



Innovate or Stagnate:

Could New Approaches to Infrastructure Transform our Region?

The third of four forums in the 2010 Regional Forum Series

September 10, 2010, 9 a.m. – 1:00 p.m.

St. Vincent de Paul Auditorium, Seton Administrative Offices

Executive Summary

On September 10, 2010, Envision Central Texas (ECT) convened about 190 Central Texans from the public, private and civic sectors to discuss the challenges facing our region in providing efficient and coordinated infrastructure in a time of limited resources. The focus of the day was to hear from experts from near and far who had successfully implemented collaborative infrastructure projects. The Keynote Presenter was Charles “Chick” Krautler from the Atlanta Regional Commission. There was also a panel discussion with Mitch Fuller of the Brushy Creek Regional Utility Authority; Michael Morris of North Central Texas Council of Governments; and, Greg Weaver of Catellus. Attendees gave input through table discussions and a polling process.

Key themes emerging from the presentations included the idea of creating collaborative change through strong leadership and/or an outside crisis. Non-attainment for ozone is looming as a likely threat for Central Texas and might be used to create a sense of urgency. Another idea was that now, while the economy is not robust, is a good time to plan, so that we can be ready when financial channels open up. Also, innovation is the key to financing new infrastructure projects and that new ways of assigning risk may go a long way to creating better public-private partnerships. It was also suggested that now is a good time to forge relationships with organizations and people that have not always been likely allies. Final participant poll shown below:

What are the two opportunities for our region to foster innovations in coordinating regional infrastructure?

<i>Opportunity</i>	<i>% of votes</i>
Merge CAMPO and CAPCOG	53
Put “teeth” in water planning	18
Regional rail plan, freight and passenger	31
School district planning	7
Improve community education across the region	4
Improve how SH130 and IH35 work	30
Coordinate energy projects	3
Implement “Greenprint”	7
Establish county growth management authority	39

ECT will convene a final 2010 Regional Forum on November 12, 2010 in cooperation with the Greater Austin-San Antonio Corridor Council. It will be called the 82nd Texas Legislative Preview Luncheon and will be held at the Austin Hilton Hotel. The following event report provides a more detailed recap of the presentation.

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A Summary of the Meeting

Welcome, Introduction, and Overview

Envision Central Texas (ECT) Chairman Travis Froehlich, vice president, strategy, Seton Family of Hospitals, opened the Forum and introduced the presenters for the day: keynote speaker Charles “Chick” Krautler, director, Atlanta Regional Commission; Mitch Fuller, president, Brushy Creek Regional Utility Authority and Cedar Park Councilmember; Michael Morris, P.E., director of transportation, North Central Texas Council of Governments; and, Gregory J. Weaver, president, Catellus Development Group.

The first of ECT’s series of four 2010 Regional Forums was held last March and was called *More People, Less Money, What Now?* It focused on the challenges facing our region in providing efficient and coordinated infrastructure in a time of limited resources. The dialogue was centered on the idea that regions must find new ways to break down silos and efficiently deliver critical infrastructure services. Leaders and subject-matter experts from public sector entities and private firms shared their knowledge and insights on the issues through a series of presentations and panel discussions. Attendees at the Forum participated in table discussions and a real-time polling process through which they provided their input on a series of questions about the topics.

Key themes emerging from the panel of transportation and water entities included the significant funding challenges to providing needed transportation infrastructure locally and across the state, the complex nature of water planning and importance of water conservation, and the need for careful planning and ongoing collaboration between various entities. The presentations and panel discussion about funding focused on funding mechanisms and strategies, such as public-private partnerships and tax increment financing, the implications of tightened credit markets and a “bottom-line” message that there is no free money. The final panel, which explored approaches for enhancing coordination on infrastructure issues, discussed the need to integrate local goals and objectives with agreed upon regional goals, the importance of communication and strong relationships between entities, and building on the coordination that is already taking place.

Attendees at the Forum engaged in small-group discussions following each panel and provided input on a series of questions. The most important challenges to coordination were viewed as a lack of common goals and objectives, conflicting priorities and an emphasis on local rather than regional outcomes. The group felt that if nothing changed relative to the challenges discussed at the Forum, the top consequences for our region would be a decline in quality of life and economic vitality, and result in unsustainable growth. The most important near-term tools to improve regional coordination of infrastructure included legislative reforms to enable local funding options for transportation infrastructure and enhanced county land use authority, as well as increased intergovernmental collaboration.

