



Thursday, March 08, 2007

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Public Hearings and Possible Actions
RECOMMENDATION FOR COUNCIL ACTION

ITEM No 46

Subject Conduct a public hearing to receive input on the proposed construction of the Waller Creek tunnel and consider action to seek the participation of Travis County as a financing partner

Fiscal Note There is no unanticipated fiscal impact A fiscal note is not required

**Additional Backup
Material**

(click to open)

Resolution

For More Information John Stephens, Chief Financial Officer, 974-2076

The Waller Creek tunnel project was first included in the May 1998 bond election. An amount of \$25,000,000 was approved for the project. The purpose of the project was to divert 100-year storm event flows from the lower Waller Creek channel. This would provide flood protection to existing buildings, prevent the flooding of roadway crossings, and reduce the width of the floodplain. The reduction in floodplain produced by the project would significantly increase the amount of developable land area in the lower Waller Creek watershed.

After the 1998 bond election, the Brown & Root / Espey Padden Joint Venture was selected to review the project and prepared recommendations to meet the original design goals. The recommended project provided 100-year storm event flood protection with no out-of-bank or roadway flooding. The tunnel would be 22 feet in diameter and approximately 5,000 feet in length. The project originates in Waterloo Park with discharge to Town Lake. A Sabine Street route was recommended. Significant inlet and outlet structures are required and because the structures are in parkland, aesthetics of the structures are a major consideration. The inlet structure would include a pond, a cone or morning-glory shaped inlet structure, small dam, access bridge, pump building and significant landscaping enhancements. The inlet also includes mechanical screens to ensure operational reliability and a system to pump small quantities of water from the tunnel to the creek. This pumped water will augment the base flow in the creek and by so doing enhance its aesthetic appeal and water quality. The outlet structure includes a pond, an outlet shaft, and a de-watering pump system. A floating stage will be located on the outlet shaft. An outdoor amphitheater will be built on the slopes surrounding the outlet pond. Since 1998, associated revenues and costs of the project have increased. The cost of the project is estimated at \$123.7 million (in June 2006 dollars).

The Waller Creek tunnel project would spur economic development throughout downtown, in particular in an area where development has lagged the rest of the city. The project would enhance the available parkland and trail along the creek by providing amenities in Waterloo Park and on Town Lake and by preventing flooding and implementing erosion control. Further, the project will increase quality of life by enhancing the quality of water flowing into Town Lake. The project is also expected to improve the connectivity between east and west Austin, and promote tourism by serving as an added attraction for convention and other visitors.

In order to finance this project, the City would like to form a reinvestment zone from which the City would contribute 100% of its tax increment with Travis County contributing 50% of its increment. To that end, the City Council directs the City Manager to seek the participation of the County in the reinvestment zone.

RESOLUTION No. XX

WHEREAS, Austin voters approved \$25 million in project bonds in May 1998 for the Waller Creek Tunnel Project, and

WHEREAS, the Waller Creek area's present condition substantially impairs the City's growth and vitality, and

WHEREAS, the proposed Project provides 100-year storm event flood protection with no bank erosion or road way flooding, and

WHEREAS, the Waller Creek Tunnel Project will spur economic development and provide jobs in an underdeveloped part of downtown, and

WHEREAS, the project will enhance the available parkland and trail along the creek by providing amenities in Waterloo Park, Palm Park, and Town Lake Park and by preventing flooding and implementing erosion control, and

WHEREAS, the project will enhance the water quality of water into Town Lake, improve the connectivity between downtown and East Austin, and serve as an added attraction for residents and tourists, and

WHEREAS, the estimated revenues and costs project associated with the project have been projected to result in positive cash flow, and

WHEREAS, in order to finance the project, the City of Austin needs a partner to share in the costs of the project, and

WHEREAS, the City seeks to form a tax increment financing district from which the City would contribute 100 percent of its property tax increment with Travis County contributing 50 percent of its property tax increment, **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to seek the participation of Travis County as a financing partner in the Waller Creek Tunnel Project and enter into negotiations with Travis County regarding a tax increment financing district with County participation, to be created before December 31 2007

ADOPTED

, 2007

ATTEST