Austin

MEMORANDUM

To:	Mayor and City Council
Through:	Mike Rogers, Assistant City Manager MR
From:	Adriana Casteñeda, Director, Capital Delivery Services AC
Date:	July 17, 2026
Subject:	**Request for Supplemental Information on Bond Project Proposals (Resolution No. 20260528-097)**

The purpose of this memorandum is to provide the information requested through Resolution No. 20260528-097 regarding a potential November 2026 General Obligation Bond election.

Sub Quorum-Requested $390 Million Alternative Scenario
Attachments A and B provide additional information on the $390 million scenario as well as the requested due diligence on projects listed in the May 28, 2026, Item from Council (IFC). Based on the large amount of bond dollars from prior elections remaining to be issued, the recommendation from professional staff remains to pursue a bond election in 2028. Furthermore, the approval of $390 million in 2026 would reduce available bonding capacity for 2028 from approximately $1 billion to approximately $500 million in order to maintain compliance with rating agency criteria for AAA credits.

The information provided below reflects staff's effort to balance geographic equity, project readiness, deliverability, community feedback, and long-term fiscal sustainability within a constrained bond capacity.

The Sub Quorum's April 20, 2026, request was for an alternative bond scenario with:

- $250-$260 million for parks projects, not including any maintenance facilities.
- $50-$60 million for community facilities, such as libraries and cultural arts facilities; and
- $75-$80 million for active transportation projects.

Attachment A: Funding Distribution

- Potential funding distribution by city council district.
- A summary of named projects totaling $249.4 million.
- Geographic distribution of named projects across city council districts; and
- Citywide programmatic investment totaling approximately $140.6 million.

Within this scenario, each city council district includes active transportation funding based on an assumed two-year project delivery period. The active transportation program categories reflected in the scenario include Vision Zero, Sidewalks, Safe Routes to School, Urban Trails, Transit Enhancements, Bikeways, Neighborhood Partnering Program, Austin Core Transportation (ACT) Plan, and Bridges.

Attachment B: Due Diligence
This section provides background and due diligence information on the projects proposed by community organizations that were identified in the resolution, as well as recommended projects from the Bond Election Advisory Task Force (BEATF) that were not included in the $390 million scenario. Those projects include:

1. Community Organizations - Facilities
    - Mexic-Arte Museum
    - Umlauf Sculpture Garden and Museum
    - Austin Film Society (Austin Studios)
    - Austin Theatre Alliance (Paramount Theatre & State Theatre)

2. BEATF Projects Not Included in the $390 Million Alternative Scenario
    - Electric vehicle charging stations
    - Colony Park health center and branch library
    - George Washington Carver Museum, Cultural and Genealogy Center

Throughout the two-year deliberative process for project evaluation and selection, staff developed a criteria-based scoring process to identify the projects and programs included in the Initial Draft Recommendation. A guiding principle of this process of the evaluation framework was that projects and programs that were not City-owned and not mandated by federal, state, or local governments were not advanced for further consideration through the bond development process.

It is important to note that in the BEATF's $436 Million Alternate Recommendation, the recommended amount for community facilities was $131 million, which is $71 million over the Sub Quorum's request for a $50-60 million scenario. Staff included a $48 million option within the Sub Quorum-Requested $390 million Alternative Scenario to allow for adjustments based on the City Council's direction.

Attachment C: Austin Core Transportation (ACT) Plan
Attachment C provides information regarding the Austin Core Transportation (ACT) Plan, including estimated total project costs, project phasing assumptions, and anticipated deliverables at various funding levels.

Attachment D: Homeless Resource Center and Shelter Campus
Attachment D provides information regarding the opportunity for a new homeless resource center and shelter campus, including estimated full built-out project cost and anticipated deliverables.

Analysis of Ongoing Operational Costs
Staff are estimating ongoing, annual operating costs of $13.5 million collectively for the $390 million scenario listed in Attachment A. Most of the projected operating costs are related to the operation of a new homeless services resource center and shelter ($10 million). A total of $2.1 million is projected for the various park and pool improvements and $0.5 million for library improvements. The remaining $0.9 million is needed for ongoing maintenance of planned sidewalks, trails, and bikeways.

Operation of the proposed homeless services resource center and shelter is modeled assuming it will come online in FY 2030-2031. Operating costs associated with library, park, and pool improvements as listed above are modeled assuming a linear phase-in over fiscal years 2028-2031. Funding for the ongoing operations and maintenance of planned sidewalks, trails, and bikeways will come from the Transportation and Public Works Fund with no impact to the General Fund. Incorporating these cost projections into the General Fund 5-year financial forecasts result in no change to FY 2026-2027, a deficit of $650,000 in FY 2027-2028, and projected surpluses of $3 million, $10.1 million, and $5.4 million in fiscal years 2028-2029, 2029-2030, and 2030-2031, respectively.

Taxpayer Impact Statement
In addition to the previously listed operating costs, debt service costs for principal and interest are estimated at $31.3 million annually once all $390 million of bonds have been issued. Debt service and ongoing operating costs combined are projected to result in an $81.13 annual increase in the tax bill for the median Austin homestead with a taxable property value of $484,907.

Attachment E: Council-approved Bond Decision-Tree Framework
Attachment E shows the bond decision-tree framework approved by City Council on February 26, 2026. Compliance with the bond decision tree criteria is dependent on several factors including the amount of remaining funding from prior bond elections, the size of the bond propositions being proposed, and a variety of financial, budget, project delivery, and affordability considerations. For several criteria, the decision-tree references the City's financial policies, which were subsequently modified by City Council on May 28, 2026. *Even with these modifications, not all criteria in the decision-tree are met for the $390 million scenario as presented in Attachment A.*

Specifically, the financial policy related to the timing of bond elections was changed from an aggregate remaining bond funding basis to a proposition-by-proposition remaining funding basis:

> Prior Policy
> Timing of general obligation bond elections shall be determined by the inventory of current authorized unissued bonds remaining to be sold. An estimated two years of authorized unissued bonds shall remain before an election will be held.
>
> Revised Policy
> It is the City's priority to not hold a new bond election for a bond proposition category until projects within that category from prior bond programs have reached substantial completion, which is generally considered to occur when approximately 90% of bond program proposition expenditures have been incurred. However, more frequent bond elections may be held in response to an emergency or other exigent circumstance.

