



MEMORANDUM

To: Planning Commission Members
Comprehensive Plan Joint Committee Members
Department Directors

From: Gregory I Guernsey, AICP, Director 
Planning and Zoning Department

Date: January 8, 2018

Subject: Long Range CIP Strategic Plan Approach

The Long Range Capital Improvement Program Strategic Plan (LRCSP) is used to inform the City Manager's development of the 5-Year Capital Improvement Program which is the basis for proposed new appropriations in the annual capital budget considered by Council each September. The LRCSP responds to a Charter requirement that the Planning Commission provide a recommended list of CIP needs to the City Manager, and provides a strategic link between the *Imagine Austin Comprehensive Plan* and identified capital improvement needs. Since 2013, this plan has been prepared annually by the Capital Planning Office, and has involved coordination with many City departments and an annual review by the Planning Commission.

As I indicated in a memo to departments in January 2017, the Planning and Zoning Department (PAZ) assumed responsibility for coordination of the LRCSP after the Capital Planning Office was reorganized to form a Corridor Program Office, and PAZ staff worked with Departments and the members of Planning Commission to complete the FY 2017-2018 Long Range CIP Strategic Plan.

Because this planning process fills a vital role in departmental alignment in support of *Imagine Austin*, and because of the Charter-mandated role of the Planning Commission, it makes sense for PAZ to continue to serve as the coordinating department for this process in future years. However, based on input from departments, discussion, and institutional experience, we recommend that future updates of the LRCSP transition to a 2 year cycle, and that the scope of future updates continue to evolve over time. This evolution could involve changes to the overall process, as well as the content, name, and structure of the document. In addition, future updates will rely on a collaborative work program

supported by Planning and Zoning, the Budget Office, and the Public Works Department. This collaboration will take advantage of each work group's unique expertise, and is appropriate given that the scope of the process covers an area of overlap between planning, financial, and infrastructure services.

Attachment A provides an overview of the recommended approach to the City's Long Range CIP Planning Process.

Attachment A: Recommended Approach

Background

The Capital Planning Office was created in 2010 to provide portfolio-level coordination of City of Austin Capital Investments. In 2013, the Capital Planning Office began working with city departments and the Planning Commission to develop and transmit a Long Range CIP Strategic Plan to the City Manager on an annual basis.

The LRCSP was designed to meet the following goals:

- Create a stronger link between the *Imagine Austin Comprehensive Plan* and the City's CIP;
- Assist the Planning Commission in fulfilling its City Charter requirement to annually recommend to the City Manager a list of capital improvement projects that implement the City's comprehensive plan;
- Improve the transparency and understanding of citywide CIP needs;
- Identify strategic capital investment areas, planned projects, and opportunities for coordinated CIP investments;
- Articulate unfunded needs to decision-makers to prepare for future funding and leveraging opportunities (The FY 2017-2018 Rolling Needs Assessment was used as the starting place for development of a bond needs assessment for a potential 2018 Bond); and
- Inform development of long-term CIP funding strategies.

In January 2017, the Capital Planning Office was reorganized to form a Corridor Program Office. Planning and Zoning staff took over the responsibility for completing the FY 2017-2018 Long Range CIP Strategic Plan update. After completion of the FY 2017-2018 Long Range CIP Strategic Plan, PAZ staff interviewed 14 City departments who participated in development of the LRCSP over the past 5 years to discuss lessons learned and solicit input regarding possible future approaches. After compiling lessons learned, PAZ staff met with staff from the Budget Office and the Public Works Department to identify a possible collaborative approach to future long range CIP planning, which is reflected in this document.

