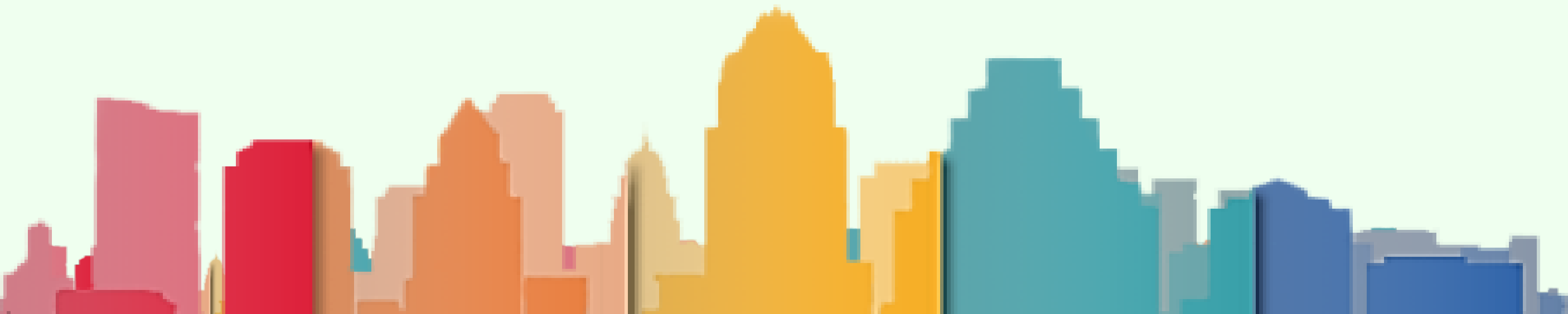




# Update on Bond Program Development

June 16, 2017





# Bond Development Process

## Comprehensive Bond Election Program

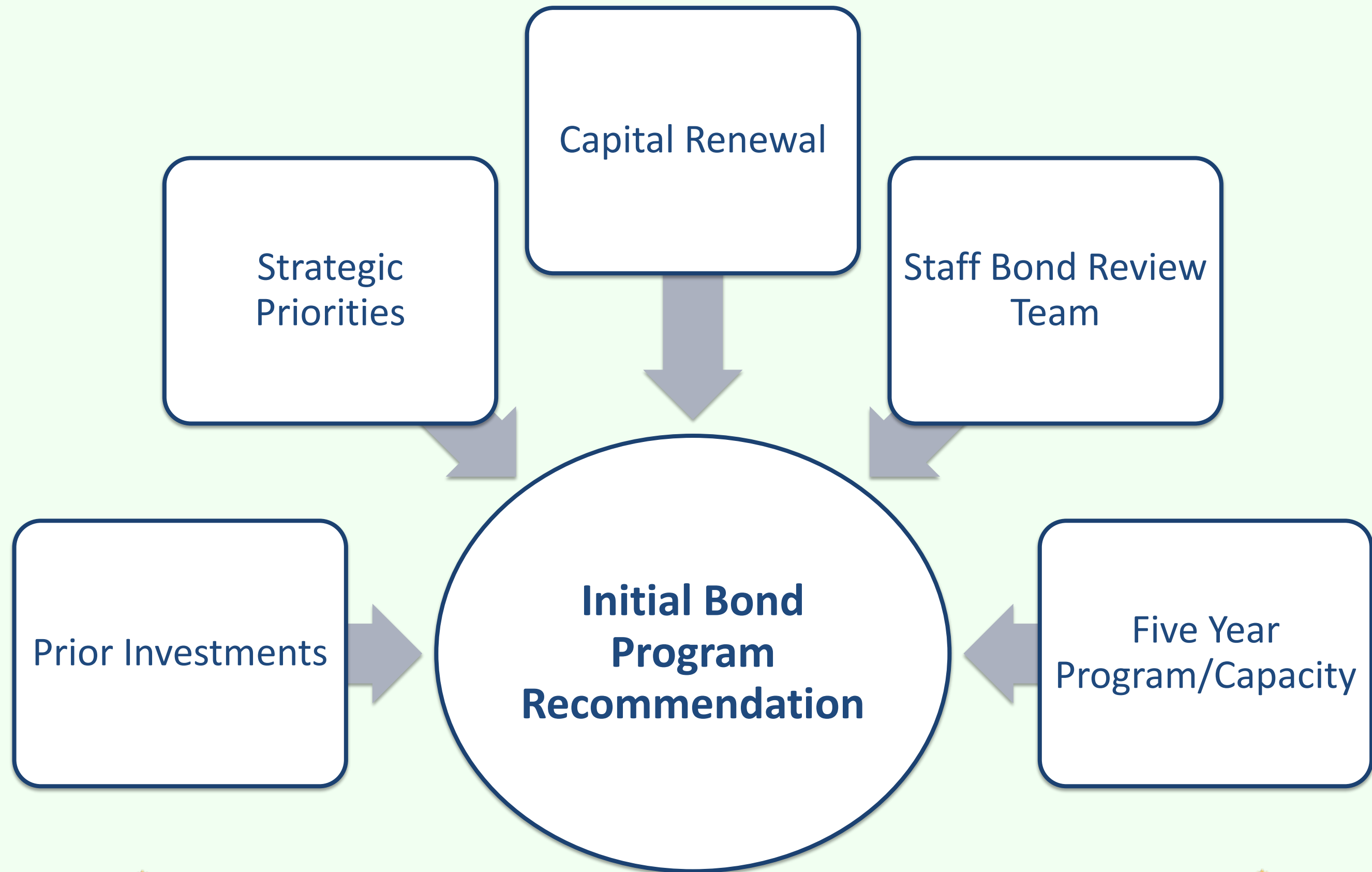


# Today's Briefing

- Provide the BEATF staff's initial bond program recommendation for a 2018 multi-prop bond
  - Detailed list
- Highlight staff's process to date
- Go-forward process & next steps

*Initial Bond Program Recommendation is a Starting Point ... for BEATF, for the Community, and for City Council*

# 2018 Bond Program Development Process



# How is a Bond Program Developed?

## City Council Policy & Objectives

## Master plans

- Neighborhood Plans
- Dept. and/or site specific
- Developed from Strategic Plans