Of the potential bond projects shown in Attachment A, $298 million is for projects within proposition categories where expenditures from prior bond elections now exceed 90% of total available funding, meaning these projects comply with the revised policy criteria. These categories include Sidewalks, Bikeways, Safe Routes, Aquatics, Park Infrastructure, Parkland Acquisition, Animal Services, and Homeless Strategies. However, the remaining $92 million is for projects within proposition categories where the 90% threshold has not been met, meaning these projects do not comply with the revised policy criteria. These categories include Vision Zero, Transit Enhancement, Urban Trails, Parks Buildings and Improvements, and Library.

Regarding the decision tree criteria pertaining to the size of propositions, the associated financial policy was revised by City Council to read as follows:

> Prior Policy
> The total dollar amount of bond election propositions recommended to the voters shall not exceed the City's estimated ability to issue said bonds within a normal six-year period.
>
> Revised Policy
> It is the City's priority to size bond election propositions in a manner consistent with a six-year bond program implementation cycle. However, smaller or larger proposition sizes may be used in response to an emergency or other exigent circumstance.

Total funding for the park projects listed in Attachment A are sized for a six-year implementation, consistent with the revised policy. Total funding for all other proposition categories has been sized for a two-year implementation for the purpose of synching the timing of future funding needs with other bond proposition categories that currently also have approximately two-years of funding remaining to reach substantial completion. This would align funding across proposition categories for a potential 2028 bond election.

Given that compliance with the bond decision tree is dependent on the facts and circumstances surrounding any given bond proposal, staff will revisit the decision tree criteria if any other potential bond packages are proposed by City Council.

Interim Funding
The Resolution called for staff recommendations on interim funding and whether ongoing investments in active transportation and watershed protection are better suited to cash funding, certificates of obligation (COs), or should be included in a bond election.

One of the City's financial policies governing the use of general obligation debt states:

It is the City's priority to fund expenditures for capital assets with cash or voter-approved debt. However, non-voter approved debt may be issued, to the extent allowable by State law, if the expenditure is:

- Urgent;
- Unanticipated;

- Necessary to prevent an economic loss to the City;
- Expected to result in an economic gain to the City within a reasonable time;
- Most effectively financed through non-voter approved debt; or
- Required to address life and health safety issues at City facilities, to extend the useful life of City facilities, or to refurbish existing City facilities to meet changing City space needs.

Cash funding of projects has the advantage of avoiding interest expenses and is often the best option when a dedicated funding source exists and funding requirements are reasonably predictable and level over time. Consistent with these conditions, many Watershed Protection projects are well-suited for cash funding, and the City has historically funded a significant share of these projects through an annual cash transfer to the Capital Improvement Program.

Debt is often the better choice for large one-time projects, such as construction of a new community center, where generational tax equity is improved by spreading the debt service costs over several decades. Most of these types of projects have historically been funded through periodic bond elections.

Certificates of Obligation (COs) are another form of debt established in state law that can be issued without voter approval. State law imposes many restrictions on the use of COs, but they can broadly be used for many of the same purposes as bond elections including transportation, drainage, parks, public safety, and renovations to existing facilities. It is important to note that if a bond proposition fails, State law prohibits issuance of COs, or any other debt instrument, for the same purpose for the following three years.

As mentioned earlier in the memorandum, several bond proposition categories have reached 90% expended, meaning project delivery will need to be scaled back without additional funding prior to November 2028. It is possible to meet these short-term funding needs through the limited and targeted use of COs in a manner that is compliant with state law and the City's financial policy governing the use of general obligation debt. If City Council wishes to proceed with an interim funding package of COs to support capital needs until 2028, staff recommend limiting the total amount to no more than $150 million and that it be dedicated to transportation, parks, and watershed needs.

Staff Recommendation
Based on the large amount of bond dollars from prior elections remaining to be issued, along with staff's proposed interim funding solution that addresses funding shortfalls in critical project areas, **staff continue to recommend delaying a bond election until 2028**.

Should you have any questions or concerns, please contact Adriana Castaneda, Director of Capital Delivery Services, at Adriana.Castaneda@austintexas.gov or (512) 974-9707.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Jason Hadavi, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team