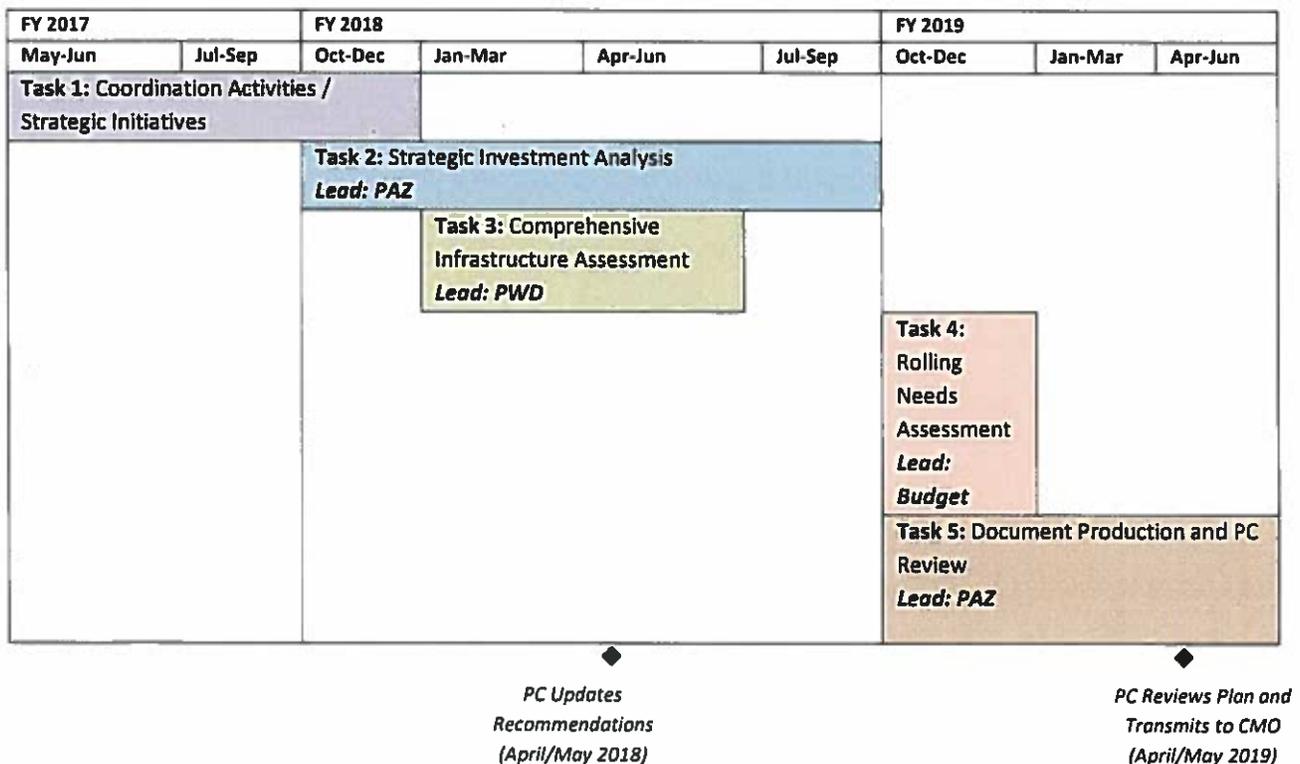
Scope of Work

- 1) **The Plan.** The future long range CIP plan will include the following primary components:
 - **comprehensive infrastructure assessment** evaluates existing city-owned infrastructure assets across asset types;
 - **strategic investment analysis** uses spatial analysis to aid in identification of potential future strategic investments; and
 - **rolling needs assessment** inventories 10 years of unmet CIP needs.
- 2) **Engagement.** Stakeholders will be engaged in the following ways:

- **Imagine Austin Priority Program** teams provide input to the strategic investment analysis;
- **Departments** identify unfunded CIP needs and submit project needs via eCAPRIS;
- **The Planning Commission** reviews the LRCSP document and/or interactive on-line information and develops an annual recommendation to transmit to the City Manager; and
- **The public** provides comments during the Planning Commission review process, with additional substantive public engagement occurring at the Department level during the development of the area and project plans which feed into the LRCSP. We will work with the Equity Office and others to explore additional meaningful opportunities to engage the public, particularly underrepresented groups, during future LRCSP updates.

3) **Update Cycle.** Different elements of a continuous update process will occur on different cycles, with a full plan update being completed every two years. The recommended update cycle is described in detail below, under "timeline."

Tasks and Timeline



DRAFT 2018 Planning Commission recommendation and transmittal letter for Long Range CIP Strategic Plan. Proposed additions to 2017 Letter indicated in underline. Proposed deletions from 2017 letter indicated in strikethrough.