## Public Input

- Task forces
- Boards and Commissions
- Hearings

## Imagine Austin

## Facility/Site Condition Assessment

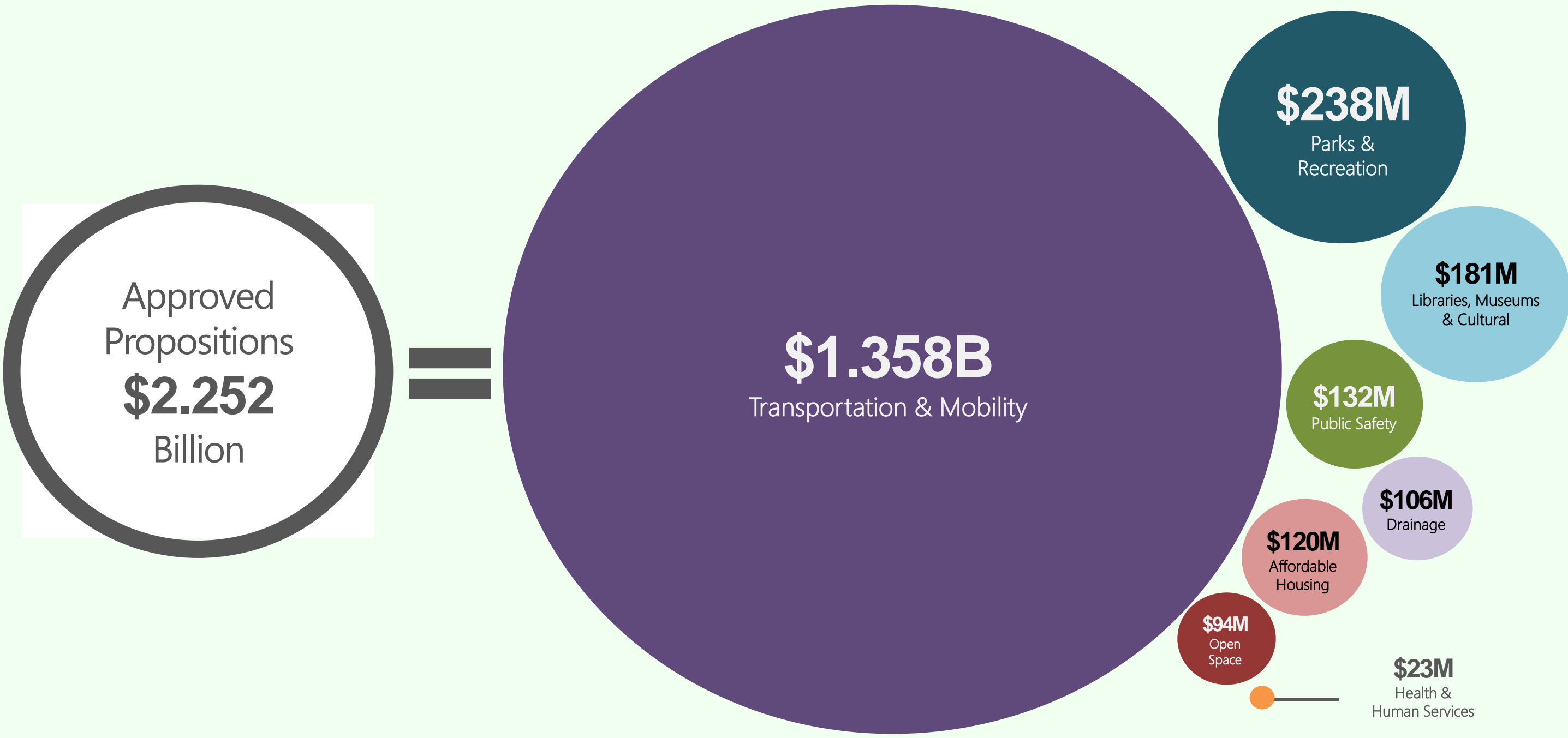
## Rolling Needs Assessment

## BOND PROGRAM NEEDS ASSESSMENT



# Bond Election History: *1998-2016*

## City of Austin Bond Election History GO Bond Elections 1998-2016



# Funding Flow

Annual Appropriations

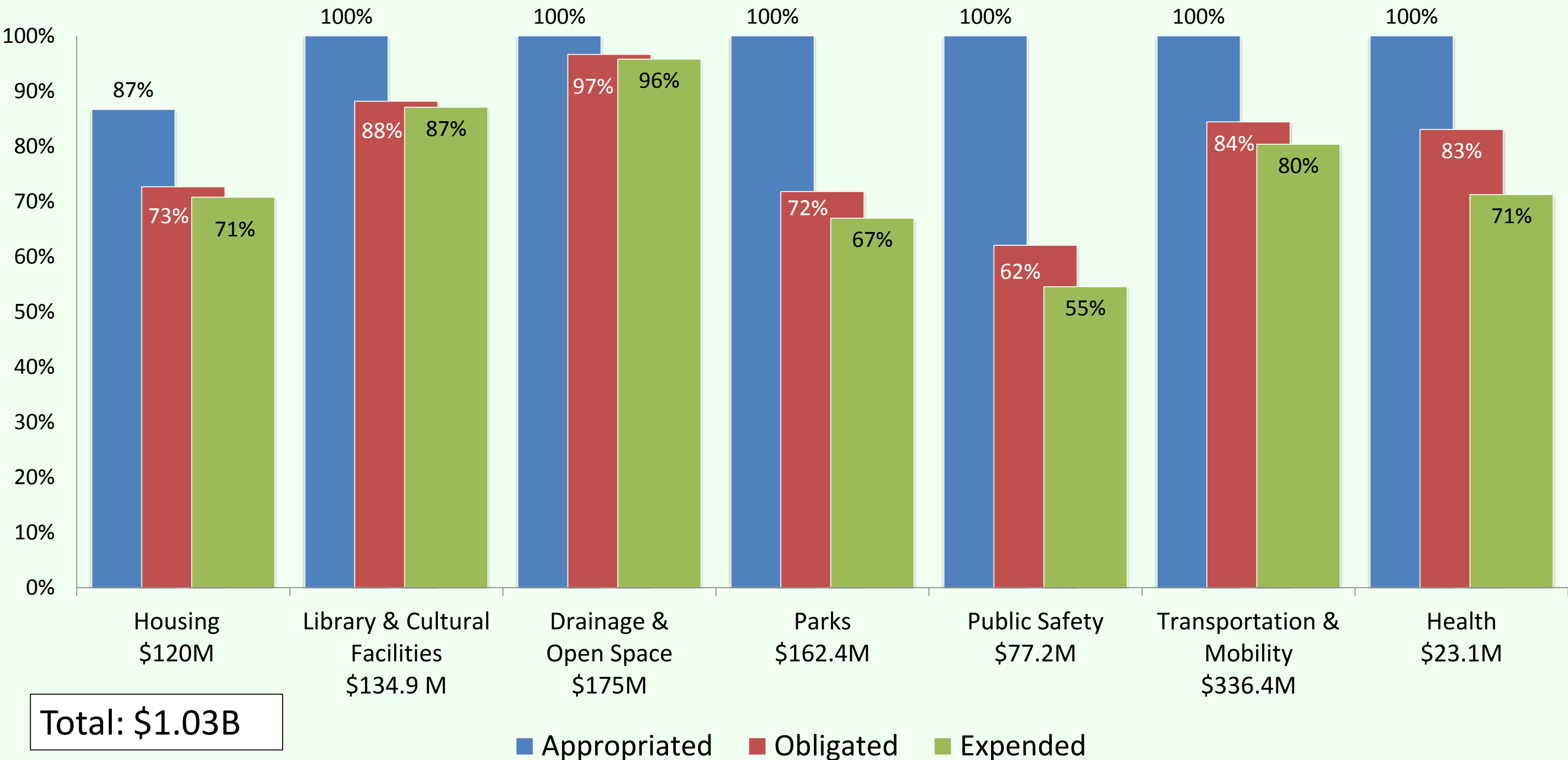
Contracts

Obligation/Spending

Annual Bond Sales



# Active Bond Program Expenditure: 2006-2013





# Debt Capacity: *Preliminary Look*

## *Assumptions*

- \$851.47 million still to be sold for existing bond programs
  - \$720 million in 2016 Mobility bonds
  - \$131.47 million in 2006-2012 GO bonds
- 2 ¼ cent tax rate increase associated with 2016 Mobility Bond Program still to be implemented
- Six year look at capacity
  - Consistent with Financial Policies
  - Bonds are sold over course of Bond program
  - City would continue to utilize Reimbursement Resolutions to fund projects, i.e. appropriate funds in one year, sell bonds in subsequent years
  - Tax rate impacts are spread out over several years
  - Allows for a 5-Year Bond Program

# Debt Capacity: *Preliminary Look*

Tax Rate Impact	2018 Election: New Capacity
No additional increase	\$325 million
+ 1-cent	\$575 million
+ 2-cents	\$825 million

- Positive impact of increased assessed value and refunding of debt
  - \$250 M “preserved” from 2016 analysis is now estimated at \$325 M
- Too early to dial-in on capacity numbers
  - First bonds would not be sold until August 2019
  - Two more years of tax rates and assessed valuation data
  - Interest rate environment
  - Additional updates will occur in January 2018 and Summer 2018

# Bond Program: *Parameters*

## *Five Year Program*

- Consistent with financial policies
  - Project appropriations over 5 years
  - Bond sales over 6 years
- Limits risk of cost estimation
- Flexibility as community priorities evolve
- Remaining bond programs still to be completed

# Bond Program: *Context*

- Nationally, \$2.8 trillion transportation infrastructure funding gap
- Strong market exists for municipal bonds
  - Municipal bond markets finance approximately 75% of annual infrastructure spending
- Global demand of \$90 trillion for new infrastructure over next 15 years
  - Public-private partnerships are gaining popularity, but still small component (9%)
  - Need for combination of low-cost effectiveness of municipal tax exempt bonds with the efficiencies of the private sector

