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Audit Report

City of Austin
Long-Term Planning

May 16, 2006

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Austin, Texas

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City of Austin



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To: Mayor and Council Members
From: Stephen L. Morgan, City Auditor
Date: May 16, 2006
Subject: Long-Term Planning Audit Report

I am pleased to present our report on the City of Austin's Long-Term Planning process. This audit was approved as part of our FY 2005- 06 Service Plan.

We found that the City would benefit from a more comprehensive planning approach that is guided by an overarching vision for growth to ensure that all existing plans are working towards implementation of the Citywide vision. These efforts would also benefit from a greater degree of integration as well as greater accessibility to all stakeholders, including the general public.

The City has many initiatives that are all geared towards planning for future growth. However, the City's planning efforts and initiatives are not unified by a consistent vision for growth for the City; and policies that incorporate such a vision for growth in order to guide planning efforts are not in place. This results in planning that is fragmented and articulated in numerous planning documents. The effects of this fragmentation are that City staff and commission members do not have an updated and unified set of guidelines to follow when making decisions that effect the growth of the City.

We have issued four recommendations that address adopting a vision for future growth to unify planning efforts, and revisiting comprehensive planning to ensure that planning information is available to the public and aligned with the vision for future growth.

Stephen L. Morgan, CIA, CGAP, CFE, CGFM
City Auditor

LONG-TERM PLANNING AUDIT COUNCIL SUMMARY

This report presents the results of our audit of Long-Term Planning, which was approved by the Council Audit and Finance Committee as part of our office's 2005 service plan.

Cities utilize several types of planning efforts including financial planning, planning for delivery of city services, and planning for the future. These planning efforts should be integrated with one another and directed by a consistent vision for growth. Such a vision, combined with a city's planning efforts, can have many positive impacts. Our work focused on how the City of Austin coordinates and integrates its various planning efforts.

Our objectives were to determine how long-term planning is carried out and coordinated by City departments and external entities, and to compare Austin's long-term planning to relevant criteria, including best practices in place in other cities.

The results of our work indicate that the City would benefit from a more comprehensive planning approach that is guided by an overarching vision for growth to ensure that all existing plans are working towards implementation of the Citywide vision. These efforts would also benefit from a greater degree of integration as well as greater accessibility to all stakeholders, including the general public.

The City has many initiatives such as: the City's Smart Growth Initiative; participation in Envision Central Texas; the Downtown Planning Study; and the 2035 Town Centers Plan, that are all geared towards planning for future growth. Extensive planning efforts for specific functions take place in various departments throughout the City, including the City Manager's Office. Additionally, the City has a comprehensive plan (the Austin Tomorrow Plan) that is over 25 years old, and it is unclear whether all of the goals have been accomplished. Attempts to update have failed.

However, the City's planning efforts and initiatives are not unified by a consistent vision for growth for the City; and policies that incorporate such a vision for growth in order to guide planning efforts are not in place. This results in planning that is fragmented and articulated in numerous planning documents such as: Neighborhood Plans; Corridor Plans; the Austin Metropolitan Area Transportation Plan; Transportation Oriented Development Plans; Downtown plans such as the R/UDAT and the more recent planning study; and the City's Capital Improvements Plan.

The effects of this fragmentation are that city staff and commission members do not have an updated and unified set of guidelines to follow when making decisions that effect the growth of the City. It is difficult for stakeholders to get information due to the lack of centralized information. Additionally, there are many opportunities within the process for plans to get overturned; resulting in decisions that go against previously approved long-term plans.

We have issued four recommendations that address adopting a vision for future growth to unify planning efforts and revisiting comprehensive planning to ensure that planning information is available to the public and aligned with the vision for future growth.

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ACTION SUMMARY LONG-TERM PLANNING

Rec. #	Recommendation Text	Management Concurrency	Proposed Implementation Date
01	<p>In order to provide a vision for the City of Austin that meets the needs of existing residents while planning for future growth, the City Manager should work with the City Council to develop a visioning and strategic planning process. Strategies for accomplishing this include:</p> <ul style="list-style-type: none">a. Identifying strategic policies and priorities for growth;b. Gathering input from citizens and stakeholders, including regional stakeholders;c. Using scenario planning and fiscal impact analysis tools to evaluate the fiscal impacts of different types of growth; andd. Establishing the proper tools for the implementation of the vision and the strategic goals identified.	Disagree	
02	<p>Once a vision has been established, the City Manager should revisit the comprehensive planning process to ensure that the process is set up to implement the vision. The revised process should:</p> <ul style="list-style-type: none">a. Ensure that all planning efforts implement the citywide vision; andb. Ensure that all the appropriate elements of comprehensive planning are addressed in the City's planning process.	Disagree	

- | | | | |
|----|---|----------|---------------------|
| 03 | In order to provide a complete picture of planning efforts in the City, the City Manager should ensure that City planning documents are made easily available to all stakeholders. This includes: <ul style="list-style-type: none">a. The creation of a summary document that lays out the relationships among plans and their hierarchy; andb. The consolidation of all plans on the City's website. | Agree | Fiscal Year 2006-07 |
| 04 | In order to ensure that planning efforts are effectively implementing the desired vision, the City Manager should assign a central oversight group to monitor progress of comprehensive planning efforts on an ongoing basis. This should include utilizing indicators and updating plans to reflect progress. | Disagree | |

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BACKGROUND

Cities utilize several types of planning efforts including financial planning, planning for delivery of city services, and planning for the future. These planning efforts should be integrated with one another and directed by a greater vision for growth. Such a vision, combined with a city's planning efforts, can have many positive impacts. Our work focuses on how the City of Austin coordinates and integrates its various planning efforts.

A variety of planning activities are necessary to guide a city toward its desired future state.

In order to provide a high quality of life for citizens, municipalities conduct financial planning, planning for delivery of city services, and planning for the future. Financial planning includes activities such as developing financial policies and investment strategies; conducting financial trend analysis and forecasting; and budgeting for operational and capital expenditures. Planning for delivery of city services consists of assessing community needs and then ensuring that programs and services of the city are designed to meet those needs. Planning for the future addresses long-term needs rather than short-term needs. It involves setting long-term organizational objectives and then establishing strategies to carry out and meet the identified objectives. For example, a vision details the envisioned future or “where the city wants to go?” After knowing where it wants to go, a city must determine how it is going to get there by laying out a roadmap for the future. This roadmap consists of the various planning efforts performed within a city.

EXHIBIT 1
Relationships of Planning Processes



SOURCE: Office of the City Auditor analysis of planning processes.

Integrated planning efforts, guided by an overarching vision for the future, can help a city by providing a framework for planning decisions. Strategic visioning and planning provides the overarching, or guiding, principles for the planning process to follow. If effectively administered, strategic planning can provide a framework for public service programming and budgeting. To that end, the Government Finance Officer's Association (GFOA) recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. Such strategic policies and priorities help guide decision-making that ultimately impacts the future growth of the city and the financial sustainability of the city. Financial sustainability is the balancing act that municipalities perform to ensure that revenues are sufficient to meet growing expenditures while maintaining a high quality of life for citizens.

Planning for future growth can have many positive impacts. In recent years, the City of Austin has experienced significant population growth and is expected to experience significantly more over the coming decades. Population growth and private development are two very critical factors in the financial sustainability of a city. How this growth occurs can be even more critical because of its impact on the tax base and municipal expenditures. Studies conducted on the long range financial impacts of unplanned growth show that it results in much higher costs for water and wastewater infrastructure, local road infrastructure, and local public services. Models have been developed to test the financial impacts of different land use and growth scenarios on taxes, capital facilities, and service costs. At the same time, planned compact (i.e. higher density) growth can offer great savings for infrastructure and public services.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this Audit were to determine:

- To what extent are long-term planning efforts being coordinated among City departments, and with non-City entities?
- To what extent is the long-term planning being conducted by City departments and non-City entities being integrated into the City's budgeting and planning process?
- What are best practices from other cities regarding long-term planning?

Scope

We reviewed current long-term planning efforts within the City of Austin with some review of historical efforts dating back to the 1970's. We also interviewed City staff and representatives from external entities about the status of their current planning efforts.

Methodology

This audit was conducted in accordance with generally accepted government auditing standards, using the following methods.

Within the City of Austin, we interviewed Council members, Board and Commission members, the City Manager, Assistant City Managers, department directors, and staff in Neighborhood Planning and Zoning Department (NPZD), Economic Growth and Redevelopment Services Office (EGRSO), Watershed Protection and Development Review (WPDR), Financial and Administrative Services Department (FASD), Austin Energy (AE), Austin Water Utility (AWU), Public Works Department (PWD), and the Public Safety departments.

We attended council sub-committee, planning commission, and bond oversight committee meetings. We also reviewed minutes of council sub-committee and planning commission meetings, and planning-related documents.

We interviewed the principals and staff members of external regional planning entities to gain an understanding of their long- and short-term planning efforts. We also attended external entity meetings and reviewed documents from these entities.

We conducted a phone and e-mail survey of long-term planning efforts in other U.S. cities, as well as a review of planning information available on their websites.

We collected information from government associations and academic resources on current and best practices in the fields of strategic and comprehensive planning as well as financial planning.

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AUDIT RESULTS

The results of our work indicate that planning efforts in the City are not formally integrated and are not guided by an overarching vision for growth. Extensive planning efforts for specific functions take place in various departments throughout the City, including the City Manager's Office. This planning is fragmented and articulated in numerous planning documents. Additionally, the City has not laid out policies incorporating a vision for growth in order to guide planning efforts. Although we found strong planning efforts in various parts of the City, these efforts could benefit from a greater degree of integration as well as greater accessibility to all stakeholders, including the general public.

The City has not laid out a Citywide vision for growth to effectively guide long range planning decisions.

In planning for the future, cities should develop a strategic vision which identifies priorities for strategic focus over an established timeframe. A vision for the future can guide decisions about where growth should be located and how it can be facilitated. A vision for growth can also assist a municipality in maintaining financial sustainability by measuring the financial impacts of growth patterns. The City of Austin has recently engaged in initiatives geared towards planning for its future growth; however, it has not unified these initiatives to articulate a vision for growth for the entire city. Without a vision for growth, decision makers may use disparate criteria for decision making and there is a risk for conflicting or incongruent guidance in the planning process. The City of Austin has developed priorities and a vision statement, which are primarily used to guide short-term operational planning rather than long-term planning for the future.

In planning for the future, cities should develop a unified vision to identify strategic priorities. This vision should be based on the values of the elected officials and the community, and provides a context for city planning, policies, and decisions. The priorities provide focus to those areas identified as the most pressing challenges and identify the most important commitments to move forward in support of the vision. Together, vision and priorities provide a roadmap to the future over a given long-term timeframe, generally 20 years. The responsibility for developing, determining, and approving this vision belongs to the elected officials.

The Benefits of a Strategic Vision

Tangible

- Provides a guide for decision making
- Provides protection of property values
- Provides investment in the City's future
- Helps the City's financial sustainability

Intangible

- Provides hope for the future
- Provides empowerment for stakeholders
- Develops partnerships
- Assists the willingness to take risks

SOURCE: National League of Cities.

According to the National League of Cities (NLC), tangible benefits of a strategic vision include:

- Guide for Decision-Making – a vision provides criteria for evaluating options and making choices;
- Protection of Property and Home Values – a vision gives the average citizen, property owner and business owner confidence that the city is looking out for their interest;

- Investment in the City’s Future – a vision gives businesses and developers confidence to bring new dollars to the community with the expectation of a reasonable return;
- City’s Financial Sustainability – a true vision gives bond rating agencies confidence that the Mayor and City Council will make the tough decision to protect the financial assets and to be effective financial stewards of the public tax dollar.

Additionally, intangible benefits include:

- Hope for the Future – a true vision gives people confidence and can lift them from negative thinking – it cannot be done here, it won’t work here, it has not worked here;
- Empowerment – a true vision gives managers, employees, civic partners and volunteers the confidence to make tough decisions, identify innovations and take advantage of opportunities;
- Development of Partners – a true vision gives others who share the vision the reason to join the city as partners;
- Willingness to Take Risks – a true vision gives managers and employees’ confidence in the city’s future and confidence to risk themselves without personal attacks from elected officials.

A strategic vision identifies priorities that should guide future growth of the city as well as city service provision. The strategic priorities should be articulated into specific strategies and policies to assist cities in realizing the vision. As stated by the Government Finance Officers Association (GFOA), strategic planning is about influencing the future rather than simply preparing for or adapting to it. Additionally, GFOA identifies strategic planning as the tool to align organizational resources to bridge the gap between present conditions and the envisioned future.

EXHIBIT 2
Relationships of Planning Processes: Strategic Planning and Visioning



SOURCE: OCA analysis of planning processes.

Many cities engage in a strategic visioning process to establish citywide priorities. For example, Washington, D.C. has recently developed a vision and policy framework to articulate the future direction of the city. This vision includes three components: 1) where we are today, 2) where we

hope to be tomorrow, and 3) getting there. “Getting there” is particularly important because it translates strategic priorities into a plan for implementation. Additionally, the City of Portland is currently engaged in a community visioning process to discuss shared values, challenges, and decisions in order to envision the city that Portland wants to be 30 years from today. This collaborative effort will result in a plan for the future of the city, and provide the city with a direction for the prioritization of issues and projects. The next step for the city is to develop a five- to ten-year city strategic plan to guide the city’s actions and investments toward implementation of the shared vision.

A vision for the future can guide decisions about where future growth should be located and how this growth can be facilitated. In recent years, the concept of a vision for growth has become more prominent in the Central Texas region with the establishment of the nonprofit organization Envision Central Texas (ECT). The purpose of ECT is to create a common vision and goals for positive growth management in the Central Texas Region. The ECT visioning process included extensive public feedback through workshops, surveys, and community outreach over a two-year period. ECT used citizen input to develop four possible future scenarios of land use and regional transportation alternatives. ECT gathered public input on these four scenarios to determine how citizens want to see the region grow. The ultimate vision is based on overarching goals that participants shared in regard to density and mixed-use, open space, transportation alternatives, a better jobs/housing balance, and closing the gap for underserved populations in areas of health, education, housing, jobs, and transportation.

Other cities surveyed in this audit have adopted, or are in the process of updating, strategic visions for their growth. For this audit, we examined the strategic visioning efforts of: Seattle, Washington; San Jose, California; Denver, Colorado; and Las Vegas, Nevada. For example, the City of Denver has engaged in a visioning process that identified strategic growth areas based primarily on analysis of impacts to the transportation system. Information about these and other cities efforts is summarized in Exhibit 3 below.

**EXHIBIT 3
Strategic Visions for Growth in Other Cities**

City	Strategic Vision for Growth
Seattle’s “Toward a Sustainable Seattle”	Urban village strategy determines where growth and density will occur throughout the city. These areas of density are called urban villages.
San Jose 2020 General Plan	Strategic growth plan underwent major review in 1994 using fiscal impact tools to determine the most fiscally sound land uses.
Las Vegas Master Plan 2020	Strategic vision for growth was formulated using scenario planning and a suite of GIS models including traffic impact, air quality impact, and fiscal impact.
Denver Plan 2000	Focus growth in areas of change determined primarily based on analysis of impacts to the transportation system.

SOURCE: OCA survey of planning efforts in other cities, fall 2005.

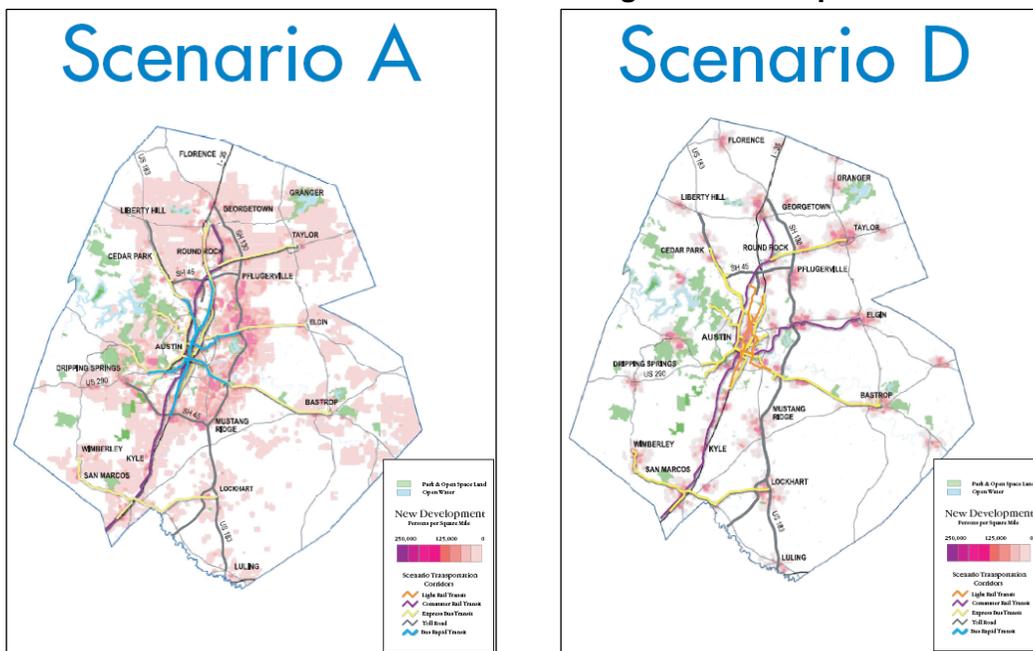
NOTE: Additional information on the cities surveyed can be found in Appendix A.

