

## Closed Caption Log, Council Meeting, 2/9/12

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Good morning, I'm austin mayor lee leffingwell, we will begin today with an invocation from pastor edward garcia from emanuel united methodist church, please rise.

[10:03:11]

Good morning! I was praying about praying today. And as I started to get ready, several things went through my mind, one of them being that today the decisions that all have before you are going to require a lot of wisdom and prayer. Because it's not just about taking sides. But bringing sides together. And it's not about deciding who wins or loses, but what is right and just and as timothy, first timothy, second chapter tells us, I urge you, first of all, that requests, prayers, intercession and thanksgiving be made for everyone. For kings and all of those in authority. That we may live peaceful, quiet lives, and all godliness and holiness. This is good and pleases god. That is what we'll be praying for this morning. Let us pray. As Moses tried to guide your people, you sent him jethro. Not to work hard, but to work wisely. As Solomon the child took over a kingdom, he had everything. But he knew he needed wisdom. And you gave it to him. Today, before us, there are many things that will be brought to our attention. And we need your wisdom today. The wisdom to make choices that will bring peace and holiness and godliness, justice and righteousness to this beautiful city we live in. Grant that wisdom to those who speak to those who respond. For we ask, in believing, that you have great things in store for the city of austin, all its people. We pray it in the name of the father, the son and the holy spirit, amen.

Amen, thank you, pastor. Please be seated. A quorum is present I will call this meeting of the austin city council to order ON FEBRUARY 9th, 10:05 , council chambers, austin city hall, 301 west second street, austin, texas. Start with the changes and corrections to today's agenda. 2, add the phrase "recommended by the water " 3, will be POSTPONED TO MARCH 8th, 2012. Items 15, 16, 17, 18, and 24 add the phrase "recommended by the water and " our time certain items for 30, we'll have briefings, first on single use bags and second on a proposed southeast travis county and pilot municipal utility district. 00 noon we will take up our general citizens communications, at 2:00 p.m. Or zoning matters. 00, we will recess the meeting of the austin city council and call to order a meeting of the austin housing and finance corporation. we will have our public hearings. 30, live music and proclamations and the musician for today is shaky graves. I should add that it's not on my sheet here, but at , we will conduct a public hearing on item 61. The consent agenda is items 1 through 38 with exceptions that I will note in a moment. First I'm going to read our appointments and waivers to our city boards and commissions, that is item 34. Which will remain on the consent agenda. To the austin airport advisory commission, rose mary

clea, is mayor pro tem's nominee. To the library commissioner, patricia davert is mayor pro tem cole' nominee. Consent agenda for today is items 1 through 38 again with the following number 8 will be pulled off the consent agenda for a brief presentation by staff. Item 25 is pulled off the consent by councilmember spelman. The following items are pulled off the consent agenda due to speakers and they are items 29, 30, 31, 32, and 33. That will be the consent agenda. We do have two speakers to speak on the consent agenda, that being first is pena. He's signed up on items 10, 12 and 13, he will have three minutes, is gus pena in the chambers? Not in the chamber. Second is heather ebberly. Signed up to speak on item 34. Heather ebberly. Neither is in the chambers, so I will end obtain a motion on the consent agenda. Councilmember martinez moves approval, councilmember spelman seconds. Discussion? Councilmember riley.

[10:09:43]

Riley: Item 31 is pulled off?

Mayor Leffingwell: Yes. Okay. All in favor say aye.

Aye.

Opposed say no. Passes on a vote of 7-0. I would like to take up item 25 first because we have a guest here to answer questions related to that item. The director of capital metro. But that's pulled by councilmember spelman. If you want to introduce it. And --

Spelman: 31 Or 25, mayor?

Mayor Leffingwell: Well, 25 is the one that you pulled. Pulled.

Spelman: That's the one that I pulled.

Mayor Leffingwell: I did miss speak. 31 Is already pulled off the consent.

Do you want us to pick up capital metro first?

Mayor Leffingwell: Yes.

Spelman: Go ahead.

Mayor Leffingwell: With item 31, we will go -- we will go directly to our speakers then. First speaker is celia israel. Celia israel and donating time is michael tomlinson, is michael here? I don't see michael in the chamber so you have three minutes.

Am I on? Good morning, everybody, my name is celia israel, I'm here today on behalf of the alliance for public transportation. Which is a coalition of -- of individuals in central texas who simply believe that more and better mass transit is an integral part of our quality of life. What you have before you today is an opportunity to take a quarter cent of the capital metro cent that was a part of an agreement with the city of austin during another time, when capital metro was

flush with cash, and we have an opportunity to redirect the purpose of those funds. We have been watching very carefully behind the scenes as the city transportation staff worked with capital metro staff. When we found out that an agreement was on your agenda today, we worked very hard to rally our troops because we know there's a lot of positive voices out there who want friday and saturday night rail service. Because I'm limited on my time, let me jump right to -- right to the petition. Which we -- which we routed around through our networks, through neighborhood associations, through other civic groups. And overwhelmingly I'm happy to report that we have over 1200 people who -- who wholeheartedly support you guys moving forward with capital metro on this agreement. It wasn't a hard sell. It makes a lot of sense to people to take transportation dollars and use them on an infrastructure asset that is performing very well. And -- and I'm hoping that you move forward quickly because I'm very concerned that the tsunami that's about to hit us in south-by-southwest is going to be a tremendous opportunity for the red line once again. It's going to be packed full of people. We don't want there to be a gap in time between the south-by-southwest period and the time we're starting weekend rail. We want to tell those people hey you can ride the trains on friday and saturday nights from here on out. It's a lost opportunity if we don't move move forward on this issue quickly. Thank you very much. We're anxiously awaiting leadership and vision that is sorely lacking on mass transit issues, I appreciate y'all's work on this. Thank you, mayor.

[10:13:50]

Thank you.

Councilmember riley?

Thanks, mayor. I do support this item, I do want to offer one amendment, well, first I would like to go ahead and send -- send -- move approval of the item. I would like to --

[indiscernible] actually i guess that I will go ahead and offer the amendment in connection with my motion. I would like to suggest that -- that we direct staff to include negotiation parameters in the course of working with capital metro to -- to examine the possibility of providing capital metro services as on friday and saturday. We've heard from a number of folks who have pointed out that -- that many people coming down -- for many 00 is the closing time, not midnight. In fact much of the activity downtown is continuing well past midnight. We certainly want to consider the possibility that this service would be valuable for -- for riders that would want to come downtown and stay sometime past midnight. This does not lock the city into the -- extending the service that long. It just opens the possibility, we can work with capital metro on that. Ideally there would be some flexibility so that we could test this service and make adjustments as appropriate. Based on -- based on ridership experience. This is just -- just my amendment would be to -- would be to -- to include negotiation [indiscernible], I know there's been some interest in looking at this at audit and finance. I guess my suggestion would be we consider negotiation including consideration of extending the hours until and then this will just be negotiation, then we can send it to the audit and finance committee to consider later this month and then can come back to council --

Cole: I will second that motion.

Mayor Leffingwell: Mayor pro tem seconds. To clarify the motion it changed to read negotiation only, come back for execution.

[10:16:05]

Cole: I second that motion and I just have a brief comment. It is very rare that we actually negotiate and execute a contract at the same time and it is also rare that we do that where we don't have the exact contract terms nailed down. So I'm feed with councilmember riley's motion because it gets to the heart of that decision and our due diligence, so that we're not issuing a rubber stamp. So -- so I also want to make clear that when it does come to audit and finance on FEBRUARY 22nd, ALL Councilmembers are invited to that and there is availability for -- for citizen participation. Thank you.

Further discussion? Councilmember tovo.

Tovo:.

I need to clarify the motion. You are suggesting that today we would just authorize continued negotiations.

That's right.

Mayor Leffingwell: That's correct.

Tovo: Then we'll have an opportunity to actually review some of the points of the agreement before we vote to approve it? Okay. Well, I will support it. I think it seems to me that we have very little information about the arrangement right now. This raises a lot of questions for me. So I appreciate the ability to postpone a decision on this issue until we actually have an opportunity to review what it's going to cost and what benefits we get and all of the other things that I think are part of our responsibility as a council. Thank you.

Mayor Leffingwell: Further discussion? Councilmember morrison?

Morrison: First I have one question for either our capital metro folks on the dais or staff. I thought that I heard yesterday, from the city manager robert good, say that train service during southwest by has already been arranged by capital metro. Is that correct? Okay. I just wanted to get that clarified. I think that's great. It's going to be a terrific asset for that and to note that I am going to support this motion and thinking through the pros and cons of it, I think it's a very fair use of our dedicated mobility fund and what appeals to me -- what appeals to me about it especially it opens up the use of our red line to a whole new group of people. Folks that are not commuters are going to be able to take advantage of the opportunity that the red line provides. So I'm excited about that possibility that we're going to be serving a different set of folks with this. Discussion? Motion to negotiate only, come back for execution, item 31, all in favor say aye.

Aye.

Opposed say no. Passes on a vote of 7-0. So now we'll go back in order. 8 is pulled from the consent agenda for a brief presentation from staff. Before we go to that, I would note on item 31, clay defoe, Wendall

[10:19:21]

[indiscernible] and David Kelly signed up against but not speaking. Go ahead.

Kevin Johns, director of economic growth redevelopment services. With me is Meghan Kriger the cultural arts manager. This will be a 15 minute presentation on the schematic design phase, which is the concept phase, of the Seaholm art wall. And with also a presentation that includes all of the pedestrian issues around the facility and the first look at all of the landscaping and street scaping. So it's a comprehensive schematic level look at this particular project. Making the presentation will be Sue Lamb, who is the project manager for the wall and Fred Evans, who is the redevelopment project manager who is coordinating Seaholm, green and the other developments in that area. So I'm going to turn it over to Meghan, should be about a 15 -- 15 minute presentation and then we'll be delighted to open it up for Q and A.

Thank you Mayor, Mayor Pro Tem, Council, for allowing us to readdress this item related to the Seaholm wall, art in public places project. I'm Meghan Kriger, project manager. Since 1984 the art in public places ordinance has allowed for a percent of art to be integrated into capital improvement plans, ranging from architectural .. Involving input from professional experts in the field of art, architecture and design. As part of the ordinance driven process, this schematic design has been reviewed and recommended by the art in public places panel to the arts commission who approved design October of 2011. In addition to the requirements set forth by ordinance, the project was presented to the design commission and downtown commission at the direction of council. In October, at the design commission recommended council to approval schematic design while requesting the artist better articulate the north-northeast corner and carefully evaluate the scale of metal mesh selected. Schematics were presented on October 19th and again JANUARY 18th. The downtown alliance thanked staff for the presentation and expressed interest in opportunities for improvements in material, design and pedestrian engagement as the project progresses. Additionally, staff formed a comprehensive stakeholder input task force at the direction of council to advise the project throughout all phases of design of Seaholm walls. There have been two meetings with input gathered to inform the design work of the artist's led team. The design of the substation parameter wall is a critical part of the overall Seaholm district master plan, as an artistic approach to downtown infrastructure. The project is significant to the perception of arts and culture within the district and I'm excited to see the wall as an essential part of the overall district's approach and emphasis on public art. Which given the innovative approach and scope of this project will set a precedence in public art on a national level. As well as serve as a model for downtown redevelopment. Today, we will provide the wall schematics in context to its surrounding environment and rent to you revised renderings which reflect solutions to three areas of interest based on input received from boards and commissions and from city council. First will be the enhancement to the walls, which is the item before you for action. Second, alternate street scape concepts along West Avenue for improved pedestrian mobility and thirdly, the potential for greenery integrate into adjacent projects. Due to the various fading of multiple projects within the district, not all adjacent project designs are

available at the time of this seaholm wall schematic design presentation, however we have taken the lead to make sure all abutting projects are closely coordinated with every phase of design and construction. I would like to acknowledge the efforts of austin energy, public works, transportation and planning development and review dementis who have been -- departments who have been instrumental in the ongoing collaboration of this presentation in response to the request of -- to although at the district more comprehensively. At this time, I'm going to turn it over to sue lamb and to fred evans and we will all be available to you for questions afterwards, thank you.

[10:24:06]

Thank you, meghan. As meghan said, we will be hitting three main points today in this presentation. We'll be reviewing the potential for greenery, near the wall, we will look at the current thinking for sidewalks, trails and streets next to the wall. And the schematic design of the wall itself, proposed lighting of the wall and proposed material. Because the seaholm substation art wall project is limited to the wall only, because it is difficult to understand the wall without its context, fred evans is here to discuss projects in the district. I want you to know that the seaholm district project managers are collaborating, coordinating their projects in the area in real-time. These projects include austin energy's seaholm substation, second street bridge and extension project, the new central library project, seaholm substation wall aipp, seaholm power plant redevelopment, energy control center redevelopment and the green water treatment plant redevelopment. Fred will discuss that more specifically.

Council, we defined the seaholm district as the area bounded by cesar chavez on the south, lamar boulevard on the west, fifth street on the north and san antonio street on the east. The graphic being displayed is from an october 2011 open house we provided the community stakeholder. As you can see, we have over a dozen active projects in the district. Economic growth and redevelopment is charged with ensuring coordination between the various infrastructure and redevelopment projects in the district. The austin energy substation is shown in gray and lies at the heart of the district. It is recognized that the substation art wall and the surrounding public realm should inform and influence the design of eve other. The designs are clearly interlinked. The challenge has been that each project has its own te professionals, but we have made it a priority to ensure that the lines of communication between project teams remain open. This image zooms in on the seaholm substation outlined in blue. They have been charged with understanding and

[indiscernible] there are five different design teams working in the immediate area, all in early design stages. South of the substation is a new central library project managed by public works with the design team lead by flato and bullfinch. Also to the south is a second street extension project including the new bridge over shoal creek in extensive work to the west bank of shoal. This project is also managed by public works and utilizes in-house civil engineering resources as well as mwm for landscape architecture and urs for bridge design. To the west, is the seaholm power plant redevelopment project managed by seaholm power development. The developer's scope of work includes the design and construction of west avenue. The extension between cesar chavez and third street. This design team includes stg architects, tbg landscape architects and bury partners, engineering. To the north is the energy control center redevelopment project, in

collaboration with constructive ventures, they have proposed to make improvements to the third street right-of-way but are just beginning those design studies. In -- across the creek to the east is the green water treatment plant redevelopment project, which we are currently negotiating with trammell crow company. As you can see, very little of the existing conditions around the substation will remain. The artist led team has done its best to understand the early design studies produced by the surrounding project teams, while developing the design concept for the art wall. As we move through the presentation, we will show you our best understanding of the seaholm art wall surrounding context. One aspect that has received significant attention is the potential for greenery in the areas adjoining the substation wall. This potential is limited by national electric code, safety code, national electric safety code provisions that prohibit greenery from being allowed to grow on the wall. However, we continue to identify all available opportunities to add greenery. In connection with the second street steps and bridge project -- extension and bridge project, public works and parks are leading the effort. The economic growth is working with seaholm power developer, public works, transportation, planning, austin energy, to evaluate the planting potential near the wall along west avenue. The west avenue right-of-way between second and third street has provided one of the biggest design challenges and has elicited the greatest council concerns. The standard right-of-way width has been compressed over time by critical electric infrastructure that extends into the right-of-way and must remain. Also, on the west side of west avenue, is a proposed residential tower to be built in conjunction with seaholm's redevelopment. We have re-evaluated all of the constraints and have developed a design solution that we believe addresses council's concerns. Egrso and seaholm power team have worked closely with other departments to maximize the use of the remaining right-of-way on west avenue, taking into consideration the vehicular traffic needs of the district and of the substation operations. In the graphic we show several required access gates in red, associated driveway aprons are shown in in -- in yellow. We also show blush dashed line to -- blue dashed line .. we also address pedestrian comfort and safety and add greenery and the underground utilities and infrastructure that exist in the area. Our solution is a two-way street with one lane each direction, maintaining a minimum five foot pedestrian clear zone, along the wall, and maximizing pedestrian amenities on the west side or the seaholm power side of west avenue. As you can see in the diagram, the areas, constraints, provide very few opportunities to plant greenery against the wall along west avenue. The floor plan depicted on the left side of the slide is the current ground floor plan for the new residential tower proposed for the seaholm power plantsite. Due to right-of-way and the need to maximize the site development potential, you can see that the sidewalk area narrows to less than six feet near the tower's southeast or bottom right corner. The developer heard council's concerns about maintaining suitable pedestrian areas and has modified the design of the towers ground floor to provide ample pedestrian area. Their modified floor plan creates a covered arcade stepping under the tower, even though these reduces the building's first floor area, the arcade expands the pedestrian area to approximately 20 feet in widths. It's similar in concept to what's shown in the photo on the right from the spring condominiums along third street. To further illustrate the proposed design solution, we have cut three sections. The first section is drawn at the tightest point between the high rise tower and the substation wall. Starting at the east are the art wall side of west avenue, we have placed the wall as close as possible to existing electric infrastructure, then we have reserved a minimum five foot clear pedestrian zone between the wall and ballards. Then we have travel and fire lanes totaling 25 feet in widths and this leaves five to six feet of sidewalk area outside of the tower, but combined with the covered arcade, we get back to an approximately 20-foot wide pedestrian

zone. Moving to the north, you can see the right-of-way begins to narrow, excuse me, the right-of-way begins to expand providing more sidewalk area outside of the tower. This particular section has -- was taken at the driveway serving the tower's parking garage. As we continue further north, the right-of-way opens up more, on the east the wall is pulled back for the substation driveway, which is designed to accommodate the turning movements of large vehicles. On the west, the sidewalk area becomes wide enough to add street trees and other great streets amenities. When we look at the second street side of the substation, you can see that although irregular, we have more opportunities for greenery as second street winds its way from shoal creek to west avenue. On this side we are able to provide more street trees as well as planning beds along the art wall. I hope that this overview has helped you understand our current plans for developing the public realm surrounding the substation site and at this time I will turn the presentation back to sue lamb.