***Focus on reinvestment in existing City infrastructure***

# Bond Program: *Categories*

**Reinvestment  
in Facilities &  
Assets**

**Transportation  
Infrastructure**

**Stormwater**

**Parkland &  
Open Space**

**Affordable  
Housing**

# **REINVESTMENT IN FACILITIES & ASSETS**



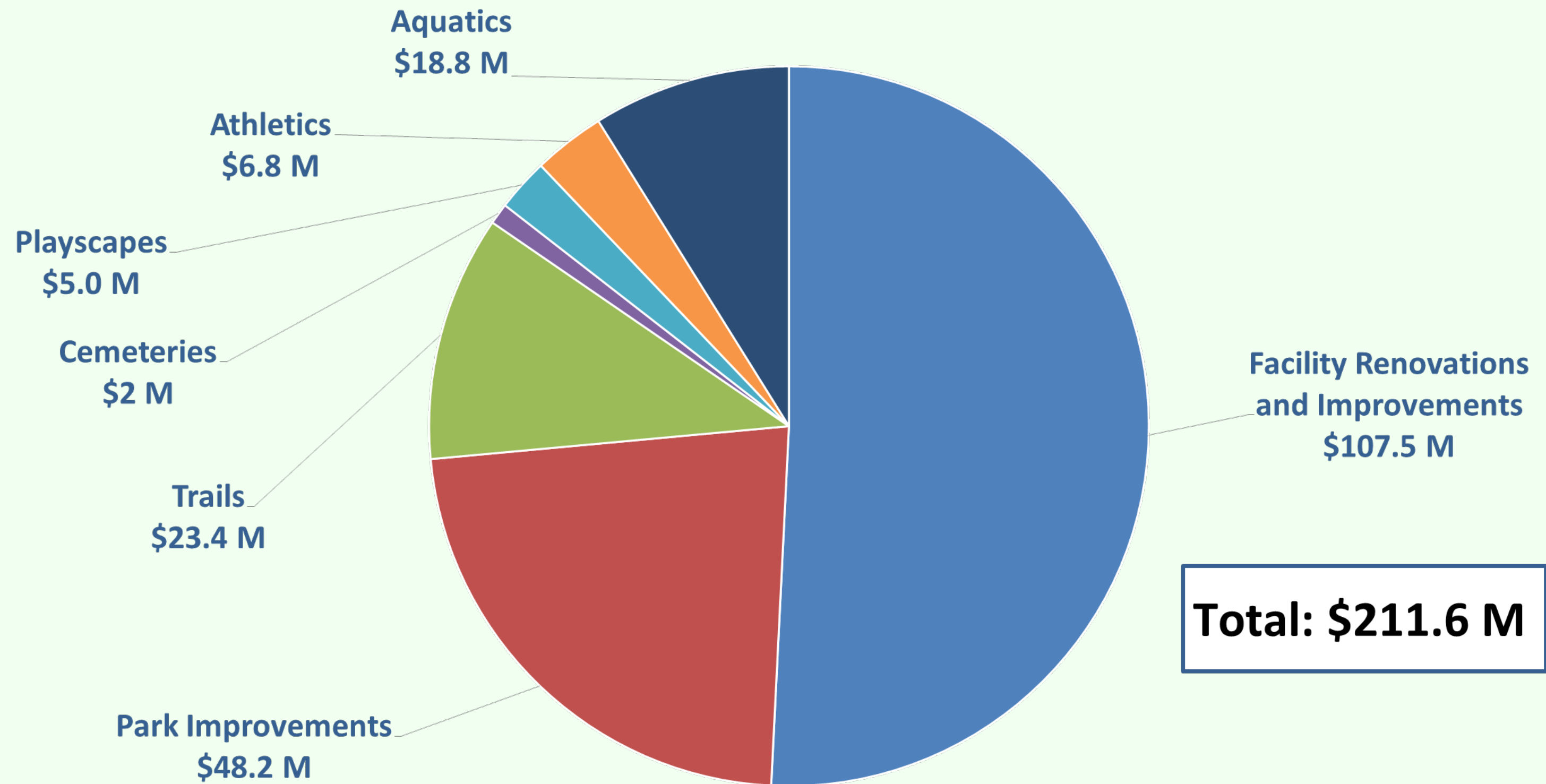
# Reinvestment in Facilities & Assets: *Summary*



Department	Amount
Parks & Recreation	\$120 Million
Library	\$20 Million
Austin Public Health	\$10 Million
Public Safety	\$90 Million
<i>Total</i>	<i>\$240 Million</i>



# Parks & Recreation: *1998-Present Investments*





# Parks & Recreation: *\$120 Million*

- Aquatics - \$15 million
  - Compliance with regulations
  - Leaks & Shell replacements
  - Failing Decks
- Facility Improvements - \$40 million
  - Roofs
  - HVAC
  - ADA Compliance
  - Daugherty Arts





# Parks & Recreation: *\$120 Million*

- Infrastructure - \$65 million
  - Trails
  - Sports Courts & Facilities
  - Playscapes
  - Parking Lots/Roadways
  - Cemeteries
  - Parkland improvements







# Parks & Recreation: *Summary*

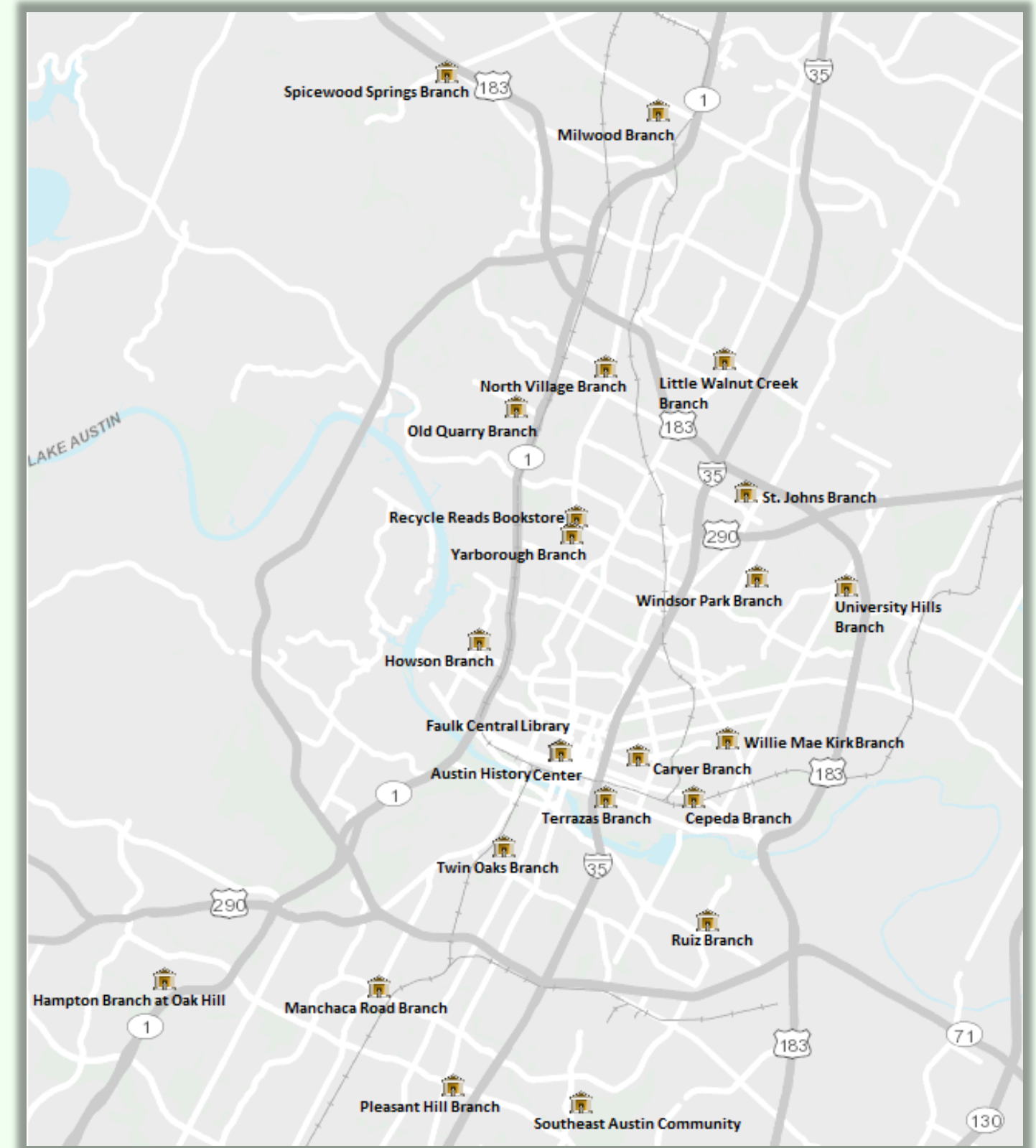
Category	Amount	Reinvestment Plan
Aquatics	\$15 M	Renovation of 1 failed pool. Reinvestment into 46 existing aquatic features city-wide including plumbing and filtration systems, chemical controls, pool shell liners, and other non-compliant pool equipment.
Facility Improvements	\$40 M	Renovation of existing building systems at over ~30 sites including roof, HVAC, mechanical, electrical, plumbing, elevators, ADA accessibility, and interior renovations. May also support expansion of existing facilities to meet growing demand.
Infrastructure	\$65 M	
Playscapes	\$4 M	Complete renovation of ~10 playscapes city-wide including change-out of equipment and safety surfacing. Replacement of non-compliant pea gravel safety surfacing city-wide.
Trails	\$5 M	Development of ~5 miles of new trail as a continuation of on-going trail networks. Renovation of existing trails city-wide including ADA accessibility, trail stabilization, and trail amenities.
Parking Lots & Roadways	\$2 M	Resurfacing of worn and obsolete surfaces over approximately 30 sites throughout the City.
Sports Courts & Facilities	\$8 M	Resurfacing of ~6 sport courts, replacement of failing light poles at ~3 sport fields, and upgrades to golf and tennis facilities. Renovation of existing tennis centers and greenways
Parkland Improvements	\$42 M	Holistic park improvements at all scales (metro, district, neighborhood, pocket, special) including ~4 destination-scale parks and ~8 neighborhood-scale parks. May include renovation of existing parks or development of new parks.
Cemeteries	\$4 M	Preservation and restoration of cultural assets across the 5 city-owned cemeteries including landscape enhancements, facility upgrades, accessibility, and drainage improvements.
Total	\$120M	



