Austin

City of Austin

Recommendation for Action

File #: 26-2097, **Agenda Item #:** 16. 7/23/2026

Posting Language
Approve a resolution authorizing the City Manager to apply for two low-interest loans for a total of up to $14,000,000 from the State of Texas, State Energy Conservation Office, LoanSTAR Revolving Loan Program for the Solar on City Facilities Project. Funding: contingent upon available funding in future operating budgets.

Lead Department
Austin Financial Services

Fiscal Note
Funding is contingent upon available funding in future operating budgets.

Prior Council Action:
May 22, 2025 - Council approved Resolution No. 20250522-052, regarding solar installation on City property.

April 23, 2026 - Council approved a contract with GS Solar LLC d/b/a Big Sun Solar, for an initial term of and PowerFin Texas Solar Projects, LLC with an estimated revenue of $17,700,000.

For More Information:
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Additional Backup Information:
This action authorizes the City Manager to apply for funding from the State of Texas, State Energy Conservation Office, LoanSTAR Revolving Loan Program for two low-interest loans for up to a 15-year term for the Solar on City Facilities Project. The Texas LoanSTAR Revolving Loan Program provides low-interest loans to assist Texas public institutions by financing their energy-related, cost-reduction retrofit projects. Loan recipients may be cities, counties, independent school districts, state agencies, public institutions of higher education and tax-supported public hospital districts.

Austin Financial Services plans to apply to the LoanSTAR Program for one loan from the General Funds for up to $6 million at 2.5% interest and one application for American Reinvestment Act and Recovery Funds for up to $8 million at 1.5% interest. The funding will be used for the installation of 28 solar photovoltaic systems on city facilities, totaling approximately 4.5 megawatts alternating current of installed solar capacity. All loan disbursements are on a reimbursement basis. The City of Austin will repay the loans through the stream of value of solar payments realized from the solar installations.

Staff from Austin Climate Action and Resilience have been leading this project, in partnership with Austin Financial Service, Austin Facilities Management, and Austin Energy. In July 2025, the One Big Beautiful Bill Act was passed, which phases out existing Investment Tax Credits (ITCs). To leverage these ITCs, projects must either commence construction by July 4, 2026, or be placed in service by December 31, 2027. Therefore, staff are working as quickly as possible to secure funding and complete installations on as many city facilities as possible by the end of 2027.