II. Project Components and Options
- III. Project Costs
- IV. Key TxDOT Funding Deadlines
- V. Funding Options
- VI. Staff Recommendation

PRESENTATION PURPOSE:

- Consider State Infrastructure Bank (SIB) loan application

CAP AND STITCH OVERVIEW



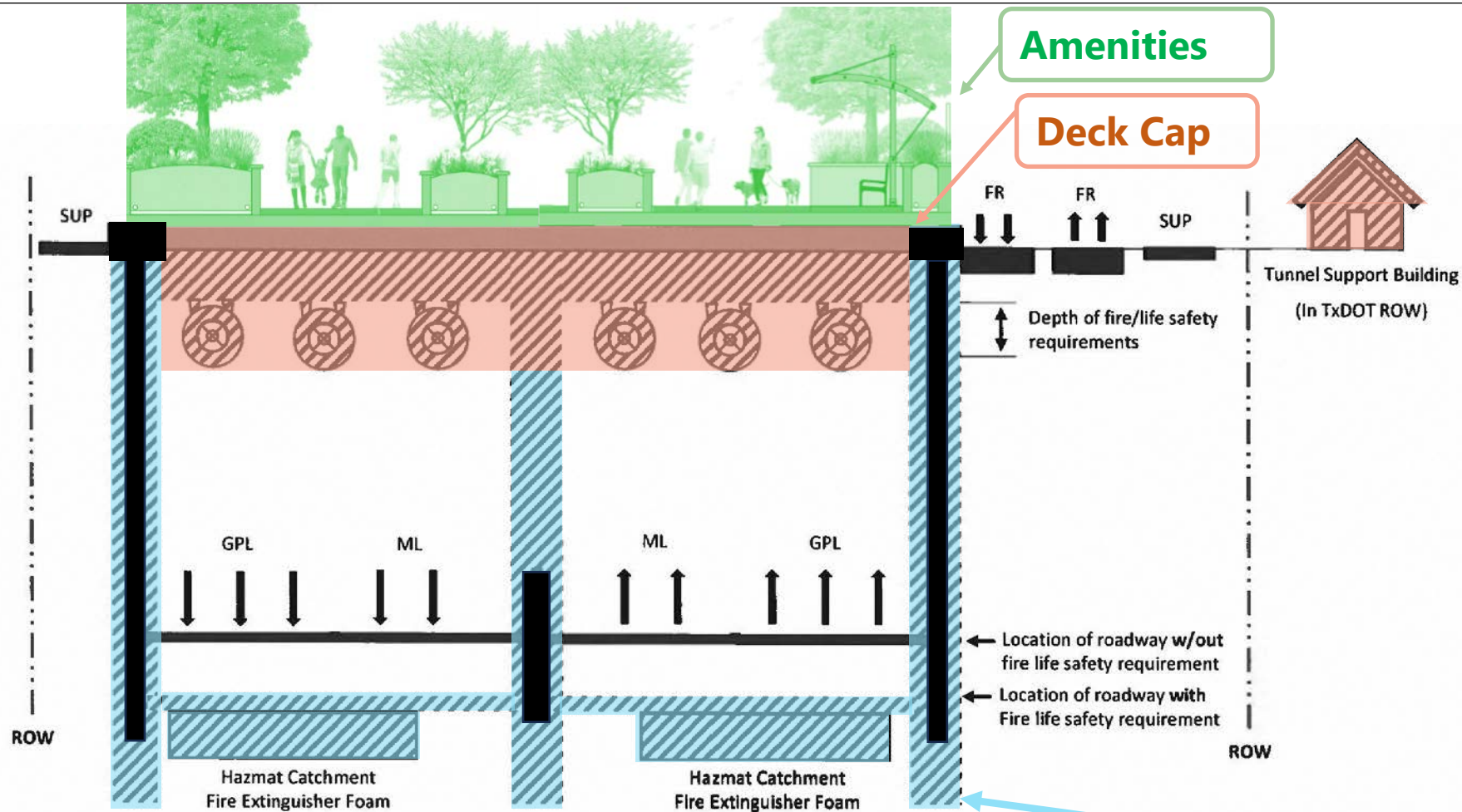
Project Components include:

- Roadway Elements – to accommodate caps: upgraded foundations, walls, lowered roadway, hazmat catchment, concrete columns to support deck cap
Funding these components will “future proof” the Caps...preserving the opportunity to build Caps in the future.
- Tunnel Elements + Cap - tunnel support building, deck cap, jet fans
- Amenities – these are on top of Cap, such as park and open space features, restrooms, pavilions, trees, public art, cultural facilities.