The big idea at the last forum, which is continued today, is that we, as a region, no longer have the luxury of planning for our infrastructure in silos or isolation. Our increasing needs as well as our declining resources compels us to think innovatively about new collaborations and other ways to break down silos in planning. Today, we have brought in experts from – near and far – to talk about projects that have utilized broad collaboration and cooperation, especially on projects where this is definitely not the norm.

Some of the ideas presented will not be possible because of our regulatory atmosphere or other reasons, but by hearing about innovative solutions we hope that we can all be inspired to think of new ways to approach our challenges!

Keynote Presentation – Chick Krautler – Director, Atlanta Regional Commission, *Regional Approach to Infrastructure Development*

Biography

Charles “Chick” Krautler is the director of the Atlanta Regional Commission (ARC). As head of the official metropolitan planning organization for the 10-county, 63-city Atlanta Region, he oversees and directs regional planning programs in the areas of transportation, air quality, the environment, land use, water supply and quality, as well as aging services and workforce development. Mr. Krautler began his work in regional planning councils as the executive director of the Baltimore Metropolitan Council.

Before coming to ARC, he was President of the Triangle J Council of Governments. Earlier in his career Mr. Krautler served as manager of Public Affairs for the Washington Gas Light Company in Washington, DC and executive vice president of the Maryland Chamber of Commerce. Mr. Krautler is a member of numerous professional organizations. He currently serves as the President of the Georgia Association of Regional Development Centers (GARDC) and is a member of the National Association of Regional Councils (NARC); the Clean Air Campaign (CAC) Board of Directors; the Georgia Foreign Trade Zone Board of Directors; the Southeastern Regional Directors Institute (SERDI); the Metropolitan Atlanta Chamber of Commerce; the Atlanta Rotary Club and the Regional Leadership Forum (RLF).

Presentation

Atlanta is one of the fastest growing regions in the country and is expecting 2 million more people in the next 20 years. Many new businesses have come to Atlanta, the city has opened a new runway at the airport and has had tremendous economic growth. Despite the tremendous economic growth of these decades and general prosperity, we find ourselves with tremendous traffic congestion. Congestion that is sucking up resident’s time, polluting our air, and jeopardizing our economic dominance and more and more companies lose time and money stuck in traffic and new companies reconsider locating in an area with constrained mobility.

Our transit provider has funding challenges and much of its state and federal transportation money is being used on numerous highways due to the low density developments prominent throughout the Atlanta metropolitan area. Solving the congestion problem on Atlanta’s major highway through downtown would require eight additional lanes – and that will not be happening! Despite a new opportunity to raise funds through a regional sales tax, we like most states are facing a tremendous shortfall in transportation funding. Building more roads will continue to degrade Atlanta’s air quality and therefore is not the answer.

In addition, we are experiencing a total transformation of our population: the Atlanta region like the rest of the country is experiencing rapid growth in its older adult population. In 2000, one in every ten residents was over the age of 60; by 2030, 1 in 5 will be over the age of 60. Our population doubled between 1970

and 2000 and population will double again between 2000 and 2015. The City of Atlanta is already majority minority, the region will be majority minority in 2014 and the entire state by 2040.

Also, Atlanta has a critically growing need for new sources of fresh water. The worst drought in Georgia's history threw our limited water supply onto the front stage. A recent court ruling has put a timeline on the decades old negotiations between GA, AL and FL– we have to come up with a viable long term solution for supplying water to the region's current residents and the 3 million expected to move here over the next 30 years. Atlanta is the largest metro area with the smallest water source in the United States. It relies on Lake Lanier and the Chattahoochee River as its main sources of water.

Historically we can easily see is a pattern of continual outward expansion around Atlanta on a dramatic scale. In 1950, the urbanized area was just 110 square miles and the area is smaller than the 285 perimeter, but as we have grown - from 1970, 1990, and from 1990 to 2000- a time of unprecedented growth, we had expanded to an urbanized area of 1200 square miles. The dominant growth trends in the 1980's, 1990's and early 2000's were low density sprawl. Our old ways of building infrastructure, low density and highly auto-dependent can not be sustained moving forward.

Let's take a look at the Atlanta Regional Commission (ARC) - the only place in the metropolitan area where all the major elected officials come together to discuss and address critical issues. ARC is an agency with a broad range of powers, authority and services and where federal and state funds are regularly merged together to streamline planning and project delivery. It is well positioned to provide leadership and solutions.