To: Austin City Council and City Manager

From: The City of Austin Planning Commission

Date: ~~May 9, 2017~~ June 30, 2018

Re: Recommendations on the Long-Range Capital Improvement Program Strategic Plan

Each year the City of Austin Planning Commission presents a recommendation letter transmitting the updated Long Range CIP Strategic Plan (LRCSP) to the City Manager ~~during formulation of the Long Range CIP Strategic Plan (LRCSP).~~ Annually updated, the The LRCSP is a data-driven approach to planning for the City's future capital improvements that support the way Austin grows and functions in the coming years, as articulated in the Imagine Austin Comprehensive Plan as well as related plans and priorities that guide City capital investments. The plan is part of a larger Capital Improvement Program planning cycle, a multi-year, continuous process of planning, funding, and implementation of capital improvements, and also includes the Five-Year CIP Plan and the annual Capital Budget. The LRCSP was most recently updated in spring 2017. Moving forward the Long Range CIP Strategic Plan will be updated every 2 years, with the next update anticipated in 2019.

RECOMMENDATION SUMMARY

This letter includes recommendations related to the LRCSP as directed by the City Charter, which requires that the Planning Commission annually make recommendations on capital improvements that are necessary or desirable to implement the City's Comprehensive Plan, Imagine Austin. The recommendations contained in this letter build on the recommendations that were provided by the Planning Commission ~~last year in previous years.~~ Our recommendations are:

1. ~~Build on the passage of~~ Implement the 2016 Mobility Bond, including the Mobility Bond Corridor Program which by continuing to identify identifies specific future Strategic Initiatives funding opportunities for Growth Centers and Corridors. Continue to consider strategic investment needs in 2018 bond package development. Use infrastructure funding to realize Imagine Austin growth models.
2. Identify additional innovative funding sources for capital renewal, continue to prioritize use of annual Capital Budget funds for the most critical Capital Renewal projects, and in doing so, direct additional resources to Strategic Initiatives in Imagine Austin Growth Centers and Corridors.
3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns.

4. ~~Continue to include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT components and A~~adopt a new Land Development Code through CodeNEXT which leverages CIP and robustly addresses fiscal impact.
5. ~~If needed, e~~Establish a Joint Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted polices, development issues, and infrastructure investment.
6. Continue to use housing affordability, flood mitigation, and transportation as key filters to the planning and implementation of Strategic CIP Initiatives.
7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.

The ~~Working Group~~Planning Commission realizes that these are ambitious recommendations that will take time and effort to implement. This year's letter acknowledges the accomplishments of the last year, and identifies some detailed actions that can be taken over the next 12 months to continue to make progress on each of these recommendations. Continuing to address these issues makes it possible to use the CIP as a more meaningful vehicle for implementing Imagine Austin.

Perhaps the most difficult recommendations to implement will be Recommendations 1 and 2, finding resources to fund Strategic Initiatives to realize Imagine Austin's vision, while adequately funding the Capital Renewal projects necessary to keep our existing infrastructure operating as the public expects. We realize that both are important goals. However, implementing recommendations 3, 5, 6, and 7, which address the connections between infrastructure investments, land use policies, private development, affordability, and the City's fiscal health, should assist the City in meeting those first two goals.

While there will continue to be a struggle to find adequate resources to fund both Capital Renewal and Strategic Initiatives adequately, Strategic and Capital Renewal infrastructure investment need not be mutually exclusive. CIP investments in capital renewal and service demand needs can also be strategic investments if they are planned and coordinated to achieve strategic outcomes in a given area, or in some cases they can be catalysts for strategic investment (e.g., the need for road reconstruction in a major growth corridor can be a critical investment that allows that corridor to develop as planned).

LAND USE COMMISSION REVIEW

As was done for the first time ~~last year in 2016~~, the ~~CIP working group~~preparation of this recommendation letter included both Land Use Commissions, involving members of both the Planning Commission and the Zoning and Platting Commission. The Comprehensive Plan Joint Committee of PC and ZAP received a briefing and provided comments to Planning and Zoning staff at their meeting on April 12, 2018, and the Zoning and Platting Commission were briefed on the draft letter on June 5, 2018 before the letter went before the Planning Commission for its approval. This collaboration gives us the opportunity to give both the City Manager and City

Council more specific recommendations based on the pressing issues each of the commissions deal with regularly. From our key vantage point, our two commissions can assess the opportunities and obstacles presented by our current infrastructure capacity and conditions. Increasingly, we are presented with critical planning decisions that are dependent on the availability of adequate infrastructure. Austin's rapid growth rate strains our ability to meet both planning and infrastructure needs. The Land Use Commissions are presented consistently with many of the following questions:

- Can increased entitlements be tied to provision of increased infrastructure (water, environmental protection, parking, transportation options, connectivity) while reducing escalating impacts on housing costs?
- What is the relationship between existing zoning, realities of the cost of redevelopment, and the needed development intensity to better fund the renewal of surrounding infrastructure?
- How do we best implement needs identified in our existing Neighborhood and Small Area Plans?
- How do we achieve more objectivity in the review of city planning and infrastructure issues as we often hear only the most vocal advocacy groups?