Fiscal impact analysis can help a municipality develop a vision for growth and maintain financial sustainability by comparing the impacts of alternate growth scenarios. Financial sustainability is the ability of a city to sustain revenues to meet a growing demand for city services as a result of population growth, while maintaining reasonable tax rates and levels of service provision. As a city grows, municipal revenues and expenditures grow as well. In order for a city to be financially sustainable, it must make an effort to ensure that these revenues and expenditures maintain pace with one another while maintaining high quality of life. Envision Central Texas (ECT) and other cities and counties have employed methods of fiscal impact analysis to evaluate the impact of different types of growth using scenario planning.

Fiscal impact analysis is concerned with the long-run public cost and revenue implications of changes in economic, demographic, capital, and service factors at the municipal level. Fiscal impact analysis can be performed on the micro level for specific projects or at the community-wide level. The dynamic community-wide model enables analysis of alternative development patterns, also known as scenario planning. Such a model would also show the impacts of different land uses and growth rates on taxes, capital facilities expenditures, and services costs.

In addition to fiscal impacts, other models are able to demonstrate the impacts of growth on transportation, air quality, and other factors. ECT examined each scenario to determine the impacts of different types of growth on various factors such as: cost of local infrastructure, air quality, commute time, and relative tax burden. ECT detailed these impacts and compared them to identify a preferred vision for growth. Exhibit 4 shows two of these scenarios. Scenario A shows patterns of growth following current trends while Scenario D shows the output of one managed growth scenario. Scenario D was shown to be a more desirable pattern of growth than Scenario A.

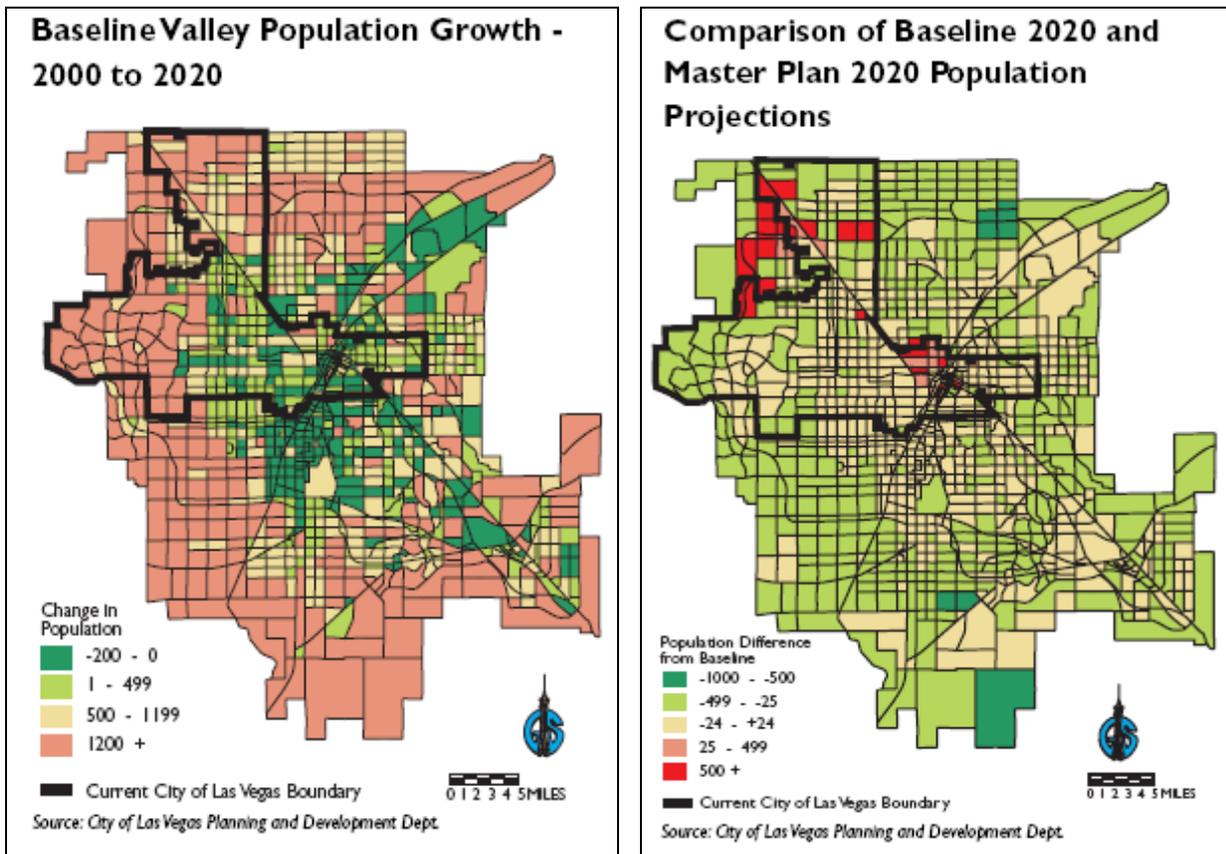
**EXHIBIT 4
Envision Central Texas Visioning Process Outputs**



SOURCE: Envision Central Texas Preferred Scenario Presentation, 2003

Many other growing U.S. cities and counties have utilized fiscal analysis and scenario planning to formulate their strategic vision for growth. Because these cities are all well-established, the visioning is, in reality, a vision for incremental growth. For example, the City of San Jose developed a fiscal model to test the impact of development and/or changes in land use in various employment areas on the city's General Fund. San Jose has also integrated this fiscal model with a GIS database to facilitate analysis of the impact of spatially specific development scenarios. Also the City of Las Vegas used a fiscal impact assessment model to analyze its growth scenarios and determine the most beneficial growth pattern around which to formulate its comprehensive plan. Exhibit 5 below shows two scenario comparisons for the City of Las Vegas. The Baseline map shows that growth is very concentrated in the outer areas of the city. The Master Plan 2020 map, the preferred growth pattern, shows growth more evenly distributed throughout the city.

EXHIBIT 5
Examples of Las Vegas Modeling Outputs



SOURCE: City of Las Vegas Master Plan 2020

Exhibit 6 below provides more detail on these efforts in San Jose and Las Vegas. Exhibit 6 also details the efforts of Loudoun County, Virginia and Howard County, Maryland. These two counties extensively utilized fiscal impact analysis in the formulation of a vision for growth.

EXHIBIT 6
Fiscal Impact Analysis in Other Cities and Counties

City	Fiscal Impact Analysis in Strategic Visioning Process
San Jose	<p>The City of San Jose commissioned a study that drove the General Plan for growth management. This study:</p> <ul style="list-style-type: none"> ▪ Shows the link between economy and land use by performing a fiscal analysis of different development scenarios on undeveloped land; ▪ Ties the fiscal base for service provision in the city directly to the economy and job development; ▪ Examines the interrelationships between the city's fiscal health, the economy, and land use policy. <p>San Jose also developed a fiscal model to test the impact of development and/or changes in land use in various employment areas on the city's General Fund. They have integrated this GIS database and the fiscal model to facilitate analysis of the fiscal impact of very spatially specific development scenarios.</p>
Las Vegas	<p>The Las Vegas master planning process included the application of a suite of GIS models designed to test land use allocation, traffic, air quality, and property tax assessment changes of different growth scenarios. These models allowed the city to determine the most beneficial growth pattern around which to formulate their Master Plan.</p> <p>The intent of the fiscal impact assessment model is to link the marginal costs of public services and capital improvements with the cost of development and to determine if the revenue generated from this development is enough to meet the marginal costs. If marginal revenue does not cover marginal costs, the city will be left with the choice of raising taxes or cutting services. This model is intended to make the city better equipped to consider the long range implications of growth and development.</p>
Loudoun County, Virginia	<p>The Loudoun County Comprehensive Plan is intended to link the County's development and revitalization with financial policies that assess fiscal impact and to provide an equitable distribution of the costs of development between direct beneficiaries and the citizens at large.</p> <p>Fiscal impact analysis was used to evaluate alternative countywide development scenarios related to the growth pattern of development. The first application of the model was to compare four alternative sub-area growth scenarios. The County succeeded in tying fiscal impact analysis to long-term capital budgeting by developing a twenty year Capital Needs Analysis.</p>
Howard County, Maryland	<p>The Howard County general plan examines the fiscal impacts of competing land uses to balance the growth of population, service needs, and infrastructure needs.</p> <p>Howard County has utilized the community-wide fiscal impact model that enables analysis of alternative development patterns, land uses and growth rates on tax rates, capital facilities expenditures and service costs.</p> <p>This model was used to confirm the affordability of the proposed comprehensive plan. The model allowed the County to project potential increases in the tax rate while holding service costs constant. The General Plan utilized this model to evaluate four scenarios of growth to compare the impacts.</p>

SOURCE: OCA survey of planning efforts in other cities, fall 2005.

NOTE: Additional information on the cities surveyed can be found in Appendix A.

These examples show that fiscal impact analysis is a guide that offers more certainty and predictability when implementing a financially sustainable vision for growth. More importantly, it shows that fiscal impact analysis is certainly one of the best practice tools being used by other cities. Without such a tool, the City of Austin is less equipped in considering the long range implications of growth and development. Fiscal impact analysis is able to compare the costs of new development to projected revenues in order to help the city balance its finances. When a city does not have a systematic method for evaluating these

Las Vegas makes the implicit assumption that if it [a development decision] is in compliance with the Master Plan, it is fiscally viable.
- Las Vegas Planning Manager

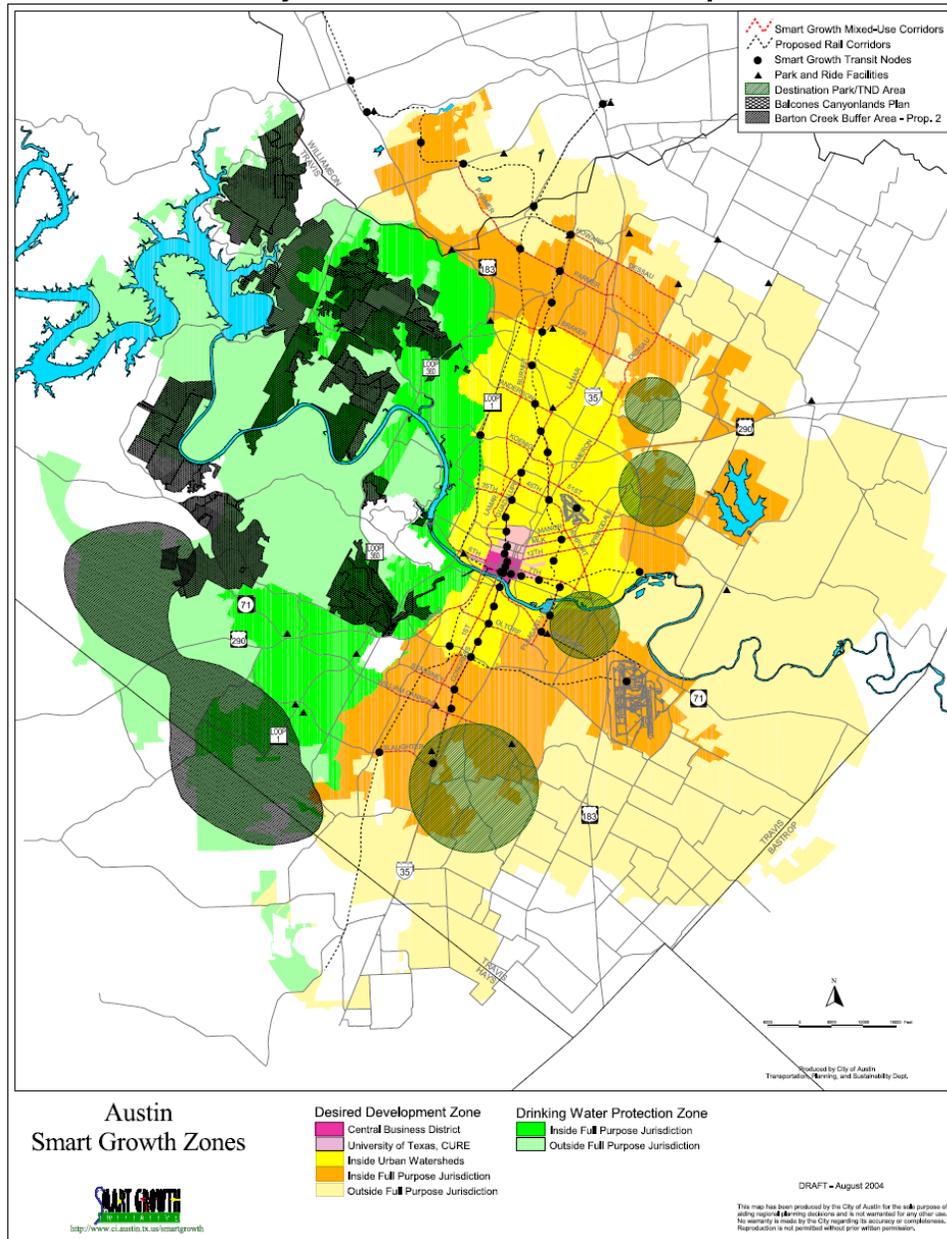
impacts, they are more often left with the choice of cutting services or raising taxes, rather than proactively planning for a financially sustainable growth.

The City of Austin has engaged in isolated initiatives geared towards planning for its future growth, but has not laid out a vision for the growth of the entire city. Article X of the City Charter calls for the Council policies for growth to be laid out in a comprehensive plan. As discussed later in this report, the City does not have an updated comprehensive plan but rather has a collection of several planning documents that are not unified by a consistent vision for growth. Without using a comprehensive plan, it may be more difficult for Council to detail its policies for growth with an all-inclusive approach. Indeed, the City has engaged in many initiatives regarding planning for its future growth, but has not unified these initiatives to articulate a vision for growth for the entire city.

One recent attempt to provide a guide for growth in the city was the Smart Growth Initiative of the late 1990's. This initiative led to the creation of the Smart Growth Map. This map provides some very broad general principles to guide growth management decisions. The map basically divides the city into two primary zones: the desired development zone (DDZ) and the drinking water protection zone (DWPZ). The DDZ, in the eastern part of the city, is the area in which future development is encouraged. The DWPZ, in the western side of the city, lies largely on the Edwards Aquifer and is the area where additional development is discouraged to protect ground water from pollution. Although locating development in accordance with the map is not required, the map is commonly upheld as a guide for development. The Smart Growth Map can be seen in Exhibit 7 below.

The City of Austin also participated in the recent effort by Envision Central Texas to develop a regional vision for growth, which followed a best practice visioning process. However, the City has not formally adopted this vision or laid out a path for its implementation. This regional visioning process focused on the need to develop a vision for the future growth of the Central Texas Region as well as on the need to change how growth is currently managed in the region. The City of Austin has been actively participating in the process. However, although many planning efforts in the City utilize the vision of ECT, Austin has not formally chosen this vision as policy or laid out a path to implement the ECT vision. Austin's Planning Commission utilizes the ECT vision in its planning and decision-making, but neighborhood plans, which will be discussed in more detail later in this report, tend not to embrace the ECT vision. City planners indicated that they tend to work according to the principles of ECT such as increasing density in the urban core, however, neighborhood plans often contrast with the ECT vision because neighborhoods do not typically desire density in their own area. Few neighborhoods are willing to take on high density and mixed use development. This reluctance makes it difficult to implement the vision. The Planning Commission is currently examining the neighborhood planning process to determine possible improvements. One possibility that is being considered by the Planning Commission and is being utilized in the City of Seattle is to give neighborhoods a *quid pro quo*: in exchange for improvements such as sidewalks and lamp posts, neighborhoods need to be willing to plan for greater density and other more undesirable, yet necessary, land uses.