# Library: *1998-Present Investments*

## *\$158 million*

- \$24 million in new/replacement branch libraries
  - Twin Oaks
  - North Village
  - Montopolis/Riverside Branch
  - Carver Library
  - Terrazas Branch
  - Spicewood Springs
- \$9 million in branch library Improvements
  - University Hills
  - Millwood Branch
  - Pleasant Hill Branch
  - Zaragoza Warehouse
  - Will Hampton Branch
  - Austin History Center Upgrades
  - Cepeda Branch
- \$125 million for New Central Library



# Library: *\$20 Million*

- Branch Library Improvements- \$18 million
  - Carver
  - Willie Mae Kirk
  - Yarborough
  - Old Quarry
  - Little Walnut
  - System-wide furniture and fixtures
- Austin History Center- \$2 million
  - Archival upgrades





# Library: *Summary*

Category	Amount	Reinvestment Plan
Branch Library Improvements	\$18M	Renovation of existing building systems, including HVAC, roof, stairs, ADA, interior renovations. Replacement of worn, failing, and obsolete furniture and fixtures throughout the Library's inventory of property
Austin History Center	\$2M	Modify second and third floors of Faulk Central library to meet minimal archival storage standards.
<b>Total</b>	<b>\$20M</b>	

# Austin Public Health: 2006-Present Investments

## *\$30.8 million*

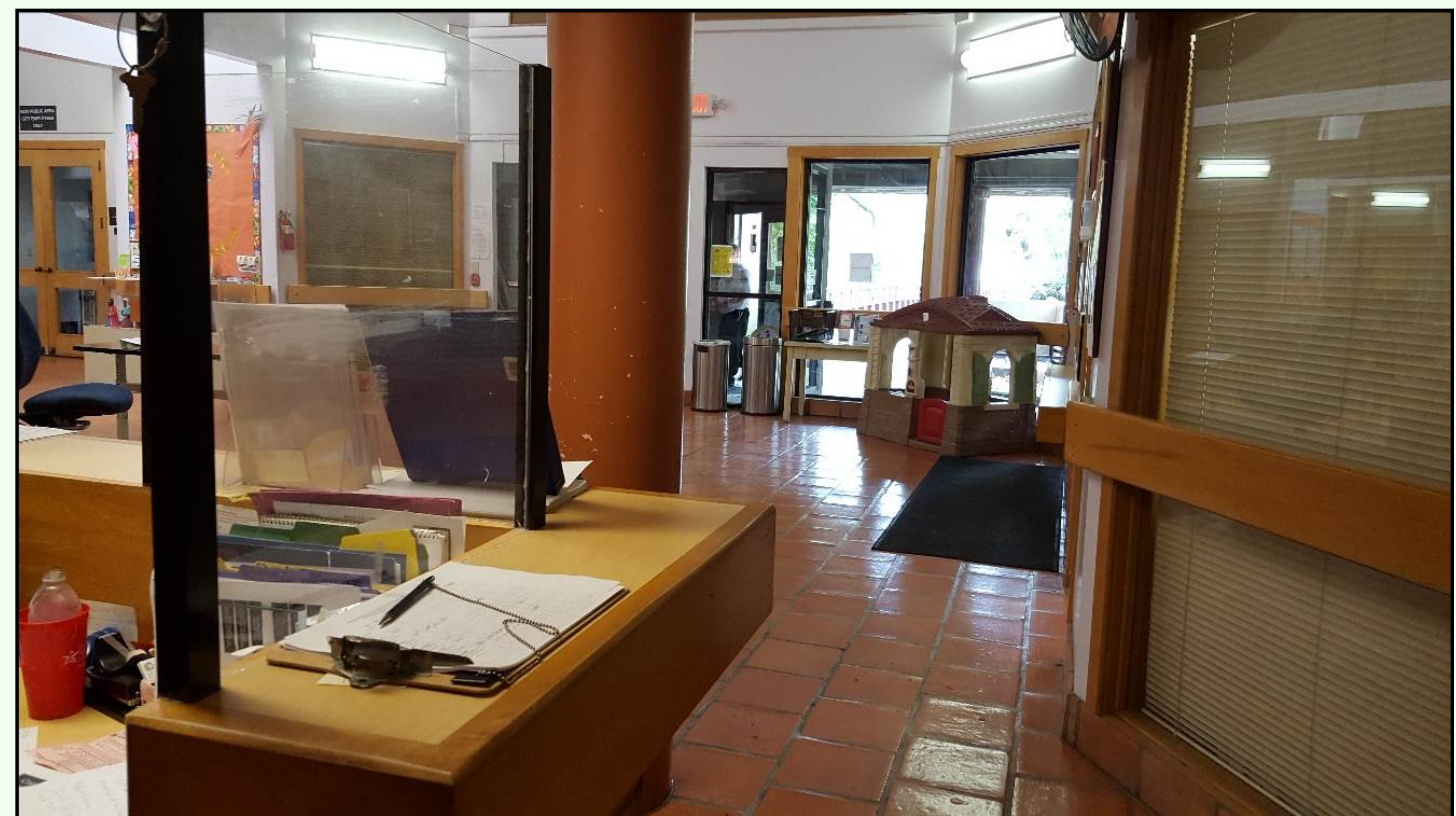
- \$11.1 million for facility improvements
  - Women and Children's Shelter
  - Far South/ Montopolis Clinic and Neighborhood Center
  - Betty Dunkerley campus
- \$19.7 million for the Animal Shelter
  - Includes other funding sources





# Austin Public Health: *\$10 Million*

- Facility Improvements- \$10 million
  - Roofs
  - HVACs
  - Campus improvements