Department Directors

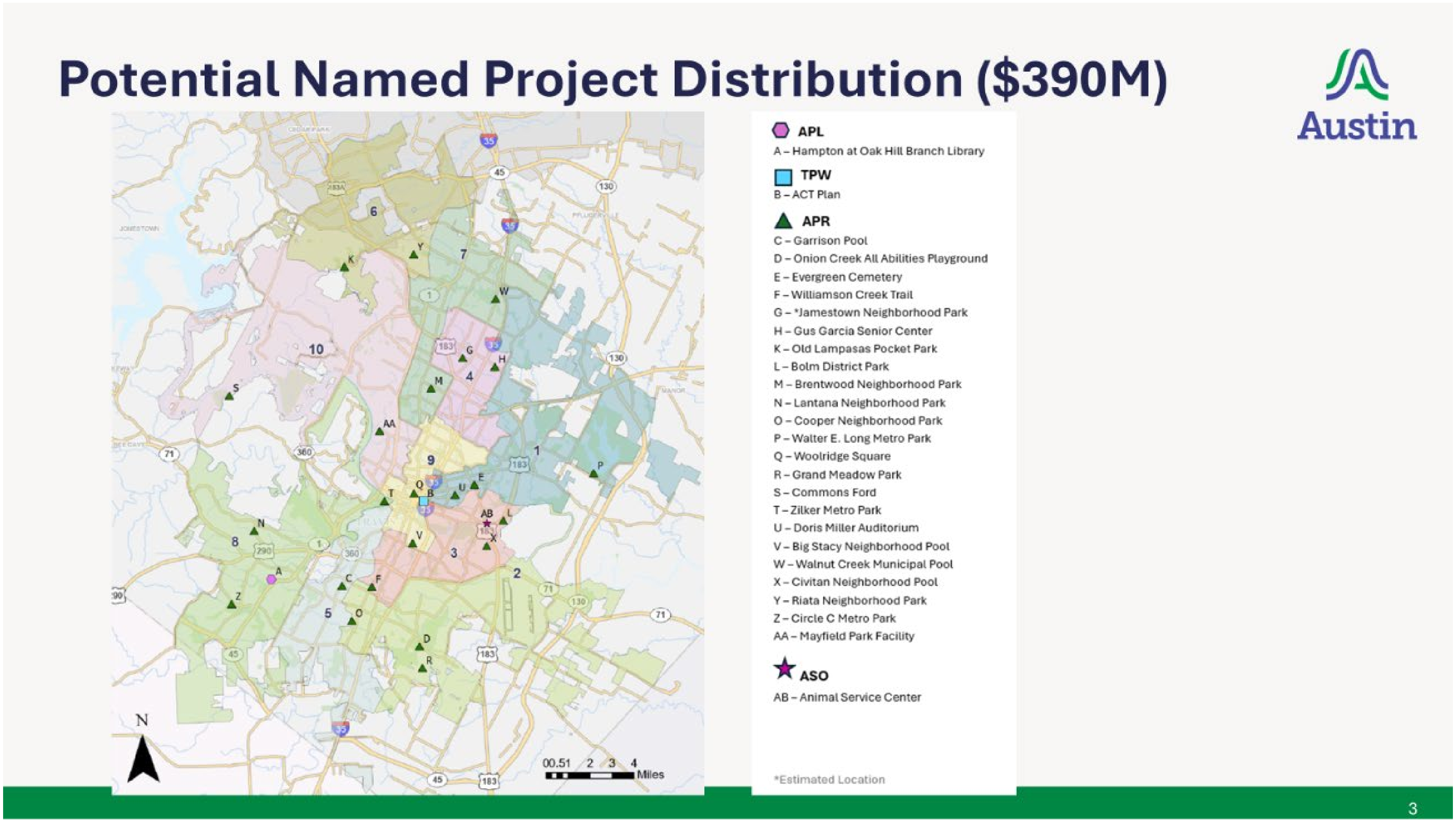
Attachment A: Potential 2026 Bond Program ($390M Scenario)

***Figure A*: Funding Distribution**

Council Districts	Examples of Named Projects	Potential Funding ($M)	% of $390M Alternative Scenario
CD 1	Walter E. Long Metro Park, Doris Miller Auditorium, Evergreen Cemetery TPW Mobility Programs* ($7.8M)	35.8	9.17%
CD 2	Onion Creek All Abilities Playground, Grand Meadow Park, Williamson Creek Trail TPW Mobility Programs* ($7M)	10.5	2.70%
CD 3	Bolm District Park, Civitan Neighborhood Pool, Animal Shelter TPW Mobility Programs* ($11.5M)	27.5	7.04%
CD 4	Gus Garcia Recreation Center, Jamestown Neighborhood Park TPW Mobility Programs* ($10.5)	37.0	9.47%
CD 5	Garrison Pool, Cooper Neighborhood Park TPW Mobility Programs* ($4.8M)	30.3	7.76%
CD 6	Old Lampasas Pocket Park, Riata Neighborhood Park Playscape TPW Mobility Programs* ($5.4M)	6.8	1.76%
CD 7	Walnut Creek Neighborhood Pool, Brentwood Neighborhood Park TPW Mobility Programs* ($11.7M)	28.7	7.36%
CD 8	Hampton at Oak Hill Branch Library Renovation, Lantana Neighborhood Park	31	7.95%

	TPW Mobility Programs* ($4.5M)		
CD 9	Big Stacy Neighborhood Pool, ACT Plan TPW Mobility Programs* ($7.7M)	32.7	8.40%
CD 10	Mayfield Park Facility, Commons Ford TPW Mobility Programs* ($5.6M)	9.1	2.34%
Citywide	Parkland Acquisition ($50M), Park Improvements and Infrastructure ($59.6M), Electrification Infrastructure ($2M), Community Gardens ($500K), Homeless Resource Center & Shelter ($25M), TPW Citywide Programs ($3.52M)	140.6	36.06%
Totals		**390**	**100%**

Figure B: **Potential Named Project Distribution Map**



Attachment B: Due Diligence

1. **Community Organizations - Facilities**

Mexic-Arte Museum

The Mexic-Arte Museum, established in 1984, presents exhibitions and educational programming featuring emerging and established artists from the United States, Mexico, and Latin America, with a focus on Mexican American cultural heritage and contemporary fine arts.

City of Austin Investment

This is not a City of Austin-owned property or facility. However, the City of Austin has made multiple investments in the Mexic-Arte Museum.

- In 2001, the City provided $740,000 to support acquisition of the property at 419 Congress Avenue, securing a permanent location for the museum. In exchange, the organization agreed to rehabilitate and maintain the building, as well as provide public programming and services.
- In 2006, voters approved Proposition 4, which included $5 million in General Obligation bond funds towards the Mexic-Arte Museum facility.
- In 2018, voters approved Proposition B, which included an additional $15 million toward improvements at the Mexic-Arte Museum site.
- Since 2018, Mexic-Arte Museum has received $1,806,773 in cultural arts, historic preservation, and tourism grant funding from the City of Austin.
- The City Council has approved fee waivers associated with the project, totaling $62,504 in unrealized revenue across multiple City departments.

Project Scope and Funding Request

The current Mexic-Arte Museum capital project involves demolition of the existing facility at 419 Congress Avenue and construction of a new four-story museum facility on the same site. Based on the existing design development cost estimate, an additional $19 million in funding is required to fully implement the current design scope.