**EXHIBIT 7
City of Austin's Smart Growth Map**



SOURCE: Watershed Protection and Development Review Department.

In the context of regional development, the City has also taken the initiative in planning for the development along the SH 130 corridor. The City has divided the area around the corridor into eight study areas in order to prioritize annexation by examining the City's service delivery capability, development trends, and environmental features of the area. Only a minor portion of the SH 130 corridor falls within Austin city limits, so the City is currently evaluating annexation of the priority areas identified by City staff. In planning for development along the SH 130 corridor, the City is collaborating with other jurisdictions and Envision Central Texas (ECT). The desired development involves sustainable and compact growth, in line with the guiding principles of ECT.

In the absence of an established Citywide vision for growth, in December 2005, the City began discussion of a downtown planning study that would develop land use, transit, and environmental recommendations for the development of downtown. The purpose of such initiative is to develop a vision for the development and growth of downtown Austin, as well as identify specific goals for the implementation of this vision. This recent initiative expresses the desire to approach planning in a more holistic manner and is an example, although on a much smaller scale, of what Austin could do on a Citywide basis.

Additionally, the Planning Commission is currently discussing the proposal of an Austin 2035 Town Centers Plan, which reflects some of the greater goals of ECT. This plan is still in the development phase, but aims to focus population density in designated planning areas through a body of regulatory and fiscal policies. This would take pressure off of existing single-family neighborhoods to increase density and would work to promote open space throughout the city. Another objective of this proposal is to achieve a net financial gain for the city by decreasing its long-term service delivery cost per household. The fiscal gains of this final objective have not yet been determined and thus the Planning Commission is not planning to move forward with the proposal until they can articulate these benefits using fiscal impact analysis. This proposal is similar to the Urban Village strategy employed by Seattle for dealing with growth and density.

Since the City has not adopted a vision for growth, there is a risk for conflicting or incongruent criteria in planning processes. As a result of not having a unified vision for growth, City staff and existing planning bodies may not operate in a congruent direction. The City of Austin has two commissions that carry out duties related to land use: the Planning Commission, which is responsible for zoning, subdivision, and site plan cases within neighborhood planning areas; and the Zoning and Platting Commission (ZAP), which is responsible for cases located outside the neighborhood planning areas. Given the absence of a strategic vision for the City of Austin, the two commissions may not work in a congruent direction because they both lack a clear set of guidelines and structure to guide their decision making process. The Planning Commission tends to rely on the principles of the Envision Central Texas Plan, but ZAP does not. Both Planning Commission and ZAP members have indicated that there is little coordination between the two commissions with regard to common policies and issues.

The different approaches the two commissions have with regards to Transit Oriented Development (TOD) are an example of their difference in philosophies. ZAP has jurisdiction over the areas of the city that do not have neighborhood plans, but are now beginning to develop TODs. These TODs are transit focused, mixed-use, pedestrian friendly, and high density areas. However, ZAP does not traditionally favor these uses in existing neighborhoods. Until recently, cases pertaining to TODs fell within both ZAP and Planning Commission jurisdictions. In order to maintain consistency in commission review among all of the TOD districts, the Planning Commission has recently recommended to Council the placement of all cases that fall within TOD district boundaries under its jurisdiction. On, March 9 2006, the Council approved the Planning Commission's recommendation.

As a result of not having an established vision for growth, the Bond Election Advisory Committee (BEAC), the committee appointed to prioritize capital expenditures to make a recommendation on the upcoming bond election, was given conflicting guidance. BEAC was given some guidance regarding Envision Central Texas (ECT). On the other hand, BEAC was presented with a needs assessment of primarily repair and maintenance requests and was charged with bringing down the total cost of the bond package by prioritizing and choosing projects to be funded. Projects were broken into the following categories: affordable housing, drainage, facilities, open space, transportation, and a new central library.

The ECT implementation committee members of BEAC added to the needs assessments for affordable housing and open space when making their final recommendation to Council due to the fact that they wanted to incorporate more of the ECT vision in the bond package. There was also discussion about including funding for infrastructure along the SH 130 corridor in the bond package to commit to a regional vision for growth, but the final package did not include this funding. According to BEAC, this absence is due in part to the lack of community support and in part to the absence of detailed proposals regarding investments in the SH 130 corridor in the initial staff needs assessment. If a vision for growth had been set into policy, then city staff might have had tools for implementation available to assist decision-makers in this process.

The City of Austin has developed priorities and a vision statement, which are primarily used to guide short-term operational planning rather than long-term planning for the future. The City has a vision statement that was originally developed over ten years ago. In 2005, the City Manager's executive management team, using a facilitator and inputs from employees, evaluated the City's vision statement and determined that it was still relevant for Austin. This vision, "to be the most livable community in the country" is currently used to guide departmental business planning, which is short-term and mainly operational rather than long-term planning for the future. Additionally, in 1997 City Council laid out the current Council priorities of Public Safety; Youth; Family and Neighborhood Vitality; and Affordability. These priorities serve as strategic objectives, but they have not been revised since then. Council has recognized the need to develop a new set of priorities and at this time is scheduling a retreat to consider and revise these priorities.

When planning for City needs, the City primarily focuses on short-term business planning. The City of Austin has a well established process in place for producing short-term business planning. Business plans are developed by all departments annually and have a one- to five-year horizon. Business planning is driven by the City's vision statement, as department goals are required to contribute to, or support, achieving the City's vision. Specifically, goals define the significant results that departments seek to achieve over the next one to five years. The Financial and Administrative Services Department (FASD) coordinates the departmental business planning and budget processes. Additionally, the City Manager's Office discusses business plans at its regular meetings.

Business planning is also used to guide the annual budget process. The budget process focuses on identifying funding levels necessary to continue basic municipal services, Council priorities, and community goals. Business Plans are submitted to the appropriate Assistant City Manager and then the Budget Office for review and feedback. The approved Business Plan becomes the

structure for the department's budget. Program budgets are developed based on the operational goals and results departments expect to achieve in the upcoming year.

The City Manager's Policy Budget also guides the annual budget process. The policy budget consists of a preview of the proposed budget with major funds included and provides information on the budget policies that impact the City's built-in cost drivers and revenues. Currently, the presentation of the Policy Budget provides an opportunity for the City Council to review their policies and priorities prior to finalizing the City's next fiscal year budget.

The City's financial forecast is used to set up projections over the following few years. The financial forecast is called for in the City's Financial Policies, which calls for the annual preparation of a five-year financial forecast to project revenues and expenditures for all operating funds; however, due to the recent economic downturn, and related difficulties with maintaining the accuracy of their projections, the City has been producing three-year forecasts. The economic downturn that began in 2000 caused the City to be in an emergency mode, which prompted the use of a shorter timeframe. However, the financial policy does not reflect the current practice of producing a more accurate three-year forecast.

Citywide financial sustainability is managed by the City Manager's executive management team. The City Manager's executive management team discusses issues affecting the various departments as well as citywide issues, including issues impacting the City's financial sustainability. This group is well-suited for this effort because each Assistant City Manager interacts with the department directors directly, and when specific issues are addressed, they can discuss the interactions necessary between their departments, as well as with those that answer to other Assistant City Managers. According to the City's Chief Financial Officer, the City primarily manages financial sustainability in the following ways:

- Overseeing tax rates to keep them as affordable as possible and increase them if possible for strategic investments;
- Examining how tax rates help the City to implement the bond program and the impact on bond ratings;
- Monitoring sales tax receipts and working with the Council to identify strategies to keep sales tax revenues in Austin;
- Evaluating issues such as employee pension issues and health care costs that extend over longer time horizons; and
- Analyzing capital requirements to plan for needed infrastructure and investments.

The City Manager's executive management team also concentrates planning efforts on specific operational issues. In addition to the City's business planning process, more extensive operational plans are created and carried out on an as needed basis by the City Manager and her executive team. For example, when this team sees an issue that could have a major impact on the City, they highlight, or "flag" the area for further attention. Currently, the executive management team has highlighted the issue of the growing cost of public safety. For an issue like this, the Budget Office forecasts over a longer horizon than a typical business

The City Manager's Executive Team highlights or "flags" issues requiring further attention. Some examples of these issues are:

- Public Safety Cost Drivers
- Planning for future landfills
- State Highway 130 Annexation and Development

plan. Public safety costs were flagged for Council as a major cost driver during the 2006 budget process so that decisions can be made with this large expense in mind. As another example of an issue calling for longer-term forecasting, the executive management team is forecasting costs 20 years into the future for a recent landfill project. The costs associated with this project are being considered further into the future because the decision to site a landfill has major long-term cost implications on the area surrounding the landfill.

These planning efforts are indicators of a proactive approach to planning but are not a viable substitute for a citywide strategic vision. The planning efforts carried out by the City Manager's executive management team and the initiatives in which the City has engaged for planning its future growth are all indicators of a proactive approach to planning. Yet, like other cities, Austin would benefit from a citywide vision for growth to guide long range planning decisions. This would allow all involved and affected parties to have a vision to follow when implementing their part of the planning process, and provide decision-makers with criteria for evaluating policy options and making choices. In order to sufficiently plan for the future, cities must have strategic policies and priorities to guide the decision-making process for decisions that will impact the future growth of the city and the financial sustainability of the city.

The City of Austin pursues various planning efforts that form a patchwork of plans; however these plans are not formally integrated to achieve a unified vision.

Once a vision and priorities have been identified, they must be implemented. One method for implementing this vision as it relates to growth is in the context of comprehensive planning. The process of comprehensive planning is aimed at establishing guidelines for the future growth of a community based on the strategic vision. Comprehensive refers to an all-inclusive approach at addressing the issue of the future growth of a community. In addition to land use, comprehensive planning includes elements such as transportation, housing, environment and open space, economic development, public facilities, planning for utilities, and regional planning.

Comprehensive Planning refers to a process that includes all of a city's planning efforts to ensure that they are in line with the Vision/Mission as set forth through strategic planning and visioning.

For a city, the elements of comprehensive planning include:

- Transportation;
- Housing;
- Environment & Open Spaces;
- Economic Development;
- Utility and Infrastructure; and
- Regional Planning

The typical outcome of this process is a comprehensive plan, which can consist in one document or a series of documents that extend over a given long-term timeframe. The essence is that all planning efforts are unified by the overarching vision, which should be articulated into specific measurable goals and objectives. The goals should be derived from the strategic priorities. The objectives should consist of strategies to address each of the goals that have been established.

A comprehensive plan can consist of one document or a series of documents. The important thing is that all planning efforts are unified by an overarching vision.

Comprehensive planning provides decision makers with criteria for evaluating options and making choices and with a tool to evaluate whether decisions lead towards the implementation of the vision. Exhibit 8 shows the interrelationships between planning processes.

**EXHIBIT 8
Relationships of Planning Processes**



SOURCE: Office of the City Auditor analysis of planning processes.

Comprehensive planning efforts in the City of Austin have strayed from the direct guidelines of the City Charter and moved into a fragmented planning process that produces numerous planning outputs. Although City planning efforts are extensive, these various efforts are not formally integrated to achieve a greater vision. Neighborhood planning has come to dominate comprehensive planning as presented in the Charter, but neighborhood planning is primarily focused on land use. As a result, the Planning Commission, which is charged with the oversight of comprehensive planning, has become mostly concentrated on neighborhood planning. Neighborhood planning and capital planning can both be more effective in the context of a comprehensive plan. Additionally, City planning documents are not easily accessible to concerned stakeholders, hindering completely informed implementation and public participation. The City also risks the inefficient use of resources as a result of planning efforts that are not integrated with one another.

Article X of the City Charter requires a comprehensive plan and establishes comprehensive planning as a continuous and ongoing governmental function. The Charter calls for the adoption and implementation of a comprehensive plan to guide, regulate and manage the future development of the city to assure the most appropriate and beneficial use of land, water and other natural resources, consistent with the public interest. According to the Charter, the purpose of this process of comprehensive planning and the implementation of a comprehensive plan is for the City to preserve, promote, protect and improve the public health, safety, and general welfare. The Charter also states that such plan facilitates the adequate and efficient provision of transportation, water, wastewater, schools, parks, recreational facilities, housing and other facilities and services. Additionally, implementing such plan conserves, develops, utilizes, and protects natural resources.

Like Austin, many other growing U.S. cities are required to have comprehensive plans (also called general or master plans) by city charter or by state statute. For this audit, we examined the comprehensive planning efforts of the following cities: Portland, Oregon; Seattle, Washington; San Jose, California; Denver, Colorado; Las Vegas, Nevada; and Fort Worth, Texas. Each of these cities has an up-to-date comprehensive plan that is used to guide the decision-making process. These plans each extend over a 20-year timeframe and are updated every five to ten years. These cities are discussed throughout the report and additional information on these cities can be found in Appendix A.

The City of Austin adopted a comprehensive plan in 1979 called the Austin Tomorrow Plan, which has not been fully updated since its original adoption and, thus, has become irrelevant. The Austin Tomorrow Plan (ATP) was intended to serve as the City's comprehensive, general, and long range plan, encompassing all geographical parts of the community and the metropolitan area and all elements affecting the City's physical development. Article X of the Charter was amended in 1985 to lay groundwork for a new comprehensive plan. The ATP was developed prior to these revisions and was not updated to reflect the Charter changes. Additionally, most goals of the ATP have already been met.

The ATP looks forward to the year 1995 and includes goals that are not aligned with the goals of today. For example, one of the stated characteristics to result from implementation of this plan is

that most new residential construction would be low density single family units. This is not in line with the discussions of high-density building that are common today. Many of the goals and policies set forth in the current comprehensive plan may be relevant today, but there is no specific alignment with the Council's current policy priorities of Youth, Family, and Neighborhood Vitality; Public Safety; Sustainable Community; and Affordability. These priorities are not specifically addressed in the ATP, even though the plan is intended to guide growth for the entire city. There is also no update on current conditions in Austin or the progress the City has made in implementing the plan.

Another indication of the irrelevance of the ATP is that it is not utilized in City planning efforts. Staff in the Neighborhood Planning and Zoning Department has expressed the view that the ATP does not do enough to provide a framework for making development and planning decisions, therefore they do not see it as a useful policy guide. Additionally, the Planning Commission chair stated that he has never actually seen a copy of the ATP, yet the City Charter references it numerous times in defining the roles and responsibilities of the Planning Commission. A member of the Zoning and Platting Commission (ZAP) also stated that ZAP does not use the ATP document in its planning efforts. In addition, the ATP is not used by individual departments in their planning efforts.

The only updates to the ATP have taken place through amendments that are not written amendments to the plan itself. These amendments take the form of neighborhood plans and the City's adopted Austin Metropolitan Area Transportation Plan (AMATP). The neighborhood plans are intended to form a complete comprehensive plan once they are complete, but they do not always detail all of the required elements of a comprehensive plan.

Due to failed attempts to update the comprehensive plan, the City does not to utilize a comprehensive plan as laid out in the Charter. A new comprehensive plan was written in 1989 to update the comprehensive plan in accordance with the 1985 Charter changes. This plan, called the AustinPlan, was developed over a four-year time period with extensive citizen participation. The AustinPlan was not adopted as policy by City Council for several reasons. The City Council had changed during the time over which this planning effort extended. Support for the plan within Council had shifted between the time the plan was started and the time it was presented for adoption. As a result, the AustinPlan was not adopted by Council. The AustinPlan was very detailed and not desirable to developers, who lobbied heavily against its adoption. The disparate interests between developers and neighborhood groups have been a great challenge to planning efforts in Austin. No additional efforts have been made to update the comprehensive plan since the failed adoption of the AustinPlan. Since this time, Austin has not revisited its comprehensive plan, but has continued to pursue various other planning efforts.

In 2002, the Planning Commission presented a white paper to City Council regarding a coordinated master plan, which emphasized the need to revisit the status of comprehensive planning in Austin. This white paper expressed the need to see how the City's various planning efforts fit together in a larger picture. The intent of the Planning Commission was to work toward a coordinated master plan that would (1) be the basis of the city's decision-making on an ongoing basis and (2) consider a broad range of issues beyond traditional zoning and subdivision matters. The white paper laid out the elements of the City Charter that detail the duties of the

Planning Commission and the purpose of a comprehensive plan. It also presented a list of the various planning efforts in the city, which when taken together comprise an “implicit” comprehensive plan. The Planning Commission proposed to collect all of these materials to create a virtual master plan that it could then use to guide its future actions. The Planning Commission white paper specified that an overarching requirement of this process would be to make the final product accessible to the public, City staff, and boards and commissions for easy future reference. The white paper further stated that this approach would enable the City to integrate its existing plans; make better informed adjustments to its plans; and develop new plans without losing site of previous efforts. This effort by the Planning Commission coincided with the economic downturn and due to strained resources and limited staff, was not pursued.

