

Bait and Switch Bond Policy

I am here to discuss the roughly half a billion dollars worth of bonds that the ~~total~~ current city total bond program recommendation calls for. See: <http://www.ci.austin.tx.us/budget/bond2006.htm>

Let me focus on transportation. The transportation bond recommendation would have us borrow \$85 million to reconstruct our streets.

Yet five years from now, and even if we borrow and spend all this money, 27% of our streets would still be classified as in poor or failed condition, the same as today. Since we keep widening our roads, the bottom line is that the city is planning for the majority of city streets to be in fair, poor, or failed condition -- as far as we can see into the future.

Voters should be asking how things got so bad. Here a look at how the city handled the last big bond project is revealing.

About five years ago, on Nov. 7, 2000, the voters approved \$150 million in Austin transportation bonds. Where did this money go? In fact, NONE of this money went into street repair because of what I call the fine print, which says this money can only be used for expanding capacity and not fixing the streets. For the first five years until this year, 100 percent of our year 2000 bond money, or \$67.2 million, was spent just on right of way for the SH 130 and SH 45 toll roads.

There was bond language on the ballot that said it would "improve roadway intersections", "high occupancy vehicle lanes and related infrastructure", "improve bicycle and pedestrian facility infrastructure", "drainage facility improvements", etc.

Yet none of this other stuff on the ballot got built despite what voters might have thought ~~from what they thought~~ they were voting for. Some design work has been funded on roads and bike projects in the last year, but everything except toll roads has been delayed. In some cases, the anticipated bond money may never get spent.

At the same time that the city got these bonds approved, the council attached a restrictive bond covenant, Ordinance 000824-22, that mandated that "For each proposed use of bond proceeds for a road project, staff must present to the Council an analysis of the impact of of the proposed project on increased mobility, decreased congestion, and air quality, and an analysis of any alternatives to the proposed project that provide the same or better congestion relief with improved air quality".

Where is this study for SH 130, where the first five years of our money went? The city says that SH130 is a highway and not a road, and therefore that no such studies are required. Its like catch 22.

And where are these kinds of studies on the other roads that the city has just started to design in the last year? The city is now designing the roads they really want, for \$11 million dollars. Sometime later, before the council approves the construction contracts, the city plans to hire a consultant to tell them whether the roads were really needed or not. If ever there were a blue ribbon example of wasting taxpayer money and backwards planning, this is it.

If ever there were proof that we need strong bond language and a clear agreements where the money will go in advance, the example of our \$150 million in transportation bonds should prove the voters need ironclad guarantees on bond spending and priorities in advance.

Finally I want to appeal to the public to not let any more bond money get siphoned into SH 130, which is like a huge black hole of local funding. On April 18, 2002, the city made a formal agreement that seemed to cap our responsibility to fund this toll road at \$15 million. Who then decided that this road needed \$50 million in addition? Austin taxpayers have also contributed heavily to SH 130 through Travis county SH 130 subsidies, providing something approaching another \$50 million.

What assurances do we have that even more of this new 2006 bond money, although not enough to maintain Austin streets properly, is not also going to be siphoned off into infrastructure that will subsidize the road lobby, special interests, and sprawl development outside Austin along the SH 130 corridor -- just like our year 2000 transportation bond money?

-- By Roger Baker 5/22/06

bakerogier@gmail.com

ORDINANCE NO. 000824-22

AN ORDINANCE ESTABLISHING COVENANTS REGARDING THE GENERAL OBLIGATION BONDS TO BE CONSIDERED BY THE VOTERS AS CITY OF AUSTIN PROPOSITION 1 ON THE BALLOT AT THE ELECTION TO BE HELD NOVEMBER 7, 2000.

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

PART 1. The City Council covenants that the general obligation bonds for transportation construction and improvements to be considered by the voters as City of Austin Proposition No. 1 on November 7, 2000 will, if approved, be issued and the proceeds expended in a manner that is consistent with the following:

The City of Austin will maintain control of where the bond proceeds are spent. The bond proceeds will not be used to fund matches for new road infrastructure or right-of-way in the Drinking Water Protection Zone unless the road is authorized by an election of the City of Austin or another jurisdiction and the spending is approved by the Austin City Council. The bond proceeds will not be used to fund matches for road infrastructure or right-of-way through a City of Austin preserve unless the road is authorized by an election of the City of Austin or another jurisdiction and the spending is approved by the Austin City Council. The bond proceeds will not be used to fund matches for road infrastructure or right-of-way through a City of Austin destination park unless the road is authorized by an election of the City of Austin or another jurisdiction and the spending is approved by the Austin City Council. For each proposed use of bond proceeds for a road project, the Council will require City staff to make a recommendation on the proposed use, including an analysis of the tax equity and social equity implications for City of Austin residents. For each proposed use of bond proceeds for a road project, staff must present to the Council an analysis of the impact of the proposed project on the Drinking Water Protection Zone. For each proposed use of bond proceeds for a road project, staff must present to the Council an analysis of the impact of the proposed project on increased mobility, decreased congestion, and air quality, and an analysis of any alternatives to the proposed project that provide the same or better congestion relief with improved air quality.

