



City of Austin
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General Statement of City Legislative Focus

The City of Austin's Federal Legislative Program focuses on policies and legislation that directly and positively impact the City of Austin. The City of Austin opposes any legislative or regulatory action that:

- Erodes the home rule authority of municipalities,
- Constrains the ability of the City of Austin to allocate resources to areas of locally determined concern, or
- Preempts City of Austin authority in matters generally and traditionally the domain of local government.

The City of Austin supports policies and legislation that:

- Provide an equitable distribution of federal funds;
- Address the concerns and needs of large metropolitan center cities in the areas of transportation, public safety, affordable housing, vibrant and healthy neighborhoods, energy and the environment;
- Recognize the important role of strong central cities in our nation's economy and as innovators in broad areas of public policy;
- Provide a solid safety net for economically vulnerable populations and
- Recognize the challenge of climate change and the need to develop economically sustainable ways to address it.

Priority City of Austin Projects

The City of Austin has identified several community priorities that are emphasized throughout the Legislative Program under the various subject headings. The City of Austin greatly appreciates all assistance provided in previous budget years and requests consideration for the completion of these priority projects from available funding sources in the future. All relevant materials and cost analysis related to these projects are current and available upon request. The City's staff welcomes all opportunities, via the federal appropriations process, grants and the advisement of the congressional delegation, to pursue applicable funding sources.

DRAFT

Onion Creek

The City of Austin appreciates authorization of this critical flood control and environmental restoration project as part of the Water Resources Development Act of 2007 (PL 110-114) and respectfully requests new start construction funding in the coming years consistent with the Army Corps of Engineers stated capability for the project.

Project Overview

A joint project of the Army Corps of Engineers (ACE), the City of Austin, Travis County and LCRA, the Onion Creek Flood Control and Ecosystem Restoration Project will provide flood protection to the Onion Creek watershed and will restore its stream channel and adjacent riparian habitats. Floods in this watershed affected over 100 houses in 1998 and over 400 houses in 2001 and did considerable damage to the watershed's riparian areas. In the Onion Creek watershed near the intersection of South Pleasant Valley Road and East William Cannon Drive, there are over 700 houses subject to inundation in the 100-year floodplain. For the 100-year flood, house interior inundation depth ranges up to 10 feet in the Onion Creek study area.

This non-structural flood control project calls for the buyout and relocation of 483 single-family properties within the City of Austin, restoration of the Onion Creek floodplain to its natural state and construction of recreational amenities. Through 2011 the City has proactively purchased 292 properties and relocated the families living there from harm's way with a combination of funds, namely City drainage fees, 2006 City bonds, and a 2006 FEMA grant. In October 2009, the ACE drafted a Limited Reevaluation Report that updated the project costs with 2009 dollars and deleted costs paid for by the FEMA grant and associated City matching funds. The total updated cost for the project implementation within the City will be approximately \$65 million, with the City providing a local sponsor match of 35 percent of about \$23 million. ***As a result of a local bond referendum in 2006, the City of Austin has local match funding in hand.***

WRDA 2012 – Reimbursement Language

The City of Austin requests language in the next authorization of WRDA that would allow for federal reimbursement of City of Austin expenditures on this project that exceed the City's cost share toward the total cost of the project. The City has proactively purchased 292 properties and relocated the families from harm's way and would like to continue to do so in the coming years. At the end of FY 2010 the City met its cost share towards the buyouts. Language authorizing reimbursement of City spending above the local sponsor match will allow the City to proceed with this project without forfeiting federal assistance. It is critical that the City proceed with planned buyouts. In addition to living in fear of the next flash flood, the families living in the project area find themselves in limbo, unable to sell or rent their property while they await buyout.

Priority Project – FY 2013 Construction Funding

The City of Austin appreciates authorization of this critical flood control and environmental restoration project as part of the Water Resources Development Act of 2007 (PL 110-114) and respectfully requests \$2 million in new start General Construction funding in FY 2013 under the heading of "*Lower Colorado River Basin, Texas (Onion/Wharton)*" as requested in the President's FY 2013 budget request. This funding is critical to ensuring that the project proceeds in a timely manner.

Austin Energy

General Principles

Austin Energy is guided by its mission to deliver clean, affordable, reliable energy and excellent customer service and the Austin Climate Protection Plan promoting renewable generation, energy efficiency, and demand side programs.

Austin Energy supports federal subsidies for renewable energy projects including extension of renewable energy production tax credits and lifting the cap on Clean Renewable Energy Bonds (CREBs), a bond program intended to lower the cost of renewable projects to give public power entities the incentive to build renewable projects.