Currently, the City of Austin pursues various planning efforts; however these plans are not channeled in a unified direction and the relationships between these plans are not apparent to stakeholders. According to the Charter, comprehensive planning encompasses many elements and is intended to guide a coordinated and internally consistent planning process. The Charter calls for comprehensive planning that begins with the Council’s policies for growth within the city and addresses the following elements:

- (1) future land use;
- (2) traffic circulation and mass transit;
- (3) wastewater, solid waste, drainage and potable water;
- (4) conservation and environmental resources;
- (5) recreation and open space;
- (6) housing;
- (7) public services and facilities;
- (8) public buildings and related facilities;
- (9) an economic element for commercial and industrial development and redevelopment; and
- (10) health and human services.

The City plans for each of these elements through diverse planning efforts over varying time horizons. The City of Austin engages in operational planning for individual departments, which were discussed previously. The planning efforts listed in Exhibit 9 below are those that extend into the future and can be cross-departmental. Each of these planning efforts encompasses one or more of the elements listed in the Charter. This table encompasses the major planning efforts in the City, but not all. There are also many efforts pertaining to environmental and conservation goals, such as, the Clean Cities Strategic Program. Austin also has many planning efforts related specifically to the development of downtown in addition to the previously mentioned downtown plan. For example, the Regional/Urban Design Assistance Team (R/UDAT) was a group which created a vision for downtown in the early 1990’s and provided a framework for implementing actions to revitalize Austin's vital central core. This plan was most recently revisited in 2000.

EXHIBIT 9
Planning Efforts in Austin

Plan	Department(s)	Purpose and Elements
Neighborhood Plans	Neighborhood Planning and Zoning (NPZD)	These plans consist essentially of land use and zoning elements, but also address some minor transit issues, conservation and open space issues, and affordable housing issues. Once adopted by City Council, neighborhood plans amend the Austin Tomorrow Plan.
Austin Metropolitan Area Transportation Plan (AMATP)	NPZD and Public Works Department (PWD)	This is the City's long range transportation plan document that lays out all planned projects and timeframes over a 20-year planning horizon.
Corridor Plans	NPZD	These provide transportation and land use planning along designated corridors such as 7 th Street and FM 2222.
Transit Oriented Development (TOD) Plans	NPZD, EGRSO, PW, WPDR, NHCD	TODs are transportation oriented areas that require special zoning for high-density, affordable housing, retail, and pedestrian safe streets. These areas are transit centers and are primarily planned at future rail stops.
Three-Year Municipal Annexation Plan	NPZD with input from many other departments	This three-year plan is not required for all annexations. It is only required for annexations containing or planning development with 100 lots with a house on each lot.
Neighborhood Housing and Community Development Consolidated Plan	NHCD	This plan addresses Austin's housing and community development needs for the next five years. The plan describes community needs, resources, priorities, and proposed activities to be undertaken with certain federal grant funds. The plan aims to implement housing affordability components of neighborhood plans and master plans adopted by the City Council.
The Capital Improvements Program (CIP) Plan	FASD and all other departments	The CIP includes major capital expenditures such as construction of new facilities. CIP plans usually extend over five-year horizons. Projects in the CIP are often determined by the bond election.

SOURCE: OCA survey of planning efforts in the City of Austin, fall 2005.

Some long-term planning efforts are carried out by individual departments. Although the horizon for business planning is one to five years, some City departments, due to the nature of their operations, perform planning over longer time horizons. These departments include Watershed Protection and Development Review (WPDR), Austin Energy (AE), Austin Water Utility (AWU), and Aviation, all of which have long range financial planning that is guided by a long range strategic plan focused on each department's area of responsibility. Through their strategic and financial planning processes, these City departments enhance their ability to forecast and evaluate the likely financial outcomes of particular courses of action in each of their areas of influence and responsibility. Additional information on these departments' long range planning can be found in Appendix B.

Some departments take a proactive approach to determine the long range impacts of planning decisions. As discussed previously, methods like fiscal impact analysis can be utilized to evaluate the long-term impact of growth patterns. In this regard, several City departments utilize

models in their planning processes to forecast the long-term impact of selected planning decisions. The Neighborhood Planning and Zoning Department and the Financial and Administrative Services Department examine the financial impacts of annexation decisions by examining the impacts of future growth on revenues and expenditures. The Economic Growth and Redevelopment Services Office also uses a financial model to determine whether or not to offer incentives to large new employers for locating in Austin. Austin Energy and Austin Water Utility also utilize models to perform long range forecasts of usage and infrastructure needs. By utilizing these models, the City is in a better position to assess whether its planning decisions can be sustained in the long-term. Additional information on these four models can be found in Appendix C.

Austin is also involved in some regional planning efforts. The Capital Area Metropolitan Planning Organization (CAMPO) is a regional entity that has authority over transportation in the region. CAMPO has a 25-year transportation plan for the region of which the AMATP is a component. In addition to CAMPO, other regional entities have plans in which Austin is involved such as the Capital Metro *All Systems Go!* 25-year transit plan. Capital Metro and the City of Austin are also working closely together on transit-oriented development (TOD). Austin also coordinates facilities planning with the Austin Independent School District (AISD). There is a joint-use agreement between the two entities that allows for joint-use of facilities. For example, the Pickle Elementary School also houses a community center, a health clinic, a police sub-station, a library, and a recreation center.

Each of these planning efforts touches upon elements within the Charter, yet the connections between the plans are not immediately obvious, nor are the mediums of coordination between plans. Changes to the comprehensive plan are not reflected in the comprehensive planning document, rather they are scattered on the City's website and require significant searching time to find.

Neighborhood planning has taken the place of comprehensive planning in Austin, however such an approach will inevitably fail to incorporate necessary elements of city planning. Austin chose to pursue the neighborhood planning process based on recommendations from the Citizens' Planning Committee (CPC) in 1996. This committee was established when attempts to update the Austin Tomorrow Plan failed. The CPC was established by Council to assess the City's planning and development process. The CPC found that there was no unified vision for the future and concluded that planning efforts must be changed. One of the recommendations offered by the CPC called for greater involvement of neighborhoods in the planning process. This led to the establishment of neighborhood planning in 1997. Since then the City has adopted 33 neighborhood plans out of approximately 60. They have expedited the process in recent years by combining some neighborhoods.

The goal of the neighborhood planning process is to create a neighborhood plan for all areas of the city. Once this process is complete, the neighborhood plans will be a “patchwork quilt” that forms the citywide comprehensive plan. Exhibit 10 shows a map of Austin’s neighborhood planning areas. The effectiveness of this approach is limited because while adoption of the neighborhood plans shows the City’s commitment to implementing the action items in each, adoption does not obligate the City to implement any particular action item. The exception to this is the zoning recommendations, which are immediately implemented upon adoption of the plan.

Moreover, neighborhood plans can be most effective in the context of a comprehensive plan. If a city or county simply maintains a compilation of only neighborhood plans without the overarching policies of a comprehensive plan, neighborhoods will primarily plan for desirable amenities such as single family housing and upscale retail. Planning for items such as waste disposal sites, heavy industry, lumberyards, broadcasting towers, and other essential items will be mostly ignored. Neighborhood plans can be more effective when they are unified by citywide framework that provides a unified perspective and structure.

Seattle is a good example of using neighborhood planning within the context of a comprehensive plan. In its comprehensive plan, Seattle chose to employ an urban village strategy, which specifies what areas of the city would be used to accommodate high density and new growth. The City of Seattle gave neighborhoods the option of creating neighborhood plans if these neighborhoods were within or near urban villages. Since these neighborhoods would be taking on concentrated new growth, these areas were given priority for utility and infrastructure upgrades. Seattle is almost land-locked and most land within the city is already developed, so it had no choice but to direct growth within the city. By concentrating growth to specific areas of the city, Seattle makes the most efficient use of resources because it is also able to concentrate capital expenditures into a few areas of the city. As a result, it is increasing density and performing needed infrastructure repair and maintenance.

The Planning Commission is charged with the oversight of comprehensive planning, but has concentrated mostly on neighborhood planning which is focused primarily on land use. The City Charter defines the powers and duties of the Planning Commission, which include:

- Making recommendations regarding the adoption and implementation of a comprehensive plan;
- Reviewing and making recommendations on amendments to the comprehensive plan;
- Reviewing and making recommendations on proposals or amendments to land development regulations to ensure consistency with the comprehensive plan;
- Exercising control over platting and subdividing land within the City to ensure consistency with the comprehensive plan;
- Recommending annually to the City Manager capital improvements which are necessary and desirable to implement the comprehensive plan;
- Monitoring and overseeing the effectiveness and status of the comprehensive plan and recommending annually to the Council needed changes or amendments to the plan; and
- Preparing periodic evaluation and appraisal reports on the comprehensive plan, which may be sent to the Council at least once every five years.

The Charter also calls for comprehensive planning to be coordinated and internally consistent. Each element of the comprehensive plan is intended to include policy recommendations for its implementation and to be implemented, in part, by the adoption and enforcement of appropriate land development regulations, which are represented by Article XXV of the City Charter, the Land Development Code (LDC), which lays out zoning and land use codes for development. The LDC is intended to implement the planning policies and achieve the purposes of the comprehensive plan as they relate to land use. As a result, the LDC has become the primary tool for implementation of the comprehensive plan. Since neighborhood planning has come to be the predominant form of comprehensive planning, much of the emphasis of neighborhood planning has centered on land use.

After neighborhood planning was established, the workload of the Planning Commission increased and it was determined that the Planning Commission should be divided. In 2001, the Zoning and Platting Commission (ZAP) was created to act as the land use commission to provide the adjudication function for zoning in areas that do not have neighborhoods plans. The Planning Commission was given jurisdiction over areas with neighborhood plans. After this split, it was also decided that the Planning Commission would maintain the duty of comprehensive planning with a citywide vision. The Planning Commission Comprehensive Plan Committee has been focusing its efforts on the SH 130 Corridor for the past year and a half because this is a way in which its members feel they can try to steer growth and development by planning ahead for infrastructure investments. These efforts began in the Neighborhood Planning and Zoning Department during an annexation study group led by an Assistant City Manager.

Capital planning should be an integral element of comprehensive planning efforts due to the major influences of capital investments on growth.

Capital investments are one-time expenses such as new infrastructure or facilities that are generally funded by bonds rather than the annual budget, which is used to fund ongoing operating expenses. Capital planning is the most effective means for implementing a

Linking long range planning with the city's capital improvement program balances competing expenditures and coordinates scheduling to provide cost efficient public improvements.

SOURCE: City of Las Vegas
Master Plan 2020

comprehensive plan due to the growth shaping influences of investments in public facilities and infrastructure. In instances when growth is not guided by a comprehensive

and coordinated planning process, growth will be in the hands of isolated stakeholders without a unified vision for growth in mind. Without a comprehensive planning process to guide capital planning and provide a big-picture context, there is the potential that capital planning is a less efficient use of resources and that planning is not as effective as it could be.

Instead of emerging from the priorities of a comprehensive plan, Austin's Capital Improvements Program arises from a disparate variety of interests. In Austin, capital investments are planned through the Capital Improvements Program (CIP), which lays out the planned capital projects for a five-year period. The City Charter directs the Planning Commission to make recommendations on capital improvements which are necessary and desirable to implement the comprehensive plan. The Planning Commission does make these recommendations, but in many ways the decisions about what projects are funded have already

been made through prior bond elections. For proposed or new projects, the Planning Commission is able to prioritize some project spending, but this occurs more immediately following a bond election and phases out as projects are set, rather than by prioritizing projects before voter approval.

Instead, the capital planning process is more strongly driven by the process leading to the bond election package, which incorporates the bond program submitted to voters. A separate committee, the Bond Election Advisory Committee, chooses from recommended capital improvements those that they feel should have priority and receive funding in the bond election. During the process that leads to the bond election package, desired projects are drawn from department needs assessments and neighborhood plans, which have replaced a comprehensive plan for this purpose. The City’s capital planning process could be better facilitated in the context of a comprehensive planning process.

**EXHIBIT 11
Capital Planning in Other Cities**

City	Financial Element
Seattle’s “Toward a Sustainable Seattle”	Seattle’s financial policies contain the following excerpts: capital investments will be targeted to support the goals of the Comprehensive Plan; and the city is committed to focus much of its capital effort in those areas targeted for additional growth in the Comprehensive Plan. The Comprehensive Plan also includes a Capital Facilities element containing policies that drive decision-making within the city. The city planners determine the future density in the comprehensive plan and the capital planners plan accordingly. The Plan’s Capital Facilities Appendix gives an overview of the current capital facilities in the City as well as what will be needed in six years and in 20 years.
San Jose 2020 General Plan	The San Jose City Charter requires that capital investments follow the General Plan. The Planning Commission has a study session to ensure that the two are consistent and make recommendations to Council. The reasoning behind this alignment is that capital improvements promote planned growth. The General Plan lays out the principles and vision that must be followed in capital planning efforts. The primary implementation tools in the General Plan are the capital budget and the zoning code. These tools must reflect the greater vision.
Las Vegas Master Plan 2020	Master plan policies drive the CIP. The master plan has a fiscal management element that is intended to coordinate expenditure of public funds on infrastructure and public facilities with the scheduling of planned growth in the city. City departments need to coordinate capital improvements and operating and maintenance expenditures with the Master Plan in order to balance competing expenditures and coordinate scheduling to provide cost effective public improvements. This coordination is facilitated by a document that condenses all Master Plan policies relating to capital expenditures. This document is used by all departments in their capital planning and is the basis for the CIP.
City of Portland Comprehensive Plan	The City of Portland is implementing an asset management approach to help them balance spending on repair and maintenance of infrastructure by creating an inventory of all infrastructure and public facilities to look at future costs out ten years.

SOURCE: OCA survey of planning efforts in other cities, fall 2005.

NOTE: Additional information on the cities surveyed can be found in Appendix A.

Some other cities use their capital planning process as an implementation tool for their comprehensive plans. For example, Seattle’s financial policies require that capital expenditures support the comprehensive plan. Also, San Jose utilizes the capital budget as one of its primary implementation tools for its general plan, which is just another name for a comprehensive plan.

We examined the capital planning efforts of: Seattle, Washington; San Jose, California; Las Vegas, Nevada, and Portland, Oregon. See Exhibit 11 above.

City of Austin planning documents are not made easily accessible to concerned stakeholders, hindering completely informed implementation and public participation. In order for planning to be effective, the documents that contribute to the process must be made easily accessible for the participants. A comprehensive plan should not sit on a shelf and gather dust, nor does it have to be contained within one document as long as it is accessible in one location and the relationships between plans are apparent. A comprehensive plan can be used as a tool to guide decision-making as long as it is kept up-to-date as a living document that truly reflects the greater goals of the city. When planning efforts are fragmented, it is difficult for citizens to fully participate in the planning process and for decision-makers to make well-informed decisions.

The City of Denver is an example of a city that truly considers public access in its comprehensive planning efforts. Denver has a comprehensive plan entitled Plan 2000 that is continuously updated and made easily accessible to the public. Denver also offers a good example of a city that truly considers its comprehensive plan to be a living document. Denver sees policy-making as something that should be flexible to accommodate new information and innovative techniques as well as disciplined in considering the long-term implications of policy decisions. The Implementation Section of Plan 2000 details the concept that this plan is a work in progress. To be a living document, Plan 2000 is designed to change in response to new information and changing circumstances in the form of supplements and amendments. Denver maintains Plan 2000 primarily in an electronic format so that it can be updated easily, quickly and accurately. The City's website contains an up-to-date version of the Plan, including the abstracts of supplemental plans and any amendments adopted by Denver City Council. In addition, Denver produces annual reports that assess the City's progress in implementing Plan 2000. These annual reports are also available on Denver's website each year at the time of its release to the Mayor, City Council and the community.