These questions, and our review of the LRCSP, lead to the following recommendations based upon identified needs.

It is our goal that our expanded review of the LRCSP and associated recommendations will give City leaders a working guide for making better use the plan each year and to make strategic shifts so that the CIP is more effective in addressing policies and goals identified in Imagine Austin.

ATTACHMENT: DETAILED PLANNING COMMISSION RECOMMENDATIONS

1. Identify specific future strategic funding opportunities and focus strategic initiatives on Growth Centers and Corridors.

Description: Actively seek future funding opportunities to focus additional resources on enhancing infrastructure in Imagine Austin Centers and Corridors to incentivize both redevelopment and greenfield development in areas where we can better plan for high density “complete communities” as envisioned in Imagine Austin.

Rationale: The City has not set a clear policy direction to shift resources to Strategic Initiatives and seek other resources for Capital Renewal projects. Finding a balance between addressing on-going capital renewal needs, meeting increasing service demands, and addressing strategic planning and policy initiatives will remain a major challenge. To better achieve strategic goals and implement key planning and policy directives, the City needs to be able to focus more CIP resources on Strategic Initiatives. It is clear that additional funding resources are required to address city growth challenges. Previous letters from the Planning Commission have highlighted this need. In the absence of sufficient funding for all renewal and growth needs we must truly prioritize our recommendations.

Accomplishments

- Passage of \$720 Million 2016 Mobility Bond
- Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council
- Formation of Corridor Program Implementation Office to ensure Corridor investments support Imagine Austin, and approval of a Corridor Construction Program by City Council
- Capital Metro Adoption of Connections 2025 and launch of Cap Remap implementing the plan with more frequent transit on corridors.
- Austin Strategic Mobility Plan and Capital Metro Project Connect being developed in tandem to align high capacity transit planning with future mobility planning along Imagine Austin Corridors.
- Initiation of Strategic Mobility Plan Approval of Strategic Direction 2023 by City Council
- Release of CodeNEXT staff proposal for text and mapping

Proposed FY 2018-2019 Actions

- Focus on Imagine Austin Corridors and Centers during development of 2018 Bond package
- Coordinate CodeNEXT mapping with 2016 Mobility Bond Investments Adopt a new land development code and zoning map through CodeNEXT which leverages strategic investments including 2016 Mobility Bond investments in Imagine Austin Centers and Corridors.
- Coordinate with Approve Capital Metro Project Connect and adopt

	<p><u>Austin during development of the Strategic Mobility Plan to align transit planning with CIP Planning in Imagine Austin Corridors.</u></p> <ul style="list-style-type: none">• <u>Develop a new approach to small area planning which focuses on Imagine Austin Centers and Corridors, and pilot test planning in one or more corridors.</u>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2. Identify additional innovative funding sources for capital renewal, and continue to prioritize use of annual Capital Budget funds for the most critical Capital Renewal projects.

Description: Recognizing that the annual Capital Budget has limited discretionary resources to allocate in any given year, we recommend that the City Council prioritize use of those funds for the most critical Capital Renewal projects. In doing so, we should direct additional resources to Imagine Austin Growth Centers and Corridors.

Rationale: While wanting to direct capital investments to areas that will begin to implement Imagine Austin in a significant way, we also realize that Capital Renewal remains the largest part of the City's Capital Improvement Program. CIP departments operate a large number of ongoing CIP programs dedicated solely to keeping existing infrastructure operational through rehabilitation or replacement. The City will need to continue focusing resources to protecting the investments we have already made.

