



City of Austin

Recommendation for Action

File #: 25-0920, **Agenda Item #:** 43.

5/22/2025

Posting Language

Approve an ordinance amending the Fiscal Year 2024-2025 Transportation and Public Works Department Capital Budget (Ordinance No. 20240814-007) to increase appropriations by \$244,000,000 for City costs related to the I-35 Cap and Stitch Program. Funding: \$244,000,000 will be available from future issuance of tax-exempt general obligation bonds. Related to Items #41 and #42.

Lead Department

Transportation and Public Works Department

Fiscal Note

Funding in the amount of \$244,000,000 will be available from the future issuance of tax-exempt general obligation bonds

Prior Council Action:

December 12, 2024 - Resolution No. 20241212-011 authorizing the negotiation and execution of a State Infrastructure Bank loan agreement, for one or more loans, in an amount not to exceed \$41,000,000 to fund the City's costs related to the I-35 Cap and Stitch program and all other required documentation to effectuate the City's intent to borrow such funds was approved on consent on a 11-0 vote.

March 21, 2024 - Resolution No. 20240321-067 authorizing the City Manager to apply for financial assistance from the State Infrastructure Bank 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.

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

For More Information:

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Additional Backup Information:

This action is to request approval of a budget amendment for the Transportation and Public Works Department to appropriate \$244,000,000 in tax exempt general obligation bonds for the costs related to the I-35 Cap and Stitch Program. The amount of \$244,000,000 in tax exempt general obligation bonds, is a combination of two

separate requests submitted for Council approval. The funding commitment must be provided by May 31, 2025. This budget amendment is to enable the City to provide that commitment.

Council must commit to fund up to \$265,000,000 for all cap and stitch roadway elements to be integrated into the IH-35 Capital Express Central Project letting package. Funding for this component will include \$41,000,000 from a State Infrastructure Bank financial assistance loan and up to \$244,000,000 from tax-exempt general obligation bonds to be appropriated by this budget amendment.

The exact amount of general obligation bonds needed for the roadway elements commitments will become more accurate after Council provides clarification on where the City will fund Phase 1 roadway elements by the end of May 2025.

In addition to the financial commitments to fund the cap and stitch roadway elements, the City will also contribute up to \$20,000,000 to complete 100% structural design and engineering for cap decks and associated tunnel elements in locations where Council has committed to funding Phase 1 roadway elements. Funding for those design, engineering and associated tunnel elements is also anticipated to come from the tax-exempt general obligation bonds to be appropriated by this action. The exact amount of general obligation bonds needed for the design fee will become more defined after Council provides clarification on where the City will fund Phase 1 roadway elements by the end of May 2025.