PART 2. The Council waives the requirements of Sections 2-2-3 and 2-2-7 of the City Code for this ordinance.



May 22, 2006

Mr. Roger Baker
1303 Bentwood
Austin, Texas, 78722
bakeroger@gmail.com

Dear Mr. Baker,

Attached please find the responsive information we have in regards to the first item in your public information request. For the second item, please see the information below:

To date, we have not constructed any Road projects that would fall under Ordinance 000824-22. So far, the City has only used 2000 Transportation Bonds to fund Sidewalk and Highway projects. As you may know, the City Council always planned to appropriate funding from the 2000 Transportation Bonds at a rate of approximately \$15,000,000 per year for ten years to keep from having to raise property taxes. During the first few years after the 2000 bonds were approved, all of the funding appropriated from the 2000 Transportation Bonds went to TxDOT to fund the City's portion of the SH 45 and SH 130 Highway projects.

In FY2005-06 the City Council appropriated \$16,800,000 from the 2000 Transportation Bonds for sidewalk, street improvement and streetscape projects. (\$5,710,000 of this appropriation was actually a "reallocation" of funds originally appropriated for Highway projects.) Several of the Sidewalk projects funded from this appropriation are under construction and a few have already been completed; however, the Road projects are in various stages of the design process. We also plan to ask the City Council to appropriate a portion of the remaining 2000 Transportation Bonds for Road projects in FY2006-07; although the amount of this request has not been finalized.

As for compliance with Ordinance 000824-22, the current plan is to hire a consultant to assist City staff with the analysis required by this ordinance and include this information in our presentation to the City Council as each Road project's construction contract is discussed and/or awarded.

Please let me know if I can assist you further.

Thank you,

Rusty Cobern, CPA
Financial Manager
(512)974-3595

**CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**



AGENDA ITEM NO.: 21
AGENDA DATE: 4/18/02
RCA TYPE: Ordinance
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SUBJECT: Amend Ordinance No. 010910-02 the 2001-02 Capital Budget of the Transportation, Planning & Sustainability Department by appropriating \$15,000,000 to a new account, "State Highway 130 Participation". [Related Items: Reimbursement Resolution, Interlocal Agreement]

AMOUNT & SOURCE OF FUNDING: \$15,000,000 will be funded by the issuance Public Improvement Bonds in September 2002. A fiscal note is attached.

REQUESTING DEPT: Financial & Administrative **DIRECTORS' SIGNATURE:** Vickie Schubert
Transportation, Planning & Sustainability

FOR MORE INFORMATION CONTACT: Vickie Schubert, 974-7822

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

REQUIRED AUTHORIZATION

LAW: Johanna Barnett **FINANCE:** Rudy Garza
TPSD: Austen Librach

In November 2000, City of Austin voters approved Proposition 1, authorizing the issuance of \$150 million for transportation improvements. This budget amendment will appropriate \$15,000,000 of the November 2000 Proposition 1 authorization, and will allow the City to meet its funding commitment to the Texas Department of Transportation for the construction of State Highway 130 (SH130). These bonds will be sold in September 2002.

State Highway 130 (SH130) is a proposed 90-mile toll road running from Georgetown to Seguin that will bypass IH-35 to the east. When complete it is planned to relieve congestion on IH -35, specifically the portion which extends through the city's metropolitan area. In June of 2001, the Capital Metropolitan Planning Organization (CAMPO) adopted SH 130 in its Transportation Improvement Plan.

It is expected that the Texas Department of Transportation will accept the proposal from Travis County, Williamson County, and the City to deliver \$150 million to TxDOT by June 1st to use for any purpose to forward the construction of SH130. The proposed interlocal agreement with TTA will formalize that commitment. This \$150 million contribution will complete the financial participation of the these entities for SH130. The amount of funding proposed to be contributed by each jurisdiction is as follows:

Travis County	\$90 million
Williamson County	\$45 million
City of Austin	\$15 million

It is the City's understanding that this \$15,000,000 will satisfy our commitment to TxDOT for SH130 participation.