Austin Energy is working with the American Public Power Association and the Large Public Power Council to assure that proposed cyber security legislation would not cause undue burden to electric utilities by requiring the Federal Energy Regulatory Commission (FERC) to rewrite existing North American Electric Reliability Corporation (NERC) standards.

Austin Energy is supportive of legislation that encourages energy efficiency, green jobs, a clean energy standard and electric vehicles.

Austin Energy would have concerns regarding congressional initiatives intended to reduce the Environmental Protection Agency's budget or limit its ability to regulate conventional pollutants and/or greenhouse gases.

Energy Efficiency & Conservation Block Grant (EECBG)

As a national leader and key innovator in the areas of energy conservation and renewable energy, the City of Austin also urges Congress to fully fund (\$2 billion a year through FY 2012) the Energy Efficiency & Conservation Block Grant authorized by the Energy Independence & Energy Security Act of 2007 (PL 110-140). This new program will provide valuable assistance to the City of Austin's efforts in these areas.

Aviation

General Reauthorization Principles

The City of Austin invested considerable resources into Bergstrom International Airport. The City supports a federal aviation program that helps the City build on this investment and cements Bergstrom International Airport's role as a key building block of Austin's economy. Specifically, the City of Austin supports a reauthorization of federal aviation programs that:

- Maintains a guaranteed funding mechanism for the Airports & Airways Trust Fund;
- Maximizes funding for and the flexibility of the Airport Improvement Program;
- Maximizes flexibility in the use of Passenger Facility Charge revenue, and
- Provides local government and airport authorities with the resources they need to provide a safe and efficient aviation system.

The City of Austin also urges Congress to recognize the importance of intermodal connections and to make it as easy as possible for local governments to construct transit and intermodal passenger facilities linking airports with the central cities and regional employment centers that they serve.

Ronald Reagan Washington National Airport

The City of Austin supported the recent FAA reauthorization bill (H.R. 658) to add 16 (eight round-trip) "beyond-perimeter" slots at Ronald Reagan Washington National Airport (DCA) to permit additional flights to and from "beyond-perimeter" cities, including Austin. Airline travel between Austin Bergstrom International Airport (AUS) and DCA requires time-consuming connections that often make the trip between Austin and Washington a day-long journey that delays and missed connections often exacerbate. The City of Austin's considerable investment in AUS has provided important economic development dividends and opened up new travel opportunities for Austin residents and visitors. AUS now offers direct flights to numerous destinations through the United States, Canada and Mexico. This growth at AUS offers clear proof of travel demand and reinforces the travel and economic development restrictions created by the lack of a direct link between a state capital of 800,000 residents and the premier airport serving our nation's capital.

Health Care

The public health infrastructure is responsible for protecting people's health and safety, providing credible information for better health decisions, and promoting good health through a network of partnerships. The City of Austin Health and Human Services Department provides prevention services for the public in order to optimize their health and well-being. These services include data surveillance and epidemiology; STD testing, treatment and contact investigation; TB evaluation, treatment and follow-up; immunizations; environmental health inspections; chronic disease prevention; community programs; health information such as birth and death records; restaurant permitting and sanitation scoring; and pandemic flu information.

The City of Austin encourages Congress to maintain support for the Health Care Reform Act. Several provisions such as the Public Health and Prevention fund within the act provide funding that assists the city in reaching its public health goals and allows our partners Central Health (Travis County Health Care District) to provide funding to ensure health care coverage for all populations. Additionally, the city encourages continued adequate funding for CDC, HRSA (including Ryan White), HUD, including Community Development Block Grant / Community Services Block Grant (CSBG), Emergency Shelter Grants and Housing Opportunities for Persons with HIV/AIDS program (HOPWA). Also, the Refugee Health Screening Clinic is fully grant-funded by the Office of Refugee Resettlement (US Dept of HHS) via the Texas DSHS Refugee Health Program in continuous operation for 15 years providing health screenings and vaccinations to those who receive refuge or asylum. Significant decreases in funding will result in reductions to the current level of public health operations.

Chronic disease is the leading cause of death in Austin/Travis County. Chronic diseases include heart disease, cancer, stroke, diabetes, and hypertension. The City of Austin Health and Human Services Department implements population based services to prevent and control chronic disease. The primary focus is to address 3 key risk factors: tobacco use, physical activity and nutrition. Programs work with local coalitions, businesses, schools, and community partners to implement community changes to improve healthier lifestyles, reduce poverty and limit homelessness. Specific focus on areas where significant health inequities exist is a primary goal for the Health and Human Services Department.

In the last 100 years, public health has increased life expectancy by 30 years through vaccinations, control of infectious disease, fluoridated drinking water and many other activities. Today, this infrastructure needs the capacity to respond quickly to public health threats. Whether it is the spread of the West Nile virus into new areas of the United States, an outbreak of E.coli, preventing the spread of TB and HIV, or a bioterrorism attack involving anthrax, the public health system must keep pace with increasing demands. Any reduction in federal dollars for the above mentioned programs will significantly impact public health and health care efforts in the City of Austin.

