

Capital Improvement Program: Overview and Forecast

**COA Procurement Workshop
November 7, 2012**

In This Presentation

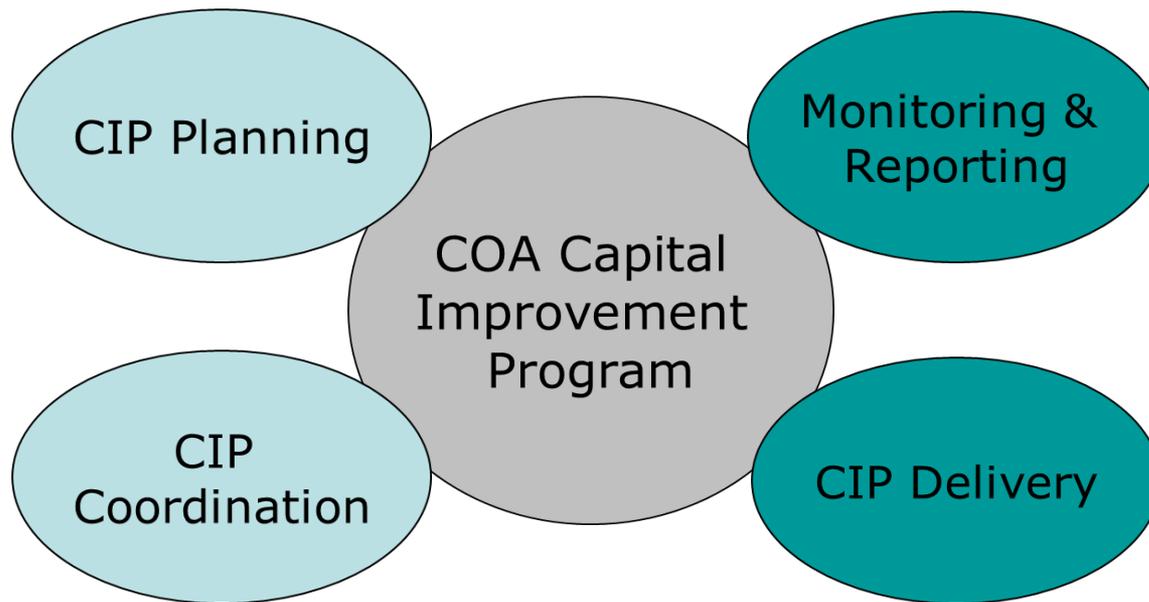
1. Capital Planning Office: Who we are, what we do
2. Overview of the Capital Improvements Program
3. 5-year CIP Plan overview
4. G.O. Bond Programs: Status and next steps
5. The City's CIP: Looking forward



Capital Planning Office

Established in 2010 to coordinate the City's Capital Improvement Program.

CPO Functions



Capital Planning Office

- CIP monitoring, oversight, reporting
- Development of City CIP Plan, priorities
- Coordination of CIP planning efforts across the organization
- Identification of funding opportunities for CIP initiatives
 - G.O. Bond, Grants, other opportunities
- Linking the CIP to the City's key planning initiatives, comprehensive plan
- CIP system analysis for delivery effectiveness

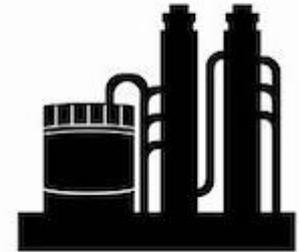
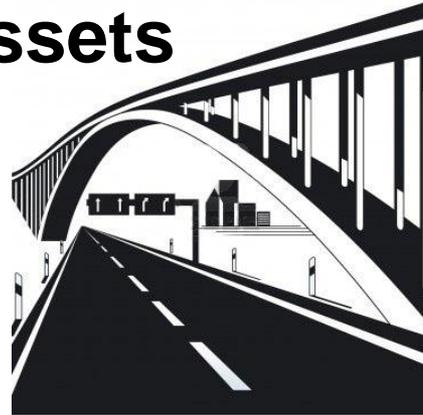
What is a Capital Improvements Project?

- Improvements to real property
- Improvements to existing infrastructure
- New facilities for public purpose
- Rehabilitation of existing facilities
- Projects > \$50,000
- Useful life of at least four years
- Fleet vehicles, Information technology
 - Purchases > \$25,000

What is a Capital Improvements Program?