ARC was created in 1947 as the Metropolitan Planning Commission and in 1971 it became the official regional planning agency. ARC currently serves:

7 counties as the workforce board

10 counties as the regional commission and the area agency on aging

15 counties as the North Georgia metro water district

18 counties as the metropolitan planning organization

22 county air quality non attainment areas

The ARC's board is made up of 39 people– the chief elected official from each of the 10 counties and the mayor of Atlanta, a mayor from every county and citizen members from across the region.

We did a visioning process in 1991 called *Vision 2020* and a newer public planning process in 2008 called *Fifty Forward* which envisioned the Atlanta area 50 year into the future.

There are a number of tools that allow the ARC to shape the physical infrastructure of the region.

As a **Regional Commission** it can:

- Develop regional plan
- Review local comprehensive plans
- Review and approve Developments of Regional Impact

For example, the Metropolitan Rivers Protection Act calls for a 2,000 foot buffer along the Chattahoochee River. ARC must approve all construction within the buffer in order to protect changes to the flood plain caused by additional impervious cover.

As a **Metropolitan Planning Organization** it is:

- Responsible for long range transportation plans and the allocation of funds for projects
- Controls the Regional Strategic Transportation Network – which defines major transportation arteries for the metro Atlanta region

- Only designated arteries get federal funding

As the **North Georgia Metro Water District** ARC staffs the 15 county Water District which is responsible for:

- Water Supply and Conservation
- Wastewater Treatment
- Stormwater Management

As the **Area Agency on Aging** it:

- Provides services to the aging population
- Requires a plan for the future aging population

ARC has many opportunities through the **regional development plan** to influence and incentivize infrastructure development including:

- Review and Compilation of all local comprehensive plans
- Allows for increased connectivity to adjacent comprehensive plans
- Updated yearly

ARC also has several opportunities through the Regional Transportation Plan:

- Regional Investment Policies
- Regional Strategic Transportation System

One of ARC's most successful and well know projects is the **Livable Centers Initiative (LCI)** which has supplied \$13 million in community planning and \$500 million in transportation-related programs. The LCI encourages the development of transportation oriented communities

- Focus on activity centers, town centers & corridors
- Encourages local governments to plan and implement strategies that link transportation improvements with development strategies
- Planning grants provided to develop transportation efficient land use studies
- Program links implementation actions to receipt of transportation project funding
- Takes advantage of existing infrastructure in centers & corridors

There are 1148 developments in the LCI communities

- 762 are complete
- 222 are planned
- 164 under construction

LCI plans have yielded:

- 84,506 residential units
- 12,329 hotel units
- Over 19 million sq ft of commercial retail space
- Over 38 million sq ft of office space

Through the Metropolitan North Georgia Water Planning District, ARC has been able to:

- Consolidate wastewater treatment
- Just introduced new conservation measures including:
 - Retrofit on reconnect
 - Water Sense Homes
 - Incentives to expedite water loss reduction programs
 - Rebates for multi-family high efficiency toilets
 - Installing meters with point of use leak detection
 - Require private fire lines to be metered
 - Conservation pricing

Recognizing the strong preference older adults have for remaining in their communities and that the lack of housing and transportation options means that most of our communities in the Atlanta region make it very difficult to grow older, ARC embarked on an effort in 2007 to increase awareness about the types of communities our growing older adult population will need and demand. By 2009 we ran a regional charrette to design and plan how to transform existing communities into places people can live throughout their lifetime. Now we are helping those communities and others implement their plans; we've received both national recognition and more importantly federal funding to continue this work. The three goals of Lifelong Communities are to promote housing and transportation, encourage healthy lifestyles and expand information and access.

ARC took the lead both regionally and nationally to define what Lifelong Communities are and detail how communities can take practical steps to create them. Most older adults are already living in the communities where they will age. We are helping communities across the region change their policies and regulations, develop supportive programs, transform their health services and organize local residents to achieve all three of the Lifelong Communities goals in the way that best suits their specific neighborhood or activity center. The six sites we studied in the charrette all moving forward, a little slower than first anticipated because of the economy, but expect that in the next couple years to take you on the tour of the region's first comprehensive lifelong communities. Planning stages include citizen input which allows the citizens to buy into mixed use developments on their own. A surprising number of small communities wanted mixed use developments. Cities and towns that failed to obtain a grant from ARC the first time they applied were then helped by ARC in order qualify for one of the next grants.

