



# City of Austin

## Recommendation for Action

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**File #:** 24-4471, **Agenda Item #:** 60.

5/2/2024

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### **Posting Language**

Approve a resolution authorizing the submittal of a grant application to the U.S. Department of Transportation for a Fiscal Year 2025-2026 Multimodal Project Discretionary Grant Opportunity for construction of improvements associated with the I-35 Cap and Stitch Program.

### **Lead Department**

Transportation and Public Works Department.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

March 21, 2024 - Resolution No. 20240321-067 authorizing the City Manager to submit an application for financial assistance from the State Infrastructure Bank (SIB) for the I-35 Cap and Stitch Program in an amount not to exceed \$191,000,000 was approved on consent on a 11-0 vote.

September 21, 2023 - Resolution No. 20230921-097 authorizing the submittal of a grant application to the United States Department of Transportation (USDOT) 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 USDOT 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 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; Upal Barua, Acting Assistant Director, 512-974-7110; Michelle Marx, Acting Transportation Officer, 512-974-2856; Stella Deshotel, Business Process Consultant, 512-974-8054.

### **Additional Backup Information:**

The Office of the United States Secretary of Transportation has released a joint Notice of Funding Opportunity for the National Infrastructure Project Assistance (Mega) program and the Infrastructure for Rebuilding America (INFRA) program. Together, this combined program will be known as the Multimodal Project Discretionary Grant (MPDG) opportunity. The MPDG program is part of the Bipartisan Infrastructure Law, the most significant federal transportation investment made in decades, which provides discretionary funding for

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surface transportation infrastructure projects - including highway and bridge - with significant national or regional impact. Funds for the Fiscal Year 2025-2026 MPDG program will be awarded on a competitive basis for projects that invest in large, complex projects that are difficult to fund by other means and are likely to generate national or regional economic, mobility, or safety benefits, as well as multimodal highway projects that aim to improve the safety, accessibility, efficiency, and reliability of the movement of people in and across urban areas. Complete projects will score higher.

Our Future 35: Austin's Cap and Stitch Program MPDG application will request up to \$124,000,000 to fund cap and stitch structures and amenities at Holly Street, 4th-7th, and 11th-12th Streets. Caps at these locations will score the highest based on criteria required by the grantor. If the City's application is successful, the grant award comes with a required local match of 40%, or roughly \$82,600,000, which will bring the total project cost for construction of these caps and amenities to approximately \$206,500,000.

On March 11, 2024, the USDOT awarded the City \$105,200,000 through the Fiscal Year 2023 Neighborhood Access and Equity program, which will fund the construction of cap structures and amenities from Cesar Chavez to 4<sup>th</sup> Street. In September 2023, the Transportation and Public Works Department submitted a grant application to USDOT's Reconnecting Communities and Neighborhoods Program, which combined two major discretionary grants, the Reconnecting Communities Pilot and the Neighborhood Access and Equity programs, into one combined Notice of Funding Opportunity.

On March 21, 2024, City Council authorized the City Manager to submit an application for a loan from the SIB for the I-35 Cap and Stitch Program in an amount not to exceed \$191,000,000. This loan is intended to fund structural elements for caps and stitches, as well as \$19,000,000 for additional design costs due to the Texas Department of Transportation. Staff proposes using funds from this SIB loan for the local match of up to \$82,579,000. SIB funding would still fund the roadway support and other structural elements as described in the loan application, effectively leveraging those dollars for federal funding for additional decks and surface amenities.

With this grant application, the City seeks an additional discretionary federal grant to continue moving the I-35 Cap and Stitch Program forward.