Infrastructure Assets

- Streets
- Sidewalks
- Intersections
- Water, wastewater facilities
- Drainage, flood mitigation
- Electric distribution, power plants
- Information technology infrastructure



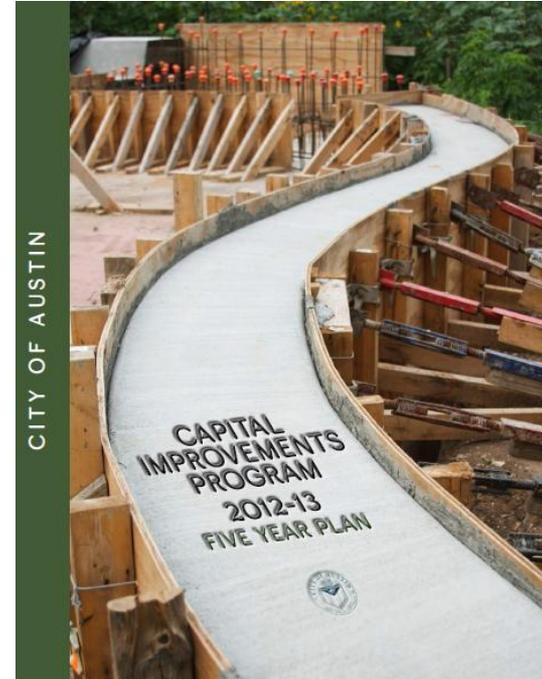
Capital Improvements Program

- The City spends approximately \$600 million each year on its Capital Improvements Program.
- Total amount of 5-year CIP Plan:
 - \$5 billion
- Number of active capital projects:
 - 500 at any given time
 - 200 in construction phase
- Funded by multiple sources, including general obligation bonds, utility rate revenues, etc.

CIP Plan

5-Year CIP Plan

- Guiding document for capital program planning
- Major capital improvements occurring and planned in the 5-year planning horizon
- Projects and funding requests provide basis for the development of the annual capital budget
- Includes departmental CIPs and overview of priorities



How Does the City Plan its CIP?

- **Identified needs, priorities**
 - Departmental or organizational planning efforts
 - Citizen input and feedback
 - Technical assessment of infrastructure and needs to maintain services
 - City Council direction on priorities
- **Departmental CIP plans**
 - Development of projects to address needs and priorities
 - Prioritization of projects given funding, scheduling and other factors

CIP Plan Summary

- **General Government: \$960 million**
 - Parks and Recreation, Public Library, Public Works, Transportation, Other
- **Enterprise: \$4.1 billion**
 - Austin Water, Austin Energy, Watershed Protection, Other

CIP Plan Summary: FY13-17

- Funded Active Projects:
 - \$2.9 billion
- Funded requests for FY13 and beyond:
 - \$2.3 billion
- Unfunded Requests for FY13 and beyond:
 - \$1.9 billion

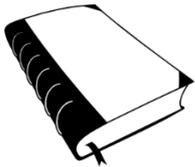
CIP Plan: Gen Gov Funding



Public Works/Transportation: \$402 million



Parks and Recreation: \$162 million



Austin Public Library: \$129 million

CIP Plan: Enterprise Dept. Funding



Austin Water Utility: \$3.1 billion



Watershed Protection: \$607 million



Aviation Department: \$307 million

CIP Funding

- Voter-approved G.O. debt (Bond Programs)
 - Ad-valorem (property) tax supported
- Non voter-approved, tax-supported debt
 - Used less often than voter-approved G.O. debt
 - Typically only for urgent, critical needs
- Revenue-supported investment
 - Debt or cash through revenue generated by City
 - More common for utilities (Electric, Water)
- Pay-as-you-go financing (operating budget)
 - Smaller, recurring investments (Fleet, IT, minor rehab)

Current Issues Affecting the CIP

- Economic conditions
 - Bidding environment
 - Decrease in state and federal funding
 - Cost of issuing debt
- New comprehensive plan for the City
 - Imagine Austin
- Aging facilities, infrastructure
- Increased demand for City services
- Regional planning considerations

G.O. Bond Programs

2006 Bond Program

\$567.4 million in capital improvements

- Parks
- Transportation/street reconstruction
- Drainage infrastructure
- Cultural facilities
- New Central Library
- Affordable housing
- Public Safety Facilities