**2006 BOND ELECTION
RESPONSE TO REQUEST FOR INFORMATION**

DEPARTMENT: Public Works

REQUEST NO.: 24

REQUESTED BY: Alvarez

DATE REQUESTED: March 7, 2006

REQUEST: Provide a breakdown of how the \$150 million in bond funding has been used to date; include as much detail as possible about the funds dedicated specifically for regional bicycle/pedestrian projects.

Can the 2000 bond funds that have been dedicated towards "street improvements" in future appropriations be used for any of the following uses:

Street Reconstruction
Signals
Great Streets
Intersection Improvements
ROW Matches

If not, please explain why these funds may not be used for these types of improvements.

RESPONSE: In November 2000, voters approved \$150 million of general obligation bonds for transportation improvements including regional mobility projects, bicycle and pedestrian infrastructure, and other transportation system improvements. The bonds are scheduled to be issued over 10 years; to date the City has appropriated \$84 million. The following table shows the current and future appropriations for each of the different transportation categories:

Program	Current Appropriation	Future Appropriation
ROW Participation	\$67.2 million	-
Street Improvements	\$11.8 million	\$51.0 million
Pedestrian Infrastructure	\$5.0 million	\$5.0 million
Bicycle Infrastructure	-	\$10.0 million
Total	\$84.0 million	\$66.0 million

The first 5 years of appropriation were used for ROW Participation. FY 2005-06 was the first year funding became available for other transportation categories. Projects in these other categories are generally in design or the preliminary phase of construction. Below is a summary of how the current funding has been allocated:

ROW Participation - \$67.2 million

SH 45

SH 130

Street Improvements (Capacity) - \$11.8 million

Guadalupe Streetscape Improvements
William Cannon Bridge @ Onion Creek
Rundberg Lane / Metric to Burnet
Todd / Ben White to St. Elmo

Howard Lane / Harris Branch to SH130
Howard Lane through Pioneer
Nueces and 2nd Street Extensions
Riverside Drive Pedestrian Crossing
Westgate / Cameron Loop to Cohoba Dr

Pedestrian Infrastructure - \$5 million

12th Street / Shoal Creek to Existing Trail
29th @ Fruth Sidewalk Ramps
35th / Kerby to Medical Parkway
38th / Mopac to Speedway
5th / Guadalupe to Lavaca
51st Street / Guadalupe to Avenue F
8th Street / Sabine to Trinity
9th Street / Red River to Neches
Anken Drive / Willow Creek to Pleasant Valley
Barton Hills / Cresthaven to Deer Foot
Blue Meadow / Stoneleigh to Bluff Springs Rd
Bowling Green / Ohlen to Polaris
Brassie-Fairway / Riverside to Montopolis
Brazos / 10th to 11th
Briarcrest / Barton Hills to Homedale
Brownie Park Sidewalks
Burnet / 45th Street to Koenig
Casey Street / Mount Vernon to Gillis
Cesar Chavez / Colorado to Trinity
Chalmers / 8th to 10th
Delony Street / MLK to 12th Street

Gardner Road / Jain Lane to Lotus Lane
Jain Lane / Perry Road to Stuart Circle
Kerby / Lamar to Harris
Koenig / Mopac to Guadalupe
Lavaca / 3rd to 7th Mount
Lavaca / 5th to 3rd
Neches / 8th to 9th
Peaceful Hill / R. Ablanado to Baldrige Drive
Pleasant Valley / Lakeshore to Elmont
Red River / 4th to 2nd
Redd St / Mount Vernon to Manchaca
Ridgemont / Cameron to Rogee
Robertson / 9 1/2 to End of School
Rogge / Manor to Springdale
San Jacinto / 6th Street to 3rd Street
Shoal Creek Boulevard
Stiles / Lotus Lane to Exit at School
Stassney / Congress to IH-35
Vernon / Redd St to Casey St
Willow Creek / Oltorf to Riverside

The 2000 General Obligation Bond Proposition 1 stated:

"The issuance of \$150,000,000 tax-supported general obligation bonds to improve roadway intersections, acquire right-of-way, provide funds for highway and roadway construction, develop high occupancy vehicle lanes and related infrastructure, improve bicycle and pedestrian mobility infrastructure, construct related drainage facility improvements, and acquire land and other property interests for these projects."