Now is the time to plan! Even in a recession, planning allows for projects to be ready for construction when money becomes available. We need to be creative in how we design, build and fund projects for the future.

Panel Discussion – Tom Yantis, Moderator

Presentation One – Mitch Fuller, Brushy Creek Regional Utility Authority

Biography:

Mitch Fuller was appointed to fill a vacancy on the Cedar Park, Texas City Council on August 3, 2007 and elected to a full two-year term on May 10, 2008. He is Cedar Park's representative and president of the Brushy Creek Regional Utility Authority (BCRUA), which was created to manage regional water acquisition for the cities of Cedar Park, Leander, and Round Rock, Texas

Project Description:

The Brushy Creek Regional Utility Authority, a partnership of the cities of Cedar Park, Leander, and Round Rock, has a responsibility to provide reliable, cost-effective sources of water for their fast growing jurisdictions. If the cities do not develop a new regional water supply system, resources will not be adequate in three to seven years, jeopardizing the health, safety, and quality of life for residents and negatively impacting the region's economic future. In a time of rapid growth, communities must cooperate to ensure an adequate water supply for everyone. The three cities have been seeking solutions to providing long-term water supplies for several years. The Sandy Creek arm of Lake Travis is the current site of Cedar Park's and Leander's intake structures. However, this area of the lake is vulnerable to low lake levels. In fact, the need for a deep-water intake along the main channel of the lake became critical during the drought conditions of the past few years. If those drought conditions had not ended with recent rains, the two cities' current intake structures would have been "grounded", meaning they literally would not have been able to draw any water from the lake. That realization caused city leaders to accelerate planning for a comprehensive water supply system.

Presentation One:

The Brushy Creek Regional Utility Authority is a government entity made up of a board member from each city: Cedar Park, Round Rock, and Leander. BCRUA allows for one entity to buy water from the Lower Colorado River Authority collectively. Regional collaboration is not an easy task and the group must achieve political consensus on decisions.

Explosive growth has occurred and is expected to continue in the three cities. Phase one of the three-phase water supply project is nearly complete with considerable cost savings. By combining efforts, these three cities have demonstrated a real working model of the benefits of regional collaboration including efficiency and cost savings.

Presentation Two: The Foundation of Creating Financial Change in Project Delivery – Michael Morris P.E., Director of Transportation for North Central Texas Council of Governments

Biography:

Michael Morris has served in the Transportation Department of the North Central Texas Council of Governments (NCTCOG) since 1979. After working as a Transportation Planner, Senior Transportation Planner, and Assistant Director of Transportation, Michael became Director of Transportation in 1990. His responsibilities as Director include directing the overall transportation activities of NCTCOG, carrying out the transportation policies of the NCTCOG Executive Board and Regional Transportation Council, and managing the implementation of rules, regulations, and responsibilities of federal and State government.

Presentation:

We need to solve the issues of today which include increasing mobility in the midst of a funding drought. A region should make a name for the region as a whole rather than as a group of smaller entities.

Central Texas needs to begin to function more as a unified region if it has any hopes to solve its current and future challenges in transportation, water, energy and air quality.

Innovation in financing infrastructure can greatly help accomplish new projects.

Four Steps for Innovative Finance

- 1. **Discipline.** We cannot over spend due to the language of the federal legislation. We must force change by educating elected officials
- 2. **Revenue.** Use concession payments to fund projects. Use TxDOT as a backstop for financing projects
- 3. **Leverage.** North Texas has created an innovative and valuable Public Sector Credit Union Bank which allows loans without needing the 8% down payment. It has been the jump start needed for a number of North Texas projects.
- 4. **Innovation.** Silo Busting is a great start. Demonstrate to the federal government that you are working together so you can capture some of the integrated funding opportunities that are coming down the pike. Capture externalities from transportation projects and use it to fund other transportation projects. Be creative in risk allocation so that it makes sense to both public and private sectors. There are billions of dollars in public-private partnerships in North Texas and Central Texas can use this strategy more than it has.

The next step for Central Texas is to actually implement a project to gain the trust of the public. Put a plan together for the future for land that is available. Corridor planning allows for “neat” results

Realize that self interest lies in collaboration. Have realistic expectations about growth. Marry vision and political will. Help the areas realize what their priorities are. Get separate boards together so that policies are consistent across the region.