[10:33:48]

Okay. The substation art wall team is working to make the wall more playful and engaging in response to feedback given by the downtown commission. In addition, the art in public places panel wishes the artist to make the wall engaging in response to the family and children's task force report encouraging the creation of engaging urban landscapes for children and families. In addition there is a new art in public places project being planned in association with second street bridge project. This open call for public art is to be located within 150 feet of the substation wall. And in a safe environment appropriate for encouraging children to interact as it is a way from vehicles and bikes and pedestrian traffic. The call specifically asks for art that is engaging for children and families. The city will continue to work with the surrounding developers of public art as commissioned for those projects to carry through with the recommendations for family friendly spaces. Responsive to the -- responses to the rfq for this project are due on FEBRUARY 13th. In the next several images, we'll be walking you around the wall proposed by artist nadir and his team at nadaa and will be overlaying some surrounding contexts such as greenery and sidewalks where appropriate. The artists have come up with solutions to the design constraints presented by the site, budget and austin energy's need. The schematic design has three big ideas. Strives to respond innovate actively to cost constraints, the scale of the project and creation of a lively, civic experience. It drives to walk the fine line between art and architecture, balancing practical concerns such as keeping the public safe and the substation secure, with the sculptural. Each particular side in an appropriate way in order to make active and engaging public space, people and program are an important aspect of the project and the artist has a strong desire to make strong spaces which enliven and enrich the area. In the upcoming images the artists have depicted context for greenery, streets and sidewalks in the area. All work shown outside of the wall itself is the purview of other design teams. They are all in early conceptual phase, all subject to change. We are starting on the southeast corner at shoal creek and the planned second street bridge. Each slide you will see a map in the lower right corner to help orient you. The wall is proposed to be concrete masonry units constructed so that there is texture in the wall. The artists are proposing per for rehabilitations above 8 -- perforations above 84 inches, there will be some to allow light as well, less than two inches to comply with code and prevent climbability. The foreground shows a railing on a bridge over shoal creek. The bridge design is in development. To show context, the artist has represented the shoal creek trail, an a.d.a. Accessible way along the wall and planting. All walks, trails and plantings in the view are the per kvue the second street

bridge -- are the purview of the second street bridge extension and design team. This view is of the wall looking towards west avenue across the street from the new central library. Three key sustainable design responses are evident in this schematic design package. The artist is using common materials in uncommon ways which can be sourced locally, can be sustainably produced and have very low maintenance requirements. Second street has one large gate opening seen here for a major truck to come through a minimum of once or twice a year. The opening will be used at other times as well. The artist has shown possible plantings to be designed by the second street bridge and extension team. This is the southwest corner of the wall, a planned second street and extended west avenue across the street from the seaholm power plant. The wall here will be

[10:37:57]

[indiscernible] as well to create an interesting texture with this common material. They are proposing to cant the wall out, enticing pedestrians to move toward the seaholm development. They are creating vitality and whether it's a pedestrian, a driver, or a person looking from a window, the wall should work at different scales and speeds. The seaholm wall artists are proposed to make it more playful and engaging through the use of colorful light as shown here. Piercings in the wall will allow some of the light through to enliven the wall at night. The west wall is required to have four openings along west avenue. Three active gates and one removable wall section to access substation equipment. The artist has proposed using metal mesh so that the distinction between the gates and the wall are less obvious. By effectively down playing the gates, the wall can take on a more sculptural characterment the artist will scale the height to be minimum five foot pedestrian way. Here the artist proposes using light to animate the wall at night creating a lively experience during the evening hours. Color variations can be used to further the playfulness of the wall, enhancing the evening experience as a back drop to activities or events. This use of light provides design continuity as people move around the wall. The artists are proposing to pleat the mesh as a method to break down the scale, changing the view depending on your position. Pleating the mesh keeps the baseline from encroaching into the pedestrian way while creating a dynamic upper story. The image in the upper right corner is an example which shows how visible a metal mesh wall would be in daylight creating a curtain between the substation and its surroundings. Again, proposing to use conventional materials means and methods in unconventional ways, the artist show how it can be rendered more playful through the use of color and mesh design. Throughout the wall, materials are planned to be either non-conductive or to include a grounding source. In addition, in order to be sustainable, they should be able to be locally sourced, simple for contractors to work with and a very low maintenance requirement. At the northwest corner of the wall, at west avenue and third street, the materials shift to vertical timbers inspired by the existing railroad trestle at shoal creek. They are suggesting an ab pattern to create a layer of visual interest. If you were to move by the wall quickly you will get a more a effect. The timbers will be about four inches apart so it is possible to see into the plant. The material would possibly be concrete vertical members formed and stamped as timbers depending on the cost and availability of sustainably harvested woods. The potential trees and plantings in this renderings are part of the seaholm power plant redevelopment team's work. Using lighting to animate the wall at night, the artists are also proposing to add light inside the power substation to highlight the most -- the nighttime experience can be centered around light emanating from within the wall or beyond. Sculptural. Here we see the northeast

corner of the wall at third street adjacent to shoal creek. As we enter design development, this corner will be further scrutinized to create a more lively experience in response to direction received from the design commission. There are very tight site constraints at this corner due to equipment inside the substation and due to the proximity of the lance armstrong bikeway. The artist team rendered third street as it exists today adding vegetation to show there is opportunity for street trees along the wall here. Note toward the corner of third street and west avenue they have shown shorter trees required because of the presence of transmission lines in this area. As we move south along shoal creek from the corner of third street, the wall transitions from the vertical timbers and returns to the concrete masonry unit wall. The artists are proposing to mount their wall on the existing retaining wall again using the timbers to tie the site back to the old railroad trestle bridge. Because we are restricted from growing vines on the wall itself and in order to provide some greenery at this edge, the artists are deticketing tall grasses which are an excellent solution given the national electric safety code requirement. In concert with them the second street bridge team will design greenery along the wall against shoal creek. Once council has approved schematic design and we have authority to move to design development we will bring the next phase of design to the district shareholder group. We will also forward the design development package to the boards and commissions with purview over this project.

[10:43:18]

Council, as you've seen, there's a lot of ongoing design work in the seaholm district. By a variety of project teams. We all find it challenging to visualize how everything will come together and be experienced by the public. Consequently, the city is commissioning a 3 d computer model of the seaholm district to combine the design images and give us the ability to walk through the future public improvements around the substation, it will be a great tool for all of the project teams as well as city staff and council and we intend to present the 3 d model to the design commission and the downtown commission during design development of the district's projects.

I would like to thank you very much for your attention, we would be pleased to take any questions that you may have. Have.

Mayor Leffingwell: Questions, councilmember riley?

Riley: Thank you for the presentation. I really appreciate all of the work that has gone into this project, which is as you noted is so critically situated among a number of other emerging projects. I just have a couple of questions. First, with respect to the proposed modifications of the -- of the street scape area along west avenue. I'm glad to see that the -- that the proposal on the west side of allowing more room for pedestrians within the -- within the residential project that's planned to go up there. I just wanted to ask about the effect on the -- on the space at that project. As you noted, this would -- this would diminish the space available on the first floor of the project. Are there any concerns about the effect that would have on retail, any pedestrian oriented uses that might be located there?

Excuse me, the developer is comfortable with this accommodation and the first floor will still have a very significant retail presence. Above the ground plan the tower would proceed as originally planned, there's no impact above the ground level.

Riley: Will there be opportunities to have seating if there were some sort of a cafe there, could we still have outdoor seating.

Uh-huh.

Secondly, I want to just ask about a concern that i heard from the design commission. That relates to themes that might be observed around the wall. The concern was are we getting just an assemblage of disparate parts or themes that can be seen from one side to another. Have you taken a look at that and considered how the whole work will cohere together.

[10:46:05]

The artists have worked hard to active crate the surface of the wall in all directions, that a unifying theme. So they have added texture to the wall along second street, they've pleated the wall along west avenue and they have that ab pattern for the vertical timbers on the third street side and along shoal creek. The notion being that the wall will always have movement within its structure. That's a unifying feature. Secondly, the unifying feature will be lighting. At night. Particularly that will be focused on the key pedestrian ways, second street, west avenue and third street.

Riley: Actually, i misspoke, that was a concern from the downtown commission. So this is -- we're at the schematic stage, will be there [indiscernible] give me an idea of to the extent that commissioners and other stakeholders have continued interest in this, what will be the next opportunity for them to see the next step in this project?

We will be engaging the design forum that we have gathered for review of this project. We have about 44 members. Many of whom are representatives of boards and commissions that have purview over this project. We will be engaging them part way through the design development phase so that they can have real-time input on to what the artists come up with for design development. Additionally we will be bringing the design development back to the design commission, downtown commission, for review and input.

Riley: I really appreciate your continued efforts to consider input from -- from boards and commissions and others. Since we obviously want this to -- to reflect the values of the community and -- and the input of those that have been so involved in this area for many years. So I -- again, I appreciate all of your efforts on this.

Councilmember morrison?

Morrison: Thank you, thanks for that very engaging presentation. I'm not sure if you've addressed this specifically, but could you help me understand the difference between what we've

seen today and what was presented in october? Outside of the -- I'm talking specifically about the wall, not the adjustments to make room for mobility.

Correct. The -- the design itself has not changed substantially. We've asked the artist to apply color to their renderings because they had not done that originally so that it's more easy to understand what they've done. They have indeed added lighting design components to their schematic design, but structurally pretty much the same presentation.

[10:49:10]

Mainly, in terms of the elements that have been changed, mainly the addition for lighting for nighttime. Then I as you mentioned the downtown commission we've got it in our backup here, in their discussion they expressed to the city council their hope that there will be opportunities for improvement in the materials and design and improvement in the pedestrian engagement. As the project progresses. Do you feel that -- do you feel with an approval of the schematic design today that's still going to allow for the opportunity.

Absolutely, schematic design is fairly early in the design process. Through design development. There will be opportunity for meeting the downtown commission's issue.

Morrison: Okay. Did they actually take a vote to approve or note the schematic design?

They did not.

Martinez: Just had a motion that --

Morrison: Just had a motion that said thank you. I just want to comment that this is certainly a topic that we've had a lot of conversation about that goes back a couple of years, i appreciate all of the attention to it because it is going to be a character defining element of a pretty major portion of our downtown. So I'm looking forward to the continued engagement because we get a lot of -- out of that in terms of improving [indiscernible]

councilmember tovo.

Tovo: Just a quick last comment. I do want to thank you for the continued work on this. I appreciate in particular that you have embedded the goals of the families with children task force report into this design and into your upcoming request for proposals. So thank you for doing that, I think that it's really critical.

Mayor Leffingwell: Councilmember spelman.

Spelman: Two quick questions. This is going to come up sooner or later, may as well come up now, first, what the devil is a moray effect.

To try to describe that, it gives the notion of visual movement. It's -- I wonder if I should just go back to that image, but gives you the notion that it's almost an optical illusion that something is in motion. But it's not actually in motion.

Spelman: As you are walking past this unmoving wall, because it's got this little grid in it, what you are looking at is going to be moving as you are moving.

Well, it probably -- you probably won't get the experience when you are walking. The speed isn't quite fast enough. But if you are on a bike or some other mode of transportation, you would probably have that effect. I don't know if you've ever had the experience of driving down a highway and seeing a bunch of vertical elements moving past you, gives you that kind of notion.

[10:52:03]

Driving past a picket fence or something like that. Like an old movie or something. A little bit too slow of a pattern for you not to notice it.

Right.

Spelman: Second question. Thanks for that. Generally speaking it looks like the wall is an interesting as an unmoving object can possibly be with the legitimate and the different things that the artist has done to juice it up. I think the only thing missing is a pink floyd sound track.

[Laughter] the only other question that I have got is on page 16 of your presentation, it occurred to me, I think this might be a general comment, that's when you showed the wall would actually be concave. Coming out of the --

correct.

Spelman: It occurred to me that my son would be far too well behaved to do this sort of thing, but he has a lot of friends who like to climb rocks. Seems to me that this is going to be begging for rock climbers to try their hand at this going backwards wall. Is the wall going to be strong enough to support that sort of thing, I know we will not sanction it but people are going to do that anyway.

It will certainly be sound enough to support that type of activity, we are going to discourage that as much as we can.

Spelman: I imagine so. More generally has anyone taken a look the at wall to look for security - not security so much as how tamperproof this wall is going to be, how resistant to kind of wear and tear of people doing stuff that they do?

We do have a strong engineering expert on the design team that will be working on that.

Okay.

Mayor Leffingwell: A motion on item 8? Councilmember Riley? Moves approval. Seconded by councilmember Spelman. Any discussion? All in favor say aye.

Aye.

Opposed say no. Passes on a vote of 7-0. Number 25, pulled by councilmember Spelman.

Spelman: Mayor, I believe there's people here from the fire department to answer a couple of questions.

Mayor Leffingwell: Okay.

Good morning, it's really scary when you have the fire chief talking about technology.

[Laughter] he will -- I have a caveat that I want to share with you and I sort of jokingly say, but it gets the point across very well. When it comes to technology, I want to put the bread in and I want the toast out. So I will answer the questions the best of my ability. But if I can't, I do have backup.

Spelman: I understand. I see your backup scattered here and there. In fact that's -- I like the comment to start with because this is actually what I wanted to talk about. This is a very small item. We're talking about 20 -- less than \$20,000 a year for a three year period. It barely made the threshold of getting the council in the first place but I'm glad it did because your staff were kind enough last year to give me a demonstration for what it is that QlikView has been providing since you started working on it. I wonder if you can transcribe for me how the fire department is better off because it has this tool available.

[10:55:22]

I would be happy to do that. I started out I wanted a software that put the real information in the hand of the users. We have been able to do that. It started out with our battalion chiefs needing information in order to make decisions about how they manage and how they ran their particular battalion. Pretty soon the captains in their complement were going well can we travel over and use that, we really like the information we can get from that. It gave them things like their CE's, how many of their people under their command were getting their continuing education units. Were they doing their building inspections, they were getting things like turnout time and response times and so then it became a little bit competitive of well why is this company's turnout time a little longer than this same company on a different shift. And so it helped improve our response times and our turn outtimes and then eventually got down to lieutenants. So every single fire station now in the city has access to the data and people are making good decisions based upon information that is real. And they are able to use it in a simple format, literally as you can tell them, is in a drop down click and view it format. It's been a phenomenal tool for us and made us very successful and has not involved people from CTM, we're not taking away from their time and their other important projects. We have been able to actually manage it all internally. Very successful and very inexpensive overall project in a program that we have been able to use.