Accomplishments

- Passage of \$720 Million 2016 Mobility Bond
- Formation of Corridor Program ~~Implementation~~ Office to ensure Corridor investments support Imagine Austin
- Ongoing implementation of Drainage Utility Fee, and modifications to DSD budget allowing a greater portion of DUF to be utilized for CIP.
- Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council

Proposed FY ~~2017~~2018-2018-2019 Actions

- Consider capital renewal needs during development review of 2018 Bond package
- Continue to identify "dig once" opportunities to ensure that capital renewal projects including street maintenance and rehab, sidewalk repair, drainage, and renewal of wet and dry utilities are coordinated where possible.
- Identify innovative funding methods for capital renewal projects that allow eventual transition to funding on-going renewal needs through methods other than issuance of GO Bonds. (Innovative funding could include TIFs, PIDs, etc.)

3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns.

Description: Initiate a study of who pays for capital investment and long-term maintenance costs of infrastructure with respect to different development patterns: higher density urban infill versus new greenfield development. This study would help identify the long-term fiscal impacts to the City and its residents and business owners from different development patterns. The study should provide guidance to inform current and future policy decisions related to land use development pattern decisions and CIP investments as our city continues to grow.

Rationale: As the City rewrites the City’s land development code through the CodeNEXT process, those efforts should also consider the relationship between land use and infrastructure, a relationship that the Land Use Commissions see on a regular basis. There is a fundamental disconnect between land use development and infrastructure planning that must be remedied. Decisions made in these two areas also have profound impacts on the issues of affordability and equity in providing services to our citizens. The City needs to evaluate and articulate further the allocation and cost effectiveness of limited infrastructure resources with respect to higher density urban infill versus new greenfield infrastructure outside the urban core.

Accomplishments

- CodeNEXT release of draft staff proposed Land Development Code (includes new zones/development standards, regulations for TIAs, Sidewalk Fee in Lieu, Parkland Fee in Lieu, etc.)
- Exploration of Street Impact Fee through-during development of Austin Strategic Mobility Plan
- 2013 Update of Water and Wastewater Impact Fees

Proposed FY ~~2017~~2018-2018-2019 Actions

- Identify a department lead and ~~C~~Conduct a comprehensive inventory of existing City of Austin development fees, requirements, and policies that require private sector investments in public infrastructure (including fiscal surety requirements for subdivisions, TIA requirements, fee-in-lieu policies, water tap fees) and develop analysis and preliminary findings related to whether existing tools strike the right balance between public and private investment and/or are supporting desired development patterns.
- Adopt a new land development code through CodeNEXT which appropriately leverages private sector investments in infrastructure construction and maintenance.

4. Include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT.

Description: The City Manager should direct the staff and consultants working on CodeNEXT to include considerations related to the City's fiscal health as part of the CodeNEXT rewrite, and determine ways to estimate the impact on fiscal health of proposed code changes.

Rationale: Another important issue that should be addressed as the City updates its Land Development Code is that of the City's fiscal health. Decisions regarding the Land Development Code affect not only how private developers make investments but also how the City makes investments in infrastructure, which have a critical impact on the City's overall fiscal health. The code affects land development patterns, which affect decisions on when and where to build infrastructure, and how the City maintains that infrastructure throughout its life. Fiscal health and the forces that shape it are issues that are as important as the issues of affordability, equity, and how compact and connected our future development patterns are. It should be given equal weight to these other concepts as we revise and update our Land Development Code.

Accomplishments

- Development of CodeNEXT Prescription Paper analyzing fiscal health related to the Code;
- CodeNEXT release of ~~draft staff~~ proposed Land Development Code

Proposed FY ~~2017-2018-2018-2019~~ Actions

- Ensure that fiscal health is adequately addressed through ~~revised-adopted~~ CodeNEXT regulations.
- ~~Adopt a new land development code and zoning map through CodeNEXT which leverages strategic investments including 2016 Mobility Bond investments in Imagine Austin Centers and Corridors. Ensure coordination of CodeNEXT mapping with location of future CIP investments.~~
- Adopt a new land development code through CodeNEXT which ensures ~~Ensure~~ that the private sector contributes appropriately to the cost of maintaining and expanding infrastructure through the Transportation Impact Analysis process as well as various development exactions and fees.

5. Establish a Joint CIP Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted polices, development issues, and infrastructure investment.

Description: Establish the Joint Committee for the CIP composed of membership from the Planning Commission and the Zoning and Platting Commission to study the existing disconnects between adopted polices, realities of development costs, city monetary process, and the CIP.

Rationale: During its discussions, the Working Group recognized that Land Use Commission decisions on land use issues are not made independently of other important factors, and recognized the need to discuss long range CIP policies in conjunction with land use policies on an on-going basis.