Project Readiness and Due Diligence Review

Below is the current project status:

- The project received $20 million in bond funds as part of the 2006 and 2018 bond programs.
- Design is approximately 50% complete.
- The current project design is for Mexic-Arte's preferred option – demolition of the existing facility, full build-out of the 1st floor and construction of the shell for a four-story facility. This design requires an additional $6 million in funding.
- Mexic-Arte has requested an additional $19 million in future bond funds to cover the $6 million mentioned above and complete the full build-out of the remaining floors (two, three, and four).

Currently, staff is working with Mexic-Arte to amend the current bond agreement to address the following issues before continuing with full project implementation:

- Agreed upon final project scope.
- Agreed upon funding commitment from Mexic-Arte.
  - Mexic-Arte is currently not in compliance with Section 3d of the current bond agreement. This section requires supporting evidence of sufficient pledges for capital contributions or contractual commitments to construct the improvements and purchase the necessary fixtures and equipment. To date, Mexic-Arte has only raised $500,000 towards their funding commitment.
  - The City is requesting that Mexic-Arte close the $6 million funding gap to complete design, construction, and furnishing their preferred option.
  - Receipt of a full funding plan, including required private fundraising commitment.
- Substantiation that ongoing operations and maintenance of the facility can be sustained after the project is constructed.

Items for Consideration

- This museum facility is not City-owned. The City leases the property to comply with state and federal bond funding requirements and subleases the property back to Mexic-Arte for its operations.
- Mexic-Arte is not in compliance with the fundraising timeline requirements in the bond agreement. An amendment to the agreement is under negotiation.

- It is anticipated that approximately $1.2 million will be requested by Mexic-Arte in additional fee waivers.

Umlauf Sculpture Garden and Museum

In 1985, Charles and Angie Umlauf donated their home, studio, approximately 1.93 acres of surrounding land, and 168 sculptures to the City of Austin for public enjoyment and education. In 1991, a museum was constructed on an adjacent 5.86-acre City-owned property using private funding to display the donated collection.

On September 30, 2014, the City of Austin and the UMLAUF Sculpture Garden + Museum entered a Management, Operation, and Parkland Improvement Agreement for the Existing and Future UMLAUF Sculpture Garden and Museum. The term of this agreement is 50 years, with the option of up to two 25-year extensions.

Today, the UMLAUF Sculpture Garden + Museum features permanent and rotating exhibitions, educational programming, community events, and public access to the sculpture garden. The facility is owned by the City of Austin and operated by the UMLAUF Sculpture Garden + Museum, a nonprofit partner organization.

City of Austin Investment

- In February 2015, UMLAUF received $65,000 in one-time funding to support stabilization of the historic home and studio property and to evaluate options for ongoing operational support.
- Since 2014, the City has made an annual payment of $200,000 to UMLAUF for operational support throughout the term of the partnership agreement.
- In 2017, the City contributed approximately $150,000 in one-time funding from 2012 bond dollars for flood repair at UMLAUF.
- Since 2018, UMLAUR has received $418,648 in cultural arts and heritage preservation funding from the City of Austin.

Project Scope and Funding Request

In October 2024, City Council adopted the UMLAUF Sculpture Garden + Museum Historic Preservation, Expansion, and Unification (HPEU) Plan. The plan identifies a multi-phase vision for preservation and enhancement of the site.

- ***Phase One:*** Focuses on existing facility projects which may include accessibility and site access improvements, parking and accessible parking enhancements, garden improvements, museum renovations, and site edge and circulation improvements

- ***Phase Two:*** Focuses on historic preservation of the Umlauf home, studio, & upper green access improvements
- ***Phase Three:*** Focuses on expansion and unification through gateway and welcome-area upgrades, enhancements to the treehouse and overall visitor experience, improvements to the historic garden, and restoration and enhancement of natural areas.

Project Readiness and Due Diligence Review

Staff reviewed the project's current level of development, fundraising readiness, partnership requirements, and legal considerations associated with potential bond funding.

The UMLAUF organization recently initiated work with a capital campaign consultant and is currently in the campaign readiness phase, which is expected to continue through June 2026. This phase evaluates organizational capacity, fundraising readiness, and long-term project viability.

The next step is the creation of a development agreement between the City and the UMLAUF partner, which may take six to nine months to develop, followed by City Council approval. Following the execution of a partnership agreement, the next step is a formal feasibility study, which is expected to be an additional three to six months. Completion of the feasibility study will be necessary before project scope, cost estimates, fundraising targets, and implementation timelines can be finalized.

At this time:

- No final project scope has been established
- No project phase has been identified as the initial implementation phase
- No cost estimates have been developed
- No project delivery schedule has been finalized
- No capital campaign goal has been established
- No partnership development agreement has been initiated

Because these foundational planning activities remain underway, staff currently do not have sufficient information to provide full project costs or phased funding scenarios.

Items for Council Consideration

- This facility is City-owned; therefore, capital improvements are eligible for General Obligation bond funds, subject to legal requirements, project readiness, partnership agreements, and City Council prioritization.
- The community organizations requesting General Obligation bond funds must comply with applicable state and federal requirements governing public purpose and tax-exempt financing.
- The UMLAUF's projects are not scoped or cost verified.

Austin Film Society (Austin Studios)

Established in 2000, Austin Studios is a 20-acre City-owned property operated by the Austin Film Society under a long-term lease extending through 2082.
Austin Film Society's mission is to support Austin's creative economy through film, television, digital media, workforce development, and creative industry programming.

According to Austin Film Society, since 2000, Austin Studios has hosted more than 1,200 productions and has supported approximately 45,000 jobs while generating approximately $2.8 billion in economic impact for the Austin region. As part of its 2026–2035 strategic vision, Austin Studios has identified more than $100 million in planned investments in Austin's creative media sector and projects an additional $1 billion in economic activity over the next decade.

