

To: Spencer Cronk, City Manager
From: The City of Austin Planning Commission
Date: June 30, 2019
Subject: **Transmittal of the Long-Range Capital Improvement Program Strategic Plan**

The Planning Commission is pleased to transmit the *FYs 2019-2021 Long-Range Capital Improvement Program Strategic Plan (LRCSP)*. The LRCSP serves as a key link between the vision articulated in *Imagine Austin* with the City's capital investments. The LRCSP is part of a larger Capital Improvement Program planning cycle, a multi-year, continuous process of planning, funding, and implementation of capital improvements, that also includes the Five-Year CIP Plan and the annual Capital Budget.

Transmittal of the LRCSP to the City Manager allows the Planning Commission to meet its requirement under the Charter to submit a list of projects to the City Manager which implement the *Imagine Austin Comprehensive Plan* as per City Charter Article X, Section 4 (4):

"The Planning Commission shall...Submit annually to the city manager, not less than ninety (90) days prior to the beginning of a budget year, a list of recommended capital improvements, which in the opinion of the commission are necessary or desirable to implement the adopted comprehensive plan or element or portion thereof during the forthcoming five-year period."

The LRCSP was first developed and transmitted to the City Manager in 2013 and was most recently updated in spring 2017. Moving forward the LRCSP will be updated every 2 years.

The Comprehensive Plan Joint Committee of Planning Commission and ZAP participated in development of this year's Long Range CIP Strategic Plan, appointed a 3 member CIP Working Group to review the draft LRCSP in detail and to develop the draft transmittal memo, and finalized a transmittal memo for consideration by the Planning Commission. The full Zoning and Platting Commission was also briefed on the LRCSP before the LRCSP and draft transmittal memo went before the Planning Commission for its consideration on June 11, 2019.

This collaboration gives us the opportunity to give the City Manager 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.

How the LRCSP Implements Our Vision

Beginning with adoption of the *Imagine Austin Comprehensive Plan* in 2012, the City has articulated a collective vision for its future through several significant policy initiatives:

- **Watershed Protection.** The City updated the *Watershed Protection Master Plan (2016)* to incorporate numerous recommendations included in the 2015 Flood Mitigation Task Force Report. The updated *Watershed Protection Master Plan* identifies recommendations to improve safety,

reduce flood risk, and improve water quality throughout 49 watersheds citywide, and to address continuing impacts of climate change including increasing rainfall totals.

- **Housing.** The *Austin Strategic Housing Blueprint (2017)* establishes a vision for increasing housing choices available to all Austin residents, and sets a goal for accommodating 135,000 additional units of housing affordable to a range of incomes citywide.
- **Mobility.** The *Austin Strategic Mobility Plan (2019)* lays out a vision for increasing mobility choices and establishes a goal for shifting to 50% non-single occupant vehicle mode split.
- **Parks.** The Austin Parks and Recreation Department is currently engaged in developing the next Long Range Plan for Land, Facilities and Programs titled “Our Parks, Our Future 2018-2028.” This plan seeks to guide the growth of Austin’s Parks and Recreation System in a way that can best address population growth, increasing reliance on private and philanthropic funding, and the emergence of best practices in sustainable park development and management.
- **Equity.** The city has recognized a need to proactively work toward supporting equity in all programs. Since 2008, the City has created individual commissions focused on African-American, Asian-American, and Hispanic Quality of Life and these commissions have developed a series of Quality of Life Reports. In 2016 the City Manager created an Equity Office charged with focusing on advancing equity in all aspects of City operations.

The Long-Range CIP Strategic Plan provides detailed guidance for how the City can continue to invest in capital improvements that address urgent safety needs, capital renewal needs, and service demands while building the city that we envision. In particular:

- The **Comprehensive Infrastructure Assessment (Chapter 7)** inventories existing infrastructure assets, and identifies asset categories that are in critical need of reinvestment;
- The **Strategic Investment Analysis (Chapter 8)** identifies geographic areas where investments can address multiple policy priorities simultaneously; and
- The **Rolling Needs Assessment (Chapter 9)** highlights project needs across all infrastructure categories over the next 10 years to address the deficiencies identified by the Comprehensive Infrastructure Assessment, meet increasing service demand, and support implementation of *Imagine Austin* and related initiatives.