Housing & Community Development

Housing & Community/Economic Development

The City of Austin is committed to making the City and its neighborhoods a better place to live, work and play. A major focus of these efforts is to create and maintain strong neighborhoods and to provide safe, decent, affordable housing, a suitable living environment and economic opportunities, specifically for low- and moderate-income individuals and communities.

To these ends, the City of Austin Neighborhood Housing and Community Development Office (NHCD) administers Community Development Block Grant (CDBG), Housing Opportunities for Persons with AIDS (HOPWA), Home Investment Partnership Program (HOME), and Section 108 Guarantee Loan funds. These funds come from the United States Department of Housing and Urban Development (HUD) and primarily benefit the low- and moderate-income population and neighborhoods in the City.

The City of Austin allocates federal funding for housing and community development activities in seven priority areas. The categories included in the NHCD Investment Plan are:

- (1) Homeless/Special Needs*
- (2) Renter Assistance*
- (3) Homebuyer Assistance*
- (4) Homeowner Assistance*
- (5) Housing Developer Assistance*
- (6) Commercial Revitalization*
- (7) Small Business Assistance*

The City has a strong history of leveraging this federal funding with private dollars. Austin's vibrant and healthy neighborhoods are a testament to the strength and success of these efforts. The City of Austin supports federal policies that bolster the City's affordable housing, permanent supportive housing, housing rehabilitation, community development and economic development efforts, including but not limited to full funding of the programs listed above.

The creative industry in Austin, Texas relies heavily on the dollars produced through the Hotel Occupancy Tax (HOT) statute, providing arts and cultural marketing, tourism and the enhancement of visitor experience directly contributing to the cultural tourism industry of Austin's economy. Cultural Funding from HOT contracts over two-hundred arts and cultural organizations such as Austin Symphony, Ballet Austin, Long Center, Austin Lyric Opera, Austin Children's Museum, Austin Symphony and Film Society of Austin, as well as smaller arts organizations and individual artists.

In 2010, the Cultural Arts Division reported that over 332,000 artists participate in contract-related products and services with budgetary expenses totaling over \$52 million, and reached almost 3.7 million tourists. Non-profit arts organizations are major employers and contribute to Austin's cultural and economic vitality. In 2010, contracted non-profit organizations employed 410 full time employees and 833 part-time employees. The appropriation of Hotel tax allocation to arts and culture is directly related job creation in the creative industry and the attraction of the creative class

for a larger corporate and business tax base. They are a major employer and contribute to Austin's cultural and economic vitality.

According to Americans for the Arts most recent national study, the nonprofit arts and culture represents a \$271.69 million industry in the City of Austin - one that supports 8,625 full-time equivalent jobs and generates \$27.49 million in local and state government revenue. The City of Austin's creative sector employs over 44,000 people, generates an estimated \$2.2 billion in economic activity and \$6 million in local tax revenues. The arts mean business in the City of Austin.

CDBG, HOME

The City of Austin calls on Congress to fully fund core local government programs, including, but not limited to:

- Community Development Block Grants (CDBG)
- HOME (a Federal program designed to create affordable housing)

These programs help the City of Austin meet critical needs and promote community revitalization. The City of Austin was particularly concerned about the steep decline in funding for CDBG (-19%) between FY 2001 and FY 2009. Congress reversed these cuts in FY 2010. Since then, however, Congress cut funding for CDBG by 16.3 percent in FY 2011 and another 11.6 percent in FY 2012 and slashed funding for HOME by 11.9 percent in FY 2011 and 37.7 percent in FY 2012. Previous cuts to these programs impacted the City's community development and further reductions would catastrophically impact those efforts.

Priority Project – Plaza Saltillo HUD BEDI / 108 Grant Program

The purpose of the BEDI program is to create jobs and to spur the return of Brownfields (abandoned or underused industrial or commercial properties available for re-use, of which may be complicated by the presence of a hazardous substance, pollutant, or contaminant) to productive economic use through financial assistance and enhance the security or improve the viability of the project financed with Section 108 guaranteed loan authority. The program will benefit low and moderate-income persons through near-term creation or retention of businesses and jobs. Additionally, this funding will aid private sector investment in the district resulting in increases in the local tax base. It is also intended to be a catalyst for future development in the district.

