

# THE BOND BUYER

## Lower-cost options unveiled for Austin light rail project

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Austin transit officials offered scaled-down options for a partly bond-financed light rail system Tuesday as escalating costs pressure the project financially and politically.

The [Austin Transit Partnership](#), which was created by the city and its Capital Metro Transportation Authority to build Project Connect, unveiled five, lower-cost options for the system.

"This is an exciting day for Austin because our city is close to building a core Austin light rail that is equitable and helps our growing mobility needs," Greg Canally, the partnership's executive director, said in a statement.



*A bus stops in downtown Austin in 2020. Plans to add light rail to the Texas capital's transit mix are facing cost-increase headwinds. **Bloomberg News***

He urged the public to weigh in on the options, which include street level, partial elevated, and partial underground alternatives, ahead of a final selection by the partnership's board in June.

Local media reported each option [carries a price tag](#) of about \$5 billion and would take as much as 10 years to complete. That could not be immediately confirmed by Austin Transit Partnership spokespersons.

Austin voters in November 2020 [approved the use of property taxes](#) to help fund what was billed as a \$7.1 billion project. By April 2022, it was projected to cost \$10.3 billion.

The project's rising costs caught the attention of Texas legislators who introduced House [Bill 3899](#) and Senate [Bill 1791](#), which would require voter approval of bonds issued by local government-created corporations allowed to tap property tax revenue for specified projects.

Republican State Rep. Ellen Troxclair, sponsor of the House bill, [has said the measure](#) would stop the partnership from exploiting a possible loophole in state

law by using an indefinite property tax increase to pay off non-voter approved debt.

ATP is authorized to issue bonds, notes, and other obligations for the project, which is also counting on federal funding.

A bond issue was not part of the 2020 ballot measure, [Proposition A](#), which dedicated a share of property tax revenue toward implementation of the rail transit project.

Light rail funding measures failed in Austin in 2000 and 2014.