



# City of Austin

## Recommendation for Action

**File #: 25-0277, Agenda Item #: 41.**

**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 to contribute up to \$20,000,000, for 100 percent design of cap decks and associated tunnel elements to be integrated into the IH-35 Capital Express Central Project. Funding in the amount of \$20,000,000 is available from the State Infrastructure Bank Loan or Certificates of Obligation. Related to Item #42 and #43.

### **Lead Department**

Transportation and Public Works Department

### **Fiscal Note**

Funding in the amount of \$20,000,000 is available Funding is available from the State Infrastructure Bank Loan or Certificates of Obligation.

### **Prior Council Action:**

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 percent 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.

December 12, 2024 - Ordinance No. 20241212-052 authorizing negotiation and execution of an agreement with the U.S. Department of Transportation, Neighborhood Access and Equity grant program, in the amount of \$105,200,000, with the required City match of \$45,000,000 for a total of \$150,200,000, for the Our Future 35: Reconnecting Austin to the Downtown Core Construction Grant for the Cesar Chavez to 4th Street Cap, a Texas Department of Transportation roadway project; amending the Fiscal Year 2024-2025 Transportation and Public Works Department Special Revenue Fund (Ordinance No. 20240814-007) to accept and appropriate \$105,200,000 in grant funds from the U.S. Department of Transportation's Neighborhood Access and Equity program; and amending the Fiscal Year 2024-2025 Transportation and Public Works Department Capital Budget (Ordinance No. 20240814-007) to transfer in and appropriate \$105,200,000 in grant funds for the construction needs associated with the I-35 Cap and Stitch initiative was approved on an 11-0 vote.

**For More Information:**

Richard Mendoza, Director, 512-974-2488; Upal Barua, Assistant Director, 512-974-7110; Michelle Marx, Transportation Officer, 512-974-2856; Gilda Powers, Quality Consultant, 512-974-7092.

**Additional Backup Information:**

Staff is requesting Council authorization to negotiate and execute an advance funding agreement with the Texas Department of Transportation (TxDOT) for the City to contribute funding to complete 100 percent 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 this item may come from the State Infrastructure Bank Loan or from Certificates of Obligation.

In December 2023, Council committed \$15,445,000 to TxDOT to fund 30 percent design and environmental clearance for potential City funded caps and stitches via Resolution No. 20231214-061. TxDOT completed the 30 percent design and shared the documents with the City in October 2024. TxDOT has confirmed that there is a balance remaining from this amount sufficient to cover remaining design and engineering of any Phase 1 roadway elements Council decides to commit to in May 2025. The only remaining design fee required of the City is the amount required to complete the design and engineering of the cap decks and associated tunnel elements to 100 percent completion. Completing 100 percent design of cap decks will ensure that engineering plans for cap decks are complete and ready for potential change order bids when funding stacks become available for construction.

While this action authorizes an amount up to \$20,000,000, the exact design fee required will become more accurate after Council provides clarification on where the City will fund Phase 1 roadway elements in May 2025.