Spelman: This is probably not the most important of the applications, but the one that stuck with me after the presentation was the one on the turnout time and the original turnout times there was one true I think was really good, a -- one crew was really good, a couple much slower, we are talking about 15 or 20 second, not a very big difference. Seemed to stick in the craw of the lieutenants, what do we have to do so we're for the getting beaten by this other station.

That's correct, our response times did reduce to a certain extent because people were looking at their times and where they could improve their response time without violating policy was where that was occurring. So they were cutting down the time that they were spending in the station, what we call that turnout time from the time the bell goes off to the I'm that they are on the truck responding.

Spelman: Right. Also sounds like first battalion chiefs but then captains and then lieutenants. And you may have had some ideas in mind as to how this was going to be used, but turns out used in a whole bunch of ways you didn't foresee in the first place.

[10:58:12]

It really did. Initially I was thinking it was the battalion chiefs, they would look at, you know, their battalion and then it got, as I said, grew down, went down through the organization, it really drew its own excitement and we are currently working on bringing some other data in that is called our national incident reporting system data that will start to give battalion chiefs, captains, lieutenants, trends. Where the fire is occurring, where the incident is occurring and their -- in their district and then taking our public education efforts out to some of the trouble areas, canvassing those neighborhoods like we have done just in a grassroots efforts, making sure that they have working batteries in their smoke alarms, did they know that the fire in their building was caused by leaving candles burning unattended. So trying to create a better, safer environment through information and data.

An opportunity to identify recurring problems and not just deal with one fire or one incident at a time as though they were separate.

That's correct. It's similar to ultimately what police do in com stat in trending and looking at things like that. We are trying to build our own system that will give us the information and allow us to make good decisions.

Spelman: Com stat comparison sound exactly apt, sounds like you can get access to it pretty much any time that you want to.

That's correct.

Spelman: Else presumably could have benefit from this sort of a thing, too. Have you talked at all with about using similar software.

We've had conversations , both of their representatives are here. I know that we're working on and I'm not quite familiar with what it is, but I think they're prepared to speak to that. is here prepared to speak to their business intelligence software and whether or not they find qliview.

If there's somebody here from a.p.d.

A.p.d. would be great.

Okay. Thanks.

Good morning.

Good morning. commander McElvy.

Yes, afd was kind if you have for let us borrow one of their lances to allow some of our folks to take a look at qliview to see if it help us do our jobs. They were very excited about the applications, based on that we've had discussions to purchase our own server with our licenses, at this point we are ready to move forward in accepting that to our budget committee and plugging into qliview, no work if our ctm people, just letting us plug into a server and we will be ready to go.

Basically a turnkey operation. One thing once you have started you have figured out what you are going to do with it.

Absolutely.

Do you have a clear idea what you are going to do with it yet.

Mostly for com stat, be able to more quickly give our staff budgeting and finance information. But we haven't been playing with it nearly as long as , we are hoping to branch into other applications much like they have. Also give the commanders the ability to look real-time on their computers at information much like we do in com stat but be able to do it on a daily basis from their own computers.

If some pattern is emerging over the course of a week you will be able to identify it before you walk into the --

exactly.

I have no idea all of the things that you will be able to do with it. I don't think you do either as the fire department. That's a good thing, I think it's terrific that you guys are working on that.

Thank you.

Spelman: Mayor I move approval.

Councilmember spelman moves to approve item 25. Councilmember morrison second. Any if you are suggest? Passes on a vote of 7-0. 30 morning briefings, first briefing is on single use bags.

Greetings mayor and council. Bob gedd re, sweats, i apologize, austin resource recovery, I have lets owes.

I'm not used to it either.

I'm in recovery from waste being, I'm into resource recovery. I have a left a packet of your review, a bag of bags as I walk through this powerpoint presentation. We're here today -- we're heed today with a council briefing, I will walk through our proposed ordinance that is posted on the council website. And -- and there is a schedule march 1st public by council on this issue. One of the reasons why we are -- why we are involved in this issue is the -- is the litter and -- and environmental damage to the environment. Let me see if I can -- if i can walk through it. Could you reset that. There we go, okay. And in addition -- let me -- let me -- yeah. There we go. In addition, city council, has -- has -- has addressed THIS ISSUE ON APRIL 19th, 2007. JUNE 24th, 2010, AND MOST RECENTLY ON AUGUST 4th, 2011. AND ON AUGUST 4th, 2011, City council in a resolution directed staff to develop the city ordinance providing a comprehensive phaseout of single use plastic bags offered at retail checkouts. That is what ism bringing forward to you for your consideration is an ordinance that addresses that resolution. The litter and environmental impacts, we see this every day, I just want to note that as I'm traveling to city hall this morning, two plastic bags are flying past my windshield as I'm driving on ih 35. As a remainder of this issue. Unfortunately, I was only traveling -- fortunately i was -- I was only traveling two miles an hour on ih 35.

They are taunting you, bob [laughter]

also as we are addressing this issue, I would like you to note that our austin zero waste policies in our newly council adopted master plan adopted december 15th addresses this issue in 3, the goal of this initiative is to reduce single use and non-recyclable products and packaging and then again 5 the highest and best use principles, the highest and best use in this situation is reduce and reuse before we consider recycling and composting. So I wanted to note that the consistency and my interest in this topic based on our zero waste principles. I want to address the process as well as the ordinance details and then some concerns that have been raised on the ordinance. Then next steps, the process, city council resolution on august 4th as I mentioned, we have had extensive stakeholder discussions september through january, actually extending into february, i have met with on more than 100 stakeholders individually or in small groups in discussion on this issue. And we have had swac public comments and discussion on OCTOBER 5th, NOVEMBER 9th, DECEMBER 14th, A Public forum on the issue on OCTOBER 24th. In addition, continuing into this year, the -- the swac discussion of draft number 2, we have draft one, draft 2 and draft 3, and draft 2 discussion on january 11th environmental board discussion, january 18th public focus group meeting, ON JANUARY 30th, AND THEN Last night, a swac discussion on draft number 3, the draft that I am presenting for your review, last night swac did approve the recommendation towards council on this particular draft in their vote last night. The city council briefing of today and then a city council public hearing on MARCH 1st. The

ordinance purchase to replace carry out single use bags with defined reusable single use bags. I have approached this not from the perspective of banning plastic bags, but rather approaching the single-use bags as a defined part of this ordinance that can be reused and recyclable. This is a replacement of the bags that are currently distributed. Some of the exemptions from this ordinance basically because these exemptions, these situations were not envisioned in the original resolution from August, because these don't fit the definition of retail checkout bags, try cleaner bags, produce, meat, frozen foods, store handler bags, prescription and beer, wine and spirits carryout bags and restaurant carryout bags. In many of these situations the ordinance that I am proposing to you for your review require that these exempt bags be at the minimum recyclable in the blue cart single stream recycling program. The permitted reusable bags, we offer three choices in this ordinance. And I referred to my packet for your review. We have the cloth or fabric or woven type of bags. We have the recyclable paper bags with the minimum weight certification and handle and then the reusable and recyclable plastic bags four mil thickness for durability and a handle to indicate reusability. I have examples provided for your review there. I also have examples in that bag of single use bags as well, too. The implementation time line that we are proposing is an education phase from -- from first -- the first year, no impact on the distribution of single use bags in the first year to allow for retailers to adapt and for consumers to adapt and a major public education program. Retailers. This slide shows one-year education program, I have proposing a two-year education program. Transition phase, phase 2, WOULD BE FROM MARCH 1st, 2013 To February 28, 2014, the transition period where single use bags are permitted to continue to be distributed but a 10 cent fee or a dollar transaction fee. This would be a retail prior to the implementation of this time period the retailer would choose either financial situation or the other in some cases high volume grocer store situation may prefer a dollar per transaction so they don't slow down and try to count the individual bags of small carryout convenience store may prefer the 10-cent single use bag fee because of lower quantity of bags to distributed in those situations. So as a concession to retailers and their situations, both options are offered and signage would be required at the point of purchase to avoid confusion with the consumers. This is a time period, a one-year time period where not only retailers but customers transition to reusable bags, the intent is to start reducing the use of reusable bags. But phase 3 is March 1st 2014 for retail checkout single-use bags permitted to be distributed and reusable bags are required. It is the desire by that date that all retailers in the city are offering these three choices of reusable bags. The ordinance recognizes that there is social, economic problems in the community and certain people may have a hardship in the fee structure for -- so during the period of the temporary surcharge, the -- the lone star carries that use the -- carriers that use the governmental assistance are exempt from any fees based on this proposed ordinance. Also a clause in the ordinance for retailers to position if there's a hardship, economic hardship on their business in implementing this ordinance. Other elements of this proposed ordinance is retailer signage requirements, parking lot as well as point of purchase signage, consumer education at the point of purchase, temporary surcharge to fund public education, the point on -- the temporary surcharge whether it be a 10-cent or a dollar fee is a 50% is -- retained by the retailer and 50 percent by the city. Retailer retained would be used for transition cost by the retailer purchase of signage, literature, as well as promotional reusable bags for distribution. The city use of the funds would be placed into a restricted use fund specifically for this purchase only for this ordinance for public education and distribution of reusable bags and would -- I propose for a two-year period of time. Also this ordinance prohibits the carryout bag, single-use carryout bags at all facilities so that's what we are asking retailers to do as well.

Now I would like to walk through some issues that have been raised and some concerns about this proposed ordinance, I have walked through the public comment period with three ordinances, proposes, ordinance draft 1, 2, and 3. 1 -- 1 Was a -- an extended time period and certain elements of it. Draft 2 was a much shorter time period. And certain elements exempted and not exempted. And draft 3 in my view is more of a middle road approach between draft 1 and 2. But even with this approach of draft 3, there are some issues that have been raised. And -- and my briefing today BETWEEN NOW AND MARCH 1st, I welcome any consideration from council on amendments or changes to the current ordinance that is being raised. Option -- paper bags have been a contentious issue, the current draft ordinance includes paper bags, single use paper bags as being transitioned to a -- to a more reusable paper bag, thicker bag with handles. There is -- there is the point well raised that this was not envisioned in the original resolution, the original resolution said single-use plastic bags. There has been consideration of the issue in the public meetings, pro and against, parts of the consideration against including the paper bags is that at least there may be a free option that's available for our residents. So option b, option a for council consideration is the current draft ordinance. Council b is to not include the paper bags in the ordinance. There is also the environmental impact considerations of paper bags on the other side of the fence there. So I -- as a staff recommendation, on option c, for your consideration, the paper bags be defined by certification and handles without a wait requirement that may minimize based upon that modification may minimize the cost to retailers, so that it could be distributed free or at a low cost.

[One moment please for change in captioners]

for instance, newspaper delivery on a wet morning. It's that's right envision a reusable option in that sense. So there are reasons for staff recommendation and consideration of this issue is to remove the exemption from beer, wine and spirits carry you bags. Off 17 it many retailers he he off 17 to many retailers and that exemption is doable to remove that exemption. In the future staff wants to explore potential replacements to the exemptions. For example, we can work with the dry cleaners on producing some options that may be more environmentally safe than the thin plastic bags that they're utilizing right now. The temporary surcharge also has raised a lot of conversation in our public meetings. And the temporary surcharge creates an implementation challenge as well for collection and usage of those fees and the public accountability of those fees. The intent of including a one-year period is two fold. One, to create a market driver for people to recognize that single use bags are being phased out and there's a fee and maybe if you're paying a fee you might be encouraged to purchase some reusable bags and remember to bring them into the store as well too. Another reason for that fee, that surcharge, that temporary surcharge, is to fund the transition cost. So those are the two purposes. Staff recommendation in consideration after the publication of the current draft ordinance is to transition from the education phase to the full implementation without the surcharge and adjust the dates of implementation. And there's consideration at our end that the fee structure may be an unnecessary step. I welcome your input and your concepts and your thoughts on that as well too. Two more issues that have been raised and discussed extensively. Metrics. There is a consistent lack of access to bag distribution accounts by the retailers and a recycling accountability issues. And so we're committed to finding a solution to this issue. No matter what ordinance is adopted by council, there is a need to measure success and to measure juncture points in the future for perhaps revisiting this issue. And so I propose a contract with the university of texas staff to

develop metrics, analyze data and provide reports in the next two years, to develop the metrics and the measurement system. That also is a good answer to the retailer's concern of proprietary information. On the reuse, recycling options, we've had spirited discussions on the recycling of single use bags, the recycleability of the proposed reusable bags. And I revisit the original purpose of the ordinance is to move towards reuse as a higher priority, but of course at the end of its useful life of concern is what do we do with the reusable plastic bags at the end of its useful life. And I am working with local recyclers and end users of the material and we are proposing to work in the next two years to develop a comprehensive bag recycling program. Whatever form the ordinance is adopted by city council, this is an issue that needs to be addressed. I also revisit in this discussion the difference between litter abatement and litter control. And there is a significant impact on our litter stream for the single use plastic bags as they fly through the air and are difficult to capture. And I -- and part of the public discussion is wouldn't it be less expensive to just add more litter control staff and control the litter more actively? And my answer is there's a difference between litter abatement and litter control. Litter control is acknowledging the litter to be there and we come and pick it up. Litter abatement is stopping the litter from landing on our ground and our streets in the first place. So I find this issue a measure, one single measure among many towards litter abatement. Recent council actions on January 26th, you adopted a public hearing notice for MARCH 1st. And the staff briefing February 9th. Next steps is the March 1st public hearing at four to consider the proposed ordinance. And legal staff is available with motion sheets for various options to be provided in the event that you desire to change any elements within the proposed ordinance. And that concludes my briefing. And I welcome any questions now and as well as in the future.

Mayor Leffingwell: I'll make a couple of quick comments. I've been involved in this issue for five years probably. And we've gone through a lot of iterations, discussed all the many aspects of it in a lot of different ways. And I'm glad to see that you're recommending that we not have a fee. I don't think I could support a transaction fee, 10 cents or a dollar or -- I think that overcomplicates and I think it's onerous for the public. There's also a discussion yet to be had I think about exemptions for certain paper bags and non-exemptions for other paper bags. And remember, we're basically only talking about the retail checkout counter. What is -- I've got both types of paper bags in the bag that you gave me. One is the heavy duty and the other is the ordinary bag that's in use, probably in grocery stores and other outlets all across the city. So what's the difference in cost in these two bags to the retailer?

Yeah. Obviously difficult to find pricing, so I've talked to the bag distributors that distribute to retailers. And I find that the paper bag, the single use paper bag is generally thinner, 20 weight, 24 weight, 28 weight type bag. And about three to four times of the single use plastic bag. So there is -- as they move from single use plastic there is a concern of the added cost here. The reusable handled bags at the thicker weight rating is double to triple the cost of this bag here, and may cost between eight to 14 cents to the retailer depending upon the style of the bag, the style of the handle and the size of the bag because they can come in different sizes as well too. At 8, 12, 14 cents a bag, retailers indicate that if this was the designed bag that they would retail this at 25 cents a bag.

Mayor Leffingwell: Yeah. So when we began this, the original resolution referred to single use plastic bags, and somewhere along the way it went to all single use bags. Can you explain the rationale for that?

I understand the original resolution was single use plastic bags. Part of the rationale was the experience of some communities that have adopted plastic bags ordinances where the retailers moved towards the single use paper bags and the environmental impacts and the added cost involved to the retailers. Retailers generally find it a more expensive option. The environmental community finds that there's a tremendous poor record in the paper industry for production of paper. So there's those two considerations. On the other side of the fence, if you don't include paper bags into this ordinance, it can be revisited at a later time as well too.