The City of Austin could greatly benefit from a comprehensive planning process that is unified and integrated by an overarching vision. Such a process could provide for more efficient decision-making, increased financial sustainability, and more efficient use of planning resources. Planning efforts that are unified to achieve a specific vision can facilitate decision-making by offering uniform and consistent criteria on which to base decisions. Also, this could provide for increased buy-in from community and stakeholder groups due to their input in the visioning process. A strategic vision provides a framework to guide daily decisions that affect every aspect of life in Austin and consequently the City's financial sustainability. Unifying comprehensive planning efforts under this vision will integrate the City's planning efforts and allow for more efficient use of planning resources.

Comprehensive planning is a way of operationalizing, or implementing, a city's vision for growth.

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RECOMMENDATIONS

01. In order to provide a vision for the City of Austin that meets the needs of existing residents while planning for future growth, the City Manager should work with the City Council to develop a visioning and strategic planning process. Strategies for accomplishing this include:
- a. Identifying strategic policies and priorities for growth;
 - b. Gathering input from citizens and stakeholders, including regional stakeholders;
 - c. Using scenario planning and fiscal impact analysis tools to evaluate the fiscal impacts of different types of growth; and
 - d. Establishing the proper tools for the implementation of the vision and the strategic goals identified.

MANAGEMENT RESPONSE: DISAGREE

See Appendix A for complete response.

02. Once a vision has been established, the City Manager should revisit the comprehensive planning process to ensure that the process is set up to implement the vision. The revised process should:
- a. Ensure that all planning efforts implement the citywide vision; and
 - b. Ensure that all the appropriate elements of comprehensive planning are addressed in the City's planning process.

MANAGEMENT RESPONSE: DISAGREE

See Appendix A for complete response.

03. In order to provide a complete picture of planning efforts in the City, the City Manager should ensure that City planning documents are made easily available to all stakeholders. This includes:
- a. The creation of a summary document that lays out the relationships among plans and their hierarchy; and
 - b. The consolidation of all plans on the City's website.

MANAGEMENT RESPONSE: AGREE

See Appendix A for complete response.

04. In order to ensure that planning efforts are effectively implementing the desired vision, the City Manager should assign a central oversight group to monitor progress of

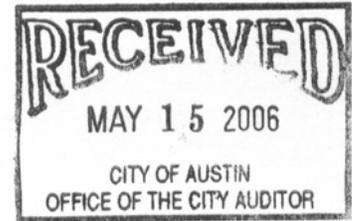
comprehensive planning efforts on an ongoing basis. This should include utilizing indicators and updating plans to reflect progress.

MANAGEMENT RESPONSE: DISAGREE

See Appendix A for complete response.

**APPENDIX A
MANAGEMENT RESPONSE**

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To: Steve Morgan, City Auditor
From: Toby Futrell, City Manager
Subject: Management's Response to COA Long-Term Planning Report
Date: May 15, 2006

Thank you for the opportunity to comment on your long-term planning audit report. I am providing you with specific responses to your findings below but would first like to say generally why I disagree with the conclusions in your report. The theme of your report seems to be that Austin does not have a vision for how it wants to grow and does not have a planning process that is sufficiently comprehensive to pursue that vision adequately. I do not agree with these conclusions.

I do agree that a dynamic city like Austin needs a vision that addresses its citizens' current needs while also guiding coordinated planning efforts for the future. However, I disagree that the City of Austin does not have such a vision.

In fact, the City has a vision and it is widely-recognized. Our vision is for "*Austin to be the most livable city in the country.*" Most Austinites already believe they are living in a great city. And outsiders confirm what we already know. Over and over again, we are recognized by Forbes, Fortune, and Money magazines among others—most recently by Kiplinger's—as one of the best places to live, work or play; to start a business, grow a business or retire.

Cities don't become great by accident.

It takes a tremendous amount of planning and foresight. It requires us to focus simultaneously on the present and the future. Planning is a dynamic process, frequently a diverse process chock-full of creative tension.

But when we talk about the benefits of comprehensive planning—such as managing how and where we grow, enriching our quality of life, enhancing our tax base and ensuring financial stability and cost-effective services—Austin compares more than favorably with the cities referenced in the audit report.

Could we improve on the integration and alignment of our plans? Yes, we can always improve. Could we do a better job of articulating and communicating the planning framework? Absolutely, that's a fair criticism. Is it time for Council to reconfirm their

vision and priorities? A November Council retreat is already planned to do just that with our incoming Council.

But again, we take exception with this audit report's sweeping conclusions. Austin has an integrated, comprehensive planning process guided by an overarching vision and aligned with defined Council priorities that produces measurable, long-term results. And it's hard to argue with results. The bottom line is that Austin's consistent quality of life rankings reflect a City Council that keeps its vision in the forefront while planning for the future.

Outlined below is our response to the COA Long-Term Planning Report completed by the Office of the City Auditor.

1. **Recommendation:** *In order to provide a vision for the City of Austin that meets the needs of existing residents while planning for future growth, the City Manager should work with the City Council to develop a visioning and strategic planning process. Strategies for accomplishing this include identifying strategic policies and priorities for growth; gathering input from citizens and stakeholders, including regional stakeholders; using scenario planning and fiscal impact analysis tools to evaluate the fiscal impacts of different types of growth; and establishing the proper tools for the implementation of the vision and the strategic goals identified.*

Response: Disagree.

This recommendation has two primary parts: first, providing a vision for the City of Austin and second, developing a visioning and strategic planning process.

Providing a vision. The audit report ignores the fact that the City of Austin already has a long-held, widely-recognized vision, "We want Austin to be the most livable city in the country," as well as a defined set of Council priorities:

- Youth, Family and Neighborhood Vitality
- Public Safety
- Sustainable Community
- Affordability

Planning for the future begins with our vision. Our Council priorities support the achievement of Austin's vision and serve as an organizing framework for planning and service delivery. Organizationally, departments are grouped and aligned under assistant city managers and a chief financial officer to create focus on each Council priority.

Developing a visioning and strategic planning process. The audit report doesn't acknowledge that the City of Austin already has a multi-faceted, dynamic approach to comprehensive planning that supports the council's vision and priorities.

In an enterprise as large and complex as the City of Austin, a myriad of planning efforts occur across the City. Many of these plans are highly specialized, some geared toward a short-term planning horizon, while others are more long-range in nature. Corporate planning processes help tie the department efforts together into a cohesive inventory of plans that achieve specific purposes, yet also meld to support the City's overarching vision of livability.

The Austin Tomorrow Plan (ATP) is the City's adopted comprehensive plan. The ATP has withstood the test of time because of its emphasis on broad goals and guiding principles. Although arguably dated when considered as a stand-alone document, the ATP was clearly intended to be implemented and ultimately, updated by a diverse set of specific plans and policies that would change over time. The City Charter also recognized this phenomenon, "The council may also adopt by ordinance other elements as are necessary or desirable to establish and implement policies for growth, development and beautification within the city, its extraterritorial jurisdiction, or for geographic portions thereof, including neighborhood, community or area wide plans."

For example, the very first section of the ATP is Urban Design. The four primary goals, as well as most of the supporting policies and objectives of this section are very consistent with Council Member McCracken's current initiative to develop and codify new citywide design standards. Every section has numerous examples, such as in the Health and Human Services section. The policy goal to "improve mental health services" is very consistent with the Mayor and Council Member Leffingwell's mental health task force initiative and another policy goal to "expand child care services" tracks Council Member Kim's night and weekend child care initiative for city and county employees.

This goal-based approach is also particularly true in the Development Suitability and Growth Management sections of the ATP, where there was little focus on specific land uses. In fact, AustinPlan, a four-year effort to completely update the ATP, including defining detailed land uses by area was soundly rejected by the City Council in 1989. The development and growth sections of the ATP were explicitly intended to be implemented and updated over time by changes in the zoning and Land Development Code, as well as when Council adopts each new neighborhood plan. The ATP specifically relied on "neighborhood planning to refine and modify the results of the Austin Tomorrow Goals Program. The primary objective of neighborhood planning will be the development of specific plans tailored to the needs of each neighborhood."

2. **Recommendation:** *Once a vision has been established, the City Manager should revisit the comprehensive planning process to ensure that the process is set up to implement the vision. The revised process should ensure that all planning efforts implement the citywide vision and ensure that all appropriate elements of comprehensive planning are addressed in the City's planning process.*

Response: Disagree.

First, I would reiterate that our vision for the City of Austin is already well established. Further, our comprehensive planning process is explicitly designed to link the work each of us does on a day-to-day basis with our vision for Austin.

Since its adoption as the City's comprehensive plan, the Austin Tomorrow Plan has been modified in several significant ways but nevertheless has continued to serve as the foundation of the City's planning efforts.

For example, our current neighborhood planning initiative grew out of additional refinements to the ATP by the 1995 Citizens' Planning Committee Report recommendation that "comprehensive planning and development regulations should begin with integrative community plans created through neighborhood participation." This report was approved by the City Council in 1996, reconfirming the City's policy direction on neighborhood planning. To date, Council has adopted neighborhood plans for almost half of the approximately 60 neighborhoods in the City. We recently hosted a neighborhood planning conference at City Hall with a theme of "Ten Years of Neighborhood Planning in Austin, A Review and Next Steps." We plan to use the results of that workshop to continue to improve our planning processes when the full workshop report is issued.

Additionally, the Council's Smart Growth policies and practices, including the adoption of the Smart Growth Map in 1997 (subsequently recodified in 1999) served to modernize the vision for growth that was established in the ATP. The tenets of Smart Growth are consistent, however, with the general policies of the ATP.

More recently, the City funded and participated in an extensive regional visioning process undertaken in 2004 by Envision Central Texas (ECT) and we remain involved in those regional planning efforts today. Mayor Wynn serves as a director on the ECT board. City planning staff uses the data from ECT land use scenarios, as appropriate, when analyzing the fiscal impact of future development, most recently in an in-depth analysis of possible growth along the State Highway 130 corridor. ECT is currently being implemented by City initiatives that

incorporate ECT principles, including Mueller redevelopment, the University Neighborhood Overlay (UNO), the establishment of transit-oriented development regulations, and the downtown master plan (a neighborhood plan for the Central Business District) that will soon be underway.

The City has a dynamic, diverse visioning and strategic planning process that refines the ATP and aligns a myriad of planning efforts to achieve our overarching vision of Austin being the most livable city in the country.

Nevertheless, as I said earlier, we have set a date in November for Council to reconfirm their vision and priorities. If Council determines that our current vision or direction needs to be modified, the appropriate members of our management team will revisit our plans and processes to ensure they are set up to support and implement Council's direction.

- 3. Recommendation:** *In order to provide a complete picture of planning efforts in the City, the City Manager should ensure that City planning documents are made easily available to all stakeholders. This includes the creation of a summary document that lays out the relationships among plans and their hierarchy and the consolidation of all plans on the City's website.*

Response: Agree.

Planning efforts can sometimes seem fragmented, especially in an organization as large and complex as the City of Austin. Those of us who work closely to support our vision and priorities each day can forget that a road map might be needed to help others navigate the myriad of planning efforts that occur across the City and see how they fit together. The City Auditor's sustainability project has convinced me of the need to provide a clearer path for stakeholders and the general public.

I have asked staff to compile an inventory of our planning efforts, including a graphic representation of the linkage among planning processes that ultimately culminate in supporting Council's vision and priorities. We plan to include all key planning documents and the planning road map on our web site, as well as in a separate section in our budget document for fiscal year 2006-07.

- 4. Recommendation:** *In order to ensure that planning efforts are effectively implementing the desired vision, the City Manager should assign a central oversight group to monitor progress of comprehensive planning efforts on an ongoing basis. This should include utilizing indicators and updating plans to reflect progress.*

Response: Disagree.

Oversight responsibilities as they currently exist are already clear and appropriate. Organizationally, City departments are grouped and aligned under assistant city managers and a chief financial officer to create a focus on each long-range Council priority. For example, the public safety departments fall under the oversight of one assistant city manager, who is responsible for monitoring the coordination and progress of public safety planning efforts.

The annual citywide performance report is also organized by Council priority and contains performance measures and benchmarks for each priority. This report measures where we have been, where we are and then where we want to go for each council priority.

The City Manager's Office (CMO) team provides the central or corporate oversight for all our comprehensive planning efforts.

If you have any questions about our response, please contact Laura Huffman, Assistant City Manager or Leslie Browder, Deputy Chief Financial Officer.


Toby Hammett Futrell
City Manager

cc: City Council Members

APPENDIX B
PLANNING EFFORTS IN OTHER CITIES

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Appendix A shows results of the research conducted on the comprehensive planning efforts of other cities during the course of this audit.

Comprehensive Planning Efforts in Other Cities

City	Most Recent Update	Planning Horizon	Update Cycle
* Seattle's "Toward a Sustainable Seattle"	Updated in 2004	20 year plan	Every ten years; yearly amendments are accessible in the front of the electronic document online.
* San Jose 2020 General Plan	Last major update in 1994; most recent review in July of 2005	20 year plan	Every ten years; they are currently considering the next update; Plan subject to an annual review.
* Denver Plan 2000	Updated in 2000; plan subject to annual review	20 year plan	Every five years; they are currently waiting for a new administration to settle in before engaging in the update process.
* Las Vegas Master Plan 2020	Adopted in 2000 by Council Ordinance	20 year plan	Every five years.
* Portland Comprehensive Plan	July of 2004 for some parts, but no complete update since 1980	20 year plan	Should be every five years, but they have not kept pace.
Fort Worth	Updated in 2005	20 year plan	Subject to an annual review process.

SOURCE: OCA survey of planning efforts in other cities, fall 2005.

* Cities interviewed.

Contents:

- The City of Seattle, Washington
- The City of San Jose, California
- The City of Denver, Colorado
- The City of Las Vegas, Nevada
- The City of Portland, Oregon
- The City of Washington, D.C.
- Major Texas Cities
- Loudoun County, Virginia and Howard County, Maryland
- Interview questions

THE CITY OF SEATTLE, WASHINGTON

Planning for the Future

The City of Seattle has a 20-year comprehensive plan entitled “Toward a Sustainable Seattle” that is updated every ten years and was most recently updated in 2004. The Plan is a collection of the goals and policies the City will use to guide future decisions about growth in Seattle and where that growth should be located. It is also intended to guide decisions regarding proposed ordinances, policies and programs. A comprehensive plan is required by the State of Washington. The State also requires that these plans be updated every ten years. The State’s growth management requirement is that the following elements be incorporated into the plan: transportation, land use, housing, capital facilities, and utilities. King County’s planning policies also require an economic development element. Seattle first adopted its comprehensive plan in 1994. At this time they added the additional element of neighborhood planning to the Plan. Prior to the most recent update in 2004, amendments were made to the plan in the form of neighborhood plans, area master plans, six-year CIP amendments, and in the addition of human development and environmental elements. These amendments were incorporated into the updated comprehensive plan. Amendments are still made annually. These amendments are printed in a list that appears at the beginning of the comprehensive plan document for public access. Seattle also updated the vision of the plan two times prior to 2004 to reflect the Human Development Element and the Cultural Resources and Environment Element.

Neighborhood Planning and Other Innovative Efforts

The City of Seattle gave neighborhoods the option of creating neighborhood plans if these neighborhoods were within or near urban villages. The urban village strategy that was employed by Seattle in their comprehensive planning process to determine what areas of the city would be used to accommodate high density and new growth. Seattle is almost land-locked and most land within the city is already developed, so they had to choose where growth would go within the city. The urban village strategy concentrates new growth in limited areas. These chosen areas are then given priority for utilities and infrastructure. Neighborhoods that were within urban villages or surrounding them were given the option of creating neighborhood plans. Seattle had 38 neighborhoods complete plans, which is about 60 percent of the city’s area. The urban villages are about 20 percent of the city’s area. The neighborhood planning process revolved around the fact that these neighborhoods were going to have to accommodate growth so they just had to decide how they were going to do it. By concentrating growth to specific areas of the city, Seattle makes the most efficient use of resources because they are also able to concentrate capital expenditures into a few areas of the city. They work to contain costs in these areas by meeting multiple goals at once. They are increasing density and performing needed repair and maintenance. This strategy has been very useful to Seattle and to the region. This process also had extensive citizen participation and helped people become less resistant to growth through the planning process.

Efficient Decision-Making

The Capital Facilities element of the Seattle Comprehensive Plan contains policies that drive decision-making within the City. The comprehensive plan determines the future density within Seattle and the capital planners plan accordingly. The capital facilities element of the plan includes policies for strategic capital investment. One of these policies is to assess the policy and fiscal implications of potential major new and expanded capital facilities by considering issues such as consistency with the comprehensive plan and neighborhood plans, and the effect on quality of life, the environment, social equity, and economic opportunity. Another of these policies is to provide fiscal impact analyses for major capital projects that are being considered for funding. The policy states that these analyses should include, but are not limited to one-time capital costs, life-cycle operating and maintenance costs, revenues from the project, and costs of not doing the project. One of the sustainability policies in this element is the use of life-cycle cost analysis to better understand the relative costs and benefits of capital facilities. The Capital Facilities Appendix gives an overview of the current capital facilities in the City as well as what will be needed in six years and in 20 years.