City of Austin Investment

- In 2006, Austin Studios received $5 million in General Obligation bond funds to repurpose former airport hangars into film and television production facilities.
- In 2012, Austin Studios received approximately $5.4 million in bond funds to expand its facilities and establish the Creative Media Center, providing production and office space for small businesses and creative professionals.
- Since 2018, Austin Film Society has received $820,183 in cultural arts funding from the City of Austin.

Project Scope and Funding Request

Austin Film Society submitted a request for $35 million in bond funds to support long-term facility improvements and infrastructure upgrades at Austin Studios.

The proposed improvements include:

- Renovation and modernization of existing office facilities
- Soundstage improvements and expansion
- Backlot infrastructure upgrades
- Site accessibility and circulation improvements
- Utility and infrastructure improvements

Austin Studios indicated that all proposed improvements could advance quickly upon receipt of funding.

As part of the $35 million request, Austin Studios identified an immediate priority funding need of $6.4 million, including:

- Water and wastewater line replacement
- Entryway and sidewalk improvements
- New security gates and perimeter fencing
- Exterior building repairs and weatherproofing
- New energy-efficient windows

Project Readiness and Due Diligence Review

The proposed infrastructure improvements are associated with existing deferred maintenance and infrastructure replacement. Staff recommends that an updated facility condition assessment (FCA) for this property be conducted before considering bond funding.

A FCA is a comprehensive evaluation of a building's systems, components, and overall infrastructure. It provides an objective understanding of current conditions, identifies deficiencies, estimates remaining useful life, and prioritizes repairs and replacements based on urgency, risk, and lifecycle cost. Having this information is essential in ensuring bond funding is allocated responsibly and focuses on the highest needs.

The FCA will allow staff to evaluate Austin Studios' needs within the same framework used across all City-maintained assets. This ensures alignment with Citywide priorities, consistency in how projects are assessed, and transparency in how funds are allocated.

Staff is currently working on a master agreement for additional FCAs across the City's portfolio. Once executed, staff will be able to move forward with the FCA for Austin Studios.

Items for Council Consideration

- This facility is City-owned. Austin Studios has identified specific project components and preliminary funding needs that could support a phased implementation.
- Existing contract with Austin Studios requires the organization to operate and maintain the facilities.
- If included in a bond package, bond counsel recommends Austin Studios be placed under an economic development proposition.

Austin Theatre Alliance: Paramount Theatre and State Theatre

The Austin Theatre Alliance (ATA) is a nonprofit organization that owns and operates the Paramount Theatre and State Theatre, two historic performing arts venues located in downtown Austin on Congress Avenue. Together, the venues host live performances, film screenings, festivals, educational programming, and community events throughout the year.

According to information provided by ATA, the Paramount and State Theatres collectively host more than 570 events annually, serve approximately 300,000 patrons each year, and provide educational programming reaching more than 30,000 students across Austin and the surrounding region. ATA estimates that current operations generate approximately $25 million annually in direct economic activity.

City of Austin Investment

- Since 2018, ATA has received $2,646,484 in cultural arts and historic preservation funding from the City of Austin.

Project Scope and Funding Request

The ATA has requested $25 million in bond funding to support capital improvements at both theatre facilities.

1. **Paramount Theatre Restoration**

- Comprehensive restoration and modernization of the historic facility
- Preservation of historic building elements
- Accessibility improvements
- Building systems modernization
- Deferred maintenance and infrastructure improvements

ATA broke ground on the Paramount Theatre in June 2026 with an estimated project cost of $35 million. The organization reports that approximately $31 million has already been secured through private fundraising efforts.

2. **State Theatre Reimagination Project**

- Comprehensive renovation and modernization of the facility
- Expansion of audience seating capacity
- Significant increase in restroom facilities
- Patron experience improvements
- Accessibility and operational enhancements

According to ATA, the State Theatre project will cost approximately $30 million. Design work is complete for this project.

Project Readiness and Due Diligence Review

Staff reviewed project readiness, funding leverage, implementation timelines, and partnership considerations for the Paramount and State Theatre projects which demonstrate several indicators of project readiness, including:

- Defined project scopes
- Completed or substantially advanced design efforts
- Significant private fundraising commitments
- Identified construction schedules

Staff notes that ATA reports approximately $31 million in private funding commitments and approximately $11 million in anticipated state and federal historic tax credit support associated with the Paramount Theatre restoration effort.

Items for Council Consideration

- This facility is not City-owned.
- If included in a bond package, bond counsel recommends Austin Theatre Alliance be placed in an economic development proposition.

Legal Overview of Community Organizations – Facilities

Municipal General Obligation (GO) bonds are for use on City-owned, public facilities that serve a broad community need. The Texas Attorney General's preference is to approve projects that are owned and operated by the City for the public's unrestricted use. However, GO bonds can be used to support museums and cultural arts facilities owned by nonprofit organizations.

For museums and cultural arts facilities not owned by the City, the following requirements must be met:

- The City must own or lease the property on which the facility is located while the bonds remain outstanding. A lease from, then sublease back to the museum or cultural arts facility is allowed;
- The City must maintain full control over the facility while the bonds remain outstanding;
- There must be both a public purpose and tax-exempt purpose (under federal tax law) for the facility, both of which must be satisfied while the bonds remain outstanding. The City has the burden of establishing the public and tax-exempt purpose;
- Any rents or fees charged for use of the facility must not be discriminatory and must be provided to the public on a first-come, first-served basis pursuant to a uniform schedule of rents/fees/charges; and
- There cannot be any special or preferential rights given to one person or group over another.

For each non-owned facility, the City will need to enter into any agreements necessary with nonprofits to ensure the requirements listed above are met by all current and future operators for as long as the bonds remain outstanding.