2006 Bond Program

Remaining Authorization: ~\$200 million

- Prop 1 (Transportation): \$22 million
- Prop 2 (Drainage): \$35 million
- Prop 3 (Parks/Rec): \$30 million
- Prop 4 (Cultural Facilities): \$10 million
- Prop 5 (Housing): \$5 million
- Prop 6 (Central Library): \$85 million
- Prop 7 (Public Safety): \$15 million

2010 Mobility Bond Program

\$90 million in mobility improvements

- Mobility priority projects as identified through Strategic Mobility Plan
- Partnership projects
 - Travis County, TxDOT
- Sidewalks, pedestrian improvements
- Includes: Lady Bird Lake Boardwalk

2010 Mobility Bond Program

Remaining Authorization:	~\$70 million
• Mobility Enhancements:	\$15 million
• Signals/Intersections:	\$ 3 million
• Pedestrian/ADA/Bikeways:	\$37 million
– LB Lake Boardwalk (~\$18 M)	
• Street Reconstruction:	\$15 million

2012 Bond Propositions

Prop 12: Transportation and Mobility

Prop 13: Open Space and Watershed Protection

Prop 14: Parks and Recreation

Prop 15: Housing

Prop 16: Public Safety

Prop 17: Health and Human Services

Prop 18: Library, Museum and Cultural Arts Facilities

Prop 12: Transportation and Mobility

\$143,299,000

- This proposition would provide funding for the design and construction of mobility projects, such as streets, sidewalks, bridges, urban trails and bikeways.
- It would also provide funding for traffic signals, signal synchronization and control systems, and the facilities needed for construction and maintenance of those improvements.

The types of projects and programs to be undertaken as part of Prop 12 may include but are not limited to:

- Corridor Improvement Projects – *representative corridors may include:*
 - IH-35 Improvements
 - Loop 1 (MoPac) Improvements
 - North Lamar Boulevard/Burnet Road
 - East 51st Street
 - East Riverside Drive



Prop 12: Transportation and Mobility

The types of projects and programs to be undertaken as part of Prop 12 may include but are not limited to:

- Street Reconstruction and Renovation
- Bridges, Culverts and Structures
- Intersection Safety and Arterial Traffic Flow
- Local Area Traffic Management
- Citywide Sidewalks, Ramps, Curbs and Gutters
- Citywide Bikeways and Urban Trails



Prop 13: Open Space and Watershed Protection

\$30,000,000

- Provide funding to purchase land or conservation easements in the Barton Springs Watershed contributing and recharge zones for water quality protection and preservation of open space.
- Tracts targeted for purchase or easements may include those that would:
 - Protect aquifer recharge waters
 - Preserve water quality
 - Preserve critical baseflows
 - Provide a contiguous buffer where tracts are located next to existing protected land, habitat land and other public land.
- May also provide opportunities for development of facilities for public access to the open space land where appropriate, including trails and trailheads.



Prop 14: Parks and Recreation

\$77,680,000

- Allows City to provide funding for designing, constructing, acquiring, improving and equipping public parks, natural areas, trails, recreation centers and other park buildings or related facilities.

The types of projects and programs to be undertaken as part of Prop 14, may include but are not limited to:

- Citywide Park Projects – *Representative projects may include:*
 - Colony District Park
 - Emma Long Metropolitan Park
 - Gus Garcia Neighborhood Park
 - Downtown Squares
 - Rosewood Neighborhood Park
 - Shoal Creek Greenbelt
 - Veterans Pocket Park
 - Waller Creek Park/Trail
 - Zilker Metropolitan Park



Prop 14: Parks and Recreation

The types of projects and programs to be undertaken as part of Prop 14 may include but are not limited to (continued):

- Facility Improvement Projects – *Representative projects may include:*
 - Barton Springs Bathhouse Renovations
 - Dougherty Arts Center
 - Dove Springs Recreation Center Expansion
 - Elisabet Ney Museum Renovations
 - Montopolis Community Building – Recreation Center
- Recreation Facility Renovations
- Cemetery Renovations
- Parkland Acquisition



Prop 15: Housing

\$78,300,000

- Allows the City to continue to fund the development of affordable housing, for both renters and homeowners, and provide funding for transitional and permanent supportive housing for the homeless.
- Preserve existing affordable housing through home repair and accessibility modifications for the disabled.