These project components can be phased in

CAP & STITCH COMPONENTS

Roadway Elements + Tunnel Elements and Cap + Amenities



- COA-Funded Roadway Elements
- COA-Funded Deck Structures
- COA-Funded Amenities

Roadway Elements - Preserves the opportunity to build Caps and Amenities in the future.

PROJECT COSTS: CAPS + Holly Stitch

(2024 Dollars)



		Decision by Dec 2024		Decision by Dec 2026	Concept Decision by Dec 2024, Final Layout by 2032+	
		Design Roadway Elements + Decks (\$M)	Construction Roadway Elements (\$M)	Construction Decks (\$M)	Amenity Costs	
	Acres				Design (\$M)	Construction (\$M)
Holly Stitch	1.05	\$34	\$9	-	\$1	\$13
CC South Extension	0.23		\$5	-	\$1	\$3m
CC-4th*	5.28		\$30*	\$69*	\$6**	\$66**
4 th -7 th	3.72		\$26	\$49	\$4	\$47
11 th -12 th	2.10		\$15	\$28	\$2	\$26
38 th -41 st	5.21		\$37	\$70	\$6	\$65
41 st -Red Line	4.76		\$33	\$65	\$5	\$60
Red Line-Airport	2.74		<u>\$19</u>	<u>\$37</u>	<u>\$3</u>	<u>\$34</u>
Total Need		\$34	\$174	\$318	\$28	\$314
Funding Secured		\$15***	\$30*	\$69*	-	\$6m*
Remaining Need		\$19	\$144	\$249	\$28	\$308

***Received \$105 Million Neighborhood Access and Equity Federal grant for CC-4th**

****\$45 Million grant match required from for CC-4th Amenities**

***** Council Authorized funding to 30% Design December 2023**

PROJECT COSTS: CAPS + Holly Stitch

(2024 Dollars)

		Decision by Dec 2024		Decision by Dec 2026	Concept Decision by Dec 2024, Final Layout by 2032+		Recurring Annually 2032+	
		Design Roadway Elements + Decks (\$M)	Construction Roadway Elements (\$M)	Construction Decks (\$M)	Amenity Costs		O&M Costs	
	Acres				Design (\$M)	Construction (\$M)	Structure (\$M)	Amenities (\$M)
Holly Stitch	1.05	\$34	\$9	-	\$1	\$13	\$1	\$1
CC South Extension	0.23		\$5	-	\$1	\$3m	\$1	\$1
CC-4th*	5.28		\$30*	\$69*	\$6**	\$66**	\$3	\$7
4 th -7 th	3.72		\$26	\$49	\$4	\$47	\$3	\$5
11 th -12 th	2.10		\$15	\$28	\$2	\$26	\$1	\$4
38 th -41 st	5.21		\$37	\$70	\$6	\$65	\$3	\$7
41 st -Red Line	4.76		\$33	\$65	\$5	\$60	\$2	\$6
Red Line-Airport	2.74		<u>\$19</u>	<u>\$37</u>	<u>\$3</u>	<u>\$34</u>	<u>\$1</u>	<u>\$4</u>
Total Need		\$34	\$174	\$318	\$28	\$314	\$15	\$35
Funding Secured		\$15**	\$30*	\$69*	-	\$6m*		
Remaining Need		\$19	\$144	\$249	\$28	\$308		

