City of Austin

Recommendation for Action

File #: 26-3092, **Agenda Item #:** 52. 11/19/2026

Posting Language
Approve an ordinance authorizing negotiation and execution of an Advanced Funding Agreement with the Texas Department of Transportation for the design and construction of a boardwalk segment on the south bank of Lady Bird Lake, adjacent to the Hyatt Regency Hotel, to connect to the Ann and Roy Butler Hike and Bike Trail for a total estimated project cost of $25,000,000, plus any cost overruns; accepting $25,000,000 in state funds; and amending the Fiscal Year 2026-2027 Austin Parks and Recreation Capital Budget (Ordinance 20260812-007) to transfer in and appropriate $25,000,000 for the construction of this project. Funding: $25,000,000 is available from the Texas Department of Transportation. A funding match is not required. Related to Item #11.

Lead Department
Austin Parks and Recreation.

Fiscal Note
Funding in the amount of $25,000,000 is available from the Texas Department of Transportation. A funding match is not required. A fiscal note is attached.

For More Information:
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Additional Backup Information:
Funding in the amount of $25,000,000 is available from the Texas Department of Transportation (TxDOT) via the Texas Mobility Fund. The Riverside Shores Boardwalk (Boardwalk) will be located between South First Avenue and South Congress Avenue, along the south shore of Lady Bird Lake.

Austin Parks and Recreation (APR) will enter into an agreement with the City of Austin Public Facilities Corporation (APFC) for the design and construction of the Boardwalk section. Austin Transportation and Public Works will be responsible for the maintenance of the Boardwalk infrastructure. The Trail Conservancy will be responsible for operations, general maintenance, and programming of the Boardwalk once complete.

The City will not be required to contribute additional funds beyond those currently budgeted to this project. The project will be designed to the available budget, and no additional funds will be needed.

Purpose and Background
The $25 million project is being funded by TxDOT as part of the mitigation related to the IH-35 expansion project. The trail expansion and Boardwalk project will address a known "pinch point" along the Ann and Roy Butler Hike and Bike Trail and provide users with a safer experience. In this area, the existing trail is narrow, contains a sharp turn and steep elevation change, conflicts with boat dock operations, and suffers from stormwater pooling and cliff erosion. Texas law mandates an Advance Funding Agreement (AFA) to formalize the transfer of state funds to a local government and to define performance obligations, auditing rights, and fixed cost limits.

Project Description
The scope of work for this project includes the design and construction of a 14-foot wide trail with 2-foot shoulders on either side, erosion stabilization, and the Boardwalk over the water on the south bank of Lady Bird Lake, north of the Hyatt Regency Hotel.

Why an Advance Funding Agreement is Needed
State administrative rules (43 Texas Administrative Code (TAC) Sections 15.50-15.56) mandate a formal contract, typically an AFA, whenever state transportation funds are passed through to a local entity to establish legal responsibilities, procurement standards, audit authority, and cost participation limits. APFC will be leading the project with oversight from APR.

City Funding Responsibilities
- Architectural and engineering (A&E) procurement and execution (subject to TxDOT review/approval);
- Construction contract letting, award procedures, and construction management (subject to TxDOT concurrence);
- Right-of-way, real property, and easement acquisition (subject to TxDOT concurrence);
- Utility adjustment, removal, or relocation (subject to TxDOT concurrence);
- Environmental assessment, National Environmental Policy Act of 1969 documentation, and regulatory clearances;
- All non-state participation costs associated with the project and 100 percent of any cost overruns exceeding the $25 million state limit; and
- Long-term infrastructure maintenance of the Boardwalk (via Austin Transportation and Public Works).

Other Entity Funding Responsibilities
- TxDOT (state):
    - Disburse $25 million from the Texas Mobility Fund;
    - Review and approve A&E procurement, plans, and construction awards; and
    - Conduct state audits.

Cost Sharing
- Total project cost: $25,000,000 maximum fixed state contribution for project execution.
- City's estimated share: $0 initial cost share, provided there are no utility relocations, right-of-way, easement, or real property acquisition costs, and total project costs remain at or below $25,000,000.
- Other entity's share (state/TxDOT): $25,000,000 fixed contribution from the Texas Mobility Fund.
- Cost overrun responsibility: The City is responsible for 100 percent of any cost overruns exceeding $25 million. Any underruns revert to TxDOT.
- Reimbursement/Disbursement process: Upon contract execution, TxDOT disburses funds for the engineering budget estimate. At 90 percent preliminary engineering, specifications, and estimates milestone development, TxDOT disburses the remaining construction funds. Invoices and closeout documentation (as-builts) are submitted to TxDOT for final accounting

Public Benefit
- Trail improvements: Eliminates a "pinch point" with heavy trail traffic, grade changes, narrow paths, and conflicts with boat dock operations.
- Mobility improvements: Enhances capacity along Austin's most popular trail (~5 million annual visits) by adding a continuous 14-foot wide path with 2-foot shoulders and double trail/slow zone options.
- Infrastructure reliability and environmental benefits: Stabilizes eroding cliffs along Lady Bird Lake, remediates bank erosion, and resolves water pooling issues.

Risks and Impacts

If the City elects not to sign the AFA for the Boardwalk with TxDOT, the mitigation will be removed from the Final Environmental Impact Statement/Record of Decision through an environmental reevaluation.

Strategic Alignment

The proposed project was identified in the 2021 "Ann and Roy Butler Hike-and-Bike Trail Safety and Mobility Study" that had extensive community and stakeholder engagement established by the City and The Trail Conservancy.