2. **BEATF Projects Not Included in the $390 Million Alternative Scenario**

Electric Vehicle Charging Stations

The Bond Election Advisory Task Force (BEATF) recommended allocating $6 million for electric vehicle (EV) charging infrastructure as part of its proposed $436 million bond package. This project was not included in the Sub Quorum-Requested Alternative Scenario. In response to Council direction, staff conducted a review of the recommendation, existing funding sources, current deployment progress, and Fleet Mobility Services' long-term electrification strategy.

Staff Evaluation

Staff appreciate the BEATF's recognition of the importance of EV charging infrastructure as the City continues transitioning toward a more electrified municipal fleet. Fleet electrification remains a key operational and sustainability objective, and charging infrastructure is an essential component of that transition.

As part of the 2026 Bond development process, Fleet Mobility Services participated in the City-wide capital needs assessment, which identified approximately $3.9 billion in departmental capital needs. Fleet Mobility Services did not submit standalone EV charging infrastructure as an unfunded capital need. Instead, charging infrastructure was incorporated into broader capital projects that support fleet operations, maintenance, fueling, resiliency, and long-term electrification goals.

Fleet Mobility Services submitted capital priorities focused on operational facilities, integrated charging systems associated with those facilities, land acquisition, and fuel infrastructure. Accordingly, staff did not identify a separate bond-funded EV charging infrastructure program as an unfunded priority capital need for consideration within the $390 million scenario.

Existing Funding Strategy

Fleet Mobility Services maintains an established funding strategy to support deployment of EV charging infrastructure through a combination of debt-funded capital investments, operating revenues, and grant opportunities.

Current funding sources include:

1. DC Fast Charging Overlay Program
   - Approximately $3.2 million in debt-funded capital investment.
2. Fleet fuel infrastructure surcharge

- FY2026: $0.20 per gallon petroleum surcharge generating an estimated $1.06 million in annual revenue.
- Proposed FY2027: $0.30 per gallon petroleum surcharge generating an estimated $1.59 million in annual revenue.

3. State and federal grant opportunities

- Supplemental funding pursued as opportunities become available.

Figure C: **Projected Cumulative Surcharge Revenues:**

Fiscal Year	Annual Revenue	Cumulative Revenue
FY2026	$1.06M	$1.06M
FY2027	$1.59M	$2.65M
FY2028	$1.59M	$4.24M
FY2029	$1.59M	$5.83M
FY2030	$1.59M	$7.42M

When combined with the existing DC Fast Charging Overlay Program, Fleet Mobility Services has identified more than $10.6 million in EV charging infrastructure funding capacity through FY2030, exclusive of grant funding and partnership opportunities.

Current Electrification Progress

Fleet Mobility Services currently operates one of the largest municipal charging networks in Texas and has made significant progress toward fleet electrification objectives.

Current program achievements include:

- 373 battery electric vehicles currently in service.
- 282 charging ports were installed citywide.
- More than $2.5 million in cumulative program savings.
- Approximately $416,000 annual operating savings.
- 48% reduction in fuel costs compared to internal combustion engine vehicles.

- 52% reduction in maintenance costs compared to internal combustion engine vehicles.

Funded Charging Infrastructure Forecast

The department's current funding plan supports continued expansion of charging infrastructure through 2030. The forecast below excludes charging infrastructure currently under construction at the Northeast Service Center (NESC), which will add 16 DC Fast Charging ports upon completion.

Figure D: **Funded Infrastructure Forecast**

Year	DC Fast Ports*	Annual Growth	% Growth	Level 2 Ports**	Annual Growth	% Growth
2025	4	--	--	282	--	--
2026	14	+10	250.0%	317	+35	12.4%
2027	24	+10	71.4%	356	+39	12.3%
2028	34	+10	41.7%	398	+42	11.8%
2029	44	+10	29.4%	445	+47	11.8%
2030	54	+10	22.7%	497	+52	11.7%

*Approximate 15-minute charge time

**Approximate 12-hour charge time

Infrastructure deployment is intentionally aligned with vehicle acquisition forecasts, duty-cycle analysis, operational requirements, and facility readiness. This phased approach allows the City to meet fleet electrification needs while avoiding construction of charging capacity significantly ahead of demand.

Staff Conclusion

Staff fully supports continued expansion of EV charging infrastructure and recognizes its importance to the City's fleet electrification goals. Based on capital needs assessment, existing funding mechanisms, projected revenue streams, and currently funded deployment plans, Fleet Mobility Services did not identify standalone EV charging infrastructure as an unfunded capital need requiring bond funding at this time.

Because EV charging infrastructure is already supported through a combination of debt-funding, fuel surcharge revenues, and external grant opportunities, staff did not include the

BEATF-recommended $6 million EV charging infrastructure project in the $390 million scenario.

Colony Park Health Center and Branch Library

The Bond Election Advisory Task Force (BEATF) recommended $85 million for development of a Colony Park public health center and branch library as part of its proposed $436 million bond package. This project was not included in the $390 million scenario.

Staff Evaluation

Staff recognize the importance of expanding access to public health and library services in northeast Austin and acknowledge the significant community interest expressed in the Colony Park area throughout the bond development process.

Because new public health and library facilities require ongoing staffing, maintenance, utilities, programming, and lifecycle replacement funding, staff evaluated the project not only from a capital perspective but also from its long-term effect on the General Fund. Staff determined that the operational costs associated with a new facility of this scale would represent a significant future budget commitment that would need to be balanced against other City service priorities.

Staff Conclusion

While staff recognize the potential community benefits associated with a Colony Park public health center and branch library, the project was not included in the $390 million scenario due to its substantial capital cost, significant long-term operations and maintenance obligations, and the need to prioritize limited bonding capacity among competing citywide capital needs.

Staff's assessment reflects a review of departmental submissions, projected operating impacts, funding availability, and overall alignment with the City's capital investment strategy. Although the project offers meaningful service enhancements for the Colony Park community, staff determined that other capital investments could be advanced within the available funding framework with lower ongoing operating obligations and broader citywide capital impact.