***Received \$105 Million Neighborhood Access and Equity Federal grant for CC-4th**

****\$45 Million grant match required from for CC-4th Amenities**

**** Council Authorized funding to 30% Design December 2023**

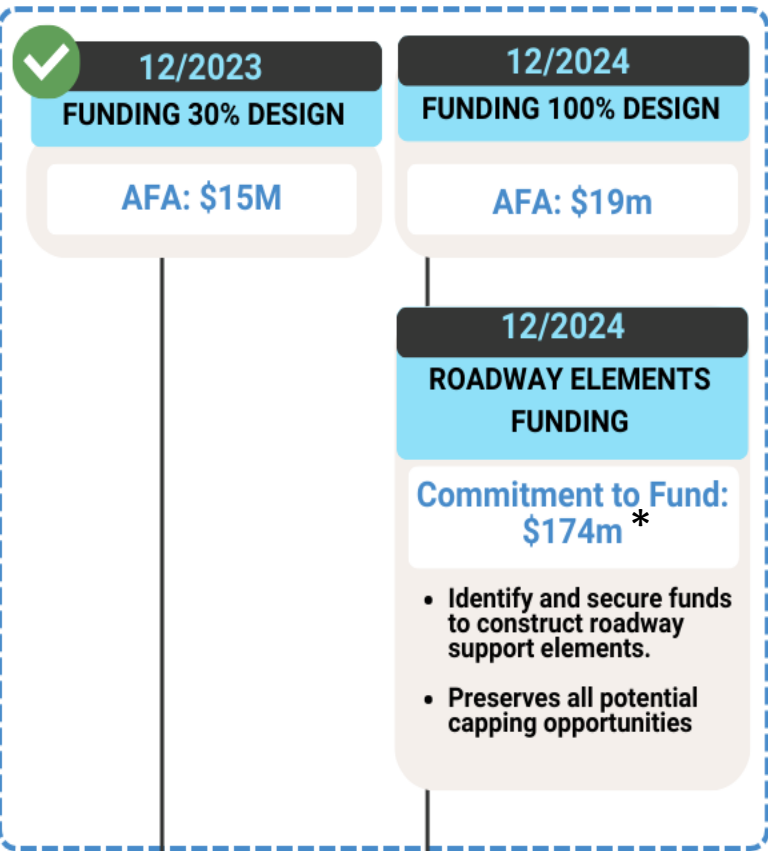


OUR FUTURE 35

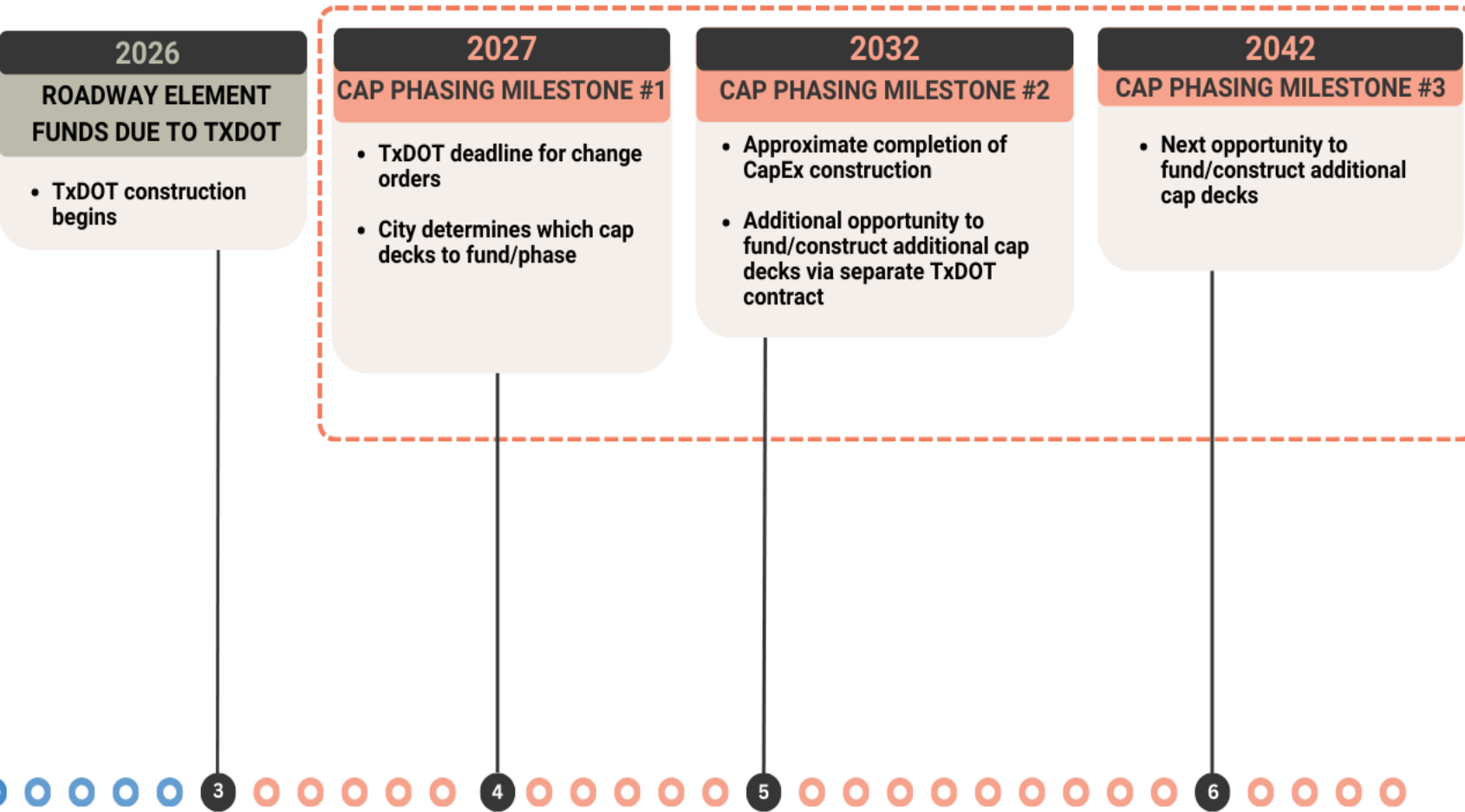
Key TxDOT Deadlines



ROADWAY STRUCTURES FUNDING



CAP DECK FUNDING OPTIONS



* Includes Holly Stitch

FUNDING OPTIONS



Funding Source	Infrastructure	Cap Amenities	Operating Expenses	Notes
Transportation Infrastructure Finance and Innovation Act Loan (City Debt)	—	×	×	<ul style="list-style-type: none"> Federal loan program (TIFIA) Generally limited to 33% of project cost Repayment from City's debt service tax rate Financed as City GO Bonds or COs
Federal Grants	✓	—	×	<ul style="list-style-type: none"> \$105M Reconnecting Communities and Neighborhoods grant awarded Other grant opportunities being monitored
Public Improvement Bonds (City Debt)	✓	✓	×	<ul style="list-style-type: none"> Voter approval required Most common local funding source for park, open space, and transportation projects Repayment from City's debt service tax rate
State Infrastructure Bank (SIB) Loan	✓	×	×	<ul style="list-style-type: none"> SIB is a low-cost transportation financing tool. Interest rate is fixed at the time of application. Entire process takes approximately 4-6 months. Tx Transportation Commission approval is required for all applications.
