



City of Austin

Recommendation for Action

File #: 24-6249, Agenda Item #: 11.

12/12/2024

Posting Language

Approve a resolution 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. Funding: Funding for repayment of the State Infrastructure Bank loan(s) will be included in future General Obligation Debt Service Fund Operating Budgets. Related to Items #49, #50, #51, and #52.

Lead Department

Financial Services Department.

Fiscal Note

Funding for repayment of the State Infrastructure Bank loan(s) will be included in future General Obligation Debt Service Fund Operating Budgets. A fiscal note is attached.

Prior Council Action:

March 21, 2024 - Council Approved Resolution No. 20240321-067 authorizing the submittal of a State Infrastructure Bank application to the Texas Department of Transportation for \$191,000,000.

For More Information:

Kimberly Olivares, Deputy Chief Financial Officer, 512-974-2924; Belinda Weaver, Treasurer, 512-974-7885.

Additional Backup Information:

This item will authorize the negotiation and execution of a State Infrastructure Bank (SIB) loan agreement, for one or more loans, in an amount not to exceed \$41,000,000. The overall goal of the SIB program is to provide innovative financing methods to communities to assist them in meeting their transportation infrastructure needs. Loan proceeds will be used toward the following projects related to the City's I-35 Cap and Stitch Program:

- \$19.0M for Texas Department of Transportation to complete 100% design for City-funded caps and stitches;
- \$22.0M for Roadway elements for future caps at Cesar Chavez Street to 4th Street, 4th Street to 7th Street, 11th Street, 12th Street, and/or 38th Street to Airport Boulevard

The SIB loan terms approved by the Texas Transportation Commission by Minute Order No. 116814 on October 31, 2024 are as follows:

- Loan Amount: \$41,000,000 for design and construction costs related to deck structures;
- Term: 20 years - with a one-year repayment deferral; and
- Interest Rate: 3.54%.

The SIB loan can be repaid early without penalty or fees and can be refinanced for a nominal fee once during the loan term.

Estimated Debt Service Costs:

	Total Over 20 Years:
Principal	\$41,000,000
Est. Interest	\$16,904,739
Est. Total Debt Service	<u>\$57,904,739</u>