Mayor Leffingwell: Yeah. And of course, the rationale in the beginning, the reason we referred to plastic bags was as we all know, but I'll repeat it here again today, is that the plastic bags do not fit into our single stream. They cannot be used in the mrf, the material recycling facility, because they tend to clog it up. So there's really no mall, cost effective way to -- no practical, cost effective way to recycle plastic bags. There are ways to do it, but there's no cost effective way to do it. They can't be put in that. So what we're left with here is potentially -- and what troubles me is either, a, we put a big financial load on the retailer by requiring them to have a very expensive alternative. Or what is perhaps even worse, have somebody go with a big number of items, for example, to a grocery store checkout, and have no option other than to buy something more expensive, a number of one-dollar bags or something like that. So I'm concerned about that. And I want to talk about it a little more and hopefully think about it a little more BETWEEN MARCH 1st. And I certainly -- I hear what you're saying about retailers and the way they feel about it. So frankly that's something that I had not originally considered and I want to pay some attention to that. But those are my two areas of concern. I'm glad you're recommending there be no fee whatsoever, and having some kind of safe harbor so that people are not left trying to carry out 20 cans of peas in their arms. So that's a concern of mine. Anyone else?  
Councilmember Morrison?

Morrison: Thank you, mayor. I recollect the the night that we passed the ordinance. The issue of paper bags came up and we explicitly asked will this resolution allow you to look into the issue and actually consider it too. And you said yes. And there was some indication that there was an interest in making sure that we investigated that. So I just wanted to make sure that nobody thought that it morphed under your -- into something way beyond what we had considered at the council.

That's correct. And I've just recently reviewed over that tape because that began the conversation, so from the stakeholder meetings forward with the public meetings we've included the paper bag in the discussion.

Morrison: I think the staff and all the folks that have been involved, it's been a robust and productive -- the best kind of community engagement in many ways, and one of the most challenging issues because we're looking, from my perspective, we're looking at a cultural shift, and at the same time we're having to balance really critical values that we have in our community, environmental values, ensuring that we keep front and center impact of our

decisions on, for instance, low income folks or -- and our small businesses and all. So finding that delicate balance is a real challenge. And one of the conversations I had with folks from h.e.b. Were raising the concern about a total ban and the impact that that would have on, for instance, low income folks that are coming in and doing a large shopping trip all at once. And they were asking for consideration perhaps -- you probably know this. I'm sure you've had this conversation. Consideration of allowing exemptions for situations like that. And I wasn't keen on jumping on to that, but I was keen on seeing if we couldn't brainstorm to find some ways to deal with that issue to mitigate any economic impact. And one of the ideas that came out of that was would it be possible for the city through its education fund to be able to provide a supply of reusable bags to be used in that situation? And they could even be especially focused, educational point, like the bag could say I forgot my bag and I won't again or something like that. Have you all looked and talked about any options to that?

Very much so. And I will be meeting with representatives of the austin food bank on a distribution of reusable bags. And I would like to engage with other social service agencies in distribution of reusable bags. And I believe that could be a proactive part of the city response to public education. The socioeconomic impacts are a concern. I believe the answer is not the continued use of single use, but rather getting reusable bags out there in the hands of people to reuse and to carry to the grocery store as well as the retail outlets.

Morrison: I agree with you. And on the issue that has been discussed about paper bags, I -- because I think we really are looking at a cultural shift and I think this community can do that, I fully support making sure that we try to integrate those into the consideration. So that's my point of view on that. Let's see. On slide number 12 -- on slide number 10 you mentioned the possibility of a hardship experience. What kind of things are you envisioning that to address and are you talking about a hardship variance for long-term they would have a variance and be able to do single use bags?

Yes. It's the phase 3 after the full phaseout of single use. I have visited more than 100 retailers around the city. I'm spreading my consumer spending money throughout the city. And talking to cashiers and talking to managers. And I have not seen a hardship situation, but we leave that as a safety valve in case there's a very small business that sees an economic impact and they can provide their case to us. Most retailers from the convenience store on up i feel from talking to the staff and looking at the physical arrangements of each store I believe can adapt to this. I cannot imagine a situation, but we want a safety valve there.

Morrison: And I have to convey that when I was out doing my holiday shopping at the local bookstore, the proprietor came up to me and said what are we going to do if it's raining? And so anyways -- but that person was thinking very creatively about -- and had already been looking into the prices of different bags and being able to brand them and all of that. So have you worked -- have you worked with and has there been a large involvement with our small business community, our local business community, austin independent business alliance?

Yes. I've been in contact with several business associations as well as three associations that represent local retailers. And the retailer association and management network, they do oppose the ordinance, but in my discussions we're talking adaptation, we're talking about transition and

how they may transition. And there's been very productive conversations. It been very enlightening to me as to what retailers' concerns are on the issue.

Morrison: I appreciate all your work on this and i do think that the phasing that's laid out and the timeline that's laid out seems like it's a very practical and balanced approach. Thank you.

Mayor Leffingwell: Councilmember riley and then councilmember spelman.

Riley: Bob, I want to thank you for your presentation and your continued efforts on this. Just a couple of questions. First to get back to the issue that both the mayor and councilmember morrison had raised about the total ban and the concern we're in particular about the effect that they would have. And they point to a situation where someone has multiple reusable bags at home and they just either forgot them or maybe they're one short on some particular occasion, and the question is how much sense does it make to require that person to purchase an additional reusable bag in every case like that? One point that's been raised in that regard is that brownsville experienced an 85% reduction in single use bag use in six months without a total ban. Have you looked at the brownsville experience in that regard and considered what happened there?

Yes. And we've also looked at , san francisco, la and other areas. The brownsville example provided a very stunning reduction in single use bag distribution within six months, seven, eight months. The transition there is a dollar transaction when single use bags are used. So the choice in brownsville is a dollar reusable bag or a dollar per transaction for single use. And that market driver seemed to help a lot in that situation. When I explore that conversation in washington, or san francisco, they have different experiences. So I think we find that in some cities the market driver moves the choice and in other areas, in other cities, the price tag for single use has not dampened and reduced the distribution of single use. So I'm seeing mixed results.

Riley: Well, that's an issue and I think we will want to pay continued attention to it. As the mayor indicated, we don't want to see people trying to carry 20 cans of peas out of the store in their arms.

I would add that I'm in that same court. I forget my reusable bags too. And I think in the public education campaign we can be creative and put reminders. I have now a little sticker in my car on my dashboard to remind me of reusable bags. I need little stickers here and there as a reminder. I think we can be creative in getting people to move towards reusables.

Riley: One other question and that is for the exemption for beer, wine and spirits carryout bags. I understand that you're now recommending that we remove that exemption. Can you summarize that the feedback that you're getting from that type of retailer?

The type of retailer I've been speaking to in recent weeks on that issue is a retail grocer or a large retail big box store where they sell beer, wine and spirits within that. And they find it confusing that at one checkout situation it's required to be a reusable. In another checkout situation it may be a sleeved bag like this for beer, wine and spirits. So the confusion and the requirement to stock different types of bags may be of issue there. A stand alone spirit and wine

business may prefer to be exempt from this ordinance, but what I'm finding is that in many situations they're in the context of a larger retail setting.

Riley: Are we exploring the possibility of having one rule for grocery stores that sell beer and wine and then a separate rule for liquor stores, for instance?

We could create a carveout like that. I find it difficult to take that path, but it is possible. I would suggest that those that frequent the stand alone beer, wine and spirits, could convert to reusables too. I see that as a convertible situation.

Riley: We haven't had much input from liquor stores?

We've had one point of contact with the association that represents liquor stores, and they do oppose the ordinance. And they are requesting to be exempt is a better way of saying it.

Riley: And can you summarize their -- did they detail any reasons particular to that sort of store that would warrant a different rule?

I think the concept portrayed is the reason to bag liquor is to hide it on the exit out. It's similar to prescriptions. You don't want to advertise what you have in that bag. And the convenience of having it for every transaction. Rather than select transactions.

Riley: Okay. Thanks.

Mayor Leffingwell: Councilmember Spelman.

Spelman: Let me follow up on that for a second. You mentioned -- you showed us an example of the sleeved bag. And a lot of places they put each individual wine bottle in the sleeved bag to prevent breakage.

That's correct.

Spelman: How is this ordinance going to affect that?

This is a concern to the association as well. And these bags -- I would note that these are recyclable in our blue cart, so that is the current justification for the exemption. I'm simply addressing the removal of that exemption because of citizen complaints that we have too many exempt situations and I find that to be the most likely exemption to transfer over to reusables. In the case of bottled spirits and breakage, they will -- regardless of the bag design to be distributed, they will do single bags per bottle. So it's -- so we will continue with that issue.

Spelman: So I've got my reusable -- I bring this into the liquor store and the liquor store says thank you for bringing this, we won't have to do anything fancy to you. We will put your bottles in this, but we're going to put them in the individual sleeves so when they bang up against each other they won't break and it's okay.

That's a likely scenario.

Spelman: Got it. I appreciate that. I was hoping not to have to balance the environmental cost of the bag versus the environmental cost of having my thumb having a big rip in it because my bottle broke. We already know how to recycle newspaper bags, dry cleaner bags, all that thin film. We just can't do it in our manufacture s that accurate?

That's correct. I've talked to several end users of material like that and they do not desire it through a single stream collection program. The single stream mixes a lot of materials. You're doing the hand pull. It can be a range to do the hand pull, but it's a very mixed material and it dirties the supply of plastic film so that the end users really prefer a separate collection program.

Spelman: Okay. What kind of options have you considered for that?

I'd like to explore different options. The retailer network of collection of bags is too limited. I think it's well intended and I appreciate the retailers that are collecting it, but it's not enough locations throughout the city. And there is confusion among the public what you can put in to the bags and so there's a need for public education. I think either an expansion of that program or being creative and finding another collection system of that sort.

Spelm I PRESUME Other cities have considered this problem?

Yes. Most cities wrestle with it and they generally come to the same conclusion that it's not appropriate in the single use, the single stream recycling program because of the end user problem. It becomes more of an unrecyclable if it gets too dirty. So each city is really struggling with this. They generally answer the problem with a more elaborate retailer collection system.

Spelman: And that is the most likely place for us to end up in the short run at least.

Yeah.

Spelman: I don't know how many different bins we can put out for different kinds of goods, but that's a possibility too. Let me sure under a broad brush I understand what the current staff recommendation. It calls for a two year phase in, full blown implementation. And the current recommendation is a year of education followed by full blown implementation a year from now. Is that accurate?

Yes. I can adjust the timetable based upon input, but in short that is my recommendation.

What's going to happen during that education period?

In order to be as broad based with the education as possible, I intend to contract out with a social change oriented ad agency to do a multiprong education program. And we're looking at bag distribution, point of purchase advertising of the changeover, parking lot signs in order with the retailers, and general public information campaigns as well. And a visit to all the neighborhood associations and other groups around the city.

Spelman: Lots of stickers for people to remind themselves. I would imagine over the course of the education program, if it's working, we would see fewer and fewer single use bags being used, more people using the reusables. Would we be able to monitor that along the period?

Currently we can't, but it is my desire to as quickly as possible set up some metrics and some measurement systems. I believe we've had some productive conversations with the retailer association toward a common interest of a measurement system. So in order to measure success that needs to be put in place right away.

Spelman: That's really interesting that you talk about the business people because it's where I was going next. You say you have a common interest in metrics. What interest are they expressing in terms of metrics?

I think they struggle with their perspective that the existing system is working, yet hard to measure and limited pilot. From my perspective, if we're proposing an ordinance change to limit or eliminate single use bags, I think we need to provide evidence to the public that it is achieving its intended goodwill and we need the metrics to provide that evidence.

Spelman: Is it -- I'm speaking hypothetically here. Is it conceivable -- we go into the education period, we know a year from now we're expecting to go to full implementation. No surcharge period. And halfway through our education period it looks like the takeout break is relatively low. People haven't gotten with the program yet. Do we have an opportunity to change the education program, change the approach to dealing with retailers, lengthen the education program? Can we make some adjustments along the way?

Yes. A subsequent resolution or ordinance from council can change the time period. I would also offer the counter statement as well, what if 85% success we could alter our path with that success rate as well too with a revisit by council.

Spelman: We could get the same results that brownsville got within six months, 85% of the people are right there, what's the point of dragging it out for another six months. Sure.

Yes.

Spelman: But the current plan is to develop the metrics and put them in place pretty early on so that within how long will we actually start to get a sense for how well people are doing?

I'd like to get monthly -- this is a conversation I need to have with the retailers on realistic accounting of bag distribution and so forth. I'd like to have a monthly accounting system so we can track it similar to what we do with our single stream volumes, we can track this that on a monthly basis. So that I can revisit this with council at any time in the near future.

Spelman: This sound like one of the cases where you wouldn't have to make a deal with every retailer as long as you have two or three representative of the total, you would probably get a pretty good read from a small number of locations willing to do the work as to what's going on

throughout the entire city. Okay. And generally speaking, how are the retailers thinking about the illustration of the surcharge period?

I think we have mixed reaction. I think some retailers look to the fee to cover transition costs. Others find it a nuisance and a conflict with consumers. They fear the exchange at the counter of collecting an added fee. I would say most retailers are on that side of the fence of avoidance of the fee. But I have come in contact with some retailers that desire that revenue.

Spelman: Is there anything that's going to happen in the education period that might help to remove that conflict and clarify what's the best course of action?

I think the best effort is a joint education retailers as well as the city with a very strong city effort for education. I think that will resolve a lot of the consumer confusion on the issue.

Spelman: So it will resolve consumer confusion and that will have the metrics, which will represent to resolve the retailer confusion as well in the consumer's best interest.

The retailer's number one priority is a satisfied customer. And I hear that uniformly across the board. If they have an exchange with a customer over this issue, that is of concern to them.

Spelman: Gotcha. And is our best interest to satisfy the customers too.

Absolutely.

Spelman: In a slightly different dimension. Thank you, bob.

Mayor Leffingwell: Just to make a couple more quick comments. First of all, I know this is going to come up, so I want to address this. We did look at a recycling program for plastic bags and in fact ran a pilot program I believe before your time and it proved to be not effective and especially costly.

Yes.

Mayor Leffingwell: So it was deemed at that point not to be a good solution. So that -- if that subject comes up, we have tried it. The other thing is on the fee. For those retailers who choose to charge a fee, there's nothing in this ordinance that would prevent that or preclude it. And finally, talking about the education period, and I'm all in favor of that. I just want to remark that for the last five years we have had an education period and we have done a lot of public involvement with regard to reuse, recycling, and --

and our bags are distributed widely.

Mayor Leffingwell: Because as a matter of fact, you may have an updated number, but the latest I've heard is over this period of time where you have the voluntary effort we have put about a million of these reusable bags in circulation. A lot of us have three, four, five of them in the back of our car, we just have to remember to get them out. So there's been a lot of education

already. We just wanted to point that out that we're not -- this is not something we're springing on folks, but i still think the idea for some kind of education period, modifiable, as councilmember spelman pointed out, depending on how we evaluate it as it goes into effect, is very important. Councilmember tovo.

Tovo: Thanks very much. This has been really exciting to see this process evolve and I think -- i really want to acknowledge the great work you've done in responding to the concerns from retailers and working with stakeholders across this issue to really come up with something that works well, that meets our environmental goals, but also works well for retailers and works well for families across the income spectrum as well. I have a couple of quick questions. A few people have suggested that some other cities who have adopted bag bans include some of the retailers will have bins where reusable bags can be -- a consumer can use their reusable bags and put them in a bag to use if somebody has forgotten theirs. Wonder if that's an idea that has been raised during this process.

Yeah. In talking to a gentleman on their experience, they have helped concerns -- the concept of a collective bin at the front door and then the bags being grabbed by somebody else is a very good reusable concept. But their concerns is that the previous user may have had a contaminated bag that they put in there and then another user picks it up. So from a retailer's perspective and from a liability perspective, they want the bins to be capped in such a that people cannot grab the bags, counter to the reuse option that seems appealing, but there are health concerns there.