Information Flow to Decision Makers

In Seattle, the comprehensive plan and fiscal notes guide aspects of decision-making for City Council. One of the best uses of the comprehensive plan for city council is as a safe harbor. City council can use the comprehensive plan to defend decisions when people request changes that are not consistent with citywide planning. Decision-makers also use the comprehensive plan to guide decisions when planning for new growth. Seattle utilizes the urban village strategy to concentrate growth in limited areas in order to make the most efficient use of resources by concentrating capital expenditures into few areas of the city. The comprehensive plan lays out the framework for this strategy and allows City Council to make decisions accordingly. The City of Seattle also requires that fiscal notes accompany any legislation that is sent to City Council for capital and non-capital projects. For capital projects, these fiscal notes outline spending plans and future appropriations as well as funding source. They must also mention if bond financing will be required and if so, what the anticipated annual debt service would be. They also consider operations and maintenance costs for six years into the future. The fiscal note also inquires as to the financial cost of not implementing the legislation as well as possible alternatives. The fiscal note also has a space for discussion of long-term implications of the legislation.

Sustainability and Quality of Life

Seattle's Comprehensive Plan is entitled "Toward a Sustainable Seattle" and is intended to support Seattle's commitment to sustainability. The Plan defines sustainability as the long-term social, economic and environmental health of the community that thrives without compromising the ability of future generations to meet their own needs. An eight-year progress report, "Monitoring Our Progress: Seattle's Comprehensive Plan," monitors sustainability indicators within Seattle's urban

environment such as growth indicators, community indicators, economic opportunity and security indicators, social equity indicators, and environmental stewardship indicators. One of the strategic investment policies in the capital facilities element of the comprehensive plan also addresses quality of life issues. This policy is to assess the policy and fiscal implications of potential major new and expanded capital facilities by considering issues such as consistency with the comprehensive plan and neighborhood plans, and the effect on quality of life, the environment, social equity, and economic opportunity.

Evaluation of Progress

In 2003, the City of Seattle prepared an eight-year progress report, “Monitoring Our Progress: Seattle’s Comprehensive Plan,” which is the third in a series of reports that monitor changes in the Seattle urban environment since the 1994 adoption of the Comprehensive Plan. The Seattle Planning Commission is assigned to assist the Mayor and the City Council in the monitoring and evaluation of the Plan and to advise them as to any needed amendments. The monitoring report uses the following indicators to track change in Seattle:

- Growth Indicators
- Community Indicators
- Economic Opportunity and Security Indicators
- Social Equity Indicators
- Environmental Stewardship Indicators

The report describes how the City will accommodate continued population and employment growth forecast for the next 20 years. The reports also present useful information about how and where the city has grown. A companion document to this monitoring report will present the findings of case studies on five urban villages, which are where the City’s Plan called for most of the expected new growth to be concentrated.

Capital Improvement Projects (CIP) Planning

In regard to capital planning, Seattle’s financial policies include a policy detailing that capital investments be targeted to support the Comprehensive Plan. Seattle’s “Capital Planning and Funding Policy #2” is stated as follows: Support the goals of the City’s functional plans. Capital investments will be targeted to support the goals of the Comprehensive Plan, recognized neighborhood plans, adopted facility, department, or sub-area Master Plans, and other adopted City functional plans. The City is committed to focus much of its capital effort in those areas targeted for additional growth in the Comprehensive Plan. In addition, the City is committed to supporting the neighborhood planning process, the Parks Comprehensive Plan, the Transportation Strategic Plan, and other City functional master plans, and will ensure that its overall capital strategy is informed by these plans. This financial policy is based on State legislation which requires that all actions taken by the City, including capital decisions, match the

comprehensive plan. The Seattle comprehensive plan also has a capital facilities element that contains policies to guide decision-making for capital investments.

Regional Planning Efforts

The City of Seattle is bound by State requirements for regional coordination and consistency in planning. The State of Washington requires comprehensive plans for all cities and counties with certain population levels or rates of growth. These cities and counties must be able to show the State that they will be able to accommodate their anticipated growth. In addition, all overlapping plans must be consistent with one another. Seattle works with the County on the urban growth boundary to ensure that their plans are consistent. There is also a plan for the four-county region that requires consistency. Additionally, the Seattle plan must be internally consistent.

THE CITY OF SAN JOSE, CALIFORNIA

Comprehensive Planning

The City of San Jose 2020 General Plan was adopted in 1994 as a comprehensive, community-based update to the City's long range land use plan, and up until 2001 was subject to an annual review process. After 2001, the City Council considers amendments to the Plan up to four times per year. The General Plan was most recently amended on December 6, 2005 and San Jose is discussing when the next major comprehensive update will occur.

The San Jose 2020 General Plan is the adopted statement of policy for the physical development of the community and is the City's official policy regarding its future character and quality of development. The General Plan describes the amount, type and phasing of development needed to achieve the City's social, economic, and environmental goals. It is the policy framework for decision making on both private development projects and City capital expenditures. The State of California requires a general plan and annual reports discussing trends and housing needs. The San Jose General Plan promotes seven strategies as the foundation for the vision: Economic Development, Growth Management, Downtown Revitalization, Urban Conservation/Preservation, Greenline/Urban Growth Boundary, Housing, and Sustainable City. The General Plan is a comprehensive long-term plan that comprises an integrated, internally consistent and compatible statement of the official land use policy of the City of San Jose. When San Jose updated the 2020 General Plan in 1994, they engaged in an extensive fiscal analysis in order to formulate the growth strategy for the City.

Fiscal Impact Analysis

In 1994, the City of San Jose considered the impacts of various types of growth of fiscal sustainability with fiscal impact analysis in order to create a strategic vision for growth on which to base their General Plan. The General Plan has a Fiscal Setting element that considers the fiscal implications of new growth. The General Plan approach began with a community task force and utilized data analysis for decisions on where growth should occur. This included an evaluation of quality of life trade-offs. They also hired an economist to provide them with a detailed economic outlook in order to more accurately forecast the sectors in which job growth would occur. This study drove the General Plan for growth management, and as a result, the General Plan focuses new growth to infill locations rather than outlying areas.

Almost ten years later, San Jose commissioned a fiscal impact study by a group called Strategic Economics. The report is entitled, "Towards the Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas." This study shows the link between economy and land use and performs a fiscal analysis of different development scenarios on undeveloped land. They tie the fiscal base for service provision in the city directly to the economy and job development. This study is an attempt to examine the

interrelationships between the City's fiscal health, the economy, and land use policy. The study had three purposes:

- To compile current information, particularly employment data, on the City's economy, and to analyze that information in a spatial context;
- To link this information to land supply and demand to understand better how San Jose's employment areas can best serve the needs of the City's economy through 2020; and
- To develop a tool for evaluating the fiscal implications of potential land use conversions in those employment areas.

Other objectives of the study include:

- To consider the relationship between future job growth and housing demand in San Jose in terms of the City's long-term economic and fiscal health.
- To measure overall employment land supply against future demand as part of the overall Economic Development Strategy.
- To create a clearer portrait of the City's existing employment mix and employment land as a framework for determining the value of employment areas and making strategic decisions about land use policy.
- To identify the contribution of land or property-based costs and revenues to the City's General Fund.
- To test the fiscal implications of changing land uses in areas of the City with land currently designated for employment uses.
- To provide a holistic strategy for evaluating future proposed General Plan amendments based on a number of factors including, but not limited to, the fiscal implications.
- To recommend other policy actions that could foster a better relationship between the City's land use policies, its long term economic growth, and its fiscal condition.

In addition, this study led to the creation of a GIS database that integrates land use, employment, and other data in a spatial format. They also developed a fiscal model to test the impact of development and/or changes in land use in various employment areas on the City's General Fund. They have integrated this GIS database and the fiscal model to facilitate analysis of the fiscal impact of very spatially specific development scenarios.

This study looks at specific development scenarios in specific areas of San Jose to determine where and what kinds of growth and development would be most beneficial in these areas. It focuses most specifically on the active employment land in each area. The model uses a marginal approach to estimate public service costs and revenues, which examines the degree to which a project's service demands can be accommodated by existing service capacities, or would cause the need for an expansion of capacity in each given area. It compares capital costs to one-time revenues and ongoing revenues to ongoing costs.

The results of the study show that the location and type of new development affect the costs of services. In general, residential development on the fringe of the city costs more

to serve than new growth in infill locations. The analysis also reinforced the importance of retaining a land supply for a diverse range of commercial and industrial activities to strengthen the City’s tax base.

San Jose City staff developed the “Framework for Evaluating Proposed Conversions of Employment Lands to Other Uses” based on the Strategic Economics report, letters from citizens, focus groups, and discussions with the Developer Roundtable. The purpose of this Framework is to act as a guide to create more certainty and predictability in the review of employment land conversion proposals while retaining flexibility to respond to changing conditions, information, and policy considerations. While the Strategic Economics report looked out to the current timeframe of the General Plan (2020), staff recognizes the need to plan for the City’s economic development needs beyond 2020.

Tool for Decision-Making

San Jose City staff developed the “Framework for Evaluating Proposed Conversions of Employment Lands to Other Uses” to assess the impacts of land conversion. The Framework acts as a guide to create more certainty and predictability in the review of employment land conversion proposals while retaining flexibility to respond to changing conditions, information, and policy considerations. The Framework develops criteria for the evaluation of proposed conversions of employment lands to other uses. These criteria build on elements that have been used in the past, but they have recently added two new criteria. The two new criteria assess: (1) the economic contribution of the subarea within which a conversion proposal is located and (2) the potential fiscal impacts of the conversion. Other criteria include: proximity to transit service, proximity to compatible employment uses, availability of neighborhood services, and residential and commercial mixed-use drivers, adequacy of fire/police services, utilization of bicycle and pedestrian facilities, and potential environmental impacts. The criteria are written in the form of questions rather than scored to a point system in order for individual circumstances to be evaluated against the most current data.

Capital Improvement Projects (CIP) Planning

The San Jose City Charter requires that the Planning Commission evaluate proposed capital investments to ensure that they implement the General Plan. The Planning Commission has a study session to ensure that the two are consistent and make recommendations to Council. The reasoning behind this alignment is that capital improvements promote planned growth.

The General Plan is a dynamic document that is used by all stakeholders such as developers, City Council, and City departments. The General Plan lays out the principles and vision that must be followed. The primary implementation tools in the General Plan are the capital budget and the zoning code. Each of the tools must reflect the greater vision.

THE CITY OF DENVER, COLORADO

Living Document

The City of Denver has a comprehensive plan entitled Plan 2000, which is considered to be a living document that is continuously updated and made easily accessible to the public. Plan 2000 is intended to guide Denver in responding to problems, conditions and opportunities forward to the year 2020. It maintains the core values of economy, environment, equity, and engagement. Plan 2000 emphasizes that the short and long-term impacts on the human and physical environments be considered in all planning and policy decisions. They see policy-making as something that should be flexible to accommodate new information and innovative techniques as well as disciplined in considering the long-term implications of policy decisions. Denver has generally accepted that the comprehensive plan should be updated every five years, but they currently have the update on hold due to changes in the administration who may want to bring new ideas to the process.

The Implementation Section of Plan 2000 details the concept that this plan is a work in progress. This section sets up a process to ensure that Plan 2000 is a living document that will be implemented over the years while being responsive and resilient to change. This section describes the three components needed to get there:

- Implementation of the Plan in a coordinated and strategic manner
- Maintaining a flexible and responsive living document
- Providing annual reports to the community to document the progress of implementation.

These three components result in the following three objectives:

1. Establish action priorities for funding and implementation through the annual budget process, including both the general fund and Capital Improvement Program (CIP).
2. Regularly track and report progress in achieving the vision, goals and objectives of Plan 2000. This includes the development and use of quality-of-life indicators to assess the effectiveness of implementation efforts. Also, the compilation and distribution of an Annual Report assessing the City's progress in implementing Plan 2000.
3. Continuously update Plan 2000. This includes the addition of information that expands or refines the Plan's scope or purpose through the use of supplements such as neighborhood or corridor plans. This also includes ensuring that Plan 2000 reflects all additions and changes immediately by disseminating it primarily as an electronic document.

To maintain flexibility and responsiveness over time, Plan 2000 may be altered in two ways: by adopting supplements, which will add greater detail to the Comprehensive Plan and by adopting amendments to the Comprehensive Plan itself. Supplements expand or refine the Plan's scope and purpose, but are consistent with and work to promote the Plan's fundamental vision, goals or objectives. Examples of supplements are quadrant,

neighborhood and corridor plans. After a supplement has been adopted, the Planning Board will incorporate an abstract of the supplement into the Plan 2000 document and into the Annual Report. Amendments will be adopted, if necessary, to address dramatic changes in Denver's situation when Plan 2000 no longer provides appropriate direction or vision, or where an unanticipated need surfaces. Upon adoption, the amendment will be incorporated into electronic versions of the Comprehensive Plan and made part of the Annual Report.

To be a living document, Plan 2000 is designed to change in response to new information and changing circumstances in the form of supplements and amendments. Denver maintains Plan 2000 primarily in an electronic format so that it can be updated easily, quickly and accurately. The City's website contains an up-to-date version of the Plan, including the abstracts of supplemental plans and any amendments adopted by Denver City Council. The Annual Report is also available on Denver's website each year at the time of its release to the Mayor, City Council and the community.

Annual Reporting

The City of Denver produces annual reports on the implementation of the comprehensive plan as required by the implementation section of Plan 2000. The Planning Board is required to assess the progress of the City in achieving the Plan's vision, goals and objectives and to set action priorities for the coming year. This annual assessment is to be used to guide City agency programs, capital improvement budgeting, and policy development to better achieve the goals of the Plan. The Planning Board annually holds a one-day workshop with all City agency heads to discuss the issues and successes of each agency. This provides for a cross-pollination of ideas between agencies. The Planning Board takes this information and makes recommendations on the top five spending priorities for the coming year. Denver planners see this as a good annual process that gets people thinking about the planning process and how it relates to the budget.

The annual reports include the following components:

- Summary of changes to Plan 2000, including amendments and supplements;
- Quality of life quantitative indicators that will provide agencies, policy makers and residents with a way to evaluate whether implementation efforts are producing the intended results, or where alternative approaches are needed;
- Qualitative assessment of city issues and programs from City agencies and neighborhood organizations; and
- Direction for action priorities for City budgeting and programs.

One of the biggest issues that has been part of this process in Denver is that the indicators do not have a strong enough link to the comprehensive plan. They are currently working to develop stronger indicators that more accurately show the implementation of the comprehensive plan. The reports currently do not do the best job at showing the implementation of the comprehensive plan, but they do act as a warning system to help the City address emerging problems. Some other problems with the indicators include

the fact that the reporting process is too limited in its participation. The annual reports are currently done in the planning department by two staff members. Denver believes that what they really need is ownership by multiple agencies to improve the process. She said that the planning department cannot accurately know what is going on in other agencies without their participation.

Planning for Growth

The City of Denver has identified strategic areas for growth within the city. They have designated areas of the city areas of change or areas of stability. They are directing infrastructure improvements to areas of change in order to direct growth. Most of the analysis they have done in this process centers around where investments will have the greatest impact on the transportation system. The plan provides unified vision for growth that helps to override conflicts between various stakeholders within the city. It provides a unified set of common community values that can facilitate decision-making. Denver has very involved neighborhood organizations, which can be good in that they have great community participation, but negative in that there is often opposition to the City. In times of conflict and opposition, they can turn back to the plan, which offers the overall goals of the entire community.

Sustainability and Quality of Life

The City of Denver's Plan 2000 poses the question "Does this action improve the quality of life for people?" to both public and private civic leaders. Where livability is the "what" of Plan 2000, sustainability is the "how." Plan 2000 defines sustainability as the long-term social, economic and environmental health of a community. They consider a sustainable city to be one that thrives without compromising the ability of future generations to meet their needs. They also see a sustainable city as one that manages resources efficiently and effectively by using only what is needed, replacing as much as possible, encouraging everyone's contributions, and distributing opportunities and risks equitably. Denver's comprehensive planning process requires an annual report that includes quality of life quantitative indicators to provide agencies, policy makers and residents with a tool to evaluate implementation efforts. They are currently in the process of revising these indicators to create a stronger link to the comprehensive plan.