Tax Increment Financing (City Debt and/or Pay-Go)	—	✓	—	<ul style="list-style-type: none"> Must be supported by "but-for" analysis Timing of value capture constrains use for infrastructure costs Repayment from taxes in "Tax Increment"



Better Options



Lower Potential



Not Eligible or Available

FUNDING OPTIONS (contd)



Funding Source	Infrastructure	Cap Amenities	Operating Expenses	Notes
Certificates of Obligation (City Debt)	—	—	✗	<ul style="list-style-type: none"> • Voter approval not required • Not eligible for economic development • Not aligned to City financial policies • Repayment from City's debt service tax rate
Public Private Partnership or Ground Lease	—	✓	✓	<ul style="list-style-type: none"> • Sell development rights on caps • Timing of development activity constrains use for infrastructure costs
Fees (Pay-Go)	—	—	✓	<ul style="list-style-type: none"> • Transportation user fee • Parkland dedication fees • Lease fees for events conducted on caps
O&M Tax Revenue (Pay-Go)	—	—	✓	<ul style="list-style-type: none"> • Primarily sales and property taxes • Limits revenue available for other priorities • Tax rate election is an option
Philanthropy	—	✓	✓	<ul style="list-style-type: none"> • Naming rights • Waterloo Greenway Conservancy model • Uncertainty regarding amount and timing

✓ Better Options

— Lower Potential

✗ Not Eligible or Available

HYPOTHETICAL FUNDING STACK*



Decision by Dec 2024 Decision by Dec 2026 Concept Decision by Dec 2024,
Final Layout by 2032+