Tovo: I wonder if there are some ideas to explore, whether people could turn them in and perhaps there's a nonprofit in town that could take them, decontaminate them and return them to retailers throughout the city.

I've had conversations with goodwill industries on that topic.

Tovo: Interesting. That would be a great avenue to explore. And the other question is are there any dry cleaners in town or models across the of dry cleaners who don't use bags?

I have been looking. I have not found one that does not. There are a few eco oriented dry cleaners in town, and even they use a thin plastic film. There is a national association of dry cleaners that is working to green the dry cleaners in chemical use as well as bags and hangers. And I have talked to them. And there's a program they offer that we can introduce to the dry cleaners here in town.

Tovo: I just know from personal experience most dry cleaners won't regard that as an option. I've asked could you not put bags on clothes, and they don't seem to be able to operate in that way. So I appreciate the continued work and looking for alternatives. Thank you.

Mayor Leffingwell: Any other comments? Councilmember martinez.

Martinez: Thanks, mayor. I think everything has been said that I wanted to say, but I do want to reemphasize one last time before we close the issue of the hardship case. I just wanted to ask, in

your research in other cities, did you find any policies that dealt with some of the examples that were given in a hardship case?

I find many cities offer it. I have not found a staff person that has an experience of deciding on a hardship variance request. So I haven't -- I still do the more research on that topic because I'm curious what types of situations might fall under that. I'd like it as a safety valve, though, just in case.

Martinez: Thank you. S that, mayor.

Mayor Leffingwell: I think that's a good point. Do you envision the criteria for the hardship variance to be a part of the ordinance or is that going to be an administrative --

as you adopt an ordinance of some sort, I see a rules process that follows, and that would be addressed in the rules process.

Mayor Leffingwell: More questions? Basically we have about five minutes to kill here, so I'm going to make one more comment. The dry cleaning bag thing, of course, is -- that's one of the exemptions. My rationale on that is they're so easy to recycle because in my case you've got a basket you throw your dry cleaning in, the dry cleaning bags go in that same basket, you take them back and they recycle the bags. There is a good outlet for that. Councilmember Martinez.

Martinez: Now you're going to make me ask another question. My follow-up question to that would be do the dry cleaners actually recycle them?

I find some do and some don't.

Martinez: Most of them will take their coat hangers back, most will take the plastic back, but we don't know if they're recycling them and reusing them?

I find in talking to the managers, they're very willing to engage in the conversation, but have not been challenged on the issue yet.

Mayor Leffingwell: Okay. Councilmember Tovo.

Tovo: Well, since we're talking about dry cleaning bags, are there any that -- it was my understanding that those who are recycling them are recycling them. They're not actually reusing those. I think they can reuse the hangers and some do, but I'm not sure -- I don't believe they're able to reuse the film.

Of the dry cleaners I have visited that are taking that material in, they are reusing the hangers. That is of interest to them. The bags that they collect they recycle. There is a local milk run of a collection of those bags, but I have not seen a situation where they are reusing them. I think that's an opportunity, but I have not seen that happen.

Tovo: Thanks for that clarification.

Mayor Leffingwell: Of course, I'm not going to mention any names, but my dry cleaner does recycle bags. And I also -- I may be dating myself here, but I remember when I was a kid I used to sell the hangers back to the dry cleaners. Along with coke bottles and things like that, back to the stores. It was a different time, I guess.

I do remember those times as well.

Mayor Leffingwell: Two cents a hanger or something like that?

It was a metal hanger and due to the cost of the hanger, the dry cleaners wanted them back. And they often had their advertising on a sleeve on the hanger as well too. They also used paper bags instead of plastic bags as a draping over the dry clean material and that paper was recyclable.

Mayor Leffingwell: Those were the days. Okay. Thank you very much. Appreciate it. We have a ways to go/(ing)to, evidently, but we're making progress. Obviously, council, there are no items that we can take up in the five minutes between now and 12 noon. Where we will take upset 17 communication. Upset 17 communication. We'll take a five minute recess, convene at noon for that. To give everybody a head's up where we are in this meeting, we still have another briefing to go and I would suggest we take that up immediately after citizens communication and then we'll go into executive session, come back and take our last briefing and then pick up with the morning consent agenda starting with item 29 right after that. Three minute recess if we can do that.

Mayor Leffingwell: We have a quorum, so we'll go ahead with our 12 noon citizen communication. The first speaker signed up, and I'm informed is not here, but I want to call your name, Courtney DeHaas. She is not here. Carlos Leon. Carlos Leon. Is Carlos here? Okay. The topic is chem trail update. The second subject is undefined.

Thank you, Mayor Leffingwell. My name is Carlos Leon and I'm here today, February ninth, 2012, to speak for what's right. In the past seven days chem trails have unfortunately appeared in Austin's air space. February 4th, 7th, 8th and 9th. Compared to the prior two one week periods, four of seven days is a frequency increase. Our skies and air must return to being chem trail free 100% of the time. In addition, the chem trail sprayers should be positively identified, arrested, charged and tried in a court of law. Austin's ongoing chem trail battle appears to be part of a war against life, liberty and the pursuit of happiness. According to the JANUARY 31st, 2012 REPORT Produced for the department of homeland security entitled hot spots of terrorism and other crimes in the United States, 1970 to 2008, any Austinite can be labeled a potential terrorist. According to the report, a Texan can be profiled as an extreme right wing terrorist if he is fiercely nationalistic, experienced of federalized national authority and fears individual liberty like his right to own guns. That's insane. We patriots are supposed to be fiercely nationalistic. Our forefathers were right to be suspicious about centralized federal authority. That's why the 10th amendment grants states and people powers not delegated to the United States by the constitution. That's why the second amendment guarantees our right to keep and bear arms to secure a free Texas. Worse, being labeled a potential terrorist implies you are guilty until proven innocent. That labeling and negative mindset are wrong. Each of us is innocent until proven guilty. The burden of proof lies on the government's back, not we the people's. Yet the federal

government recently passed a national defense authorization act, ndaa, granting themselves the power to take any potential terrorist any time, anywhere in the world, and hold him or her indefinitely where they want, how they want without ever formally charging him or her. This evil allows them to, one, skirt their responsibility to honestly perform their due diligence and two, deny us americans life, liberty, our fifth amendments right to due process of law, and our sixth amendment rights to a speedy and public trial by an impartial jury. In effect, they would be punishing us for their crimes. No way. Repeal the ndaa, defend life and liberty. Restore sanity. Restore america. Thank you.

[ Applause ]

Mayor Leffingwell: Next is linda gruene. Linda green's topic is i just want my country back again, please stop adding fluoride waste to my water.

For value's day in the tradition of keeping austin weird and musical, I present y'all with a authority of duet by austin's own jimmy la five entitled this land. Life is hard.

Times are tough. And the ones who have too much seem to never get enough. Travelling through. This land. Children dying on some foreign soil. For god's sake won't you tell me what is all this fighting for? Travelling through this land. ♪♪ It's the only thing i know, say my friends. I simply want my country back again. Since I've been driving through the american night, and I slowly have watched my freedoms disappear right out of sight. Travelling through t land.

We simply want to be free from fluoridation with the toxic weight, hex seafloor rick is a list sick acid. We simply want to be educated and informed by both the city government and local media of the risk of fluoridation. We simply want our country and clean water back again. So please vote an end to water fluoridation. Now, today. This is as important as plastic bags being recycled.

Mayor Leffingwell: Thank you. Next speaker is paul robins. Paul robins, I don't think he's in the chamber. We'll go to the next speaker, darcy bloom. Topic is fluoridation nation.

Council of austin, citizens of austin, the part where it takes time and understanding things is being educated. It just clicks one day. Maybe not everybody clicks on certain things and with others and vice versa. Peoples is peoples. With the topic of fluoridation, generations have been conditioned for over 70 years that it's safe, normal and necessary. Even the invention and parallel of the nylon toothbrush coinciding with the start of fluoridation is not commonly shared with the numbers. About 15 years after the start of fluoridation a study that consisted of four pairs of cities was concluded in which there was a so-called 50 to 70% reduction in tooth decay and cavities. Last time I was up here i gave a small advertise history lesson on the nylon toothbrush. It was a big change from using things such as hair toothbrushes to something longer lasting and easier to manufacture. It became used more on americans with the daily practice of dental hygiene with the soldiers in world war ii and after that americans became more and more daily toothbrushers. Fluoridation andrew horansky and this started at the same time. Dental floss also came around the same time. The city's website on fluoridation uses numbers from that study. The website also states fluoride is a naturally occurring chemical compound found in many ground

waters, yet y'all know the industry, the manufacturer and by now know how the stuff is made. Mentions that hexafluoric sill lick acid is used. It's a lie without lying. I'm trying to convince that you that there is something wrong with this chemical and it is a compound already in our ground waters or that after 40 years of austin fluoridating that it should be logical that we reeducate ourselves. But I'm up here for the people to wake up and not participate in ingesting this water anymore. You know this stuff is big business no matter what way you look at it. To think about it, even if the what you have added to our water supply did work to some degree, I would still be opposed to its addition of to our water of adding anything that has a medicating tone to it to a population without a choice seems entirely wrong. Also stop me if I've heard this one, dosage control. It doesn't exist. It's impossible and there is no -- it's so disproportionate that no one receives a fair share regarding age, weight or sensitivity. It's a waste to everyone except for the ones who sell this stuff. And it's apparent that with all our modern hygiene products that fluoridation has served its time and is a waste of precious city money. Please for the sake of us all, yourselves and your friends and families, consider this. Good day.

Mayor Leffingwell: Councilmember spelman.

Spelman: bloom, i have a question for you. Part of your presentation you cited a study done of was it seven cities?

Eight.

Spelman: Eight cities shortly after fluoridation had been introduced, presumably some the different times and it coincided with the introduction of the nylon toothbrush and toothpaste. I wonder if you had a citation for that study?

A citation?

Spelman: How could i look at that study?

Oh, yeah. Actually, it's pretty easy really. Even googling, just saying the four pair cities of 1945, the study actually. Just by googling because basically those words, the four pairs of cities. You can start with grand rapids really because that was one of the first cities that was ever fluoridated.

Spelman: It was the first, yes, sir. That was the first.

Yes, sir, it was. And of course there was illinois, new york and ontario, canada were the four main places where they also had a second city that they were able to base the control off of.

Spelman: So it was a matched pair design done sometime in the 1950's?

No. Actually, they started in 1945 and if I'm not mistaken it was you will metropolitan 1947 is when the other cities got involved. When those cities were used in that study. But other cities had already started fluoridating actually before the studies were concluded in the late 50's. So really

just googling -- it seems to silly and simple, but the four pairs of cities fluoridation study and you will be able to find different links of everything.

Spelman: I'll try it. Thanks very much.

Mayor Leffingwell: Next speaker is rae nadler-olenick. Topic is water fluoridation. You're next to last, yes.

Last month newspapers head lined argentine president christina fernandez, who had been diagnosed with throat cancer and was scheduled for surgery to remove the diseased gland. Days later she had the operation and oops, it wasn't cancer after all. She did have a real thyroid ale meant, however, and now she has no thyroid and will have to take replacement hormones the rest of her life. While parts of argentina have enough natural fluoride to make whole populations sing, 1-800-no, sir ares, the capitol city, is not the water there is artificially fluoridated. It probably no coincidence that soon after fluoride action network director paul cannet, received an inquiry from second quarter and put out a call for someone to translate it. Here's what the writer had to say. Salute, paul.

[Speaking spanish]

in english, greetings paul and many good days to you. I would like to know if the group fluoride alert exists in peru or chile, countries where I am settling for the moment. If it does not, I would also like to know how the group could be extended to those countries because of the problem of contamination of the waters by fluoride in many countries, but especially peru and chile, where there has been nobody to oppose this tremendously cruel act, which all of us are suffering. Awaiting your reply I send my best wishes. In chile, most municipal water supplies are artificially fluoridated. In peru they fluoridate the milk and salt. Notice he uses the word cruel, same in both languages. It's the same cruel act which you all appear to support that we are here to end. Thank you.

Mayor Leffingwell: Thank you. Clay dafoe. Topic is austin energy.

I am here before you today, council, to remind you of the detrimental effects of monopoly. Austin energy, the sole publicly company in town is no exception to this law. As the evening post had written in 1844, the sum and substance of our whole legislation is the granting the granting and trucking away of charter privileges is the business of our lawmakers. The people of this great state, fondly imagined that they govern themselves, but they do not. And this is premiosisly the situation we see today with austin energy. The people of austin are not governing themselves when it comes to the public utility no matter what illusion of self rule in the company may be pervade. We look at the proposed increases and the specter of raising property taxes, which some councilmembers have publicly mulled. And it becomes abundantly evident that austin energy's current budgetary course is unsustainable. Austin energy is in the red \$75 million this year alone. But what's not mentioned is the \$103 million in funds that were sent from the utility to the city's general fund for 2012. It is this misuse of funds which installs a hidden tax on austinites and gives impetus to a rate increase. Your own appointed electric utility commission warned 1% of austin energy's revenue being used for general fund transfers, that it was paying

too much for expenses non-related to the utility. Member boerne person felled even said that the city council did not respond to years of warn being the excessive spending. This money was used for such products as \$90,000 for the central texas clean air force. \$54,000 On sickle cell anemia research. \$50,000 For the 2010 green living and home products expo. \$650,000 Since 2009 for the african-american men and boys conference and hispanic futures conference. 5 million for the city's economic growth and redevelopment and services office. This spending is completely unrelated to energy production. It is unfats onliable. You have been derelict in your duties in find minding the public purse and it's not even to mention the 8 billion in 25-year wind energy contract giveaways to duke energy, map royalty and foreign spanish owned

(indiscernible) renewables, the fourth largest utility in the world. Austin energy must curtail its expenses if it is to remain solvent in future years. All money sent to the general fund transfer for nonessential energy programs and services must be stopped and the out of control contracts downsized to the point of no impact. This is the burden monopoly puts on the people and you as an abler of the public debt must know the consequences of your acts.

Mayor Leffingwell: Your time has expired. Without objection, the city council will go into closed session and take up three items, pursuant to section 071 of the government code, the city council will consult with legal counsel regarding the following item 41, to discuss legal issues related to open government matters, item 42, to discuss legal issues related to catherine hardin versus the city of austin. Item 43, to discuss legal issues related to the appeal process for the municipally owned electric utility rates before the public utility commission of texas. Noting that item 44 has been withdrawn. Is there any objection to going into executive session on the items announced? Hearing none, we'll now go into executive session.

[Rumbling] Announcer: What if a disaster strikes without warning? What if life as you know it has completely turned on its head? What if everything familiar becomes anything but? Before a disaster turns your family's world upside down, it's up to you to be ready. Get a kit. make a plan. be informed today. Test test test we're out of closed session. In closed session we took up and discussed legal items related to 41, 42 and 43. So we'll now call up our morning briefing on our proposed southeast travis county and pilot knob municipal utility district.

Thank you, sir, I'm bart jennings. I'm with the austin water utility here to provide you a quick briefing of the southeast travis county and pilot knob utility districts. hold on just a second. Could I ask for everyone in the chamber to please be quiet so we can listen to this briefing? Thank you.