Priority Project – Austin Family Business Loan Program

The City of Austin Family Business Loan Program (FBLP) will address the gap between small business loan demand and market supply with funds from the US Department of Housing and Urban Development (HUD). Section 108 of HUD's Community Development Block Grant (CDBG) program includes loan guarantee provisions. Austin's FBLP will lend Section 108 funds locally to established, credit-worthy small businesses that seek loans to invest in fixed assets and, optionally, to supplement working capital. FBLP loans are expected to impact the local economy in several ways. Increased access to capital will sustain and grow small businesses across Austin. Small business expansion will increase the quality and variety of goods and services available to local residents.

The third distinct impact of the FBLP is that as small businesses expand, they will create jobs. The Small Business Development Program estimates that the FBLP could create 770 jobs per year when it collaborates with other lenders to approve \$50 M in loans per year.¹

Ultimately, the FBLP will spur employment opportunities for low-skilled and chronically unemployed populations. In the first place, a significant proportion of jobs created are likely to be service-oriented and naturally employ these demographics. Additionally, however, the FBLP will offer rate incentives to hire these disadvantaged populations.

CDBG Section 108 funds are critical to establishing FBLP. Section 108 will provide the seed money to establish 1) a loan loss reserve fund and 2) the pool of loanable funds from which the FBLP can go on to become self-sustaining. Reduced availability of Section 108 funds would limit the size of the FBLP loan portfolio and potentially affect the ability of FBLP to launch.

¹ This figure assumes the creation of one new job per \$65,000 loaned to Austin small businesses.

Public Safety

General Policy Statement

Ensuring the safety of Austin citizens and visitors is a paramount City priority that depends on a strong federal-state-local partnership. Federal financial assistance, information sharing and other forms of cooperation are crucial to the City of Austin's public safety efforts.

In general, the City calls on Congress and the Administration to fully fund core local law enforcement and Homeland Security programs including but not limited to COPS, Byrne Justice Assistance Grants, the State Homeland Security Grant Program, Metropolitan Medical Response Systems and Firefighter Assistance Grants. The City of Austin was particularly concerned about the steep decline in funding for local law enforcement assistance (-67%) between FY 2001 and FY 2009 but was pleased that Congress reversed these cuts in FY 2010.

Urban Area Security Initiative

The City of Austin appreciates the delegation's assistance in securing UASI designation for the Austin Metropolitan Area. This designation has provided the City and its first responders with valuable assistance in the form of equipment and training. It has also led to the creation of the Austin Regional Intelligence Center (ARIC), which will increase cooperation between federal, state and local public safety officials. While UASI funding was eliminated for the Austin Metropolitan Area in FY12 the City requests continued UASI designation and reinstated full funding of the UASI Program in FY13.

Public Safety Communications

In general, the City calls on Congress and the Administration to pursue policies that provide local public safety agencies with the tools they need to construct and operate a fully interoperable public safety communications system. Specifically, the City supports legislation to set aside the 10-megahertz portion of the wireless communications spectrum commonly known as the D-Block for public safety communications. Reserving the D-Block for public safety communications will allow creation of a nationwide interoperable public safety communications system and will ensure that first responders have the communications tools they need to effectively protect public safety and respond to emergencies.

Priority Project – Police Technology

The City of Austin has made significant investments in public safety technology. The Austin Police Department is in the process of replacing its current in-car camera system with digital mobile audio and video. The digital mobile camera system will ensure that the Department can quickly access images and evidence gathered from traffic stops and other calls for service. The Department is also "expanding its police force" by installing public safety cameras in public spaces, particularly during special events or in areas that are experiencing increases in crime. To maximize the value of these systems, and to fully utilize the aerial images available from APD's helicopter, the City needs to invest in advanced wireless technology to provide live streaming video of the captured images. Access to live streaming video will allow the Department to observe activity in real-time during critical situations.

Surface Transportation

Highway/Transit Reauthorization

The City of Austin calls on Congress to craft a successor to SAFETEA-LU (PL 109-59) that recognizes the key role metropolitan areas and their center cities play in our nation's economy. Funding allocation, project selection and program structure should reflect the fact that the vast majority of our nation's economic output comes from metropolitan areas and that the vast majority of our nation's population lives in metropolitan areas.

Specifically, the City of Austin supports a SAFETEA-LU successor that:

- Provides for an equitable distribution of highway and transit funds;
- Maintains a sustainable and guaranteed funding mechanism that ensures that all Highway Trust Fund revenues are spent on highway and transit programs;
- Directly addresses metropolitan area and central city surface transportation needs, with a strong focus on metropolitan mobility;
- Supports robust funding for the New Starts Program;
- Maintains a strong metropolitan planning process to ensure that local elected officials have the tools they need to support sustainable economic development and meet local needs;
- Links surface transportation to environmental concerns such as clean air, clean water and climate change;
- Channels funding directly to metropolitan areas, at a minimum maintaining the current percentage of Surface Transportation Program funds suballocated to metropolitan areas;
- Builds on the past decade's investment in transit by providing significantly increased resources for transit, including increased funding to meet the growing nationwide demand for rail transit;
- Sustains and expands the Transportation Enhancements and Safe Routes to School Programs;
- Does not increase the local share, currently 20%, for federally-assisted highway and transit projects, and
- Further empowers local elected officials by requiring full state disclosure of how federal surface transportation funds are spent.