The types of projects and programs to be undertaken as part of Prop 15 may include but are not limited to:

- Rental Housing Development Assistance
- Home Ownership Programs
- Transitional and Permanent Supportive Housing
- Home Repair
- Infrastructure Improvements



Prop 16: Public Safety

\$31,079,000

- Allows the City to provide funding for designing, constructing, improving and equipping police, fire and emergency medical services facilities. Facility projects could include renovations, expansions and new public safety facilities.

The types of projects and programs to be undertaken as part of Prop 16 may include but are not limited to:

- Northwest Police Substation
- Mounted Patrol Police Facility
- Park Patrol Police Facility
- Onion Creek Area Fire and EMS Station
- Women's Locker Room additions to Fire Stations
- Fire Station Driveway Replacements
- Public Safety Drill Field and tower Renovations
- Ambulance Truck Bay Expansions



Prop 17: Health and Human Services

\$11,148,000

- Allows the City to provide funding for designing, constructing, improving and equipping health and human services facilities.
- Facility projects could include new facilities to accommodate underserved areas of the community as well as renovations and infrastructure improvements at the City's existing health and human services facilities.

The types of projects and programs to be undertaken as part of Prop 17 may include but are not limited to:

- Women's and Children's Shelter Renovations/Expansion
- Montopolis Community building – Neighborhood Health Center
- Far South Clinic and Montopolis Clinic
Parking Lot Expansions
- Betty Dunkerley Campus Infrastructure Improvements



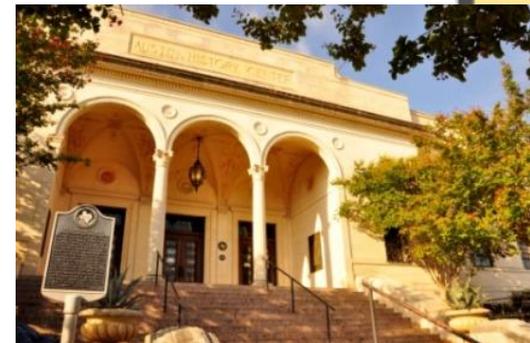
Prop 18: Library, Museum and Cultural Arts Facilities

\$13,442,000

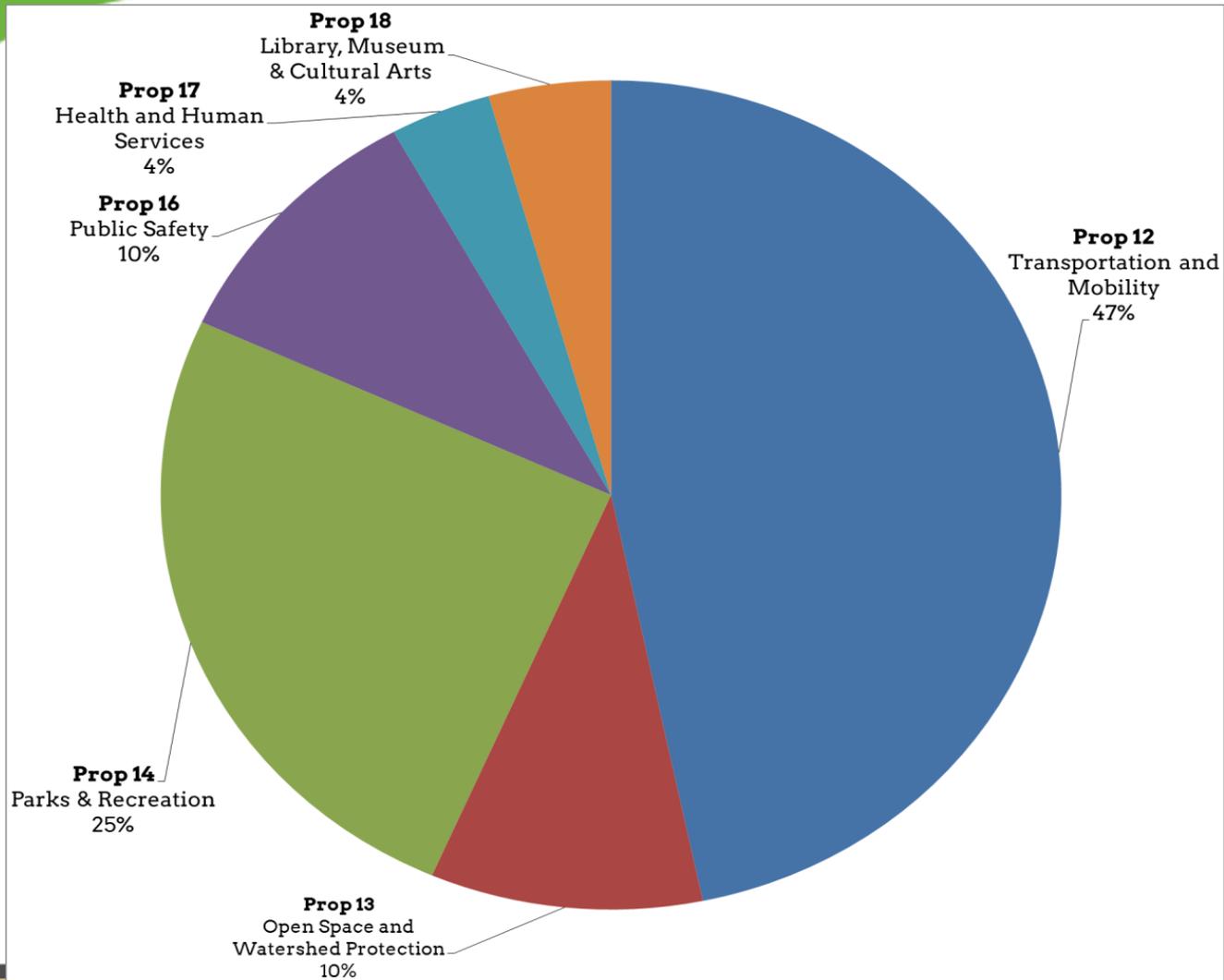
- Allows the City to provide funding for designing, constructing, improving and equipping library, museum and cultural arts facilities.

