



TO: Mayor and Council Members

FROM: Marc A. Ott, City Manager

CC: Robert D. Goode, Assistant City Manager
Mike Trimble, Capital Planning Officer

DATE: June 25, 2012

SUBJECT: Bond Development – Task Force and Staff Recommendations Binder

In the attached binder you will find my recommendations for alternatives for a November Bond Election. We've also included the Bond Election Advisory Task Force recommendations. The Task Force developed a \$575 million and a \$400 million alternative program. We built upon their work, while also considering all the other citizen input we received, to develop a \$200 million, a \$300 million, and a slightly different \$400 million alternative for your consideration.

We confirmed (presented in our December 15th Council briefing) that the bond capacity remains at \$385 million for a "constant debt service tax rate" (no increase) program. With that in mind, we have also provided a \$385 million program for your review. **This \$385 million program is my recommendation for the November election.**

The binder provides summary information from key milestones in the bond development process to reflect the progression of decision-making and the coordination between the Task Force, staff and the community in developing the recommendations. I want to take this opportunity to thank the Task Force for their service. They spent considerable time and energy focusing on the Council's charge and I believe it was a very collaborative effort with my staff and with the community.

The information provided in the binder is in reverse chronological order so you can see the package recommendations first and then review additional information from the development process as needed. The binder is organized as follows:

1. **Presentation for the June 26, 2012 Council Work Session** with an overview of the bond development process and Task Force and City Manager's recommendations
2. **Recommendations Summary Table of Bond Election Advisory Task Force and City Manager's recommendations**, with allocations by category and project and program funding recommendations. Summary analyses of operations and maintenance impacts and Task Force recommended funding by CIP planning areas are also included.
3. **City Manager's Recommendations** for \$400, \$300 and \$200 million bond packages as requested by Council in December 2011. Also included is the recommended \$385 million program as an alternative to the \$400 million program (reduced by \$15 million) to get to a "constant tax rate" program.
4. **Bond Election Advisory Task Force Final Recommendations Report** which includes recommendations for \$575 million and \$400 million bond packages.

5. **Task Force Committee Recommendations Summary Report** identifying the recommendations made by the Affordable Housing, City Facilities, Parks & Open Space, and Transportation/Mobility Committees to the full Task Force.
6. **Community Engagement Summary Report** which provides a description of community engagement activities and summary of input from the bond development process.
7. **Capital Needs Assessment Project and Program Report** & Addendum information on the capital needs identified by City departments: Needs Assessment Summary with aggregate amounts by department; Project/Program Lists by City department; Near-Term Projects Summary.

APPENDIX: Recommended Project and Program Detail Pages provide additional information on each particular project or program included in the Task Force and/or staff recommendations.

BACKGROUND INFORMATION

BOND DEVELOPMENT TIMELINE



CAPITAL NEEDS ASSESSMENT

On December 15, 2011, staff presented to Council the preliminary results of a Capital Needs Assessment that outlined capital improvements to be considered by the Bond Election Advisory Task Force as it developed recommendations for a future bond package. The needs assessment was developed by working with City departments on priority capital improvement needs (with the exception of enterprise departments). Departments were asked to determine projects and ongoing capital improvement programs that could potentially be addressed in a 5-7 year planning horizon. As part of this presentation, Council also directed the Task Force to develop recommended bond packages for \$400, \$300 and \$200 million funding levels.

In February 2012, staff provided a final Needs Assessment Project and Program Report to the Bond Election Advisory Task Force, which outlined **\$1.49 billion in capital improvement projects and programs**. The report included information on how the Council-approved Guiding Principles applied to the projects and programs as well as which projects were determined to be “near-term” projects that had a compelling driver for implementation. The needs assessment report is included in your binder for your reference.

COMMUNITY ENGAGEMENT PROCESS

City staff worked with the Bond Election Advisory Task Force to develop and implement an effective community engagement plan. Citizens had an opportunity to attend and provide input at Task Force and committee meetings, provide feedback electronically (email and online), and attend public events to learn more about the bond development process.

As part of the community engagement strategy, staff arranged four community forums where citizens had the opportunity to work in groups to allocate funding across the four main categories of funding being considered by the Task Force for \$400 million, \$300 million and \$200 million bond package amounts. Participants were also asked to identify which ten projects identified in the Needs Assessment they would most like to see prioritized by the Task Force and identify other potential projects for consideration. The public could also go through this exercise online.

The Task Force’s recommendations reflect the input provided by the public through the bond development process. The proportions of funding resulting from the community exercise paralleled the proportionate funding recommendations of the Task Force for its committee recommendations, \$575 million package and \$400 million packages.

TASK FORCE: COMMITTEE PROCESS

The Task Force organized into four committees to further consider projects and programs in the needs assessment as well as to receive input from the community. The four committees were: Affordable Housing, City Facilities, Parks and Open Space, and Transportation/Mobility. The purpose of each committee is outlined below:

- **Affordable Housing Committee** reviewed programs and facilities related to the provision of affordable housing in the City of Austin community.
- **City Facilities Committee** reviewed projects and programs involving buildings and other facilities that support City operations and services.
- **Parks & Open Space Committee** reviewed improvement and renovation projects for existing parks and facilities, as well as proposed parks and recreation facilities for public use, parkland acquisition, and water quality land acquisition.

- **Transportation/Mobility Committee** reviewed existing and new transportation and mobility needs, including roadways, bikeways, sidewalks, connective trails, and other projects related to addressing mobility capacity and transportation infrastructure improvements.

Each of the four Task Force committees produced a report of their recommendations to the full Task Force; these recommendations were compiled into the Task Force Committee Recommendations Summary Report, which includes funding recommendations for projects and programs for each category covered by the respective committee as well as policy recommendations to be considered by the Task Force.

The committees worked extensively with City staff and received a substantial amount of input from community stakeholders during the committee process. The Task Force Committee Report included \$659 million in recommended projects and programs, including an additional \$29 million in projects that were requested by community stakeholders during the committee process, referred to as “community-based projects.” The Task Force Committee Recommendations Summary Report included in your binder provides further details of committee results.

TASK FORCE RECOMMENDATIONS

After receiving the committee recommendations, the Task Force proceeded to work on determining priorities for projects and programs to include in the recommendations. City staff was asked to provide analysis to inform Task Force decision making, including recommendations on potential areas of funding reductions given departmental priorities. The Task Force voted to develop final recommendations for two levels of funding: \$575 million and \$400 million.

In addition to the four primary categories of funding, Task Force recommendations also include funding for four community-based projects: Austin Film Studios Expansion, East 51st Street Vision Plan, the Mexic-Arte Museum, and Violet Crown Trail. The Task Force also approved a set of policy recommendations for Council to consider.

Task Force funding and policy recommendations are covered in more detail in the Bond Election Advisory Task Force Final Recommendations Report.

CITY MANAGER’S RECOMMENDATIONS

Staff provided a substantial amount of information and analysis to the Bond Election Advisory Task Force, who in turn used much of this information as the basis for formulating its recommendations. Therefore, staff was able to use this analysis, Task Force recommendations and results of the community engagement process to formulate recommended bond packages for \$400, \$300, and \$200 million (requested by Council) as well as a \$385 million recommendation (“constant” debt service tax rate). As stated earlier, **I recommend the \$385 million program for the November election.** More detailed information on the staff recommendations, the basis for their formulation and noted variations from the Bond Election Advisory Task Force Recommendations is provided in the City Manager’s Recommendation section of the binder.