Our needs will be prioritized as we continue to make investments in the context of limited funding resources, and the LRCSP includes a set of 18 Priorities aligned with the outcomes of Strategic Direction 2023 that can be used to prioritize needs across infrastructure categories moving forward. The LRCSP should be used as a tool to help guide incremental investment decisions made at various levels of the City, including future development of general obligation bond packages.

Recent Accomplishments

In 2016, the Planning Commission identified a list of 7 key recommendations. Accomplishments related to these recommendations are described below.

PC Recommendation 1. Build on the passage of the 2016 Mobility Bond by continuing to identify specific future Strategic Initiatives funding opportunities for Growth Centers and Corridors. Use infrastructure funding to realize Imagine Austin growth models.

Accomplishments under this recommendation include:

- On-going work toward implementing \$720 Million 2016 Mobility Bond, including formation of Corridor Program Implementation Office, City Council Approval of Corridor Construction Program focused on making strategic mobility investments in key Imagine Austin Corridors, and initial investments;
- Passage of \$950 Million 2018 Bond Package which includes additional funding supporting multiple investments in Centers and Corridors;
- Capital Metro adoption of Project Connect High Capacity Transit Vision;
- City Council adoption of Austin Strategic Mobility Plan supporting multi-modal investments in corridors in tandem with land use;
- On-going work to revise the Land Development Code to better support Centers and Corridors;
- Adoption of Austin Strategic Housing Blueprint and development of a housing strategy which emphasizes investing in additional affordable housing opportunities within Corridors.

PC Recommendation 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.

Accomplishments under this recommendation include:

- Passage of 2016 Mobility Bond and 2018 Bond Package;
- Ongoing implementation of Drainage Utility Fee and Transportation User Fees, and modifications to DSD budget allowing a greater portion of DUF to be utilized for capital improvements;
- Continued exploration of the development of a Street Impact Fee which would be assessed on new development to pay for construction or expansion of transportation facilities that are necessitated by the new development; and
- Continued implementation of a process 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.

PC Recommendation 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.

Accomplishments under this recommendation include:

- On-going work to revise the Land Development Code to include new zones, development standards, regulations for TIAs, sidewalks, parkland, and density bonus provisions; and
- Continued exploration of the development of a Street Impact Fee which would be assessed on new development to pay for construction or expansion of transportation facilities that are necessitated by the new development.

PC Recommendation 4. Continue to include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT components and adopt a new Land Development Code which leverages CIP and robustly addresses fiscal impact.

Accomplishments under this recommendation include:

- Development of CodeNEXT Prescription Paper analyzing fiscal health related to the Code;
- On-going work to revise the Land Development Code, leverage capital investments, and address fiscal impacts.

PC Recommendation 5. 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.

This proposal has been discussed by the Audit and Finance Committee of City Council. The Comprehensive Plan Joint Committee discussed the necessity of an additional standing Joint Committee focused on infrastructure investments, but chose not to move forward on the idea based on workload concerns. For the last several years, the Comprehensive Plan Joint Committee has formed a CIP Working Group to focus on these topics during development of the draft Long Range CIP Strategic Plan.

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

Accomplishments under this recommendation include:

- Update of Watershed Protection Master Plan, and inclusion of flood mitigation projects and programs in 2018 Bond Package;
- Adoption of Strategic Housing Blueprint and inclusion of funding for affordable housing in 2018 Bond Package;
- Adoption of the Austin Strategic Mobility Plan and continued implementation of 2016 Mobility Bond, as well as mobility investments under the 2018 Bond Package.

PC Recommendation 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.

Accomplishments under this recommendation include:

- 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 development of Comprehensive Infrastructure Assessment; and
- 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.