The types of projects and programs to be undertaken as part of Prop 18 may include but are not limited to:

- Library Facility Improvements – *representative projects may include:*
 - Austin History Center
 - Various branch libraries
 - Zaragosa Technical Support Warehouse
- Cultural Arts Facility Improvement Projects
 - Provide funding to expand City-owned buildings that are leased and operated by the Austin Film Society to provide additional space for film and TV production.



Distribution of Funds by Proposition

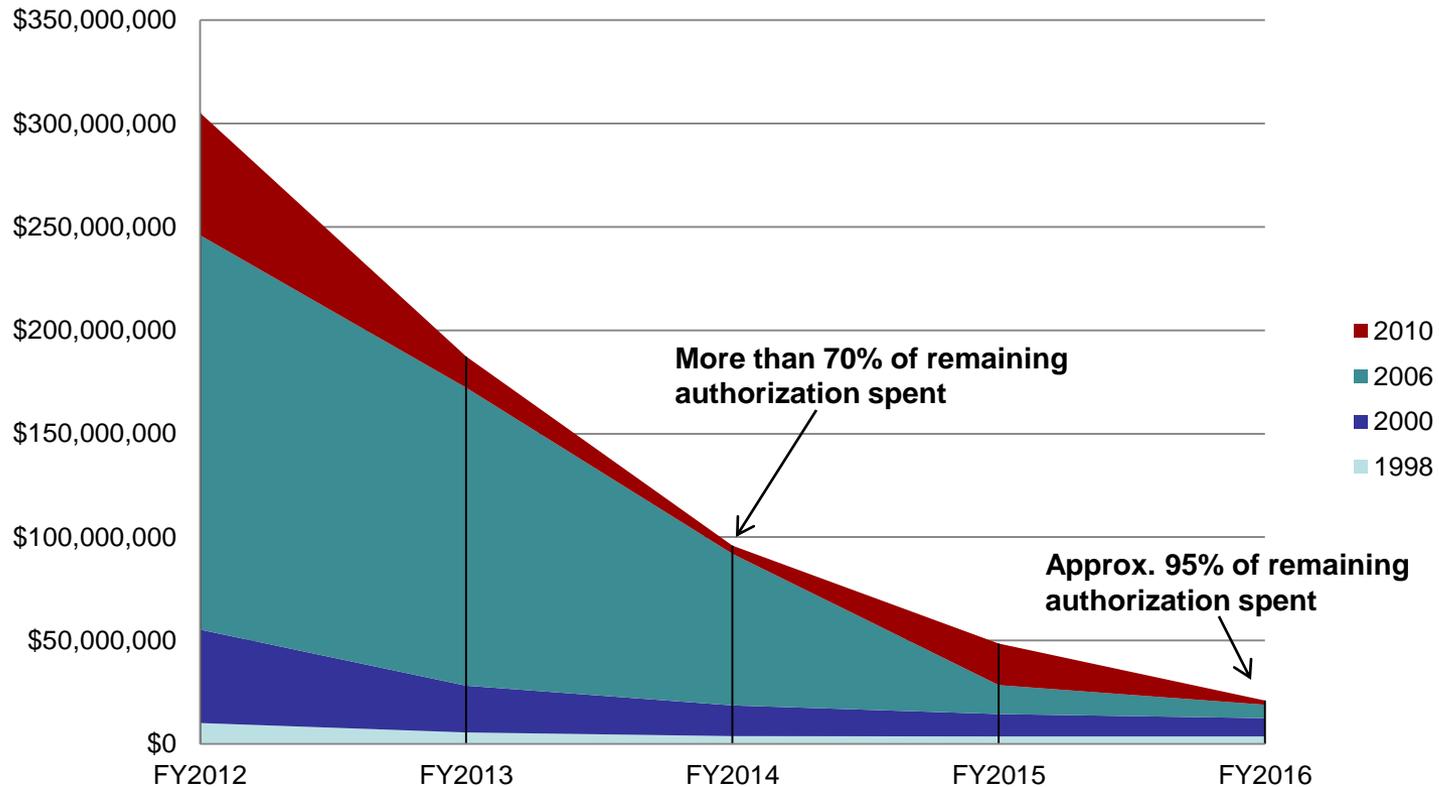


2012 Bond Program Implementation

- Bond program implementation strategy that addresses areas such as:
 - Monitoring and oversight
 - Performance goals and metrics
 - Cross-departmental coordination
 - Appropriations (approved project funding) and bond sales schedule
 - Prioritization and work sequencing to ensure timely completion of existing bond programs
 - Communications
 - Procurement strategy

GO Bonds: Proposed Spending Plan

Remaining bond authorization



As of 7/3/12

CIP: Looking Forward

- Finish existing bond programs (2006, 2010):
 - About \$300 million to be spent during next 4 years
 - Transportation/Mobility, Parks projects
 - New Central Library: largest remaining project
- Ramp up for 2012 Bond Program (as needed):
 - \$307 million during the next 4 to 5 years
