

CATS Demonstration Site Application City of Austin Urban Rail Project

Issue Statement:

The City of Austin wishes to incorporate economic analysis for the proposed Urban Rail project and related regional rail connections into the CATS Consortium Demonstration Site process. Developing criteria and metrics for the Sustainable Places Analytic Tool that relate to the Urban Rail proposal will allow the Region to include economic criteria and a return on investment(ROI) calculation into the analysis of the Urban Rail initiative and related future rail transit network connections. The analysis will allow the Region to examine the economic potential of Transit-Oriented Developments adjacent to alternate alignments and proposed stops, and then in turn, to prioritize those segments and station areas that have the greatest potential ROI. In doing so, “Development-Oriented Transit” can be promoted by creating opportunities for transit to reach areas that can produce the greatest economic benefits from the initial transit investment.

The Urban Rail program is primarily located in the Central Austin and Mueller Activity Centers, with the majority of the proposed alignment contained within Activity Centers. Of the portion of the proposed alignment that falls outside an Activity Center, the majority is located along the East Riverside Corridor, which has undergone extensive planning recently by the City of Austin. This key corridor provides an important redevelopment opportunity to provide additional housing and employment through mixed-use development, as well as to provide access for current and future residents to key employment and education centers in Central Austin.

The Austin Urban Rail program is probably the single most important initiative that will shape the future sustainability of the Central Texas region. Urban Rail will tie together regional transit assets such as the MetroRail Red Line, existing and near-future bus networks, including MetroRapid, and future rail investments such as LoneStar Rail and the Green Line to Elgin. These investments will increase access to the single-most intense employment and education concentration in the region, the Central Austin Activity Center, which will help to ensure its continued health and vitality. The potential metrics will include an economic analysis of the increased productivity made available through the transit investment.

The potential metrics for the Sustainable Places Analytic Tool could be useful to analyze future transit proposals in the Austin-Round Rock-San Marcos MSA, including the Round Rock Rail Link.

Urban Rail will allow the City of Austin to concentrate a significant portion of future growth and redevelopment into locations that are well connected to other regional Activity Centers in walkable, bicycle friendly mixed-use environments. These connections create opportunities to leverage the dynamic of network economics in which ever expanding, well connected activity centers by rail transit create synergistic economic leveraging as the network of rail and linked destinations expand.

The majority of the Central Austin and Mueller Activity Centers have already undergone extensive planning over many years. Rather than request additional planning services, Austin seeks to concentrate this effort on developing the Sustainable Places Analytic Tool in a manner that supports the analysis of the Urban Rail program and, eventually, the regional rail network. For the land use component of the analysis, the existing master plans will be used in combination with seeking actual redevelopment proposals from property owners and developers with an interest in properties adjacent to proposed stations or along proposed routes where a new station may be considered. In this way, more concrete land use and economic data can be secured for input into the tool, and it will advance the status of proposals closer to the ‘implementation’ status under which the Region applied for the Sustainable Communities Regional Planning Grant.

The City of Austin's current planning policies and goals are in complete alignment with the CATS Sustainable Activity Center goals. The City has invested \$55 million in recent bond funds for affordable housing, and has an ambitious goal of 25% affordable housing at TODs. Housing costs within City of Austin limits are generally higher than many parts of the region, but when housing costs are combined with transportation costs, the results are often different. One advantage to living in close proximity to transit is the ability to live with fewer cars in a household, or even go without having a car at all. Austin proposes to incorporate a Housing + Transportation index into the Sustainable Places Analytic Tool. Mueller is an excellent example of a development that is successfully mixing housing types appropriate for a full range of incomes and life stages. The City has also required that 25% of all housing for sale and rental in Mueller be affordable.

The Urban Rail proposal is at its core a mobility project that connects a variety of transportation systems and other Activity Centers. However, it is also an important economic development strategy to demonstrate how Development-Oriented Transit can maximize the City's return on investment on its future rail system, setting a framework for similar analysis throughout the Region. In this regard, the higher density, mixed-use development envisioned in the CAMPO 2035 Plan and current Imagine Austin Plan will facilitate lifestyles with the majority of daily needs in close proximity or a short transit ride away.

Urban Rail has been described as a 'pedestrian accelerator.' Although it can be used for short commutes, its greatest asset is its frequent stops and easy access. This allows people to extend their walking ranges, encouraging an active urban lifestyle, in a straight-forward and easy to use manner.