# Public Safety: *1998-Present Investments*

***\$131.8 million***

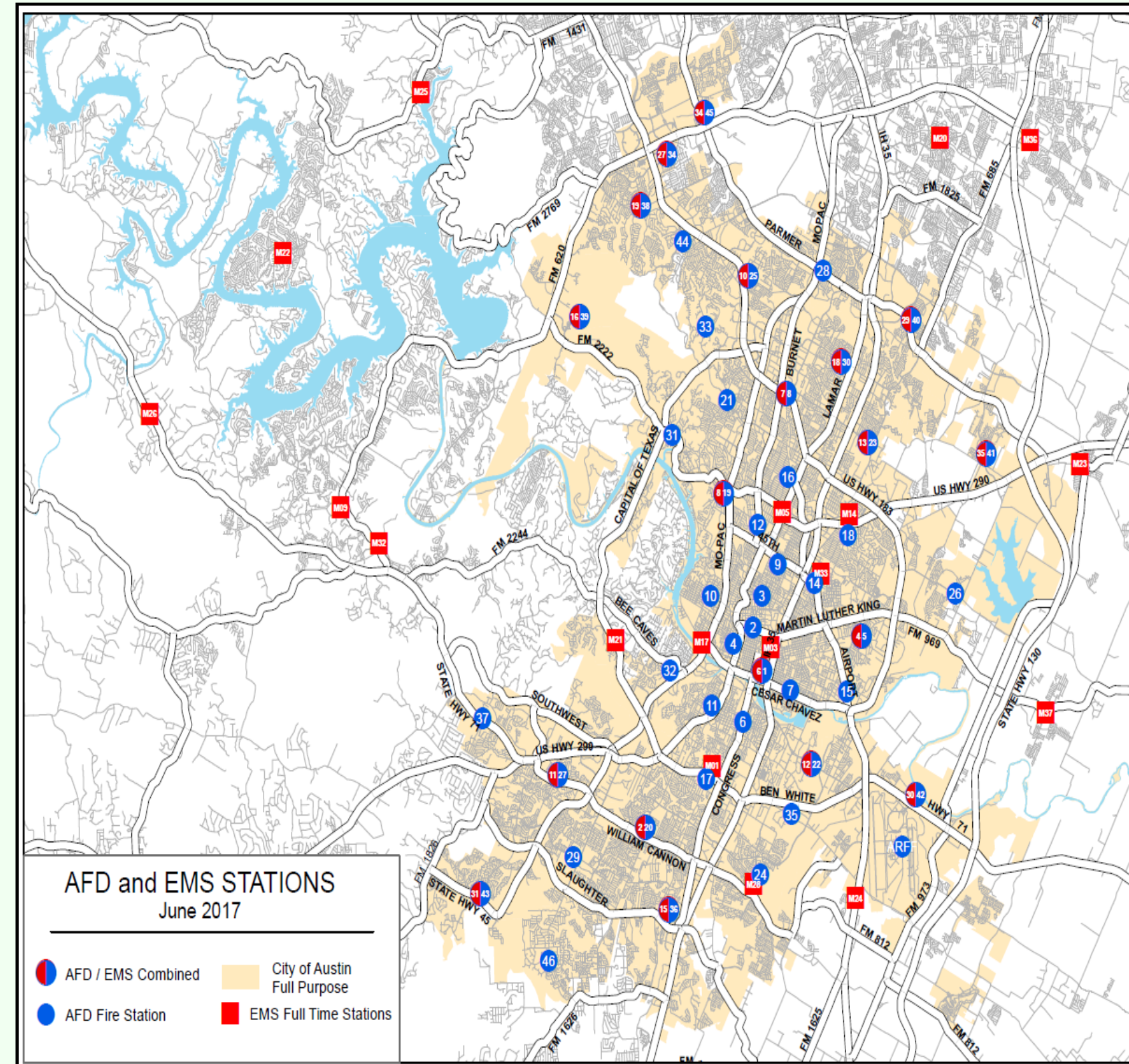
- \$96.7 million for new facilities
  - CTECC
  - Police Substations
  - Fire/EMS Stations
  - Public Safety Training Center
- \$35.1 million for facility improvements
  - Locker rooms
  - Driveway replacements
  - Forensic lab improvements





# Public Safety: *\$90 Million*

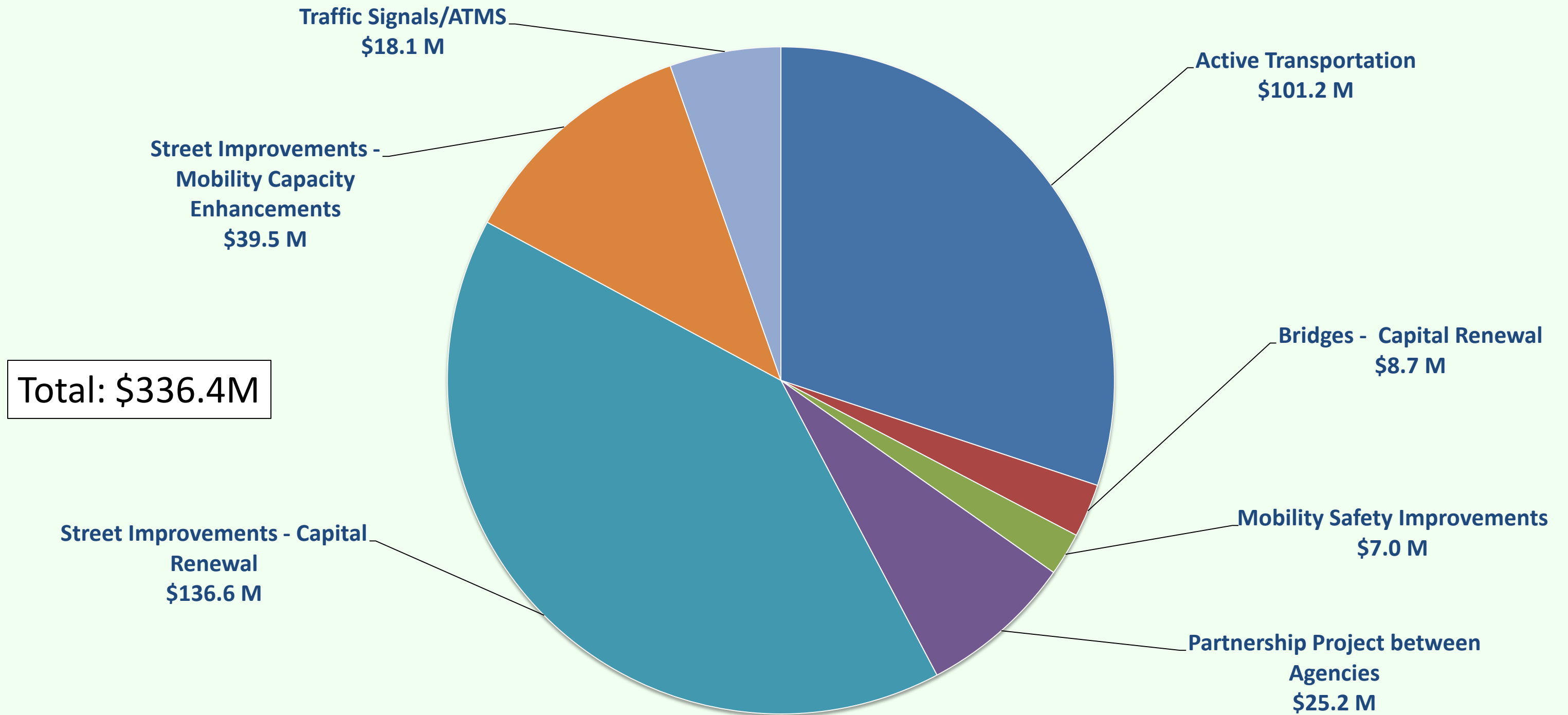
- Fire/EMS- \$82 million
  - Driveway Replacements (9 stations)
  - Full station renovations (4 stations)
  - Full Station replacements (2 joint stations)
- Police- \$8 million
  - Air Operations Facility