Intercity Passenger Rail

The City of Austin also supports increased federal investment in intercity and regional passenger rail. An important part of a balanced transportation system, intercity and regional passenger rail reduces highway and airport congestion, reduces energy consumption, helps cities improve air quality and, because most trips are downtown to downtown, promotes central city economic development. In particular, the City of Austin supports efforts to make the South Central High-Speed Rail Corridor a reality and to implement Lone Star Rail District regional passenger rail service between Georgetown and San Antonio.

Priority Project – Urban Rail Transit Project

The City of Austin is working towards a potential New Starts submittal for the first phase of Urban Rail. The City of Austin is currently in the National Environmental Policy Act (NEPA) process, with FTA as Lead Agency, having begun preparation of an Environmental Impact Statement (EIS) in March of 2011. The City is also in the process of updating the 2010 Central Austin Transit Study Alternatives Evaluation in compliance with the current FTA Alternatives Analysis (AA) guidelines.

Urban Rail is modern rail transit mode blending the operational and technological characteristics of streetcar and light rail type services. The full Urban Rail system will serve the Mueller Redevelopment, University of Texas, Capitol Complex, Downtown, East Riverside Corridor, and Austin-Bergstrom International Airport (ABIA). It will provide collection/distribution/circulation services in Central Austin and commuter-type services for close-in neighborhoods around Central Austin. Urban Rail is a critical part of the region's emerging high-capacity transit system, providing a critical link between three modes within Central Austin: the current MetroRail commuter rail at the Convention Center, the planned (opening 2014) MetroRapid BRT service, and the future LSTAR intercity passenger rail at Seaholm.

City Council will make a determination this spring of an Urban Rail First Investment, which will then be designated as the locally preferred alternative (LPA) in the CAMPO 2035 Long-Range Transportation Plan. The City of Austin is preparing for a future bond election in which voters may be asked to fund a portion of the local share of the capital cost for an Urban Rail First Investment. The City is funding all project development costs locally and is not seeking federal assistance for AA or similar efforts. Much of that local funding is coming from the recent award of \$4,000,000 (plus a 20% local match) of Surface Transportation Program Metropolitan Mobility (STP MM) funds by CAMPO. These funds signal broad regional support for the City's efforts to improve mobility, livability, and the economic sustainability of the core of our region.



In October, 2010 the Capital Area Council of Governments of Austin was awarded \$3,700,000 under the HUD/DOT Sustainable Communities Regional Planning Grant program. The program's vision will form the basis for the CAMPO 2035 Long-Range Transportation Plan, which envisions future regional growth being accommodated in a network of 37 mixed-use, mixed-income, walkable, connected and transit-supportive Activity Centers that provide a balanced mix of jobs, housing, and services, primarily within the context of existing communities. The Activity Centers concept is designed to improve the region's livability outcomes in such areas as transportation system performance, air and water quality, and social equity and opportunity. Urban Rail has been selected as a demonstration project for application of supercomputing resources to economic development impact assessments.

Given the potential for a City of Austin New Starts Program project, the recently published Notice of Proposed Rulemaking (NPRM) for the section 5309 New Starts program in SAFETEA-LU has

important positive implications for the success of Urban Rail. The City generally supports the NPRM changes to streamline the project delivery process, simplify the project evaluation measures, and to the revisions to the calculation of cost effectiveness to focus on trips rather than on travel time saved by the users of the proposed project. Central Austin's vibrant downtown, the Capitol District and University of Texas, and proposed redevelopment at Mueller Redevelopment and East Riverside Corridor, and Austin-Bergstrom International Airport (ABIA) all become significant trip generators that will result in the project being favorably considered under the NPRM proposed changes.

Priority Project – Violet Crown Trail System

The Violet Crown Trail System is an ambitious project to create a community-wide regional trail system that will link the central City of Austin, Texas to its southern urban edge and beyond to the rural hill country. The City of Austin, the Hill Country Conservancy, and many other stakeholders are proposing a multi-modal trail system that will be a unique intersection of environmental, business, and community interests in providing a trail that will allow an alternative transportation system. The trail will provide access to commercial and retail centers, neighborhoods, parks, and other points of destination. The proposed trail will connect to major highways, arterials and residential streets.