Other Innovative Efforts

Blueprint Denver is the subsequent integrated Land Use and Transportation Plan developed as the first major implementation tool for Plan 2000. Blueprint Denver outlines the specific steps that must be taken to achieve the Plan 2000 vision. Blueprint Denver examines the links between land use and transportation from a city-wide perspective. The zoning ordinance is the essential tool for the implementation of land use decisions, but the last major revision to Denver's zoning code and comprehensive rezoning of the city was in 1956. The code has been amended many times and is no longer easy to understand or use. There is a concern that the regulations contained in the zoning ordinance may no longer reflect the community's values or wishes. Therefore,

Blueprint Denver will result in a comprehensive examination of Denver's land use ordinances and procedures and its investment strategies. It states that the Comprehensive Plan and Blueprint Denver develop a comprehensive approach to address all the components needed to achieve a livable city.

THE CITY OF LAS VEGAS, NEVADA

Strategic Planning

The City of Las Vegas Strategic Plan 2005 was approved by City Council in January 2000. It is directed to four major initiatives: growth, quality of life, reurbanization, and fiscal responsibility. Specifically, the Strategic Plan 2005 calls for a revised and updated Master Plan that integrates current policy direction on a range of land use issues. Key directions emphasized in the Strategic Plan 2005 include: the revitalization of the city's core; the stabilization of older neighborhoods surrounding the Downtown; the development of more Downtown housing; the redevelopment of vacant and underutilized sites; and infrastructure improvements within the older portions of the city.

Comprehensive Planning

The City of Las Vegas Master Plan 2020 is a policy document that was adopted in 2000 by City Council ordinance. This Plan is intended to provide a broad and comprehensive level of policy direction for future land use decisions and related aspects of corporate planning in the City of Las Vegas through the year 2020. Nevada State statute requires an update every five years. Las Vegas does quarterly amendments. The most recent amendment was for Traditional Neighborhood Development (TND), which regulates large subdivisions with criteria for sustainable development. The Master Plan is a tool that provides guidance to City staff, the Planning Commission and City Council in the determination of planning-related decisions. It also acts as an accessible and convenient reference to the development community and the general public. This Plan is focused on the areas of: reurbanization, neighborhood revitalization, newly developing areas, economic diversity, cultural enhancement, fiscal management, and regional coordination. It was determined by the City that there were several strategic approaches or scenarios for future development each with significant value. They decided to factor these scenarios into the city's long-range planning. The City also utilized the application of a suite of GIS models designed to test land use allocation, traffic, air quality and property tax assessment changes to determine the degree to which the new Plan's goals, objectives and policies would enable the city to accommodate growth while addressing these issues. In regard to monitoring, they track plan amendments and how land use is changing. They look at the incremental impacts to see where density is increasing.

Fiscal Impact Analysis

The Las Vegas Master Planning process included the application of a suite of GIS models designed to test land use allocation, traffic, air quality, and property tax assessment changes of different growth scenarios. This suite of models was used to determine the degree to which the new Plan's goals, objectives and policies would enable the city to accommodate growth while addressing these issues. These models allowed the City to determine the most beneficial growth pattern around which to formulate their Master Plan. By incorporating the fiscal impact element into this process, the City of Las

Vegas makes the implicit assumption regarding development decisions, that if it is in compliance with the Master Plan, it is fiscally viable.

During the initial stages of the Master Planning process, the City of Las Vegas determined that there were several strategic approaches or scenarios for future growth and development within the city each with significant value. They decided to factor these scenarios into the city's long-range planning. The City conducted a one-day workshop where designs and proposals were presented, discussed and critiqued in a group setting by citizens and local organizations. Each growth scenario was run through four models: a land use model, a transportation model, an air quality model, and a fiscal impact assessment model. They blended these models in order to make them all work together. They hired a consultant to validate their methodology.

Las Vegas utilized a land use model that had just been developed by the Clark County Regional Transportation Commission (RTC). The RTC offered to provide the model, and training, to the City for testing of the draft land use policy sets of the Master Plan. One important aspect of this model was the Valley-wide approach that includes not only the City of Las Vegas, but also the surrounding MSA. This is especially important given the regional interrelationships of the municipalities in this area. The model was first run under the assumption that existing growth be allowed to continue on its current path without the interference of future policy interventions. The model would project the levels of growth in population, housing, employment. The model was next run for three different scenarios that had evolved from the committees. After the land use model, these scenarios for growth were then run through a transportation model and an air quality model that were both acquired from Clark County. The final step in this modeling process is to run the scenarios through the Fiscal Impact Assessment Model (FIA).

The City used a new Fiscal Impact Assessment (FIA) Model to analyze their growth scenarios. They developed this model in-house with some assistance from consultants. The intent of the model is to link the marginal costs of public services and capital improvements with the cost of new development or redevelopment and to determine if the revenue generated from this new development is enough to meet the marginal costs. If marginal revenue does not cover marginal costs, the City will be left with the choice of raising taxes or cutting services. This model is intended to make the City better equipped to consider the long range implications of growth and development. The policies in the Master Plan are designed to achieve the predetermined growth pattern and to ensure that Las Vegas is prepared to handle future growth.

Capital Improvement Projects (CIP) Planning

The Las Vegas Master plan also has a fiscal management element that is intended to coordinate expenditure of public funds on infrastructure and public facilities with the scheduling of planned growth in the City. This element presents the need for City departments to develop mechanisms to coordinate capital improvements and operating and maintenance expenditures with the overall long range planning within the Master Plan. The purpose of this coordination is to balance competing expenditures and

coordinate scheduling to provide cost efficient public improvements. This coordination is facilitated by a document that condenses all Master Plan policies relating to capital expenditures. This document is used by all departments in their capital planning and is the basis for the CIP. In essence, Master Plan policies drive the CIP. The ultimate goal of the fiscal management element is to link capital improvement programming and maintenance and operations programming with long range planning. One policy that will help accomplish this goal is that the City is going to develop and maintain an approach to fiscal management that focuses on long term life cycle solutions.

THE CITY OF PORTLAND, OREGON

Vision for the Future

The City of Portland is currently engaged in a community visioning process to produce a vision for what Portland will look like in the next thirty to fifty years. The mayor wants the community to come together to discuss shared values, challenges, and decisions that need to be made to accomplish this vision. The City of Portland developed a vision 15 years ago, but has recently recognized that the current vision is no longer relevant. Portland is now engaged in a “big picture” look at the future of the city based on the current trends and challenges.

Portland has recently released a document entitled Portland Present, which is intended to lay the groundwork for discussion on the future of Portland and to provide a framework for the strategic planning process. Portland Present is guided by the statement “understanding who we are is necessary before we can decide who we want to become.” This document was published in January of 2004. It provides current information on conditions and trends in regard to demographics, jobs and the economy, housing, infrastructure, education, arts and culture, environment, and development and neighborhoods.

The Portland Mayor’s Office is currently leading the strategic planning and community visioning process that will use this document as a guide. Portland defines the community visioning process as the process by which a community sees or conceives its future. It is a collaborative effort involving all Portland citizens, leaders, and officials. This process will shape:

- A plan for the future of the city;
- How to prioritize what issues and projects to tackle; and
- How citizens are involved in the city.

Portland recognizes that there are more needs than resources and that many community organizations feel frustrated that the city does not seem to respond to their needs. A community vision can help prioritize the kinds of actions needed to energize all sectors of the community to come together on workable solutions. After the strategic visioning is finished, the city will develop a five- to ten-year strategic plan to guide the city’s actions and investments toward implementation of the shared vision. After this, Portland will try to reconstruct its comprehensive plan to launch the strategic plan and the community vision.

Comprehensive Planning

The City of Portland does not have a strong comprehensive planning effort, which may be in part due to the fact that they have a very strong regional planning body that has authority over land use and transportation. The City of Portland’s Comprehensive Plan was first adopted in 1980. Since 1980, the City has made updates to some elements of the plan, but not all. The most recent update, which was in July of

2004, mostly included changes to the transportation element. They have also updated the economic development element and the housing element. Other elements such as the water facilities and public facilities have not been updated since the late 1980's. The comprehensive plan was originally designed to be a 20-year plan that was subject to review every five years. The comprehensive plan is intended to provide a set of goals, policies, and objectives that apply to the entire city. The City is currently engaging in a strategic planning and community visioning process that may result in an update of the comprehensive plan.

The Portland region is home to a very strong Metropolitan Planning Organization (MPO) that is referred to as Metro, which is governed by elected officials. Metro has authority over transportation and land use in the Portland region. Metro developed an urban growth boundary around the region, which includes 26 cities. Metro decided that the establishment of the urban growth boundary would not be enough, so they next identified regional and town centers, which are areas where they want growth to occur. Following this, they established requirements for local governments. Local governments must apply zoning that is consistent with the regional plan and that promotes growth in the right areas. Local governments were given an expected household growth to work to accommodate. They are also required to manage parking, produce an affordable housing report, and engage in natural area protection. Most of these measures are reflected in the City of Portland's zoning and land use code, but not in the comprehensive plan. The Metro plan is really just a slightly simpler version of the Portland comprehensive plan and drives a great deal of planning in Portland. Metro adopted this regional growth plan in 1995-1996. It is called Region 2040. Metro also handle regional facilities such as the zoo and the convention center. They also recently had a bond election to purchase open space.

Sustainability and Quality of Life

In 1994, the City of Portland adopted as policy the Sustainable Cities Principles, one of which references the need for long-term and cumulative impacts of decision-making. Most of the principles relate in one way or another to environmental impact, but the overarching value is equity in economy and environment. City bureaus and agencies were directed to integrate these principles into the City's Comprehensive Plan, and other plans that impact transportation, housing, land use, economic development, energy use, air quality, water quality and supply, solid and hazardous waste and other areas that may affect sustainable development. These principles also call for an annual report on the health and quality of the environment and economy. These principles have not been integrated into the comprehensive plan. The Office of Sustainable Development is currently working to get each bureau to produce a plan for sustainability.

Additionally, the Auditor's office tracks 60 quality of life indicators in a joint effort within the City/County Progress Board. This effort is not very public. But the Auditor also produces the Annual Services Efforts and Accomplishments (SEA) report to present a picture of quality of life and satisfaction levels of citizens. This information is tracked at the neighborhood level. The SEA is an annual report that is presented to council just

prior to the budget process. The SEA is used as an evaluation tool and is discussed in the budget process.

Other Innovative Efforts

The City of Portland is also implementing a holistic asset management approach to capital planning. The goal of strategic asset management is to develop a sustainable asset base that is responsive to social, economic, and environmental needs. This is a life cycle approach that aligns the asset with service delivery outcomes and city priorities. This “whole-of-city” approach will reach across bureaus within the city to promote an effective use of resources, improve coordination between bureaus, improve accountability, as well as offer many other benefits. This approach would help the City to balance spending on repair and maintenance of infrastructure by creating an inventory of all infrastructure and public facilities. This process involves looking ahead to future costs for ten years.

THE CITY OF WASHINGTON, D.C.

Assessment of the Comprehensive Plan

In 2002, the Mayor and the DC Council asked the Office of Planning to explore options for improving the format, content, and usefulness of the comprehensive plan. The Assessment concluded that a major revision of the comprehensive plan should be pursued. It suggests a more meaningful and user-friendly format, with stronger links to related city plans and programs, and recommends a series of changes to the Plan amendment process. The report also recommends DC take a number of legislative actions that would make the plan a stronger and more effective tool for guiding future growth.

The Task Force recommended improvements to the process, format, content and usefulness of the plan. Specific areas of focus included:

- How long-range capital budgeting and the comprehensive plan should be linked;
- How to improve the planning process;
- Best planning practices from other cities;
- The relationship between the comprehensive plan and other District plans; and
- The problems with the current comprehensive plan and planning process.

The assessment did not seek to re-draft the comprehensive plan itself. Instead the goal was to lay the foundation for a more workable comprehensive plan and a more productive long-range planning process.

Visioning Process

As the first step, the assessment recommended that D.C. develop a vision and policy framework that articulates the future direction of the city. This framework would be informed by an analysis of issues and trends, which would identify the major challenges facing the city and establish broad principles to be used in revising the comprehensive plan. D.C.'s visioning process has concluded that the ultimate goal of the city is to become more inclusive. They have identified the challenges that DC faces and are basing their new comprehensive plan on this larger goal. The vision is intended to guide the update of the comprehensive plan, which is the legally mandated document that regulates how and where the city grows.

An important step in shaping this vision was to identify and analyze many of the key issues and challenges facing the city. To do this, the D.C. Office of Planning commissioned eight papers examining issues of social equity, transportation, housing, historic preservation, environment, education, economic development, and urban design. These papers were used to provide insight into the visioning process. The vision evolved through more than four years of collaboration by committed citizens, nonprofits, businesses, institutions, faith-based organizations, the D.C. government, and many others.

The goal to grow inclusively will shape the way D.C. plans its neighborhoods, educates its children, expands its economy, and develops the infrastructure that ties the city together. The comprehensive plan will be updated to pursue this goal as a final outcome.

The vision has three main aspects that address the three major challenges of the city. D.C. will address the following three challenges to become more inclusive:

- Creating Successful Neighborhoods by: strengthening neighborhood identity; creating housing choices; strategically guiding growth; improving environmental health; and targeting investment in neighborhoods.
- Increasing Access to Education and Employment by: improving education quality; preparing residents for employment; expanding the economy into our neighborhoods; and continuing to diversify our Central Employment Area.
- Connecting the Whole City by: creating new public spaces; investing in transportation; transforming corridors; connecting our greenways and waterways; and building federal and regional ties.

Each aspect of the vision includes three components: 1) where we are today, 2) where we hope to be tomorrow, and 3) getting there. “Getting there” is especially important because it provides overarching direction for the comprehensive plan revision. Due to the legal power of the comprehensive plan to guide land use, it will become an important tool for translating this vision into reality.

Accessibility of Comprehensive Plan

The task force recommended that the new comprehensive plan be written and designed to be a dynamic, user-friendly document, fully accessible to everyone. The recommendation to make the plan more accessible resulted from confusion about the contents of the comprehensive plan. Citizens were unable to see the integration of issues, and information on completed tasks was not updated. The Task Force recommended that the revised plan should ‘tell a story’ to increase the number of people who read and understand it, and that it should be supported by maps, charts, and graphs that help explain why certain policies are needed. They also suggested that the revised plan be organized around themes rather than city departments in order to show the overlap in issue areas. The recommendation also stated that the revised plan should set priorities among actions and identify the party responsible for implementation. The plan should also indicate what needs to be done in the short-, mid- and long-term, and who should lead these efforts. In addition, the plan should be modified when updates or changes occur.

Plan Implementation

In order to ensure implementation of the comprehensive plan, the task force also recommended that the comprehensive plan be linked to capital planning, that the link to zoning be strengthened, and that progress reports be performed every two years. The task force recommended linking the comprehensive plan to the CIP in order to evaluate capital project proposals against the city’s long-term goals. The city plans to strengthen the link to zoning by requiring that zoning be consistent with the

comprehensive plan. Their charter currently uses the phrase “will not be inconsistent” and by changing this language, they hope to create a stronger link. D.C. has decided to monitor the implementation of the comprehensive plan due to the fact that many people, inside and outside of the city government, were unaware of the progress of the plan. The city will monitor the implementation of the plan in progress reports every two years using measurable indicators to demonstrate progress.

THE MAJOR TEXAS CITIES

Comprehensive Planning in Texas

Most other major Texas cities have comprehensive plans or are currently in the process of developing comprehensive plans. The cities of Fort Worth, El Paso, and San Antonio each have some form of comprehensive planning in existence. The cities of Dallas and Arlington are both currently addressing the issue of comprehensive planning and working to develop plans. The City of Houston does not have a comprehensive plan, but organizations in the Houston region are working to create a vision for growth very similar to the Envision Central Texas process that took place in the Austin region.