# **TRANSPORTATION INFRASTRUCTURE**



# Transportation Infrastructure: 2006-2012 Investments





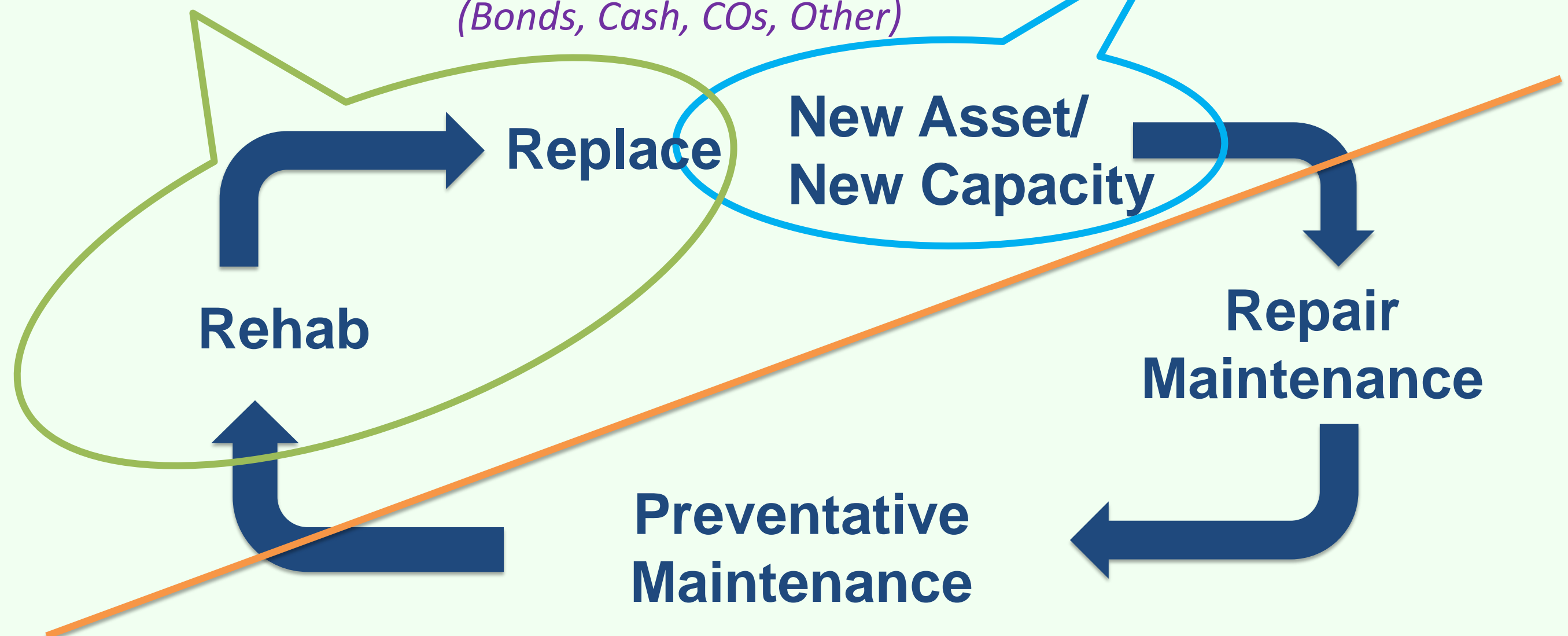
# Transportation Infrastructure: *Funding Approach*

2018 Bond – Transportation

Infrastructure  
Recommendations

*Capital Funding*  
(Bonds, Cash, COs, Other)

2016 Mobility Bond



*Operations and Maintenance Funding*





# Transportation Infrastructure: *\$190 Million*

Program	Amount	Reinvestment Plan
Bridges, Culverts and Structures	\$54.0 M	Grant match to replace 1 major bridge; Rehabilitate or replace ~3 major bridges
Sidewalk Rehabilitation and Replacement	\$20.0 M	Rehabilitate ~42 miles of sidewalks to functionally acceptable
Street Reconstruction Program	\$75.0 M	Reconstruct or rehabilitate ~ 158 linear miles of streets; Street network condition projected to fall to 72% satisfactory condition.
Neighborhood Partnering Program	\$1.0 M	~ 18 projects on both Right of Way and parkland in coordination with Parks and Recreation.
Traffic Signal/ATMS System	\$20.0 M	~15 new signals, ~15 new PHBs, ~15 new rapid flashing beacons, ~15 new school zones, signal modifications and upgrades, ~13 signal cabinet replacements, and communications and cybersecurity enhancements
Transportation Safety/Vision Zero Traffic Improvement Program	\$20.0 M	Replace loop detection at ~40 signals, extend traffic monitoring capabilities with ~100 CCTV cameras, upgrades to City traffic management center, transit signal priority, updated conflict monitors, updated signal controllers and firmware, Emergency Vehicle Preemption, Accessible Pedestrian Signals at ~56 signals, Retroreflective Backplates at ~130 signals , and ~145 Battery Backups with roughly half to refurbish battery systems at the end of their life
<b>TOTAL</b>	<b>\$190.0 M</b>	





# [ Stormwater ]

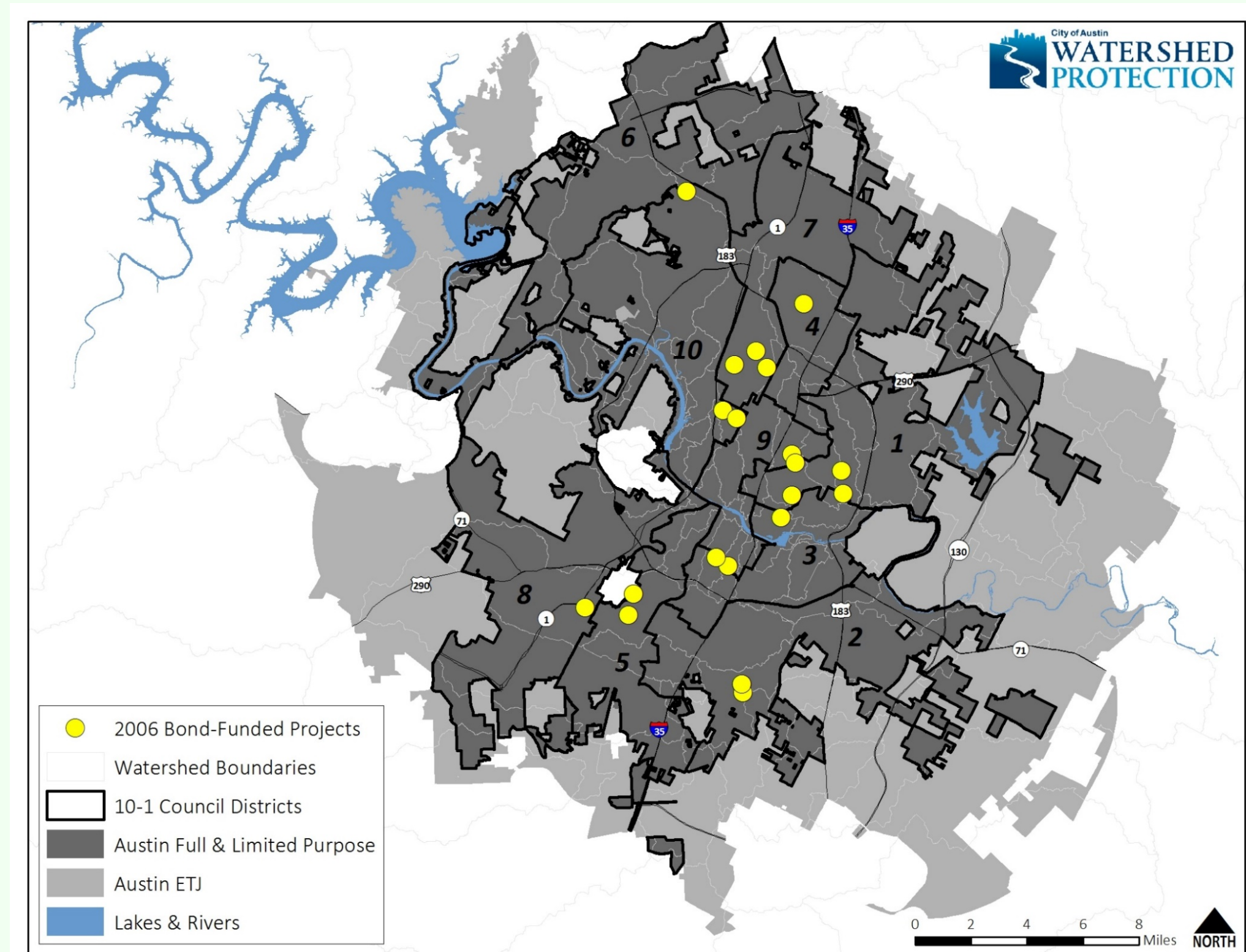


# Stormwater: *1998-2012 Investments*

**\$106 million**

- 22 Projects
  - Creek Flood Mitigation
  - Creek Erosion Mitigation
  - Storm Drain Improvements
  - Water Quality Protection