The Violet Crown Trail System will provide a primary trail that will stretch for approximately 34 miles. The trail will begin in Zilker Park in downtown Austin and travel southward to the existing trail system in the City of Sunset Valley just south of U.S. Hwy 290. From there, the trail will pass through or near seven neighborhoods, including one of the region's largest master planned communities (Circle C Ranch); three major retail and commercial centers; and the nationally known Lady Bird Johnson Wildflower Center. The Violet Crown Trail will link to the existing Austin area trail system, including the Town Lake Trail along Lady Bird Lake, which provides recreation and transportation for more than one million users per year. In addition, this project will connect to the proposed 25-mile trail system planned for the suburban area known as Oak Hill. Thus the primary trail will connect to neighborhood and city trails creating a network of 95 miles of trails. The Violet Crown Trail will be the connector for these existing and other planned trails in this region such as connecting to the proposed MOPAC Bicycle/Pedestrian Bridge over Barton Creek.

The proposed trail will provide access to several parks including the Barton Creek Wilderness Park, the Williamson Creek Greenbelt, Dick Nichols District Park, the Deer Park preserve, Circle C Ranch Metro Park, and the Veloway facility for bicycles and skaters. This urban portion of the Violet Crown Trail System will end at the Lady Bird Johnson Wildflower Center which is a major destination for locals as well as national and international visitors. The overall impact of the trail system will be significant. It will provide an alternative transportation system that currently does not exist in this highly populated area. The existing roadways of this area are well known for traffic congestion. This trail system will address the pressing need for citizens and visitors to travel throughout central and south Austin without using a vehicle.

Priority Project – Waller Creek Multi-Use Trail

The City of Austin has invested approximately \$144 million in a flood control tunnel that will curtail damaging floods and dramatically reduce the floodplain of Waller Creek. This investment allows land owners adjacent to and nearby Waller Creek the ability to safely and securely develop their property, and affords the City the ability to safely invest in infrastructure to support this

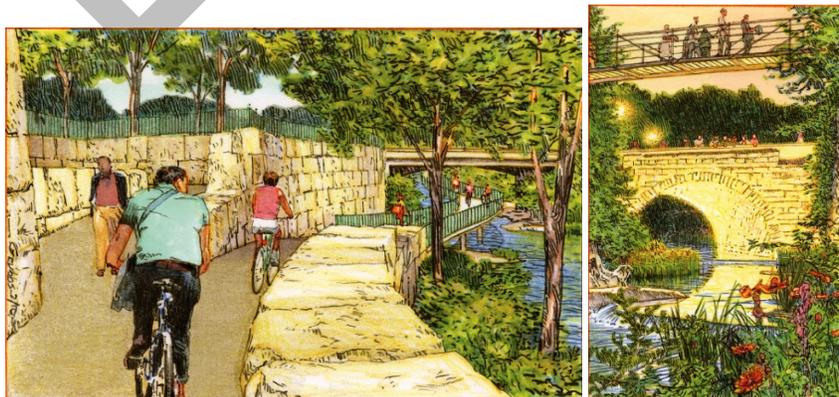
development and the wellbeing of Downtown Austin. The opportunity for redevelopment and associated infrastructure improvements will serve as the major impetus of our lifetime for the positive transformation of the eastern portion of Downtown Austin. Recognizing this, the City of Austin is partnering with the Waller Creek Conservancy to leverage private sector expertise and resources for Waller Creek and the surrounding district. The rehabilitation of the existing Waller Creek Multi-Use Trail is one of the infrastructure improvements included in this partnership and approved by the Austin City Council in June 2010, as part of the Waller Creek District Master Plan.



Mobility improvements for all modes are key to future enhancement of the area and include the creation of an approximately one mile long continuous bicycle/pedestrian trail along Waller Creek from Waterloo Park (the largest park in Downtown Austin) to Lady Bird Lake (the jewel of Austin's park system). This multi-use trail will provide improved mobility for pedestrians and bicyclists, connecting key destinations – Lady Bird Lake, the Convention Center, East 6th Street, rail and bus transit, Downtown, and the University of Texas (just to the north of Waterloo Park). These improvements and the connections they provide will enable residents and visitors to Downtown Austin to make more sustainable transportation choices.

The trail system will not only serve a mobility purpose. Located alongside a vastly improved urban creek, the trail system and accompanying improvements will become a major destination for the City and the region, connecting residents and visitors to a wonderful urban open space and serving as a catalyst for positive redevelopment.

The Waller Creek Trail is identified as Bicycle Route 951 in the City's adopted Bicycle Master Plan, and is an important component of the City's bicycle transportation network.