Roadway Elements (Design+Const) \$208M		Cap decks Construction \$318M		Cap Amenities \$342M		Annual Operating Expenses \$50M	
Federal Grants	\$30M	Federal Grants	\$69M	Federal Grants	\$6M	Philanthropic Trust	\$5M
SIB Loan	\$163M	SIB Loan	\$28M	Public Private Partnership	\$50M	Ground Lease	\$10M
	\$15M	Bond Election	\$221M	Tax Increment Financing	\$170M	Fees	\$20M
				Philanthropy	\$75M	Tax Revenue	\$15M
				Bond Election	\$41M		

* For illustrative purposes only. All amounts are estimates.

STAFF RECOMMENDATION



Apply for loan from the State Infrastructure Bank (SIB) for remaining* Cap Roadway Elements + Holly Stitch + Deck for 11th/12th

Potential SIB Loan Amounts:

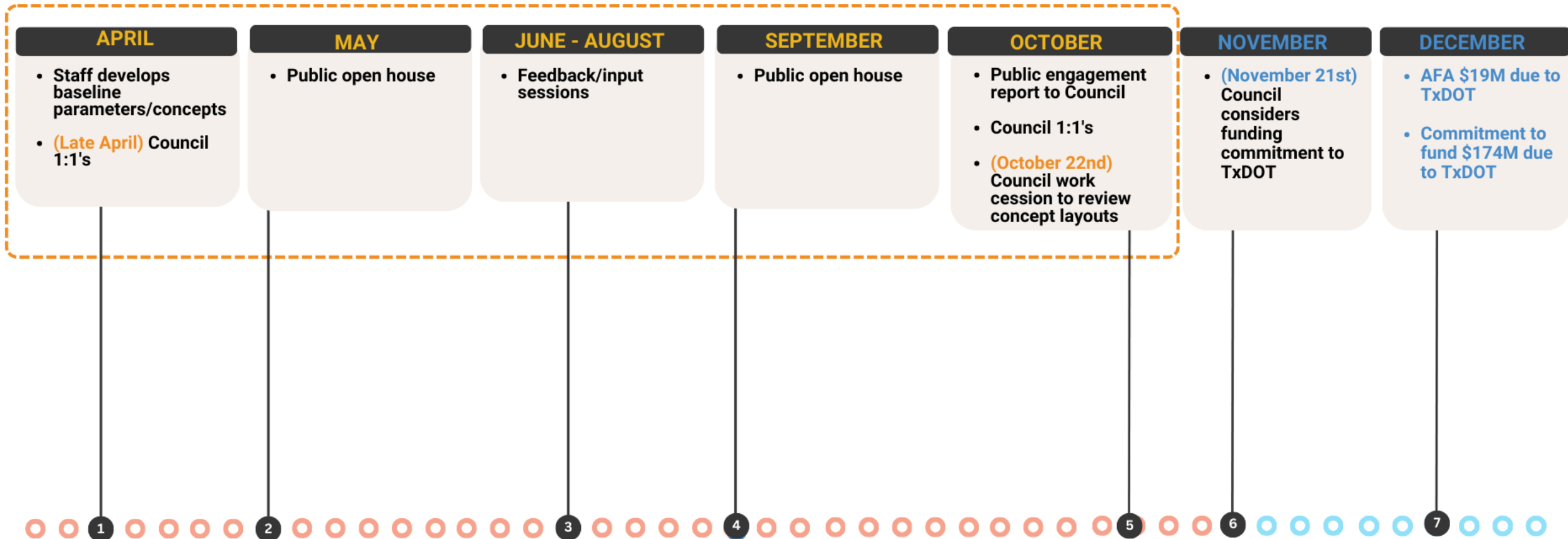
Component	Cost
Complete Design for Roadway Elements + Decks	\$19 Million
Remaining Roadway Elements for Caps*	\$135 Million*
Holly Stitch (Structure Costs)	<u>\$9 Million</u>
Subtotal	\$163 Million
Additional Option	
Deck for 11 th /12 th	<u>\$28 Million</u>
Total	\$191 Million

