



City of Austin

Recommendation for Action

File #: 25-0278, Agenda Item #: 42.

5/22/2025

Posting Language

Approve a resolution authorizing negotiation and execution of an advance funding agreement with the Texas Department of Transportation for the City's commitment to fund up to \$265,000,000 for cap and stitch roadway elements to be integrated into the IH-35 Capital Express Central Project letting package. Funding: \$41,000,000 is available in the Capital Budget of the Transportation and Public Works Department from a State Infrastructure Bank financial assistance loan and up to \$224,000,000 from tax-exempt Certificates of Obligation that are expected to be issued on or after August 2025. The availability of these funds is contingent upon the finalization of the loan and appropriation and issuance of Certificates of Obligation. The City will be responsible for covering any cost overruns. Related to Items #41 and #43

Lead Department

Transportation and Public Works Department

Fiscal Note

Funding in the amount of \$41,000,000 is available in the Capital Budget of the Transportation and Public Works Department from a State Infrastructure Bank financial assistance loan and up to \$224,000,000 from tax-exempt Certificates of Obligation that are expected to be issued on or after August 2025. The availability funds are contingent upon the finalization of the loan and appropriation of Certificates of Obligation. The City will be responsible for covering any cost overruns.

Prior Council Action:

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 an 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.

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 an 11-0 vote.

For More Information:

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Additional Backup Information:

By May 31, 2025, Council must commit funding for all cap and stitch elements the City would like included in the TxDOT IH-35_Capital Express Central letting package for construction bids (including roadway elements required to preserve opportunities for future cap decks, as well as individual cap decks to be constructed as part of the TxDOT roadway construction). Roadway elements include upgraded foundations, walls, lowered roadway, hazmat catchment, and concrete columns to support deck caps. Should Council decide to fund all roadway elements along the corridor, the total cost would be \$265,000,000. Funding roadway elements will preserve the opportunity to build caps at these locations in the future, either via a change order with the TxDOT contractor after letting, or as part of a separate construction contract. If roadway elements are not funded, caps cannot be installed in future at that location.

In addition to roadway elements, the May 2025 funding commitment must include all cap decks that Council would like included in TxDOT's Capital Express Central letting packaging. Should Council decide to fund all cap decks along the corridor, the total cost would be \$613,000,000.

While the funding commitment must be provided on May 31, 2025, the funding will be paid to TxDOT over a period of seven years, beginning at the start of construction in 2026. The City will bear the responsibility for paying cost overruns.