As Federal funding for Urban Rail is probably a necessity, the planning is being done in full accordance with NEPA requirements, ensuring any environmental impacts are considered during the study phase, minimized through design, and then fully mitigated during construction and operations. Since Urban Rail is electrically powered, it has great potential to take advantage of renewable energy sources and reduce greenhouse gases. Newer models of vehicles are being developed with hybrid drive systems, allowing the vehicles to act as storage devices for the electrical grid, and increasing the energy efficiency of operations.

Local Resources:

Greg Kiloh will be the primary point of contact for the Demonstration Site, in addition to his role as the project manager for the Sustainable Places Analytic Tool. The City of Austin has assembled a team of over 20 Department Directors and their staff that serve as additional technical resources to Kevin Johns, the City's Executive Lead for the Sustainable Places Project and Greg Kiloh, Project Manager.

The City of Austin has a comprehensive Geographic Information System (GIS) database and other technical support that will be available for the project. Data is available from the Imagine Austin Comprehensive Plan, Downtown Austin Plan, Strategic Mobility Plan, Urban Rail program, Mueller Redevelopment Plan, Seaholm District Redevelopment Plan, and East Riverside Corridor Master and Regulating Plans. In addition, Austin intends to coordinate with the University of Texas and State of Texas to incorporate the latest information from their development plans related to the proposed Urban Rail plans and our economic analysis. Further, many of the above-mentioned projects are ongoing and have additional consultant resources, who would be available to provide additional information and support for the Sustainable Places Analytic Tool project. Accordingly, this important role will provide a network capacity for leveraging regional return on investment for a transit system that connects multiple jurisdictions. This linkage strategy provides a core opportunity to underscore the USDOT-EPA-HUD Partnership focus on leveraging regional cooperation for sustained fiscal investment in regional transportation, housing and economic development.

The City of Austin is not requesting additional planning consultant resources available through the Sustainable Places Project be dedicated to the Urban Rail Demonstration Site. The City will be working with property owners and developers with property interests in the Activity Center adjacent to proposed rail stations who will propose concrete development scenarios in response to the opportunity of being located near a station. The development community will be asked to bring their own consultant resources to craft their proposals that can be used in our evaluation.

Capacity to Implement:

The City of Austin has undertaken extensive planning in the Central Austin and Mueller Activity Centers over the past two decades that is in complete alignment with the Sustainable Activity Center goals. Perhaps more importantly, the City of Austin has an excellent track record of *implementing* public-private partnerships resulting in very successful and award winning redevelopment projects. These projects, including Mueller, the Triangle, 2nd Street and the Seaholm District, define Central Texas Activity Centers in the urban context. Other jurisdictions in Central Texas are able to look to these exemplary projects and adapt successful strategies to their own unique contexts.

The City of Austin has extensive experience in delivering very large and complex public works and public-private partnership redevelopment projects using a wide variety of financing mechanisms. Past projects have utilized Tax Increment Financing (TIF), Chapter 380 agreements, General Obligation (GO) bonds, revenue bonds, and Federal and State funding. The Urban Rail program and associated redevelopment is likely to utilize most, if not all of the above mechanisms. The results of the (ROI) calculation for the proposal Urban Rail will undoubtedly play a role in how the City may structure the financing for the new system. In addition, the City of Austin's Economic Development Incentive program is one of the most successful programs of its type in the United States.

Development of the Sustainable Places Analytic Tool and its utilization in the Urban Rail program will build additional capacity for the City of Austin to continue its remarkable recent successes, as well as to provide a model for others in the MSA to implement additional transit and land-use integrated projects.

Discretionary Factors:

As the originator of the concept of the Sustainable Places Analytic Tool, we believe we will be able to utilize it in a capacity that has not been previously accomplished. One of the goals for this tool from the beginning has been to create an innovative tool that could become a national model for rebuilding America's cities with new technology.

There are numerous proposed and pending development projects along the proposed Urban Rail corridors, as well as interest expressed by the local development community in potential future projects connected to Urban Rail. Our proposed methodology will bring additional proposals to the forefront, which will in turn move forward implementation of both the Urban Rail program and associated redevelopment by allowing the economic benefits of both to be more clearly demonstrated and understood.

The Urban Rail program is anticipated to be the major item of a proposed November 2012 Bond Election. Additional Federal funding and other financing mechanisms, including Tax Increment Financing and partnerships with other jurisdictions and transportation providers, are also under consideration. Additional funding for other mobility improvements, utilities, parks and affordable housing can be expected to be invested in the Mueller and Central Austin Activity Centers on an ongoing basis.