Accordingly, staff did not recommend including the project in the $390 million scenario but acknowledge that the project remains a policy option available for City Council consideration in connection with a potential November 2026 bond election.

George Washington Carver Museum, Cultural and Genealogy Center

The Bond Election Advisory Task Force (BEATF) recommended $18 million for expansion of the Carver Museum as part of its proposed $436 million bond package. However, this project was not included in the $390 million scenario.

Staff Evaluation

As part of the City's bond development process, all departmental submissions were evaluated using adopted scoring criteria that included project readiness and feasibility, long-term operations and maintenance impacts, alignment with Council policy direction, community considerations, and the geographic distribution of capital investments.

Staff recognize the Carver Museum's important role in preserving, celebrating, and interpreting African American history, culture, and community heritage in Austin. The proposed expansion would enhance the museum's capacity to provide cultural programming, educational opportunities, and community gathering space.

During the evaluation process, staff identified the project's anticipated long-term operations and maintenance obligations as a significant consideration. Consistent with the approach applied across all bond categories, staff carefully evaluated both the initial capital investment and the ongoing operational costs that would accompany expansion of City-owned facilities.

Project Development and Subsequent Analysis

Although the project was not included in the Initial Draft Recommendation ($700 million scenario), staff continued to evaluate the proposal throughout the bond development process. Following additional public engagement and significant community advocacy, the Carver Museum expansion was incorporated into the updated staff analysis ($750 million scenario).

The project was subsequently included in both BEATF-recommended bond packages ($766 million and $436 million) that were submitted to Mayor and Council as part of the May 15, 2026, memorandum.

Staff Conclusion

Staff's review determined that the primary challenge associated with the proposed expansion is its long-term operations and maintenance impact on the General Fund. Given limited bonding capacity, competing citywide capital needs, and the City's broader fiscal outlook, staff prioritized projects with lower ongoing operating obligations in developing the $390 million scenario.

While staff acknowledge the cultural, educational, and community benefits associated with the Carver Museum expansion, the project was not included in the $390 million scenario because of its projected long-term operating impacts and the need to balance available capital resources across multiple City priorities.

The project remains a policy option available for Council consideration as part of any potential November 2026 bond election package.

Attachment C: Austin Core Transportation (ACT) Plan

The Austin Core Transportation (ACT) Plan is the City's Small Area Mobility Plan for downtown Austin and was adopted by the Austin City Council on March 26, 2026, as part of the Austin Strategic Mobility Plan (ASMP). The ACT Plan establishes a 20-year vision for improving mobility, safety, transit access, bicycle connectivity, and pedestrian infrastructure within downtown Austin, generally bounded by Martin Luther King Jr. Boulevard, North Lamar Boulevard, Lady Bird Lake, and Interstate 35. The plan includes four priority corridor projects: 5th Street, 6th Street, 7th Street, and 8th Street, along with supporting transportation improvements throughout the downtown network.

The total estimated implementation cost of the ACT Plan is approximately $1 billion over 20 years, representing an average annual investment of $40–50 million. Full funding over the implementation period would deliver the complete scope of improvements identified in the adopted plan.

Funding Context

As described in the May 15, 2026, memorandum to Mayor and Council,
the $390 million scenario includes:

- $80 million in two-year funding for Transportation and Public Works (TPW) safety and mobility programs. This funding supports implementation of TPW's Sidewalks, Bikeways, Urban Trails, Neighborhood Partnering, and Safety programs; and
- $12 million in two-year implementation funding for the ACT Plan.

Since issuance of the May 15, 2026, memorandum, the Federal Highway Administration (FHWA) has released a Notice of Funding Opportunity (NOFO) through the Bridge Investment Program for-bridge rehabilitation and reconstruction projects with total costs of up to $100 million. Following review of the NOFO and consultation with Austin Government Relations (AGR), staff have identified the East 7th Street Bridge at Tillery Street as a competitive candidate for this grant funding opportunity. The program provides federal funding of up to 80% of eligible project costs.

To position the City to pursue this funding opportunity, staff recommend allocating $2 million to TPW's Bridge Program within two years, with a $390 million scenario. This local match would enable the City to leverage approximately $6 million in potential federal funding.

Figure E: **Updated Funding Scenario for the ACT Plan**

Funding Scenario	ACT Plan Funding	Bridge Program Funding	Primary Deliverables
May 2026 $390 million scenario	$12M	$0	Additional ACT Plan design, corridor improvements, and implementation activities.
July 2026 Updated $390 million scenario	$10M	$2M	ACT Plan implementation activities plus local match to pursue approximately $6 million in federal bridge funding.

If the City does not pursue the grant opportunity, or if the grant application is unsuccessful, the $2 million allocated for bridge matching funds could be redirected to ACT Plan implementation activities.

ACT Plan Deliverables by Funding Level

$10 Million ACT Plan Funding Level (Recommended)

The recommended $10 million allocation would advance key near-term priorities and position major ACT Plan projects for future construction funding. Anticipated deliverables include:

- Completion of 100% design for the East 6th Street Improvements project (IH-35 to Congress Avenue), advancing the corridor to construction readiness.
- Betterments associated with 7th and 8th Streets in coordination with TxDOT's IH-35 Capital Express Central Project, allowing ACT Plan improvements to be integrated with anticipated state construction activities beginning in 2028.
- Near-term bicycle, pedestrian, and transit improvements along the 5th and 6th Street corridors from west of Lamar Boulevard to Congress Avenue through coordination with existing local mobility programs.
- Development of additional project scopes, partnerships, and funding strategies to leverage future federal, state, and local funding opportunities and accelerate implementation of ACT Plan priorities.

$12 Million ACT Plan Funding Level

If the full $12 million were allocated to ACT Plan implementation, the City could deliver all activities identified above while providing an additional $2 million for corridor planning, design advancement, project development, and implementation activities that further accelerate delivery of ACT Plan priorities.