Tax Credits and Revenue

Collection of Sales Tax from Remote Retailers

As a result of the United States Supreme Court ruling in *National Bellas Hess v. Illinois* and *Quill v. North Dakota*, state and local governments cannot compel retailers without a physical presence in the state to collect sales and use taxes without specific congressional authorization. As a result, under current law state and local governments cannot collect sales and use taxes on sales by remote retailers that do not have a physical presence or nexus within the state. Current law results in billions of dollars a year in uncollected sales and use taxes and creates an unfair tax structure that hurts local brick-and-mortar retailers.

The growth in Internet sales over the past decade has exacerbated this problem. This problem hits cities that depend heavily on sales tax revenue particularly hard. The disparity between the tax treatment of remote retailers and brick-and-mortar retailers also impacts local retailers, the commercial real estate market and retail employment. A University of Tennessee study² estimates that the inability to collect sales taxes from remote retailers cost Texas \$774 million in lost revenue in 2011.

In the Senate, Senators Michael Enzi (R-WY) and Richard Durbin (D-IL) have introduced the Marketplace Fairness Act (S 1832) that would authorize states to collect sales and use taxes from out-of-state remote retailers. Under S 1832, in order to require out-of-state remote retailers to collect sales taxes, a state could either participate in the Streamlined Sales and Use Tax Agreement or a state could:

- Provide a single state-level agency to administer all sales and use tax laws, including the collection and administration of all state and applicable locality sales and use taxes for all sales sourced to the state made by remote sellers;
- Provide a uniform sales and use tax base among the state and the local taxing jurisdictions within the state;
- Require remote sellers and single and consolidated providers to collect sales and use taxes pursuant to the applicable destination rate, which is the sum of the applicable state rate and any applicable rate for the local jurisdiction into which the sale is made;
- Provide adequate software and services to remote sellers and single and consolidated providers that identifies the applicable destination rate, including the state and local sales tax rate to be applied on sales sourced to the state, and
- Provide remote sellers and single and consolidated providers with 30-days notice of a rate change by any locality in the state.

Representatives Steve Womack (R-AR) and Jackie Speier (D-CA) have introduced similar legislation (HR 3179) in the House. However, HR 3179 would not require states to collect local option sales taxes.

The City of Austin supports federal legislation to allow states and local governments to collect sales tax from out-of-state remote retailers, including the collection of local option sales taxes.

² <http://cber.bus.utk.edu/ecomm/ecom0409.pdf>

Authorizing remote sales tax collection will allow states to collect sales taxes rightfully owed, reduce the probability that new taxes or higher tax rates will be needed to balance state and local budgets, ensure a balanced playing field for local retailers and support local retailers, local retail employment and the local commercial real estate market.

New Markets Tax Credit Program

In July 2011, the City of Austin applied for a \$30 million New Market Tax Credit Allocation (NMTCs), a program of the U.S. Treasury's Community Development Financial Institutions Fund.

The City has a long history of nationally successful urban regeneration, job creation, financing, and direct loan programs to disadvantaged communities. The City is ramping up its efforts through the creation of an analytic technology tool to optimize infrastructure investment, speed up job and property tax creation, and generate predictable outcomes to jump start key redevelopment opportunities. This technology, aptly named the Sustainable Places Analytic Tool, is being created by the University of Texas, the City of Austin, and the Texas Advanced Computing Center through a \$3.7 million regional planning grant from the U.S. Department of Housing Office of Sustainable Housing and Communities. The new tool, coupled with NMTCs, will calibrate positive return on investment scenarios which attract private business investments.

The City is requesting NMTCs to catalyze development of the areas surrounding mass transit stations in low and moderate-income neighborhoods with Public Markets as anchors and encouraging the expansion and location of small businesses surrounding the stations and the public markets. The NMTCs will be used to provide below-market, fixed rate, subordinated fixed asset, and working capital loans to small and medium-sized businesses that create jobs for low and moderate-income residents. Additionally, the City will provide financial counseling and technical assistance to these businesses through its existing, award-winning Small Business Development Program.

A primary goal will be to eliminate or reduce the number of designated "food deserts" within Austin. This designation indicates that residents are at higher risk for premature mortality, diabetes, health, unemployment, and access to healthy food. Through NMTCs, the City will rebuild commercial areas in poverty neighborhoods, where residents can form their own local businesses or walk to their employment. By assisting grassroots small business creation, Austin can reduce the number of chronically unemployed and under-employed individuals residing in these areas.

It is important to understand that the City's program will not finance or produce low-income jobs. Rather, loans will be prioritized based on upward mobility programs, training programs, wages paid, and the number of jobs made available to low and moderate-income persons. For every \$35,000 loaned, one permanent job must be created.