*Bond investments have been leveraged with annual drainage CIP funds*





# Stormwater: *\$75 Million*

- Flood Mitigation-  
\$20 million
  - Bank stabilization
  - Dam maintenance
- Drainage Improvements-  
\$55 million
  - Storm drains
  - Low water crossings



# Stormwater: *Summary*

*Capital project success measured by reduced flood & erosion risk to citizens and protection of public and private property*

Category	Amount	Reinvestment Plan
Flood Mitigation	\$20.0 M	272 buildings with known localized flooding; 476 structures at risk of creek flooding in a 100-year storm
Drainage/Storm Drain Improvements	\$55.0 M	11,700 feet of eroded creek banks threatening residential properties, utilities, trees, and other City infrastructure
TOTAL	\$75.0 M	





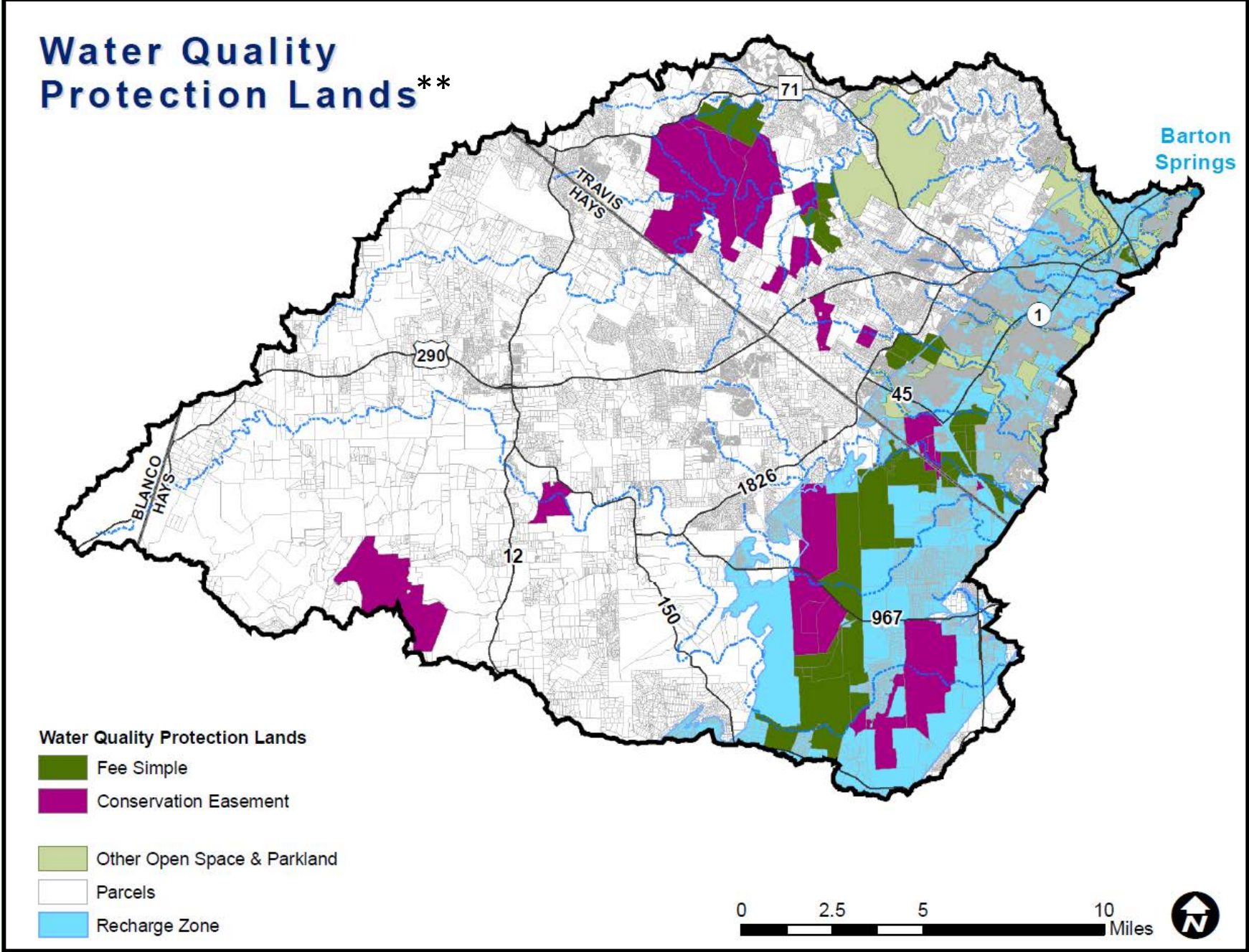
# **PARKLAND & OPEN SPACE**



# Parkland & Open Space: *1998-Present Investments*

Year	Amount*	Estimated Acreage Acquired
1998	\$114.5 M	17,700
2000-2004	\$14.0 M	5,000
2006	\$82.2 M	7,300
2012-Present	\$47.7 M	2,600
Total	\$258.4 M	32,600

\*Includes all funding sources



\*\*Does not include all parkland



# Parkland & Open Space: *\$50 Million*

- Open Space- Parkland: \$30 million
  - Destination parks
  - Greenways
  - Infill parks
  - Preserves
- Open Space- Water Quality: \$20 million
  - Aligns with the guidance set forth in Imagine Austin for the city's growth and development over the next 30 years
  - Additional purchases are needed to continue successful implementation of program



# Parkland & Open Space: *Summary*

Category	Amount	Reinvestment Plan
Open Space-Parkland	\$30 M	Acquire parkland for variety of park uses in line with state City goals.
Open Space-Water Quality	\$20 M	Continue purchasing land in targeted Barton Springs zone to achieve City goals related to stormwater and water quality.
<b>TOTAL</b>	<b>\$50 M</b>	