* Received \$105 Million Neighborhood Access and Equity Federal grant for CC-4th

NEXT STEPS – Amenity Concept Layouts



PUBLIC ENGAGEMENT PROGRAM



OUR FUTURE 35

WWW.OURFUTURE35.COM



OurFuture35@austintexas.gov



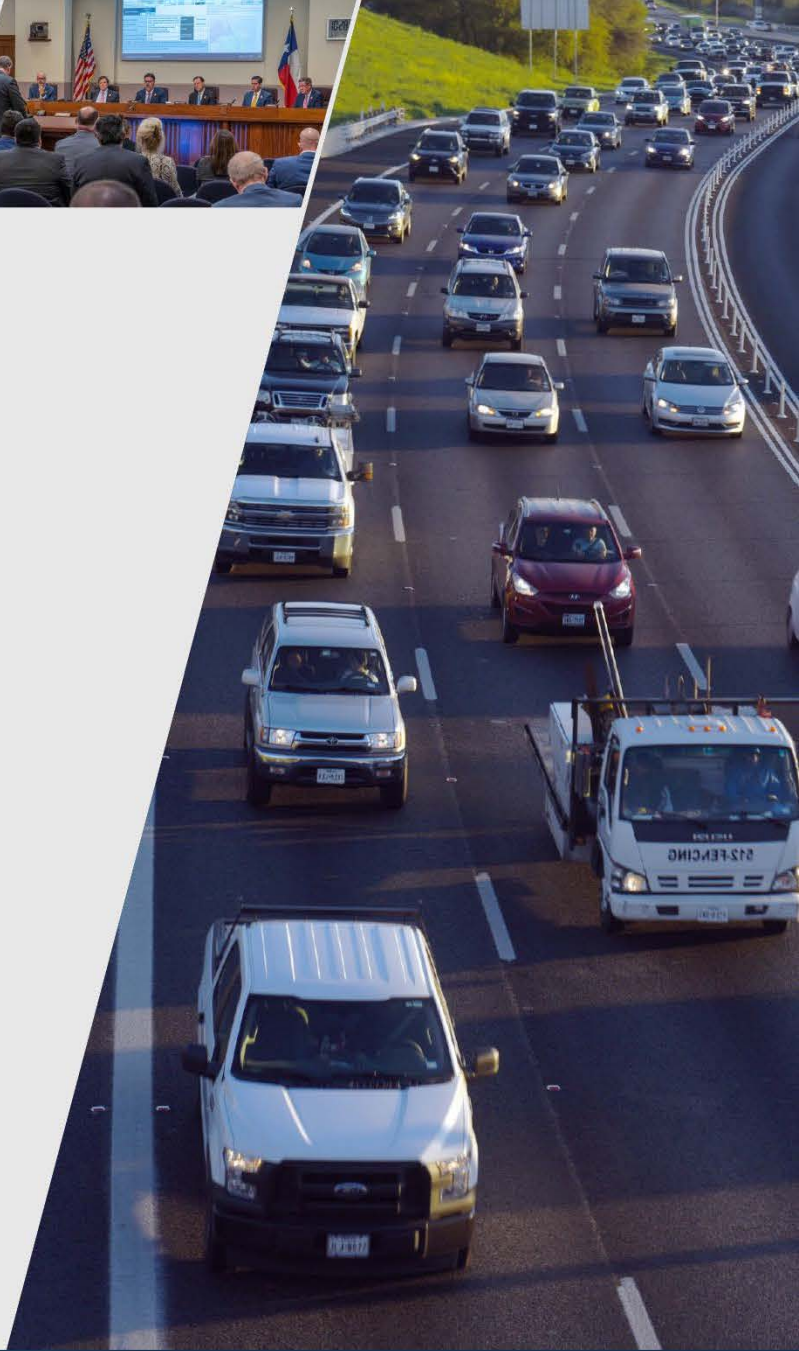
/ATXmobility



@AustinMobility



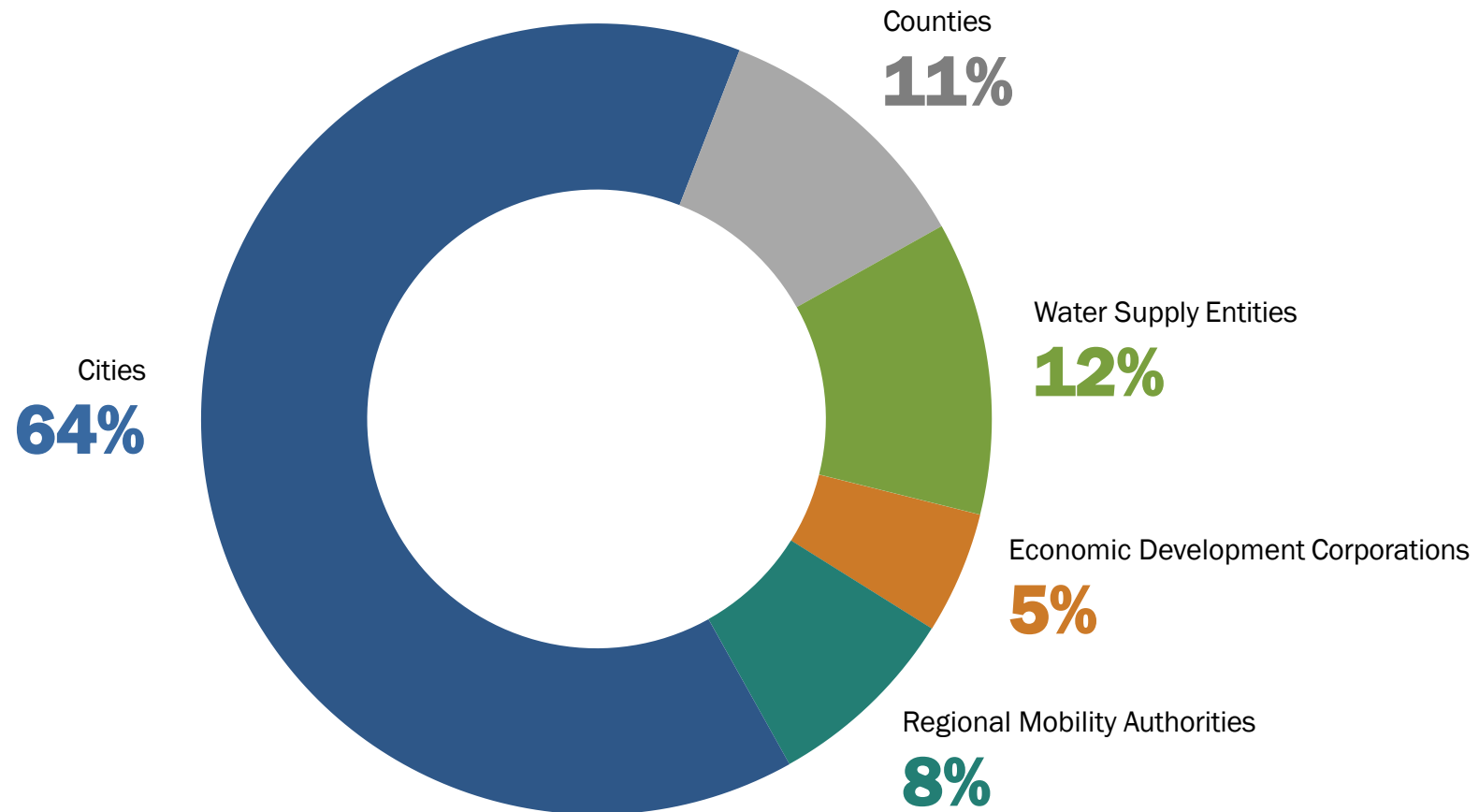
TxDOT State Infrastructure Bank



State Infrastructure Bank (SIB) Facts

- Revolving Loan Fund
 - Funds can only be used for eligible transportation projects
 - All repayments return to the fund
 - Funded through the State (TxDOT), non-Federal dollars
- Awarded 154 loans, totaling \$762M, since its inception in 1997
 - Loan amounts have ranged from \$10,000 to \$42M
 - Loans funds used to leverage \$8.2 billion for Texas transportation projects

SIB Borrower Types



Benefits of SIB Loans

- Low cost of borrowing
- No fees for loan application or handling or closing costs
- Flexible loan terms
- Draw and payment timing options
- Interest rate based on City's credit rating and term of the loan