- Continue to address enterprise CIP needs:
 - Annual spending of about \$450 million (FY11)

Want to know more about the CIP?

General CIP Information:

- www.austintexas.gov/cip
 - Bond programs information and status
 - CIP reports, updates
 - CIP Plan

Upcoming Project Opportunities

- www.austintexas.gov/publicworks



Questions

Bond Program Implementation

Key Considerations:

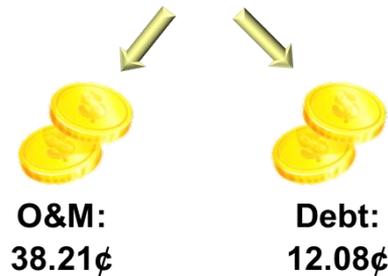
- Completion of capital improvement projects is typically a multiyear process.
- The City does not incur the total debt of a bond program at once; rather, bonds are issued on an annual basis as needed.
- It is common to have overlap between bond programs. This allows continuity of workload, cash flow and debt service payments.
- Based upon available spending plan information, it is projected that more than 70% of the City's remaining bond authorization will be spent by FY2014. About 95% will be spent by FY2016.
- The City of Austin has a AAA bond rating.

Tax Rate

How will the bonds be paid for if the propositions are approved?

- The City pays the principle and interest on voter-approved GO bonds with a portion of its property tax revenue.

**2012 Tax Rate = 50.29¢ per every
\$100 of property value**



- No increase in this year's debt service property tax rate is anticipated as a result of passage of the seven bond propositions.