In terms of the purpose of the briefing is to review the background of mud process to date, evaluate the merits of the two mud's being proposed and discuss the next steps. In terms of context for this presentation, since 19 -- since 1971 state statutes that enabled the creation of muds, the power and authority of muds have continually been enhanced resulting in improved gateways for the creation of muds. Muds can be created in two through the legislative process or by the texas commission on environmental quality, tceq. Of the remaining 17 muds in 9 were created through the legislature. For muds created by the tceq, there is a defined process that must be followed, but by either method the bottom line is that muds can be created without the city's consent and result in very little oversight of the mud. February 2011, city council adopted a new

mud policy. It replaced the previous 1984 policy to reflect council's current perspective of muds, which is that city-approved muds are another tool to incentivize growth in a desired development zone and obtain benefits that would not be provided if a mud was created without the city's consent by the tceq or the lurgs legislator. In april 2011 city council passed resolutions supporting the legislative creation of the southeast and travis county muds. Sept 2012, the typical legislative template for the creation of a mud was not used by the pilot knob and southeast travis county muds. The enabling legislation included a provision that these mud's will dissolve if city council has not approved a consent agreement by september 1 of this year. Additionally, other safeguards were added in the enabling legislation to mitigate historical concerns about muds. Each of these safeguards addressed historical concerns such as council authorization as required in the form of an executed consent agreement. In addition to the consent agreement which sets out the terms, conditions and limitations for which a mud is to operate within, city staff is recommending a strategic partnership agreement be executed along with the consent agreement and the strategic partnership agreement the mud agrees to be annexed and the agreement sets out those terms and conditions applicable after annexation. Second, council would have the ability to appoint one director to each of the nine mud boards. Third, consent agreement provisions would be deemed valid and enforceable and the mud would waive sovereign immunity. Fourth, ad valorem taxes within the mud would be allowed to be equal to or greater than the city's. board members would have term limits. policy provides for council to determine whether, quote, development supported by the provides sufficient public benefits by weighing the value of benefits to the community, the property in against the cost to the city, including delayed annexation. The inherent problem for staff is that m.u.d. Development occurs over decades, and projected -- projections of growth are sensitive to dramatic changes such as economic trends, housing trends, competition with neighboring municipalities, and given these conditions it is difficult to financially quantify the overall impact es within a 30-year period upon the city at this time. So using the city's m.u.d. Policy staff sought to mitigate historically significant consequences of to the city, not only using the specially enabling legislation but the terms of the consent agreements and the strategic partnership agreements. In addition, staff focused their efforts to quantify extraordinary benefits of by using the city's highest pud requirements and by evaluating whether the would also further other city interests. So the question before council can be posed as does the proposed 's provide sufficient value in terms of what benefits are gained to warrant city's approval of a consent agreement and a strategic partnership agreement from staff's perspective. We recommend agreement to be executed with each m.u.d. The remainder of the presentation will explain how staff formulated that conclusion. As noted on the map, the city's corporate limits are colored yellow. The purple line at the bottom of the page is the city's e.t.j. boundary. An sh-130 is a major highway in the middle of the map. The city's airport is just north of the top of the map. The southeast travis county muds are located in the desired season in the southeastern of the e.t.j. Near highway 71, north of the formula one site. es are also located in the northeastern portion of the near highway 183 and fm 1625. The developer plans include mixed use such as single-family, multi-family and commercial development. As you can see the southeast travis county development is primarily single-family residential, whereas the pilot knob development has a heavier emphasis on commercial development. These projects are both in del valle independent school district and the school district and the developers are currently negotiating school site issues. It should be noted that these project are in various stages of the development process. The development consisting of the southeast travis had preliminary plans prior to initiating the m.u.d. Evaluation process, and

therefore more specific requirements can be identified. The development consisting es is -- we'll review major perspective and drawbacks of es based on discussions with the developer. Per energy. They're located in bluebonnet electric service areas but have agreed to items recommended by austin area energy staff. Both muds the provide a a two-star equivalent rating. Commercial structures will have lead ratings. For southeast travis county the lead for the travis county buildings proposed is very high. Therefore an energy star rating on commercial structures will be of sufficient benefit according to austin energy. For water and wastewater. City code chapter 25-9 establishes the city's reimbursement and cost participation program. Because the southeast travis county development was already in preliminary planning stage, the developer had sought and council approval approved 9 million in developer reimbursements in 2009 and 2010. The creation of the southeast travis county es will allow the city to avoid that cost because and the developer will be responsible for those costs. will provide over \$23 million in infrastructure that would normally trigger city reimbursements. In addition, the city has requested additional oversight in certain infrastructure in order to serve areas outside of the m.u.d.'s. Both southeast travis county and pilot knob developers have agreed to pay those costs without city or district reimbursement. For the southeast travis county mud we'll be returning to council on march 1 to request a waiver of wastewater capital recovery fees and a limited amount of water capital recovery fees related to construction of a wastewater treatment plant and a reclaimed water system. Pud ordinance requires a certain percentage of land to be established as open space. Southeast travis county is proposing ten times the standard amount of open space required. Pilot knob is proposing six times the amount of standard open space. For each of the muds the developer will fund without mud or city reimbursement private swimming and recreation facilities. In terms of drainage, both mudding will provide extraordinary mesh measurement to control runoff. They've agreed to a pilot project to assist staff in a future watershed protection ordinance. For southeast travis county all pud requirements related to water quality will be met. Pilot knob will provide all the same benefits as southeast travis county with the exception of reduced impervious cover. Watershed protection staff indicate that it's too early in the process to resolve that issue for pilot knob. The issue should be addressed during the pud zoning portion of their project and watershed protection staff and the developer have been working cooperatively to meet the city's request to date. The items colored in red for the remainder of this presentation reflect potential drawbacks of that issue for that mud. Unlike pilot knob southeast travis county mud is not located in a preferred growth area in accordance with the draft imagine of the imagine austin growth concept plan. This plan has not been approved by council, but it is expected to be brought to council this may. Southeast travis county development was already going to occur in that preliminary plans were already approved before the mud was proposed. By intrt entering into the mud negotiations staff has obtained a significant additional benefits that would otherwise not have occurred nevertheless both southeast travis county and pilot muds are located in the desired development zone. For neighborhood house being, I have an update from this morning. The developer is continuing to work with staff to address affordable housing issues, but as I understand it from this morning, the method to providing affordable housing, that method that they're looking at is a fee in lieu, and there's still discussion about that method in terms of the amount and the mex for that method. In terms of transportation, both muds will provide extension I have trails, both will improve regional arterials. For southeast travis county there's no internal connectivity because it's hindered by a floodplain. The pilot knob development provides internal connectivity between each mud and will reserve land for a future transit center. For southeast travis county local transit services plan to be provided in an area two

miles there the mud. Both muds have agreed to donate a fire station. Both muds have requested pud zoning and have agreed to limited purpose annexation. Through the mud negotiation process city-obtained commitments to superior development within each mud. The pud process will further define those. The negotiation of pud zoning will not be finished prior to city council considering the approval of the mud agreement march 1. For both muds, the city will be the retailer provider for all waste services and charge standard fees. To restate the question before council for each mud, does the proposed mud provide sufficient value to warrant city council's approval of a consent agreement and a strategic partnership agreement with that mud? While there were competing city priorities identified in this process in which staff needed to balance overall, staff recommends city council authorize the execution of a consent agreement and a strategic partnership agreement with each mud because the city gains extraordinary benefits in infrastructure extension, environment protection, open space, transportation, city retail, water and wastewater and residential solid waste services and future pud zoning. In terms of the reviews by boards and commission, water wastewater commission, environmental board and parks and recreation boards have recommended that -- for the consent -- creation of the pilot knob and southeast travis county muds, the urban transportation commission did not. The planning commission on february 14 will have a love fest about the two muds at that point in time. The next steps, city council has already set on january 26 a public hearing for the consent agreement. Today is the briefing. We're scheduled to conduct the public hearing and council may act on that consent agreement march 1 of this year. Legally we're required to have two public hearings for the strategic partnership agreement, so april 5 and april 12 we're scheduled for public hearings, or will be scheduled for public hearings, and council may act on april the 12th. And again, pud zoning will be coming back to city council in late fall of 2012. So that concludes my presentation. I'm available for questions or providing more confusion. a little levity there, but nevertheless, do we have any questions for staff? Council member martinez. I just -- first of all, I appreciate the presentation and the work that's been done so far. There's a few outstanding items and you mentioned one specifically that obviously is a huge priority for city of austin, and that is the affordable housing component. So when we're talking about the fee in lieu of, are the conversations surrounding that -- the fee in lieu would apply in and around that area or would that be up to nhcd and applied throughout the city?

As far as I know they haven't worked out those details but I have not been personally involved in those negotiations, so it might be better if someone else answers -- and on top of that, betsy, if you could share what kind of range we're talking about in terms of fee in lieu and how that will be structured.

Betsy spencer, director of neighborhood housing and development. As you know the affordable olta requirement and -- is not a requirement and it's an optional benefit that they can choose. There have been suggestions about utilizing the pud map and that is the way we've calculated it, a very excessive -- that would be a very high fee, so we've been having some conversations internally about what would be an alternative incentive to encourage the developer to either provide affordable housing and/or a fee in lieu. So we've been -- some of the conversations we've come up with is a fee in lieu of a thousand dollars per unit. That is just a general conversation we've been having with the developer. Nothing has been officially negotiated or agreed upon. And so the recommendation at this point in time is to consider either a fee in lieu of roughly a thousand dollars a unit or donation of land, which the pud ordinance also recommends, which

good evening, this is different, but we're -- is different, but we're looking to make it as good as possible or a combination of donation of land and the fee in lieu.

Mayor Leffingwell: okay. Council member? Do you have additional questions? Council member Morrison. On the affordable housing because there's been some robust discussion about what a challenge this is because we expect likely that these areas will originally develop with affordable housing, but the question -- and so why does it make sense to necessarily require it there and wouldn't it be better to use the fee in lieu for the critical nature of affordability in the center city. On the other hand, if we're looking at developments that are going to be really defining the landscape in many ways in southeast Austin in 30 years, we want to make sure that there's some long-term affordability, and I know that some of the housing advocates and certainly representative Rodriguez has been very interested in this, and so I'm -- I guess my general question is, how are we going to be able to get to those -- to really integrate those different perspectives because I think it's really critical that they be part of the conversation. Are you engaged with them or are you just working mainly with -- with the mud folks?

We've had several general conversations with the donor, and -- developer, and it might be best if they answer their intentions. They've been receptive to the idea, but at the end of the day it's their decision. And so some of the conversations have evolved around the difference between market rate and affordable. They may in the beginning actually be very similar, and so the -- in that vein we've talked about if they're not interested in actually doing the enforcement or the eligibility for affordable housing, perhaps another organization would be willing to do that for them. They were not opposed to that type of scenario and/or donating the land to the finance corporation or another nonprofit so that affordability could be met that way -- affordability could be met that way. Multi-family units tend to be not -- seem to be more attractive for the developers to develop and do the eligibility on. It appears to be the single-family eligibility that's a bit more of a challenge. So we've afford to work with them if there is an interest in doing that. So there's been several different options presented, but again, nothing has been finalized. I guess I have to go back to what you were saying just at the beginning of that statement and question one thing. You said it's their decision. Don't we have to come to agreement on that? I mean, it's not necessarily they get to just do what they want. We're trying to work out an agreement, a consent agreement that we would support.

Yes, that's my understanding, but the way I understand the ordinance is affordable housing is one of many public benefits. certainly, but -- and in the end the council will evaluate whether or not there's adequate public

[inaudible] --

absolutely mortgage mortgage -- to support that.

Yes. and what is -- you said the pud map was too expensive. So, in fact -- first it was said that they're following the highest pud policy except for affordable housing. What is the pud mass say for affordable housing.

My understanding is pud map is 60% of the downtown density bonus, which is \$10 a-square-foot, so that would be \$6 a-square-foot for conditioned space. One example on the pilot knob mud is they're estimating 5,662 units, i believe, and so when you do the math on that it's roughly \$33 million. So that's a relatively fee, and possibly could -- i believe could be seen as a disincentive. So we were looking at what would be a more reasonable incentive at this point in time, since it is affordable housing, we all understand that it's a significant issue for the council, but to provide something to the developer that would be a little bit more palatable, we had come up with roughly a thousand dollars a square unit. do we have a calculation that relates the \$6 per-square-foot to the thousand dollars per unit, to compare?

Actually what -- we took in the pud ordinance the requirement is 10% of the units be affordable at either 80% or 60% based on the location. So we took a rough estimate of the construction of a unit, roughly \$100,000 a unit, very conservative. If they had to do 10% of the units that would be 10% of 100,000 is 1,000, and if they had to construct 10% of the units, 566 units times the 10,000, and then we took 10% of that, it comes out to a thousand dollars a unit. I apologize for trying to do the math at the dais. that's all right. I'll go back and -- or maybe you can write it down and provide it for us.

Absolutely. We were trying to stick with a 10% rule which we thought walls reasonable, if you had to construct the units or provide 10% of that cost as a fee. and do you off the top of your head remember what the agreement from the whisper valley developers was? I know that's a pid and not a mud in terms of affordable housing.

I apologize, I do not. because I think that's -- it was all on-site and it was 10% at 60% for rental.

Sharon smith with the law department. I wasn't involved in negotiations for that, but they did do what is required standard by the ordinance, but they don't know at this point how they're going to implement that, and I think when they came forward with what their proposal was, their expectation was we're just going to commit to it on paper and worry about how we glement it later. So there's not an understanding in terms of how they're going to build out that 2300 acres over the long haul. They've made the commitment to do that, yes, but the -- -- to the percentages that are provided in the ordinance, but there's not clarity on their part about how they're going to fit that into the phasing, when it's going to come in, whether it's all going to be left to the end, how it will be spread around the development and I think that's some of the things these developers have concerns about how that might work. So you could talk more with them about that. But yes, whisper valley did agree to do the standard what i understood was whisper valley agreed to the 10% on-site.

Yes, that's correct. sounds like that's not agreeable, even that broad brush, the folks are not agreeable to it --

that's correct. so I'm sort of curious about why we would be okay with different standards with the big developments that we're talking about. That's just my concern that I'm -- I want to express here. And I have talked to some of the folks involved, and i know that there are some very creative things being looked at in terms of doing some -- some other agencies involved in

managing all of that, but I guess to get back to the point, how do we ensure that this conversation -- I would be uncomfortable moving forward and acting on the consent agreement until we get this solidified, so that means if the goal is to get it done on march 1, I think I heard, we need to have some pretty intense conversations, and i want to make sure the right people are at the table to be part of the conversations. edwards in the back shaking her head. I think she gets what I'm saying.

Particular things. In terms of affordable housing I do know that staff is working with representative rodriguez on the issue. In terms of the march 1, what we are going to be doing is to provide you a substantially complete version of the consent agreement beforehand so that you and your staff have time to go through that, be able to ask questions, and there you should see the detail that you're looking for and then provide us direction in terms -- or additional questions if you need clarification.

Morrison: that's helpful. I do have one more question on another topic and that is on the reclaimed water infrastructure.

Yes, ma'am. and I'll speak in -- can you speak in a little more detail about what the plans are for that?

Sure, as part of the southeast travis county mud a wastewater treatment plant is needed for the provision of service. So in our master plan of reclaimed water systems, there was not going to be one -- a system set up at that location. So what we're going to do is optimize the opportunity, and as part of the wastewater treatment plant the developer has agreed to pay for the design of the infrastructure. We're going to cost participate in that, and that's what the partial waiver of water capital recovery fees that we'll be coming back to you later on that. But what we'll be able to do is to provide reclaimed water within the district as well as outside of the district. At this point in time we're looking at common areas, parks, those kinds of things, to aim for first. Policy-wise we haven't made a decision in terms of actually reclaimed water going to actual residential lots for the provision of reclaimed water. I would imagine that that would be a real benefit and something that would be very desirable. Does that add a whole lot of cost to be able to actually build that infrastructure in from the very beginning?

We haven't been able to have time to be able to look at that. I understand that's direction and policy that you're wanting to move towards, to optimize that use and reduce our potable water demand for irrigation purposes.

Morrison: absolutely.

That's something we'll have to look at. I'm not ready today to give you those details. I think that this is the preeminent situation for when we can take advantage of minimizing our water usage, and I would hope that as a long-term investment in that development, that the residential folks would get their money back eventually because they're going to have a less expensive water supply for their irrigation needs and all. So will that -- as that discussion moves along will we be able to get some memos and updates as we move through the months to march 1?

Whatever kind of information we'll be glad to provide.

Morrison: okay. And I guess I just would like to nod my head with some of my other colleagues up here saying that absolutely that's something that would be important. council member spelman. most of the stuff I want to talk about council member morrison has already covered, but let me follow up just a little bit. Of the wastewater produced by southeast travis county mud, what proportion of it would actually be used by the common areas?