Future Opportunities and Challenges

Funding Limitations

In 2016 and 2018, the City passed historic bond packages which are funding unprecedented levels of investment in mobility, affordable housing, flood mitigation, and other infrastructure. Even with this funding, the City still has many unfunded capital improvement needs and there is no guarantee that future funding will continue at the same levels. The City will need to continue to explore innovative revenue sources, invest in projects and programs that make our existing infrastructure networks work more efficiently, and fully leverage private sector investments.

Safety and Renewal Needs

The Comprehensive Infrastructure Assessment (CIA) indicates several categories of infrastructure where high proportions of our existing assets are in poor condition. In addition, several legacy infrastructure networks are not built to standards that are able to meet the current demands on those networks. This is a particular issue with networks such as the stormwater network, where deficiencies have potential health, life, and safety impacts. Without additional investments, the impacts of these deficiencies could continue to intensify over time as demand on the network increases. For example, as severe weather and rainfall totals increase due to the impacts of climate change, the stormwater network may fail more frequently, and the risk of flooding increases.

Even without an increase in demand, infrastructure assets decay over time and need to be replaced. Renewal needs should be factored into future expenditure forecasts in order to ensure that the existing infrastructure system continues to function.

Finally, while the Long-Range CIP Strategic Plan does not cover investments in routine maintenance that are typically funded under the City's operating budget, routine maintenance and capital renewal (reconstruction or replacement of an asset which has reached the end of its life) are highly interrelated, and routine maintenance needs to be funded appropriately in order to minimize expensive replacement of assets later.

The City will need to prioritize investments related to safety and capital renewal, and should ensure that routine maintenance is handled appropriately in order to extend the lifecycle of assets where possible.

Transportation and Affordability

The ability for all Austin residents to afford housing and to use the transportation system to get to work, school, and other activities will continue to be key challenges moving forward. Affordable Housing investments under the 2013 and 2018 Bonds and Mobility investments under the 2016 and 2018 Bonds will

not be sufficient to meet the full scope of identified needs related to transportation and affordability. The City will need to fully leverage the resources of the private sector through the land development code and will need to prioritize future investments that implement the recommendations of the Austin Strategic Mobility Plan and the Strategic Housing Blueprint.

Data Availability

Data is essential to understanding our capital investment needs and making sound decisions moving forward. We need to know about current and expected service demands, the geographic location of recommendations identified through our adopted plans and policies, the demographics of our communities and how those demographics are shifting over time, and the condition of our existing assets.

The City of Austin is fortunate to have a very rich set of data to work with, which is presented in the various sections of the LRCSP. However, there are a few areas where there are significant data gaps. In particular, several key pieces of data are unknown related to the condition, risk and criticality of our existing infrastructure assets. These data gaps are described in more detail in Chapter 7, Comprehensive Infrastructure Assessment.

The City should prioritize efforts to develop a more complete inventory and assessment of existing infrastructure assets, so that we have a full picture of existing conditions and potential liabilities over time.

Conclusion

The City of Austin has made a lot of progress since the LRCSP was first transmitted to the City Manager six years ago. Since then, the city has:

- Updated the Watershed Protection Master Plan;
- Adopted the Strategic Housing Blueprint;
- Adopted the Austin Strategic Mobility Plan;
- Integrated the LRCSP more fully into City CIP decision making;
- Approved Strategic Direction 2023 to guide near term decision-making in support of *the Imagine Austin Plan*;
- Implemented many of the investments identified in past iterations of the LRCSP; and
- Received voter approval to spend over 1.7 billion dollars on a range of investments that will address capital renewal and service demand needs while implementing the *Imagine Austin Plan*.

But there is still work to be done to realize the vision of the Imagine Austin Plan as it relates to capital improvements. The Planning Commission is pleased to transmit the *FYs 2019-2021 Long-Range Capital Improvement Program Strategic Plan (LRCSP)*, and requests that the City continue to use this plan, including the attached Rolling Needs Assessment, as a framework for capital investment decisions moving forward over the next two years.

Cc: Austin City Council Members; J. Rodney Gonzales, Assistant City Manager; Gregory I. Guernsey, Director Planning and Zoning