



# City of Austin

## Recommendation for Action

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**File #:** 26-1625, **Agenda Item #:** 40.

5/21/2026

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### Posting Language

Authorize negotiation and execution of an interlocal agreement with Austin Transit Partnership (ATP) to define the parties' roles and responsibilities and to establish staff and financial obligations for the design of light rail and related improvements of the Austin Light Rail portion of Project Connect; to grant ATP temporary access to City right-of-way and other City property for pre-construction activities; to authorize reimbursement to ATP for the design of certain utility betterments in an amount not to exceed \$36,789,645; and to mitigate impacts to certain parkland and transportation facilities. Funding: \$88,484 is available in the Capital Budget of Austin Energy, \$36,035,455 is available in the Capital Budget of Austin Water, and \$665,706 is available in the Capital Budget of Austin Watershed Protection.

### Lead Department

Austin Project Connect.

### Fiscal Note

Funding in the amount of \$88,484 is available in the Capital Budget of Austin Energy. Funding in the amount of \$36,035,455 is available in the Capital Budget of Austin Water. Funding in the amount of \$665,706 is available in the Capital Budget of Austin Watershed Protection.

### Prior Council Action:

September 11, 2025 - City Council authorized negotiation and execution of an interlocal agreement with the Austin Transit Partnership concerning acquisition of real property in support of Austin Light Rail, a component of Project Connect.

August 29, 2024 - City Council authorized negotiation and execution of an amendment to the second interlocal agreement with the Austin Transit Partnership to provide funding for the City of Austin Project Connect Office, in support of Project Connect.

February 15, 2024 - City Council approved an amendment to the Joint Powers Agreement between the City, CapMetro, and the Austin Transit Partnership.

June 6, 2023 - City Council approved an amendment and supplement to the Joint Powers Agreement between the City, CapMetro, and the Austin Transit Partnership.

June 1, 2023 - City Council adopted modifications to light rail and implementation plans related to Project Connect and authorized an amendment to the Joint Powers Agreement to incorporate the Austin Light Rail Implementation Plan.

September 1, 2022 - City Council authorized negotiation and execution of a second interlocal agreement with the Austin Transit Partnership to provide funding for the City of Austin Project Connect Office, in support of Project Connect.

November 4, 2021 - City Council approved the Joint Powers Agreement between the City of Austin, CapMetro and the Austin Transit Partnership.

March 4, 2021 - City Council authorized negotiation and execution of an interlocal agreement with the Austin Transit Partnership to provide funding for the City of Austin Project Connect Office, in support of Project Connect.

### For More Information:

Liane Conte, Interim Mobility Officer, 512-974-7922.

**Council Committee, Boards and Commission Action:**

April 15, 2026 - Recommended by the Water and Wastewater Commission.

**Additional Backup Information:**

This item will authorize negotiation and execution of an interlocal cooperation agreement with the Austin Transit Partnership for the purposes of establishing roles and responsibilities of the respective parties concerning the design of the Austin Light Rail project (the "Project"), a component of Project Connect, as well as related improvements and utility betterments.

Austin Transit Partnership is responsible for the planning, design, contracting, acquisition, construction, and financing of the Austin Light Rail Implementation Plan as defined in Austin City Council Resolution No. 20230601-072. Final design is the next step in advancing the Project, with Austin Transit Partnership recently onboarding its progressive design-build contractor who will complete design, permitting and construction for the Project. As the City and Austin Transit Partnership desire to cooperate in the design process, the interlocal agreement will define the duties and responsibilities of each party for the design phase of the Project. The agreement will be amended, or a supplemental agreement will be developed, to address the duties and responsibilities for construction.

As part of the National Environmental Policy Act Final Environmental Impact Statement for the Project, Austin Transit Partnership has committed to mitigation measures that reduce or avoid potential adverse impacts resulting from the Project. One of those measures is funding new, in-kind replacement bicycle lanes to mitigate the impact of removing bicycle lanes along Guadalupe Street and Lavaca Street downtown. The City will design the new bicycle lanes and Austin Transit Partnership shall compensate the City for design costs in an amount not to exceed \$200,000. This agreement will be amended, or a supplemental agreement developed, to address Austin Transit Partnership's financial responsibility for the construction of the bicycle lanes.

As part of the previously authorized interlocal agreement for real estate and right of way acquisition, Austin Transit Partnership agreed to pay or reimburse the City for the City's process for changing the use of City parkland for the Project in accordance with applicable provisions of federal law, state law, and the City Charter. In order to expedite the change of use process, Austin Transit Partnership will pre-fund a portion of the City's costs relating to the process in an amount equal to \$4,000,000 in support of mitigating impacts associated with relocation of the Waller Creek Boathouse and expediting the vacation of that boathouse by a mutually agreed upon date.

The City will provide support services to Austin Transit Partnership during the design and permitting phase of the project. Austin Transit Partnership shall compensate the City for the cost of staff resources through either payment of standard cost-of-service fees or by funding dedicated staff positions. In exchange, if authorized separately by City Council, the City will include an exemption from right-of-way usage and traffic control plan review fees for the Project in the fee schedule ordinance adopted with the budget starting in Fiscal Year 2026-2027 and every year thereafter during design and permitting of the Project.

The City has identified betterments it wishes to include in the Project. Betterments include any new or upgraded facility or infrastructure added to the project for the improvement of a City facility, City infrastructure, or service. Betterment design costs shall be funded by the City. The Parties have identified anticipated betterment design costs in an amount not to exceed \$36,789,645, broken down as set forth below:

City Department	Funding Commitment
Austin Energy	\$88,484

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Austin Water	\$36,035,455
Austin Watershed Protection	\$665,706

The interlocal cooperation agreement will grant Austin Transit Partnership temporary access for use of the right-of-way and any properties acquired by the City for the project, for the purposes of conducting pre-construction activities. These activities include performing environmental, geotechnical and other due diligence studies, conducting land and utility surveys, and performing pre-construction and construction work.

This request aligns with the Project Connect Joint Powers Agreement, originally executed in 2021 and amended in 2023 and 2024, which contemplates future, or supplemental, agreements between the parties to deliver elements of the Project Connect program. This agreement must also be authorized by the Austin Transit Partnership Board of Directors and will be considered at their June 2026 meeting.