Probably about half of the wastewater treatment plant capacity at full build-out.

What are they proposing to do with the other 50%?

That would be available for the city to provide reclaimed water to areas outside of the district.

Spelman: okay. Presumably for common areas, for houses, whoever wanted it, however we wanted it?

Yes, sir. you mentioned a few minutes ago there's a policy decision that hadn't been made. You actually used the passive voice, bart. What policy decision needed to be made in order to persuade these guys to make this over 50% available to individual units?

I think probably a more appropriate term than "policy" would be is that we haven't had sufficient enough discussion in detail to be able to know the cost related to the provision of reclaimed water to residential lots and that I'm not prepared today to be able to give you a clear answer on that in terms of what we're going to expect to be in the consent agreement itself.

Spelman: okay. Obviously the negotiation is still ongoing, and --

yes, sir. -- from my point of view I think it would be a wonderful thing if the staff would try to push in the direction of making that over 50% available inside southeast travis county mud to the residential or commercial units that felt it was valuable to them, which i suspect in the next -- when we get to build that it will be almost all of them, given what water price are likely going to have to be.

Appreciate that direction. if you can move in that direction i appreciate it. I have a technical question on the affordable housing issue too. If we did the calculation the same way we did it in whisper valley, they would be paying us \$33 million or provide \$33 million worth of value. Is that appropriate?

No, I can't speak to the whisper valley. I don't believe it's the same. I understand that. But had we -- .

Oh, had we -- had we done it the same way as we did it in whisper valley and used the usual records, \$60 per 10 feet-square-foot, that's where it came from.

Yes, sir, on the pilot knob, yes. I'll have to speak up. At least as the agreement is taking place it looks like we're talking about a thousand dollars per single-family house which is 7 mostly sunny; isn't that correct.

Why is it only per single-family house, why not condos and townhouses and so on? > 5,006 And so many units. My understanding is combination of speams and multi-family. I don't believe we're excluding the multi-family from the calculation.

I'm looking at the table jennings put up a few minutes ago, and it says 5,662 single-family units and then another 2400 townhome units, another 6700 multi-family units.

Then I'll correct myself and probably because the multi-family they feel that they can meet the affordability requirements.

Spelman: okay. So we know something about the price point for the townhomes and the multi-family units and that's consistent with our usual affordable housing policies?

I would have to defer to the developer for that. I mean, the conversations with the developer has been about -- that they would probably be able to meet the affordable requirements on the multi-family.

Spelman: gotcha. If you could provide us some further information to verify that when we get to march 1 I'd sure appreciate it.

Sure, absolutely.

Spelman: thank you. council member tovo. I'll echo that, and actually I think it would be useful if you've got it 30 if we could review -- march 1 if we could review that data, and I think i council member morrison ask for the calculations under the existing pud ordinance with regard to affordable housing because it seems like we're quite a ways off at this point, if I'm correct in the calculations, we're at 7 million versus 33 million.

Yes. so that's a pretty significant difference. I have a different question. I understand that several of the boards have reviewed it and you said they had approved it. I did get a concern raised by one of the commissioners on the water and wastewater commission, that they didn't really have a briefing explain -- a very thorough briefing explaining really what muds are or some of the issues that have been historically of concern, and that they really didn't have an opportunity to review it in great detail. And so I wondered -- and it's also my understanding that it may be coming back, but they have asked for a briefing at their february meetings. Is that correct?

Yes, last night we did have a presentation in the january meeting. The commission decided not to postpone that and they took a vote and made the recommendation. There was a request to come back and provide additional information in a presentation, and there was additional questions that needed to be asked. So last night we did a presentation, about a two-hour presentation in answering questions to provide the information that was requested, and certainly

as we indicated last night, if there were any additional questions that were -- that we're more than happy to provide that information, not only to the commissioners but to the council members. we'll be also having a presentation on their second meeting in february?

They just did -- we just did last night.

Tovo: okay. For some reason I thought i saw in the original email this that they had requested a briefing on the february 8 and february 22 agendas.

I believe that commissioner fishback in that particular email got the dates wrong. There is not a meeting on february the 22nd. so that was their one and only. Can you please forward to us any questions they raised or are they preparing any kind of formal list of questions and recommendations with regard to --

I received 34 questions and we responded to those, and so I'll be glad to provide you the answers to those.

Tovo: thanks. And the discussion -- i spoke with one of the members of the parks board and I guess from my understanding they had made some recommendations that the open space, and i believe the pool facilities, be open to the public. And I know you said it was a mix of accessible to the public and accessible only to residents. Can you address how that works.

Let me clarify. May not have been clear. In terms of the parks and the open space, that will be public. In terms of the facilities that will be owned by the hoa, which are the swimming pools and recreation center, those will be private. The hoa facilities are not going to be funded by the city, nor the district. They're going to be funded with private dollars from the developer. And -- but the parks are going to be open to the public.

Tovo: all of them?

As I understand it. There may be as part of the swimming pools and recreation center, that might be considered a small kind of neighborhood park, which is different than the other areas that they have. So we'll come back to you if you want with more specific information about what exactly -- what areas are open to the public and which are going to be private facilities, if that will help you. that would be very helpful.

We'll try to do that. will it be accessible for a fees fee or completely off limits if you're not a resident?

The developer at this point have indicated that's something they would prefer not to do in terms of opening it up to the public. We can then again open up that conversation with them and talk to them about that and then bring that information again back to you.

Tovo: thanks. council member riley. bart, thanks for your work on this and for the presentation. I just have a qu questions starting with water and wastewater infrastructure.

Sure. first with respect to the southeast travis county mud, I understand that the expectation is that there will be a -- that the developer will construct a subregional water and wastewater -- or wastewater treatment plant.

That's right. do we expect that the city's water utility would own and operate that plant?

Absolutely. We're going to be a retail provider of service, so we will own, operate and maintain the infrastructure, and that is one of the historical problems that we've had with muds that were created in the '80s is that we were in a wholesale situation and we had a host the concerns from that and negative scwns consequences to the si. In these negotiations we ensure that city of austin would be the retail providers. are there risks associated with the city's ownership of infrastructure like that?

The risk of the infrastructure is the same for any other type of development, type of risk you may say is, okay, you built this infrastructure or the developer in this case for the mud has built infrastructure, and what if development is slow? We have that same kind of risk with whatever type of development, and so the utility uses its resources as best we can to mitigate whatever kind of risk that we have in terms of development, and trying to have some assure ti that the development is going to move forward. In terms of the districts themselves, the incentive is for the developer to move forward because in a district they have to put up the up-front money. There has to be a certain amount of assessed value on the ground before they get reimbursed, so if a development isn't happening they have a financial consequence of that. So it's to the benefit of the developer to be able to accurately assess the market to know when to go ahead and enter into that and go ahead and obtain loans and build the infrastructure that they need for the vertical development within the district. so under what circumstances woot city be responsible for paying off debt associated with that infrastructure?

On annexation, should the city council decide to annex at a time when there was outstanding debt, and that would be a council decision of when you wanted to annex. shifting to pilot knob, pilot knob is projected to have about three times the plaition population ofthe population that the southeast travis county mud is going to have and yet we're not expecting the developer to construct any wastewater treatment plant there. Help me understand why there's a different approach to water --

the location of our infrastructure in terms of how the topography is and the slopes, most of those flows can go right to the 84-inch interceptor, onion creek interceptor that goes all the way to the south austin wastewater treatment plant. So for us there's not a reason to put a regional or subregional wastewater treatment plant within that development. Our existing system has capacity and capability of providing service to that area. The developer will be responsible for extending infrastructure from their development to our existing development, and that is at their cost, not the city's. would the city's existing infrastructure have the capacity to provide reclaimed water to pilot knob?

In terms of the reclaimed water, there would need to be a pretty significant extension of our existing reclaimed water system to be able to reach pilot knob. Certainly what we can do is provide you a map and indicate to you where our existing reclaimed water system is. What's in

the master plan for reclaimed water and where the location of the pilot knob mud is. I think that will help clarify it for you. have we had any discussions with the developer about developer -- about the possibility of the developer participating in installation of reclaimed water infrastructure?

Yes, we've talked about that and what we've talked about is the city would not be responsible for the cost for reclaimed water service within the district in terms of infrastructure, but we would cost-participate outside of the district for bringing in a reclaimed water system.

Riley: okay. And lastly, on this subject, at times we've talked about the possibility of innovative approaches to water and wastewater systems where there could be more handling of water and wastewater needs on-site through through various methods, through for instance gray water, black water or smaller scale treatment plants. Have there been any consideration of approaches like that in either of these areas?

Not in any of these areas and our director g mesaros will probably be better to answer that question than I am.

Council member, can you repeat the question for me? we often get asked about whether we've considered innovative approaches to water and wastewater infrastructure that would provide treatment closer to the site of use. Instead of, for instance, pumping reclaimed water a long-distance from homes all the way to a wastewater treatment plant and then all the way back in the form of reclaimed water through long pipes, if you could have smaller -- you could make that loop smaller by providing treatment on-site, and as you know nationally there are all sorts of things like scalping facilities and other approaches that involve trying -- efforts to make that loop smaller, especially with respect to developments that are remotely located from existing large-scale systems. And so I just wondered whether we had given any consideration with respect to the -- to muds like this as to whether some systems like that might offer some advantages over simply trying to extend lines from our existing infrastructure.

We don't have any specific plans for these particular muds at the current stage for this is. These muds would be built out many decades in the future. I think there will be many opportunities to encourage this use, gray water use, water capture, if that's what you're speaking of. In terms of pilot knob there is an extensive amount of infrastructure that's been constructed near that facility through our southeast program, so i think we'd want to try to take advantage of that infrastructure investment, were you I think even with that there will be opportunities to consider other innovative ways. Here recently you approved or sponsored a resolution to look at gray water and i think as we develop, say, standards for gray water you could incorporate those into the new structure. That would occur in the future in these areas to facilitate gray water. It's always easier to get those standards developed before construction starts as opposed to retrofitting existing infrastructures. So I think we would take every opportunity to examine those kinds of advantages for us.

Riley: okay. I expect that will be an ongoing conversation. I want to shift gears and ask a question on transportation. I note that with respect to the southeast travis county mud we have a

line -- a bullet point in red that says, "lacks superior internal conductivity. Can you elaborate on that?"

Yes, sir. In terms of internal conductivity what you're wanting is mobility not only within a particular mud but throughout all of the muds, and the physical configuration of the land topography-wise is there's a large floodplain area in the middle separating several of the muds from each other. And so it comes, for staff, competing needs and interests in terms of if you're looking for transportation corridors and being able to have greater connectivity, but you're also wanting to have large open space that can be -- have improved and enhanced water quality, where do you draw that line? As staff had spoken to the developer as well as kind of internally among themselves, staff indicated that they believe that it would be cost prohibitive, for example, a large roadway to be constructed through the open space to be able to connect two or three of the muds together, that the interest of the city would be better served in terms of focusing on watershed protection for that area so that the riparian areas and water quality controls like biofiltration could be used and that would provide a greater benefit for that particular situation given the constraints. I want to talk about the next steps. I see on slide 15 you lay out the general sequence of events we can expect and I see we'll soon be acting on the consent agreement, and then in the late fall of this year we'll be considering pud zoning.

Yes, sir. Now, I appreciate that a lot of work has gone into getting us this far and a lot of board and commission work and there will be a lot more before we have to act on this. When we consider pud zoning one of the requirements for pud zoning is that the zoning offer development that would be superior to development under conventional zoning, and I'm trying to gauge how that process will look in relation to the process that we're going through now. Do you expect that when we consider that pud zoning in fall, that there will again be board and commission review of the zoning?

Yes, it will follow your standard pud zoning process. What's driving some of this is that in the enabling legislation there was a provision indeed there that the muds would automatically dissolve if council did not approve and enter into a consent agreement by September 1. The reasoning for that is we didn't want to have muds being created and lasting until the next legislative session where we were at greater risk for legislative finagling. So we wanted to protect some of the city's interests in that way. When you start backing up all the legal requirements in terms of if you want a strategic partnership, you have to have two public hearings. You can't start the process for a strategic partnership unless you have a consent agreement, you have to do a public hearing for the consent agreement. By the code you have to have five boards and commissions review it. So once you start backing it up, you come to this time period and we wanted to be able to allow a little bit of flexibility so we pushed up as much as we could. If council decided, well, we don't want to make a recommendation on March 1, we want to look towards April, and we wanted to provide you a buffer to be able to have -- have that opportunity to do that.

[One moment, please, for ]

Riley: We'll continue to try to lay a good solid foundation for that type of development and then come this fall we'll be able to continue that conversation and really take it to another level by

looking at the zoning and running through the pud zoning process and the venture that the zoning is geared towards as well.

Correct. You will have a more refined data to be able to look at because right now, for example, pilot knob is more in conceptual stage, so it will move to something more tangible and to where you can see the kinds of benefits and desired densities and those types of things that you're wanting in that particular area.

Riley: Thanks so much.

Mayor Leffingwell: Thank you very much. Without objection, we'll adjourn this -- excuse me.

[ Laughter ] we'll recess this meeting of the austin city council and call to order the meeting of the austin housing finance corporation board of directors. And it should be very quick. spencer, please go through that agenda.

Betsy spencer, treasurer of the austin housing finance corporation. I offer for you today three items to consent; however, item number 3 has one change where it reads for 375,000 it needs to read up to 650,000. And I'm available for questions.

Mayor Leffingwell: The consent items agenda is items 1, 2 and 3 with the item noted on number 3. Any discussion? Mayor pro tem moves approval. Second by councilmember spelman. Discussion? All in favor say aye? Opposed say no. That's approve on a vote of seven to zero. So without objection we're adjourning this meeting of the austin housing finance corporation and calling back to order the meeting of the city council and we'll go to item 29. It's pulled for speakers. We have a number of speakers, so we'll start at the top joseph ellie, lley. Joseph, are you here?

Spelman: As the first speaker comes up, I have to mention that I have to leave the dais for about an hour to take care of a personal matter. We'll be back on the dais right after live music and proclamations.

Mayor Leffingwell: Right now we have 102 minutes remaining, so it's unlikely we'll be getting off of this.

I am against the caps, but if there are caps i would like to see the formula. The formula has not been reviewed since I don't know when. I've been driving cabs since 1996. And in that time I have never seen this number of caps being thrown on the street all at one time except when the city of austin borrowed from the drivers' futures back in 2006 and they borrowed 75 cabs then. We don't need to borrow from the future again. We don't need to add an enormous amount of cabs and go back and review the formula and find out that we put too many cabs and we cut the throat of the drivers. Secondly, we don't need to be bailing out a cab company that spends 80% of their -- has 80% of their cabs probably working out at the airport rather than on the street when they're claiming that they can't service the city. Of course they can't service the city! They're all at the airport servicing the airport, which I could understand that because that's where the business is for them. Especially when according to the study that you guys had done, they

only produce an average of one trip per cab per day. That's not a very good number. Fanned that's data that they collected from each cab company, so that means if you're throwing on that company cabs, they won't have enough call volume to support those cabs? Secondly, or aside with that is I think that if you're going to add cabs it should be actually between the two companies, not this large amount that allows one cab to grow exponentially faster than any other company. That's all I have to say.

Mayor Leffingwell: Next speaker is andorraman, signed up against. Following anne is daniel lawrence. So it would speed things up a bit if we can alternate podiums. So daniel, if you will be ready on this podium over here next. You have three minutes.

All right. Thank you for allowing me to speak before you today. As you are aware, there is a formula used by the city to determine when and how many additional taxis are considered necessary to serve the public in an efficient manner. This formula has determined that the growth in austin calls for the addition of 51 new permits to be disbursed this year. 13 Of these are to be held for the addition of a fourth franchise. Councilmember martinez had proposed issuing 75 permits instead. We respectfully request that you vote to stick to the formula that is in place at this time. Using 38 permits between lone star and austin cab. And continue to hold the other 13 permits in reserve according to ordinances that are flooding the market with too many permits. We the drivers and myself do not deserve a pay cut and the addition of the additional permits you put on the road will already kill the drivers that are struggling to make ends meet. In addition, the current formula is flawed in the respect that it was put in place before a lot of other modes of public transportation became a substantial part of the equation. It does not allow for the fact that taxis are in direct competition with charter companies, super shuttle, large buses, electric low speed vehicles, pedi cabs and the rail. Therefore we would like to ask council to go in and revisit the current formula to include these other forms of transportation in order to gain a more accurate number of permits needed in the future and to do this before next year's evaluation. So again I thank you for listening to our concerns today and hope that you will consider what is being said today and make what we, a large number of drivers, consider to be the right choice. Stick to the formula as it is written.