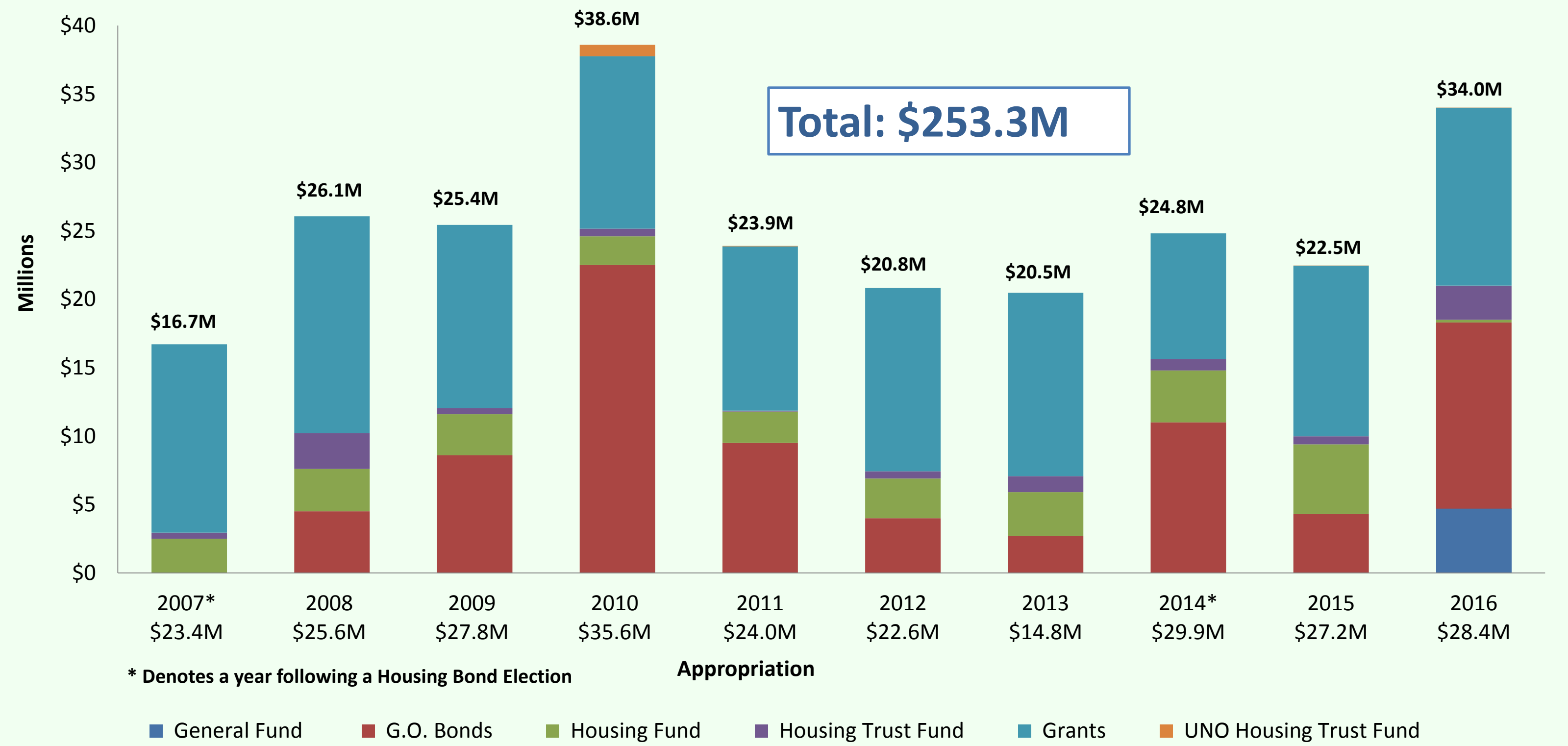
# [ AFFORDABLE HOUSING ]







# Affordable Housing: 2006-2013 Investments





# Cost of the Affordable Rental Housing Gap

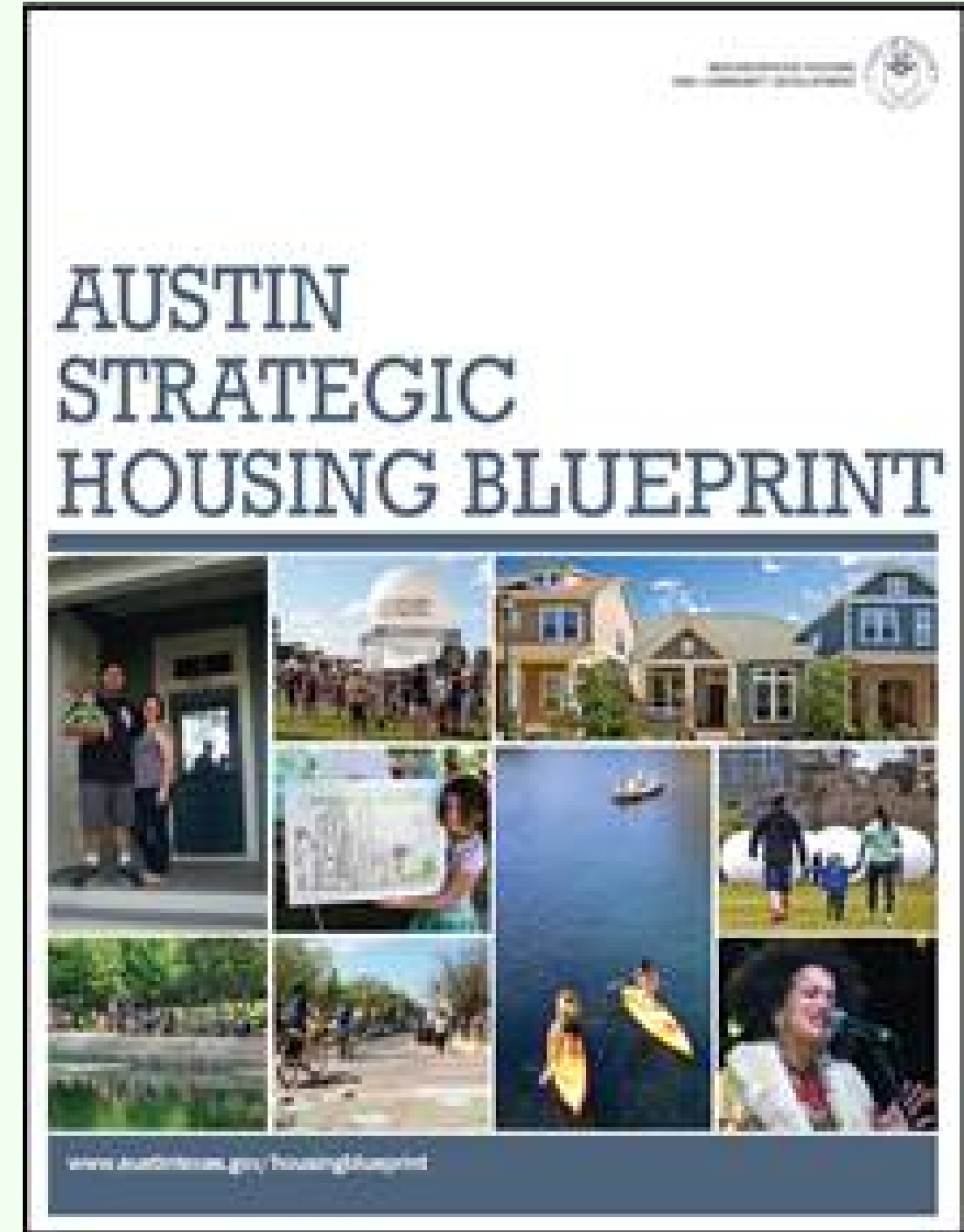


- Cost of closing Austin's Affordable Housing Gap Today  $\approx$  \$6.48 Billion for 48,000 unit gap



- Cost of closing Austin's Affordable Housing Gap 2025  $\approx$  \$11.18 Billion

- Calculation:  $\$135,000$  (estimated construction cost)  $\times$  48,000 units = \$6.48 billion.
- Calculation:  $\$164,430$  (estimated construction costs in 2015 dollars)  $\times$  68,000 units (continued rate of increase from 2008 through 2014) = \$11.18 billion.
- Does not include land costs.



# Affordable Housing: *\$85 million*

- Home Ownership Program: \$18 million
- Rental Housing Development Assistance: \$39 million
- Home Repair Program: \$18 million
- Land Acquisition: \$10 million





# Initial Bond Program: *Summary*

Program	Amount
Reinvestment in Facilities & Assets	\$240.0 M
Transportation Infrastructure	\$190.0 M
Stormwater	\$75.0 M
Parkland & Open Space	\$50.0 M
Affordable Housing	\$85.0 M
<b>TOTAL</b>	<b>\$640.0 M</b>

# New Facilities: *An Innovative Approach*

- 35+ New Facilities, totaling nearly \$1 billion, were identified
  - Fire / EMS Stations
  - Neighborhood Centers
  - Creative Hub
  - Regional Resource Libraries
  - Service Centers
- Take a more rigorous look at each need
  - Operational needs
  - Space requirement analysis
  - Impact on future Operation & Maintenance budgets
- Third-Party / P3 Approach
  - Achieve transfer of risk and cost reduction



# Next Steps

**June 2017 – Nov 2017**  
BEATF Review

**Spring/Summer  
2018**  
Council  
Deliberation

**Dec 2017**  
BEATF Final  
Recommendation  
to Council

**2018  
ELECTION**

- BEATF Organization
- Equity Assessment
- Department Presentations
- Community Input
- Committee Deliberations

# Questions to Consider

- How does this taskforce envision the next 6 months of work?
  - How will the task force organize itself to process the volume of information received?
- How does this taskforce want to evaluate individual departmental/bond category requests?
  - Ex, playscapes
- What kind of engagement with the public does the Task Force desire?



# Questions?