Accomplishments

- ~~Discussion occurred, but formal joint committee was not formed.~~ Comprehensive Plan Joint Committee discussed and provided feedback to staff that this recommendation should be discussed further after the adoption of CodeNEXT.

Proposed FY 2017-2018 Actions

- ~~If still needed, d~~ Develop recommendation to develop a Joint CIP Committee for consideration by City Council Audit and Finance Committee

6. Use housing affordability, flood mitigation, and transportation as key filters to the planning and implementation of Strategic CIP Initiatives.

Description: The CIP Working Group recommends that the City address housing, flood mitigation, and transportation issues on any strategic CIP initiatives it plans and implements in the future.

Rationale: While these recommendations focus primarily on infrastructure and its relationship to the work of our Land Use Commissions, they are also strongly connected to the important public policy issues of public safety, affordability, and equity. As the City plans and implements future strategic CIP projects, those decisions should also take into consideration two key issues affecting affordability: housing and transportation.

Accomplishments

- Approval of Flood Mitigation Task Force Report
- ~~Initiation-Adoptio~~ of Strategic Housing PlanBlueprint
- ~~On-going coordination activities-of,~~ including Housing + Transit + Jobs Action Team
- Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council. 2018 Bond package recommendation includes projects supporting housing affordability, flood mitigation, and transportation.

Proposed FY 2017-2018 Actions

- ~~Incorporate CIP recommendations from Flood Mitigation Task Force Report as appropriate into future Long Range CIP Strategic Plan and Bond Development~~

- | | |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none">• incorporate CIP recommendations from Strategic Housing Plan as appropriate into future Long Range CIP Strategic Plan and Bond Development• <u>Continue to consider housing affordability, flood mitigation, and transportation needs during review of 2018 Bond package</u>• <u>Ensure that H+T+J Action Team recommendations related to leveraging housing affordability, jobs and transit are reflected in revised land development code under CodeNEXT.</u>• <u>Adopt a new land development code and zoning map through CodeNEXT which supports housing affordability, flood mitigation, and transportation and allows for better intergration of housing, transit, and jobs..</u> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.

Description: Provide city staff the resources to align efforts for CIP implementation planning to bridge between the visions of Imagine Austin, related small area plans, and future plans and CIP project development ready for funding.

Rationale: In order to best develop a prioritized list of recommendations, the working group noted that the continued development of the Strategic Investment Analysis (page 43) will be instrumental to successfully transitioning our CIP from renewal heavy to more balanced allocation to implement Strategic Initiatives. To take further steps forward towards increased realization of Imagine Austin goals with finite funding streams, we must be clear in our alignment of resources with priorities.

To create a convergence of strategic planning efforts that incentivize sustainable and affordably developed infrastructure in directed growth areas, the efforts of CIP and land use planning departments should be more aligned with increased capacity for implementation of both existing and future plans (i.e. Corridor Plans, Small Area Plans, Existing Neighborhood Plans, Growth Centers identified within Imagine Austin).

Accomplishments

- Integration of Long Range CIP Plan into city processes
- Continued development of internal CIP coordination tools
- Continued alignment of activities of Imagine Austin Priority Program teams
- Continued monitoring and coordination of small area plan implementation including implementation of CIP recommendations within Neighborhood Plans
- Approval of Strategic Direction 2023 by City Council
- Planning and Zoning Department has assumed responsibility for coordinating overall Long Range CIP Strategic Plan process
- Public Works Department launch of update to Comprehensive Infrastructure Assessment.
- PAZ has begun to develop a new approach to small area planning which focuses on Imagine Austin Centers and Corridors, and to identify additional resources that may be needed.

Proposed FY ~~2017-2018~~2018-2019 Actions

- Develop future bond packages in the context of workload/project development capacity of staff and vendors.
- Develop future ~~neighborhood,~~ small area, ~~and corridor~~ plans through collaborative, multi-departmental processes that incorporate community engagement, and develop an approach to Strategic Investment Analysis is tied more closely to these plans.
- ~~Continue to develop~~Develop Long Range CIP Plan updates ~~annually~~every two years through a collaborative

|

	<p>multi-departmental process-</p> <ul style="list-style-type: none">• Continue to develop technology that ensures that regulations and capital investments are operating in tandem to support implementation of Imagine Austin.
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[This page intentionally left blank]