How Austin Compares

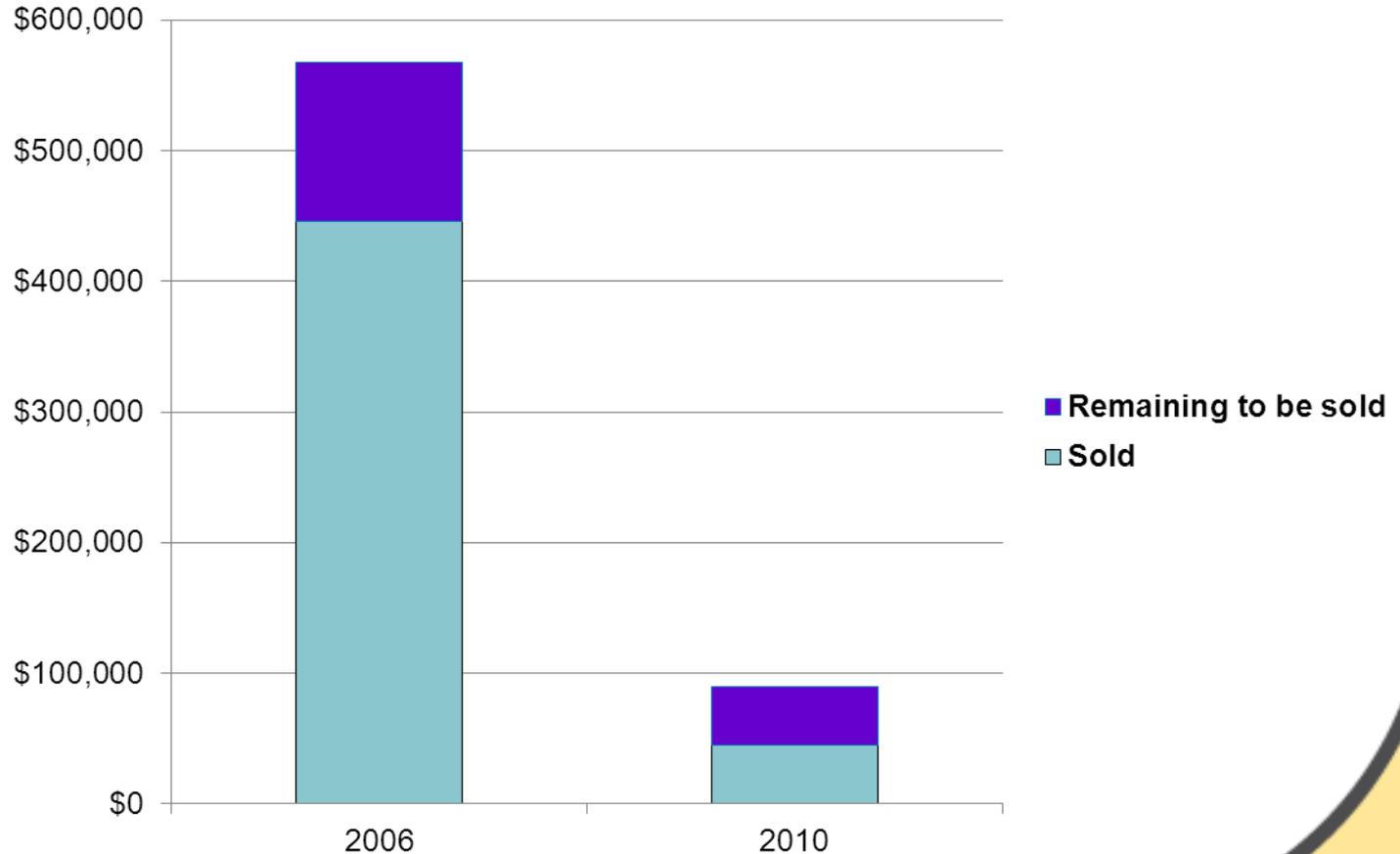
	<u>Debt per Capita</u>	<u>Debt to AV</u>	<u>Bond Rating</u>			<u>Debt Service % of Tax Rate</u>
			<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	
Austin	\$1,287	1.24%	Aaa	AAA	AAA	26%
Arlington	\$933	1.87%	Aa1	AA+	AA+	32%
Corpus Christi	\$858	1.50%	Aa2	AA-	AA	33%
Dallas	\$1,532	2.22%	Aa1	AA+	N/A	33%
Forth Worth	\$773	1.43%	Aa1	AA+	AA+	18%
Houston	\$1,433	2.16%	Aa2	AA	AA	25%
San Antonio	\$944	1.71%	Aaa	AAA	AAA	37%
Moody's Median (cities > 500,000 pop.)	\$1,525	2.20%				

Source for Debt per Capita and Debt / AV: Fiscal Year 2010 CAFR's

Bonds Sold

2006 and 2010 Bond Programs

(in thousands)



As of 9/14/12

Annual Spending 2006, 2010 Bond Programs