Communities can overcome self interest in favor of collaboration if they strong leadership and/or if they have a crisis. A crisis like Atlanta’s water shortage encouraged the necessity for better planning around water.. Air quality will be the next external threat for Central Texas. Use the new air quality standards to steer the conversation. Create viable institutions. Trust each other. Exercise leadership. We need to trust each other to put the entities needs over individual needs. Realize that the federal government cannot fund everything. You can’t fight the growth, but rather, you must work with it. Embrace that we are going to grow. Build trust and relationships with the enemy. The time for talk is over; the time for action, even if it is a small project, has come! Next time I visit, I want to be talking about what the Central Texas region has implemented, not what it is hoping to implement.

Presentation Three: Greg Weaver – President, Catellus Development Group

Biography:

Gregory J. Weaver is President of Catellus Development Group. Based in Austin, Texas, Mr. Weaver also heads up the Robert Mueller Municipal Airport redevelopment project in the heart of Austin. Mr. Weaver joined Catellus in 2000. He has assumed many roles at Catellus including spearheading redevelopment at Mueller and overseeing the development of Stapleton Business Center, a 300-acre, 3.5 million square foot industrial business park in Denver, Colorado (a portion of the 4,700-acre Stapleton redevelopment), and Circle Point Corporate Center, a 65-acre, 1.3 million square foot office project in Westminster, Colorado.

Presentation:

Mueller is a 711-acre sustainable, mixed use development on the site of the old Robert Mueller Municipal Airport in Austin. Mueller is a unique public-private partnership that took twenty plus years to plan and get to the stage that it is today. It is currently about on-fifth complete. Its goals are

1. FISCAL RESPONSIBILITY

A positive revenue stream and increase of City’s tax base

2. ECONOMIC DEVELOPMENT

Contributing to Austin’s economy and providing new jobs

3. EAST AUSTIN REVITALIZATION

A direct stake in redevelopment for East Austin residents

4. NEIGHBORHOOD COMPATIBILITY

Enhancing the quality of life in adjacent communities

5. DIVERSITY & AFFORDABILITY

A new community of ethnically and economically diverse residents

6. SUSTAINIBILITY

Energy efficiency, reduced auto dependency, watershed protection

The broader community benefits include:

SUSTAINABILITY/GREEN BUILDING

- Green Building Program and requirements for builders

MINORITY AND WOMEN BUSINESS ENTERPRISES

- Extensive MWBE program to encourage minority- and women-owned construction, design, investment and business opportunities

INFRASTRUCTURE

- \$175 million in public infrastructure

JOBS

- Over 10,000 full time jobs on site and over 11,000 construction jobs

FINANCIAL IMPACT

- \$5 million annual tax revenue to the city
- \$60 million of tax revenue
- \$1 billion tax base
- 100% debt financing repaid with on-site property and sales tax revenues

AFFORDABLE HOUSING

- Over 1,200 units (25% or more) of affordable housing
 - 80% of MFI or below to qualify for home purchases
 - 60% of MFI or below to qualify for residential rental

When the Mueller Airport closed, the adjacent neighborhoods began to establish their own plan for the land. The City of Austin and the neighborhood have worked together over the year so that they had a viable plan ready before a developer came into the picture. The plan was modifiable and flexible and resulted in community wide benefits.

Advice for the future would be to creatively plan for the future of a large swath of land in your city before you even bring a developer into discussion. That way you are ahead of the game and have a better chance to end up with a project that you want and that is right for your community.

Final Participant Poll:

What are the two opportunities for our region to foster innovations in coordinating regional infrastructure? (please be specific)

<i>Opportunity</i>	<i>% of votes</i>
Merge CAMPO and CAPCOG	53
Put “teeth” in water planning	18
Regional rail plan, freight and passenger	31
School district planning	7
Improve community education across the region	4
Improve how SH130 and IH35 work	30
Coordinate energy projects	3
Implement “Greenprint”	7
Establish county growth management authority	39

Closing Remarks – Travis Froehlich

After this forum, take these two actions:

1. Hug an enemy – build a relationship with some person or group that has been traditionally considered an “enemy”.
2. Consider this question - If it takes a crisis, what crisis do you think will stimulate the actions needed to address the issues discussed today?

Next ECT Regional Forum is November 12th, 2010 – Envision Central Texas and Greater Austin San Antonio Corridor Council will sponsor 82nd Legislative Preview Luncheon at the Austin Hilton Hotel.