Long Term Implementation

The proposed two-year funding allocation represents an initial investment toward implementation of the ACT Plan's approximately $1 billion 20-year program. Future bond programs, grants, partnerships, and annual capital investments will be necessary to achieve full implementation of the adopted ACT Plan and realize its long-term mobility, safety, and connectivity objectives for downtown Austin.

Attachment D: Homeless Resource Center and Shelter

Why is this project needed?

Austin's homelessness response system continues to face a significant shelter capacity gap. Current shelter resources provide approximately one bed for every five individuals experiencing homelessness, resulting in persistent waitlists, limited placement options, and reduced access to stabilizing services. Collectively, the Austin Resource Center for the Homeless (ARCH), Eighth Street Women's Shelter, and Marshalling Yard Temporary Emergency Shelter represent a significant portion of the City's emergency shelter system and illustrate both the capacity constraints and facility limitations facing Austin's homelessness response network.

The 130-bed ARCH and the 160-bed Eighth Street Women’s Shelter continue to face operational challenges associated with aging infrastructure, facility design limitations, and their downtown locations. Despite these limitations, both facilities maintain substantial workloads. Waitlists for these shelters average roughly 160 individuals per month according to data from Austin Homeless Strategies and Operations (HSO). In addition, the Marshalling Yard Temporary Emergency Shelter, which currently has 280 beds, must be returned to the Austin Convention Center to support the Convention Center expansion project. Even with its significant capacity, historically, approximately 40% of referrals to the Marshalling Yard have been declined due to lack of available beds, according to HSO.

In addition to their capacity and lifespan limitations, these current shelter facilities lack sufficient purpose-built space to provide the level of on-site wrap-around supportive services considered best practice in modern homelessness response systems. Individuals exiting shelters with robust on-site supportive services are more likely to achieve long-term housing stability and less likely to return to homelessness. Co-locating supportive services within shelter environments improves accessibility, reduces waiting periods for appointments and critical services, increases follow-through with case plans, and allows providers to address underlying healthcare, behavioral health, and economic challenges while simultaneously addressing immediate shelter needs. Expanded supportive services also create broader system benefits by reducing reliance on costly hospitalizations, incarceration, emergency response services, and other crisis intervention systems.

Project Vision and Full Cost

To address these challenges, staff have been evaluating the development of a new Homeless Resource Center and Shelter Campus that would replace the ARCH, Eighth Street Women's Shelter, and Marshalling Yard while substantially expanding the City's emergency shelter capacity. The long-term vision for the campus includes approximately 1,200 shelter beds, more than doubling the adult emergency shelter capacity of the existing three shelters.

The proposed campus would be designed using trauma-informed principles and would include low-barrier emergency shelter beds, transitional homeless shelter beds (e.g., workforce, sober-living, and bridge housing), and overnight-only shelter for inclement weather situations (e.g., cold weather shelter beds). The campus would also include dedicated spaces for on-site and integrated basic needs and recovery-oriented supportive services, including healthcare services (behavioral and physical), dedicated Emergency Medical Technician (EMT) services, Austin Community Court services, case management and counseling, peer support, employment and income assistance, substance use treatment programs, prescription assistance, transportation assistance, Medical Access Program enrollment, assistance obtaining identification documents, pet accommodations and veterinary services, and step-down medical and mental health respite beds.

The estimated cost for the full-service Homeless Resource Center and Shelter campus with 1,200 beds is $150 million. However, the project scope can be scaled and phased to align with available funding and partnership opportunities. The recommended $25 million in 2026 bond funding would support key predevelopment activities including site acquisition (if necessary), planning, design, engineering, environmental analysis, community engagement, and other professional services needed to advance the project toward implementation. It could also support an investment in additional space if the Marshalling Yard must be returned to the Austin Convention Center before the new campus is complete.

Funding Strategy

Staff evaluated multiple funding sources that could be combined with future bond funding, including philanthropic contributions, corporate sponsorships, foundation grants, monetization of Block 88 (the current location of the ARCH and Eighth Street shelters), and partnerships with organizations such as Central Health and Integral Care. Preliminary discussions with philanthropic partners indicate strong interest in supporting the project, particularly if the City demonstrates a significant initial investment. Staff's objective is to maximize external funding opportunities and minimize reliance on future General Obligation bond funds wherever feasible.

Project Deliverables by Funding Level

The Homeless Resource Center and Shelter Campus is designed to be scalable and phased based on available funding. While the full project vision is estimated at approximately $150 million, incremental investments can advance project readiness and expand shelter capacity over time.

Operations Strategy

Existing operating budgets supporting the ARCH, Eighth Street Women's Shelter, and Marshalling Yard collectively represent approximately $16 million in annual operating funding that would be redirected to support operations at the new campus. As project programming advances, staff will develop a detailed operating pro forma to identify any net-new operating costs associated with the expanded shelter capacity and integrated supportive service model. Consolidating operations into a purpose-built campus is expected to improve service delivery, reduce duplication of operational functions, and create efficiencies in facility management, security, and supportive service coordination. Staff will continue refining operational cost estimates as project programming and facility design advance. Any future operating funding needs identified through the pro forma process would be presented to Council through future budget deliberations.

Community Support

Recent community engagement efforts and resident surveys indicate strong public support for investments addressing homelessness. Nearly half of respondents (48 %) participating in the 2025 bond community engagement survey identified building or replacing homeless shelters with safer and more comprehensive facilities as a priority. Additionally, this option was the highest-ranked community facility investment priority among all options presented. Separately, responses to the City's 2025 Community Survey show residents want the City to continue prioritizing efforts to reduce homelessness. Similarly, in the City's Budget Priority Survey, residents ranked Housing and Homelessness as the second highest funding priority overall, with Basic Needs and Homelessness representing the two highest ranked social service investment categories.

Preliminary Project Schedule

If funding is approved as part of a potential 2026 bond election, staff anticipate initiating stakeholder engagement in 2026, funding strategy development, site acquisition, design, and groundbreaking through 2029.

Attachment E: Bond Decision Tree Framework