Comprehensive Planning in Major Texas Cities

Major Texas Cities	Current Long Range Comprehensive Planning Efforts
Fort Worth	The Fort Worth Comprehensive Plan was adopted in 2005 by City Council ordinance as a guide for making decisions about growth and development. The plan is updated annually. This annual planning process is coordinated with the annual budget planning process to ensure that City departments, the City Manager, and City Council make budgeting decisions that are consistent with Council's priorities as laid out in the comprehensive plan.
San Antonio	A Master Plan Policy document lays out the vision statement and goals and policies for master plans within San Antonio. This was adopted in 1997. The Master Plan Policies are intended to provide guidance in the evaluation of future decisions on land use, infrastructure improvements, transportation, and other issues. The Vision Statement summarizes the overall rationale which guides the goals and policies found in this Master Plan.
El Paso	The El Paso Comprehensive Plan was adopted in 1999. The Plan establishes long-range general policies for guiding growth and development for the community in a coordinated and unified way. The Plan represents the goals and policies for the future to the year 2025.
Dallas	Forward Dallas! is the comprehensive plan that is currently in the planning stages in Dallas. The Comprehensive Plan will act as a guide for the City Council regarding allocation of resources. Using citizen input, the City is going to develop scenarios for growth to show varying impacts. Residents and community leaders will indicate their preferences for each growth scenario, and the City will craft a comprehensive, long-range plan that incorporates strategies for implementing a common vision for the future.
Arlington	The Arlington 2025 Comprehensive Plan is currently being undertaken by the City of Arlington. This planning process aims to: provide a strategic direction for the city's future; make projections to the year 2025; and bring together the community-based Sector Plans to provide a unified City Plan.
Houston	The City of Houston does not have a comprehensive plan, but an effort similar to Envision Central Texas is currently taking place in Houston and is called Envision Houston Region. The Envision Team includes: The Houston-Galveston Area Council, Blueprint Houston, and Fregonese Calthorpe Associates.

Source: OCA survey of planning efforts in other cities, fall 2005.

Planning in Fort Worth, Texas

The current Fort Worth Comprehensive Plan was adopted in 2005 by City Council as a guide for making decisions about growth and development. Fort Worth produced their first comprehensive plan in 1965 and began the first major update began in 1998. This culminated with the adoption of a new Comprehensive Plan in 2000. Since 2000, the plan has been updated annually, to assure its usefulness and relevance to the community. The plan is currently undergoing review. The 2006 draft is available online for review and public comments. The Comprehensive Plan establishes the City's long-term growth and development goals, identifies programs enabling the City to achieve those goals, and contains a non-binding schedule of capital improvements identified for the following 20 years. This annual planning process is coordinated with the annual budget planning process to ensure that City departments, the City Manager, and City Council make budgeting decisions that are consistent with Council's priorities as laid out in the comprehensive plan.

The Fort Worth Comprehensive Plan lays out a diagram of the strategic planning pyramid that shows the connections between the different types of planning. This pyramid begins at the top with the Vision/Comprehensive Plan and descends through Council Strategic Goals, Organizational Priorities, Budget, Departmental Business Plans, Departmental Objectives & Performance Measures/Service Standards/Guarantees, and finally to Individual Performance Plans. Council strategic goals, along with the vision statement in the Comprehensive Plan and financial policies, help guide the City Manager in formulating an annual Consolidated Business Plan, which in turn provides the framework for department and individual performance plans. Each City department prepares an annual business plan describing their mission and vision, organization, budget, major initiatives, and performance measures. The business plan relates the department's activities to the City Council's strategic goals and to the City's organizational priorities. The business plan also relates the department's activities to the goals, objectives, policies, programs and projects contained in the Comprehensive Plan.

LOUDOUN COUNTY, VIRGINIA AND HOWARD COUNTY, MARYLAND

Fiscal Impact Analysis

Terry Holzheimer's paper, *How Has Fiscal Impact Analysis Been Integrated Into Local Comprehensive Planning? Case Studies of Howard County, Maryland And Loudoun County, Virginia* details the fiscal impact models that are used in these two counties to plan for growth. Fiscal impact analysis is concerned with the long-run public cost and revenue implications of changes economic, demographic, capital, and service factors at the municipal level. Fiscal impact analysis can be performed on the micro level for specific projects or at the community-wide level. The dynamic community-wide model enables analysis of alternative development patterns, also known as scenario planning. This model also allows for analysis of land uses and growth rates on taxes, capital facilities expenditures and services costs. Two fast growing suburbs of Washington, DC, Howard County, Maryland, and Loudoun County, Virginia, are among the few communities that have utilized this approach for integrating economic factors into their comprehensive plans using community-wide fiscal impact analysis.

Howard County has a twenty-year plan General Plan that contains a section on the fiscal impacts of competing land uses to balance the growth of population, service needs, and infrastructure needs. Fiscal impact analysis can be performed on the micro level for specific projects or at the community-wide level. The community-wide model enables analysis of alternative development patterns, land uses and growth rates on tax rates, capital facilities expenditures and service costs. Howard County has utilized this approach for integrating economic factors into their comprehensive plan using community-wide fiscal impact analysis.

To give an example of the complexity of this model, the revenue side of the Howard County model links zoning and land uses with projected growth of housing units, by type and price, and commercial/industrial space, by value. They divided residential development into several unit types, based largely on differing school-aged children generation rates; allocated single family detached, single family attached, apartment, condominium, and "other" unit types according to historical trends of annual market demand. The comprehensive plan also proposed an annual quota or cap on residential development. They next allocated development among retail, office and R&D, and industrial and warehouse uses by square footage and market value.

Revenue impacts were forecast based on current tax levels, assessments, and the market value of new construction. Population and employment projections were directly linked by unit and space demand and by type. The model could also account for land removed from the tax roles, for the acquisition of parkland, school sites, or agricultural easements. This model does not consider less predictable short-term market fluctuations, but rather focuses revenue projections on long term economic trends.

This model was used to confirm the affordability of the proposed comprehensive plan. The model allowed the County to project potential increases in the tax rate while holding service costs constant. The model showed that the tax rate would only require slight increases over the 20 year study period. The model was also used to calculate the "breakeven" value of a new home, which is the price required to generate taxes sufficient to cover all associated service and capital costs. The General Plan utilized this model to evaluate four scenarios of growth to compare the impacts.

The Loudoun County Comprehensive Plan is intended to link the County's development and revitalization with financial policies that assess fiscal impact and to provide an equitable distribution of the costs of development between direct beneficiaries and the citizens at large. Chapter Three of the Comprehensive Plan addresses Fiscal Planning and Public Facilities. It discusses the Fiscal Impact Analysis Technical Review Committee that provides annual forecasts of development activity and service costs over twenty years. Fiscal impact analysis was used to evaluate alternative countywide development scenarios related to the growth pattern of development. The first application of the model was to compare four alternative sub-area growth scenarios. The model incorporated demographic, revenue, capital, and service level assumptions. The demographic module contained approximately 125 growth-related variables and included such factors as pupil generation rates by housing unit type, employment per square foot by type of commercial/industrial use, and real income growth.

Fiscal impact analysis is considered as one input into a complex decision process and is not the only driving factor for the final plan recommendations. However, the County did institutionalize fiscal impact analysis in the planning process and require an annual update of the model. The County initially had issues gaining recognition for the validity of this model, but they were eventually able to tie fiscal impact analysis successfully to long-term capital budgeting by developing a twenty year Capital Needs Analysis.

The Holzheimer paper concludes that fiscal impact analysis results in a greater understanding of the connections between factors contributing to growth and development by linking of the costs of growth to the local budget. The paper offers some recommendations to other municipalities considering this approach. One is that multiple departments or agencies may need to be involved, such as planning, budget, public works, and school personnel. Also the complexity of the fiscal impact analysis will benefit from new technology that can link models with large database systems such as geographical information systems (GIS). This type of complex analysis also requires extensive data collection and maintenance, which resulted in an institutionalization of data collection in Loudoun County and Howard County.

Capital Planning

As Loudoun County, Virginia's capital improvements program increased rapidly in the 1990's, they began to employ a strategy to anticipate and accommodate the increased service and facility demand that included the full integration of land use planning, fiscal management, and facilities planning. The strategy begins with the

general plan, which establishes the development potential for residential and non-residential land uses. Chapter Three of the Loudoun County Comprehensive Plan addresses Fiscal Planning and Public Facilities and states that the need for new public facilities and their site locations will be based on the revised general plan. It also states that the County's land use strategy is tied to the timing, cost, and means of providing public facilities. This chapter discusses the Fiscal Impact Analysis Technical Review Committee that provides annual forecasts of development activity and service costs over twenty years.

Interview Questions for Peer Cities

1. How is your comprehensive plan tied to financial planning? Is there a fiscal element?
2. How do decision-makers evaluate proposed policies for decision-making purposes?
3. Do they consider fiscal impact and if so to what extent? Is there a systematic tool for evaluating fiscal impact?
4. Do they consider quality of life indicators? If so, to what extent? Are these indicators monitored?
5. How are these fiscal and quality of life elements incorporated into the comprehensive plan?
6. How is the comprehensive plan used by council/planners/departments for decision-making purposes? Is it important?
7. Is the comprehensive plan considered to be a living document? Is it continuously updated, revised, and monitored? How often?
8. What are the legal requirements for your comprehensive plan?
9. What are the roles and responsibilities of the Planning Commission?
10. What is the role of neighborhood plans or area plans in your comprehensive plan?
11. What is the long-term financial forecast for your city? How many years out does your City plan for the financial future?
12. What is the most innovative/effective tool utilized by your City?

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APPENDIX C
DEPARTMENTAL LONG RANGE PLANNING EFFORTS

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LONG RANGE STRATEGIC PLANNING ACCOMPANIED BY LONG RANGE FINANCIAL PLANNING

COA DEPARTMENTS and PLANNING TOOLS	PURPOSE	PLANNING HORIZON	INPUTS	ASSUMPTIONS	FINANCIAL PLANNING	ENTITIES INVOLVED
Austin Energy (AE)						
<u>Strategic Plan</u>	To determine a set of long-term objectives for the planning horizon; sets vision and mission statement	50 Years, updated annually	City Demographer's population forecast; Data on sub-stations and distribution lines for ten years, pricing of natural gas	Population growth, growth of the economy, assumptions about uncertain fuel supply and costs	None, the Financial Plan incorporates the goals and objectives of the Strategic Plan	AE Executive Team, Electric Utility Commission
<u>Financial Plan</u>	To determine the long-term expenditures and revenues needed to meet strategic goals	10 Years with a 5 Year Financial Forecast	City Demographer's population forecast, historic energy usage	Population growth patterns, economic growth patterns, weather patterns that impact energy usage, trends in the consumer price index (CPI)	AE uses an econometric forecasting model that shows an energy forecast used to determine expenditures and revenues; the financial plan also produces a CIP Plan	AE Energy Resource Planning Team, AE Financial Division
Austin Water Utility (AWU)						
<u>Strategic Water Resource Plan</u>	Intended to serve as the master plan for the water and wastewater systems and reclaimed water system by determining future water supply and demand and wastewater infrastructure needs	40 Years, updated every two to five years in map form using GIS	City Demographer's population forecast, employment forecast, LCRA water supply agreement	Assumptions about population growth in future planning area, developers assumptions, assumptions about infrastructure costs	The Plan includes a listing of the unit cost figures that form the basis for developing cost projections for proposed water mains	NPZD, Water and Wastewater Commission, LCRA, Region K Planning Group, Chamber of Commerce, various other external entities, and private developers
<u>Long-Range Strategic Financial Plan</u>	To translate the Strategic Water Resources Plan into a more detailed spending plan	10 Years, updated every year	City Demographer's population forecast and AWU Strategic Water Resources Plan, economic forecast	Historical customer growth and average usage per account, subdivision and engineering fees, Operations and maintenance cost increases, Pay for performance increases, increased security costs	Driven by the CIP Planning Process	FASD, City Council
Watershed Protection/Development Review (WPDR)						
<u>Master Plan</u>	To identify the order of magnitude of need and to offer recommendations on how to prioritize expenditures; this is both a strategic plan and financial plan	40 Years (2000-2040)	City Demographer's population forecast to provide buildout estimates; floodplain studies, erosion assessments, and water quality assessments; inventory and benchmarking of solutions	Anticipated revenue from developers, Potential drainage fee increases	The Master Plan involved a cost of service study which gave a forecast of future CIP costs of a range of \$800 million to \$1.1 billion for the 40 year period; the study also looked at five years of rate increases to meet the goal of \$20 million per year (actual rate increases realized will not yield this goal, but will range from approximately 12 million to 16 million depending on yearly operating costs)	Environmental Board, Forestry Board, Parks Board, Water and Wastewater Commission, Planning Commission, Citizen's Advisory Group, and the Public (involved in Master Plan Process); also LCRA, Travis County, neighboring cities, U.S. Geologic Service, University of Texas Center for Research in Water Resources
Austin Bergstrom International Airport (ABIA)						
<u>Updated Airport Master Plan</u>	To guide the development of the airport based on estimated passenger traffic and airline service	20 Years	Data collection and inputs done by consultants based on industry standards	Growth levels of enplaned passengers and cargo, aircraft operation, based aircraft, and surface transportation; passenger traffic based on population, per capita personal income, and the average cost of air travel	A financial consultant prepared a financial feasibility analysis to determine if future revenues and debt service structure will support the planned future projects	Consultants performed update to the Master Plan and all accompanying forecasts

SOURCE: OCA summary of departmental long-term planning efforts, fall 2005.

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APPENDIX D
DEPARTMENTAL PLANNING MODELS

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MODELS USED TO SHOW FISCAL IMPACTS

COA DEPARTMENTS and PLANNING TOOLS	PURPOSE	PLANNING HORIZON	INPUTS	ASSUMPTIONS	OUTPUT
Neighborhood Planning and Zoning (NPZD) and Financial and Administrative Services Department (FASD)					
<u>Annexation Study Model</u>	To estimate the impact of development in a proposed annexation area on the revenues and expenditures of the City	25 Years (model may be updated for revised assumptions)	Assessment of Infrastructure needs performed by engineers (primarily AWU); most other COA departments (AWU, AE, APD, EMS, Fire, Health, Library, PARD, PWD, SWS, WPDR) provide inputs, and developers provide assumptions	Adjusted growth assumptions from developers regarding residential base and commercial property development; assumptions about the tax rates, franchise fees, enterprise fund transfer, and interest income; assumptions about debt service and capital improvements; service provision assumptions: public safety, health, code enforcement, library, parks and recreation, public works and transportation	City fund impacts based on estimates of annual net cash flows over a 25-year period for large planned developments or existing developments to be annexed
Economic Growth and Redevelopment Services (EGRSO)					
<u>Employer Incentive Impact Studies</u>	To determine the financial impacts of new businesses moving to Austin on new job growth, new sales tax, and new property tax	10-20 Years	City Demographer's population forecast; job predictions from the Chamber of Commerce and local economists; job numbers from the company, salary ranges, Investment schedule (new real and personal property), and utility consumption	New job growth, spending associated with these salaries; also current tax rates and utility rates	Data set showing the direct economic benefits to the City of Austin and the economic incentive package
Austin Energy (AE)					
<u>Econometric Forecast Model (current)</u>	Developed in-house to provide long-term energy forecast at a system level runs simple regression. And Excel spread sheet is used to distribute the load to the class level.	10 Years, updated every year for planning and budget determination purpose, with the option of extending it over 30 years.	City Demographer's population forecast, Perryman Group economy forecast, Travis County data, AE billing information	Assume approximately 2.5 people per household to calculate total number of household (customers) using population forecast; also employment growth based on business classes	Total energy usage, not broken into class usage
<u>End-Use Forecast Model (new)</u>	Purchased from Itron to provide a more comprehensive energy forecast at class level as well as the end use level; the model is hybrid because it combines econometric and engineering calculations	10 Years, updated every year for planning and budget determination purpose, with the option of extending it over 30 years.	City Demographer's population forecast, Perryman Group economy forecast, Travis County data, AE billing information and Itron Regional parameters, indices and weather data	To estimate Residential load approximately 2.5 people per household is used to calculate total number of household (customers) using population forecast; also employment growth by type of industries (office, retail, warehouse, school, colleges, grocery, etc.) are used to estimate commercial load at different class level.	Energy usage for residential, commercial and industrial by class; these are summed to the System Load Forecast; also to be used to forecast revenue by Rate Classes
Austin Water Utility (AWU)					
<u>Computerized Hydraulic Models</u>	To simulate various future conditions and to test proposed new facilities and modifications to existing facilities for the water and wastewater systems	40 to 50 Years	City Demographer's population forecast, employment forecast	Current trend demand projections, assumptions about population growth in future planning area, developer's assumptions, assumptions about infrastructure costs.	The size of new facilities and the needed capacity of pipelines; estimates of these detailed infrastructure needs lead to estimates of cost.

SOURCE: OCA summary of departmental long-term planning efforts, fall 2005.