Telecommunications

General Principles

The City of Austin recognizes that genuine competition in telecommunications can yield more programming and applications, improved customer service, affordable rates for all and technology deployment. To be effective, an orderly transition to a truly competitive communications marketplace must respond to the interests of local government:

- **Local Authority** – The City supports preserving state and local authority. The City is best positioned to determine how to protect its citizens with regard to maintenance of infrastructure, public safety, consumer protections, and management of rights-of-way.
- **Rights-of-Way** – The City opposes federal intervention in its ability to manage and control the public rights-of-way and to collect compensation for their use and management in an equitable and nondiscriminatory manner. The public entrusts local governments with ensuring that use of public rights-of-way by communications providers does not interfere with public safety, unnecessarily disrupt commerce, impede general transportation uses, or otherwise impose costs on the local government or its taxpayers.
- **Fees, Revenues and Taxes** – The City opposes any federal preemption of its ability to collect revenue from telecommunications providers doing business in the City, particularly when that revenue is collected as reasonable compensation for the private, profit-making use of public rights-of-way owned and maintained by the City. Public rights-of-way represent property of tremendous economic value and paid for by local taxpayers, and the public has a right to expect that appropriate value is received for the use of its property held and managed by the government as a public trust. The City opposes any moratorium on state and local imposition of taxes and fees on cell and/or internet services.
- **Local Zoning Authority** - The City of Austin opposes any legislative or regulatory effort to undermine local zoning and land use authority.
- **Public, Educational and Government (PEG) Channels** – PEG access channels play a vital role in a vibrant and democratic community and the City supports federal legislation such as HR1746, known as the CAP (Community Access Preservation) Act, to preserve and fund PEG channels to ensure that they are available to the entire community.
- **Net Neutrality** - The City supports net neutrality and opposes efforts that prevent this First Amendment right to use Internet data without regard to content, destination or source. The City opposes any legislation that has the potential of restricting the free flow of information over the internet.

Water and Wastewater

Title XVI Water Reclamation

Using an FY 2003 appropriation of \$275,000 and in-kind services from AWU staff, the City of Austin and the Bureau of Reclamation finalized, with a favorable recommendation, a required Feasibility Study for the City's participation in the Title XVI Water Reclamation Program. The City appreciates the delegation's support of that appropriation and for this project in general.



51st Street Tower

The City has identified industrial, commercial, institutional and recreational customers interested in using reclaimed water from the City's Walnut Creek and South Austin Regional Wastewater Treatment Plants for non-drinking water purposes. The City of Austin Water Reclamation Project will make highly-treated wastewater available to these through the construction of 137 miles of transmission pipes, 5 pump stations, and 7 storage tanks. Construction is complete on the 51st Street Elevated Tower and a major transmission main to the University of Texas area. The tower also provides reclaimed service to the Mueller redevelopment area (formerly Austin's major airport). The first customer on this main connected in March 2011. Construction is also complete on a transmission main to serve the Austin-Bergstrom International Airport. Currently under construction is a transmission main to the

Montopolis area that will supply Guerrero Park and other potential users located near the main. The BAE Systems main is ready to be bid and the Smith Road Extension is, under design

In general, the City of Austin supports all federal efforts to support local government water reclamation efforts. The City specifically requests authorization and funding of the City of Austin Water Reclamation Project under the Bureau of Reclamation Title XVI Program or another appropriate federal program.

Water and Wastewater Infrastructure

Water and wastewater utility providers are mandated to meet stringent federal and state environmental requirements in order to provide safe drinking water and wastewater services to the public. The City must repair, replace and rehabilitate aging and failing pipes and plants and build new infrastructure to comply with the increasingly complex regulations, protect public health, safeguard the environment and upgrade aging infrastructure.

The City of Austin identified an estimated \$4 billion of water and wastewater infrastructure needs as it developed its capital improvement program (CIP) for FY 2012 through FY 2016 and in subsequent planning. The Austin Water Utility (AWU) utilizes a rigorous asset management system to prioritize infrastructure replacement. As part of this continual assessment, AWU also considers the addition of new customers and changes to governmental regulations regarding drinking water and wastewater disposal. Although \$4 billion in needs have been identified, due to financial constraints, the City plans to spend only \$1.075 billion for new infrastructure and upgrades over the

next five years to address the highest priorities. Water and wastewater CIP planning for FY 2013 through FY 2017 is still underway.

The City of Austin supports legislation that provides grants for high priority water and wastewater infrastructure projects, particularly those that are designed to meet federal mandates. Increased funding to local water and wastewater utilities for the improvement and maintenance of water and wastewater infrastructure and additional water supplies is of paramount importance to the Austin and national economies. The City specifically supports legislation that sustains and increases funding for, and increases the flexibility of, the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). Increased federal assistance will help the City of Austin to continue to meet federal and state clean water and drinking water requirements and provide sufficient water supplies to meet the current and future needs of its customers.

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