Mayor Leffingwell: Thank you. Daniel lawrence next. Following daniel will be david kelly on this podium over here. So you have three minutes. Signed up against.

I just want to spend one minute talking about hybrid taxis. I agree with one of the staff recommendations of lengthening the time an actual car can be a cab from seven years to eight, nine or 10 years for a hybrid. That will encourage more hybrid attacks in our city. Also another recommendation would be having 15% of our taxi fleet being green vehicles by 2015. I think those are good recommendations. But on to the actual measure here against this measure, i think this will hurt 98 of the taxi drivers in the city. It will not improve customer service to the residents and tourists of this city. I think either way lone star cab will get more taxis. They'll have another 19 taxis. According to the formula. I think we've all agreed on the formula in the past. I think it's not perfect, but this is what we all agreed to. And I think to have more taxis outside this existing formula is a mistake. We have the formula for a reason. So it can't be abused by any certain group of people or set of interests. I think we have to stick with the formula the way it is now. It's not perfect, but there's a reason why we have it. And I think lone star -- of

course they have expenses, but either way they gross \$14,500 per week. They don't pay for the car's maintenance, they don't pay for gasoline. It's managed competition, but either way they're going to get more taxis because of population growth, and the trips out of the airport. I think we just keep with the existing formula. Thank you very much.

Mayor Leffingwell: Thank you. Dan Kelly is next and before you start, Dave Passmore. Raise your hand if you're here. You have three minutes. Next over here will be Edward Cartboat. You have three minutes. Mayor and thank you, council for giving me a chance to sleep -- to speak.

[ Laughter ] I wish I had a chance to sleep! Instead I'm going to speak. My name is Dave Kelly. I drive for Austin Cab. I've been a 15 years city of Austin driving veteran. Also former vice-president of the TDA, and publish Super Dave Super Newsletter, a taxi newsletter for cab drivers. I'm just going to kind of read from an email that I sent y'all last week. And with regard to the aforementioned subject, the extra taxi permits, I would first like to say that although as the author of the legacy proposal, I appreciate your inclusion of legacy permits as part of the extra permits being considered, of course that was earlier. I feel the negative financial impact of any additional cabs far exceeds any benefit derived from a mere 25 legacy permits. It is my opinion and that of a vast majority of my colleagues that the formula currently used to calculate the number of taxis, taxi permits in the city is already skewed against us because of the large group of competitive services that have been started subsequent to the formula's introduction. To add taxis beyond the formula in any way, shape or form is unconscionable even if they are legacy permits. Second the legacy to at the permits states whereas the report recommends the addition of 100 peak demand permits, I beg to differ. The proposed additional permits is a proposal submitted by the franchises in his report, and what a shock those who make money per cap propose adding more cabs. The report does say on page 85 the city of Austin currently receives excellent taxi call service. Excellent coverage despite operating at 67% of capacity. That's right, less than a third of the current fleet is double shifted and still the coverage is excellent. Market demand should be the only reason to add additional cabs to a fleet and I did not see that there's been a sufficient number of complaints from persons who could not obtain taxi service in the resolution. Obviously this would be inconsistent with the city of Austin receives excellent taxi call service. The city has over 1200 persons on file with active chauffeur licenses, yet only 400 -- and 400 shifts available to work, but not filled. This demonstrates an overfished market, not one in need of more fishermen. Lastly, why do my colleagues and I deserve a cut in pay? Is this our reward for providing excellent coverage? Would you consider cutting the pay of the police or fire department? What makes us different. We service the city. My expenses like everyone else's is going up, not down. We need to make more money, not less.

[ Buzzer sounds ] It is not fair to the citizens and visitors of Austin to be serviced by overworked, sleep deprived, mad at the world because they can't pay their rent cab drivers. This situation exists now and adding more cabs will only make it worse. Thank you.

Mayor Leffingwell: Edward Cartbow signed up neutral. Donating time is Criss Coleman. Is Criss Coleman here? Raise your hand. Okay. Got you. Andre Thomas? So you have up to nine minutes. And next on this side will be Jafir Abraham.

Good evening, mayor, mayor pro tem, city councilmembers city attorney, and gentlemen sitting in for the city attorney. My made is ed

(indiscernible). I'm here to present an proposal that addresses an issue that was in the tennessee logistics and foundation report, also known as the monody report. You have the proposal in front of you. It's the green peak demand permit proposal. I also have got portion of getting a google alert yesterday about a story in san francisco about the success they're having with alternative fuel vehicles out there, so I've shared that with you all. The tennessee transportation and legal foundation report says that the taxi industry in austin is doing very well, doing an excellent job, except during the hours of peak demand. The customer surveys that are in that report seem to agree with the report from the foundation. Some independent contractor drivers say they're not making money, but we have to incentivize them to work when trips are most readily available during the peak demand hours. I hope that you will find that the solution we're proposing is in line with the city of austin's principles. The green peak demand permit proposal, which is rooted in the city of austin's climate protection plan, asks that 50 special permits be issued that are tied to alternative fuel vehicles owned by the three taxi cab franchises and lease odd a daily lease basis instead of weekly in response to the peak demand issue and helping to solve that problem. These permits would allow for the beta testing of alternative fuel vehicles not only to benefit the cab industry, but the data collected would be shared with and benefit the austin police department, emt's, car makers, car dealers and citizens alike. The permits would not count against the cab just like the permits for wheelchair accessible vehicles allowing for financial incentives to the independent considerate drivers who would save money and gas. The franchises and addressing the specific issue. The specific issue exists in the here and now, so getting these vehicles on the road quickly works towards a quick resolve. In connection with other initiatives to get the drivers in peak demand, the peak green demand permits would make the vehicles available to independent drivers who want to work during these hours, but don't have access to a car. Demand for service must be demonstrated and maintained as part of the process to receive a green peak demand permit. Yellow cab is not asking the council to reward our success. We're asking that the investments and efforts we've made over the past 27 years to be the premier provider of taxi cab services in austin not hold us back from continuing to serve this great city well. The competitive market issues within the industry have been addressed by the 60% rule which is in place and in time a full resolution will be reached as the other two franchises continue to add cars. We don't get more permits, we being yellow cab, don't get more permits through the formula. The other franchises we anticipate will and they will grow organically, but the reality is we provide 97% of the dispatch business here in austin and that's why in the green peak demand permit proposal we're recommending a 60% distribution, which is consistent with the 60% rule. The impact on the icd's will be more business because improved service and response time will encourage and retain more passengers. I'll share a quote with you from a ynn story last week about the surcharge, dollar per passenger surcharge. The austin resident that was quoted is named laurie prado and she says it frustrates me a lot. I've called a friend who was at home. I'm like hey, I've already been here two hours. Can you just come get me? So that's a potential cab passenger who is passing up the opportunity to ride in a cab or not willing to the way any longer who is calling on someone else to come provide the service. Some recommendations that we have about how you would get the green peak demand permit, one of the suggestions would be demonstrate demand for dispatch trips. An idea would be one of the franchises would have to demonstrate the ability to dispatch five trips per permit on more than

1025 days during the prior calendar year. And then some suggestions about how the austin transportation department can manage the utilization of the program to prevent abuse have several of them. So I'll run through the entire list here. Weekly reporting showing how many green peak demand permit vehicles are utilized and what days they're being utilized. How many trips are dispatched on those days throughout the entire fleet. The franchises would report miles per gallon efficiency on the green peak demand permits monthly. Share maintenance information on the green peak demand vehicles quarterly. In single green peak demand vehicle would be leased in excess of 20 executive days. We would paint a green stripe around the bottom third of the vehicle so they're identifiable by the enforcement officers. 5 Percent of the days in 2011 yellow cab dispatched 3,000 or more trips. 7% of the days in calendar year 2011 yellow cab dispatched more than six trips per permit. I'm not asking for any subsidies, but simply the opportunity to invest in our industry. My ask to you is that you resolve today to have the ground transportation department take the necessary steps to bring this program to life as quickly as possible.

Mayor Leffingwell: Thank you. Jafir abraham. And following him will be major singh over here on this podium. You have three minutes, signed up against.

I'm currently driving for yellow cab, the best of the best of the business. What I'm trying to say here and suggest is that there's a problem, I understand, in the peak hours. And the solution is on hand to correct that problem at peak hours (indiscernible). How you solve the problem is by implementing one dollar per customer, per person increase as of way of getting other drivers to come out and work. Second of all, I want to say you have excellent system working at the airport. It's flawless and it works perfect due to the fact that there's an order. And that could be done also on sixth street. How I see it done is I know after hours the police barricade mostly sixth street. When they barricade it, the street could be used as a temporary cab stand. Someone could stay there and could be perfect place for a customer to come by there and find a cab to take them home or to whatever place they might want to go. At the same time you have a fleet -- sorry. You have employees currently and parking enforcement in downtown area, they work until midnight. If those people could be utilized to help control the flow of the traffic on those barricade area, it will be even perfect. And the city doesn't have to pay for that. I'm willing and mostly the drivers, they're willing to pay a dollar to load from that area and that dollar could be compensated to the employees controlling the parking spot. For the drivers to take effect. And that's my suggestion. I hope you will consider it and take it from there. I appreciate it.

Mayor Leffingwell: Thank you. Donating time so major singh, who is signed up against, is ali mohamed is here, jazzvir singh. Jazzhan singh. Merga gamed. All right. Back here? All right. So you have up to 15 minutes am signed up against. And next will be jennifer taylor on the other podium.

Good afternoon. Good afternoon, mayor, pro tem mayor, councilmembers and city staff. I'm owner of united cab and I'm proposing to be the fourth franchise in the city of austin. And as for myself, I drove taxi myself, even I was dispatcher, and I was actually a shared owner as well in the city of san jose. And I know we have three franchise in the city and I'm thinking it's far fewer than what we need in order to increase the competition. That will be better for the city, customer, as well as for the cab driver. I really believe it's much needed. Because right now I think the

customer are not getting the fair deal as well as the drivers because the company have no incentive to improve anything. And I really, really believe I'm hoping that you guys consider my application and give me the required permit so that way I can set up the franchise and I think it a win-win for everyone. Customers are hurting. We heard those calls, customers waiting for hours, calls not being routed or delivered properly. I know there's a proposal to give out 45 permit additional today and I'm not sure how it's going to help. All it's going to do is create a longer line at the airport. We already have enough cabs at the airport.

(Indiscernible), austin cab has 24% of the permit and serve less than two percent of the calls. And for lone star, they have eight% of the permit and they serve less than one percent of the call. And if we're going to give those additional permits out, all I'm really seeing -- and I'm hoping you guys consider that as well. All it's really going to do is make a longer line at the airport, which will not fix the problem as we try to address it. So I'm really, really hoping that you guys take a consideration and give additional time to the department so they can study and examine the munday report and you guys can find the solution to fix the problem that we are facing today. And the next thing I'm also proposing to the city, i will start my company with 50% clean air, right at the start. And within the next two years I will have my fleet running up to 85% clean air. I know in the past the previous company made those promises. Even I heard those promises now. They are ready already up to 60%, which is against city ordinance. And fourth franchise coming, I know the city ordinance allow five franchise and I'm believing that the size of this city we have far fewer company giving no -- driver have no choice where to go. We really need additional franchise. I'm saying even probably up to five franchise in order to improve the service. So driver have a choice and choose where to work for as well as city have a choice so city is not basically in the control of only few companies. Which is not good for the city. That's what I'm believe willing. I know our leadership work very hard to improve our image to be claimed as one of the cleanest -- one of the few cleanest city in the u.s. And what this cab company have done, I know they make a lot of promises. They have less than one percent clean air vehicle. I know, what are they doing in order to (indiscernible) being a clean air vehicle. They're making millions and millions of dollars. Why can't they invest into that. What are they doing? Are they doing their part? I do not see it. I hope you guys see that as well. And the other thing I'm proposing is basically improving the working condition for the driver. Right now the terminal fees are very high. They already have to work at least 10 hours before they make their terms of fee and gas and they work six, seven hour on top of it to make anything to take home. To me this is not healthy and what I'm proposing is lower terminal fee and double shifting. Driver will be incentivized if they basically drive travel hour. And if they gave out their car to the second driver for travel hours, they will almost pretty much are driving for free. They do not have to pay anything out of their pocket and they're starting their way with negative 60, 70, \$80, they will start with zero dollars. Whatever they make technically they will take home. And also I'm proposing for the driver, if the driver work with me one year I am going to -- after completing one year I am going to provide one week of terminal free. It's their choice to take care of their sick family, sick children, parents, or take a vacation. Or if they feel like working they can do that and make additional money. And also on top of it I'm adding another incentive. For the driver has zero complaint from the customer, from the city, zero accident, I will provide another additional week. Basically they have a total of two weeks free of terminal fee. I truly believe they deserve that, they earned that and that should be given to them. And also -- I'm also setting up some other additional funds, which again is optional for the driver. Basically set aside some

money that we contribute, that's their money they will manage. They can use that money in the event of hardship, which is they don't have any incentive right now. I really believe they need help and I'm hoping you guys will consider that. And I know there's a proposal tonight to give out the 45 permit. I'm really requesting to please postpone that proposal and give it transportation department some time so they can review that and come up with a better solution. If that's not possible, give out fewer permit. There's no need to give out all 45 today. Give out fewer permit while our application being considered and processed so that way we can see if there's enough to go around for a fourth franchise, which will be a win-win for constituent, customer and driver. And also, -- there was some additional bringing the clean air vehicle. There's no need to do that. I'm already offering it. I don't believe you need to violate the city ordinance, which is already above the 60%. They're already driving 70% of the vehicle. There's no need to basically make one company even more bigger. We know that. Basically all those 50 permit going to go to yellow cab, which is they already have way too many. On top of it, if they really want to help, why don't they replace their existing vehicle with the clean air. So if they really want to help the city. Also, I have almost 75 drivers in my favor and supporting united cab, however they're not able to speak because they're afraid they're going to lose their job because all their bosses sitting right behind them. And I want to make sure that you guys understand that they cannot speak in favor right now what they all wanted what they are proposing. And pretty much that's all i have. And I'm really requesting that you guys slow down giving out permit or if you are going to give fewer permits so that way we have enough permit to set up under the fourth viable franchise.

Mayor Leffingwell: Thank you. We're only posted for first reading tonight. The next will be jennifer taylor on this side against. And following jennifer will be wendell blow on this site.

Hello. Thank you for seeing me here today and talking with us about this topic. Of adding a franchise to austin. I'm in support. I believe the efforts that this cab company wants to bring forth will bring forth change, but too often the drivers have burdened under lease and the other expenses, long hours, and not being able to attend to their family or the other things because it's a 24/7 day a week job. It's not time to take breaks or to invest in families. So what this new company is bringing forth is something that could perhaps bring change all the way through the cab companies to recognize that \$600 a week for a cab lease, for an individual, is a lot of money on top of the other high gas rates and things like that. I'm not trying to single out a particular company, but there are few choices. And to offer another choice bright light for people to be able to see some profit and a change of life-style, I think would be to all our citizens of our city and that's what I would like to see.

Mayor Leffingwell: Following wendell, who is against, is oscar pitano. If you want to get ready on this side.

Thank you for hearing me. My name is wendell blow. I've been here 20 years. I started driving almost six years ago. I love austin more than any of the places I've been, that's why I'm here, and i found that austin is a unique city because it really does take into account many different size of issues that are very important to those that they are -- that they affect. I want to thank you for the new facility at the airport. It sure is a lot more human than what we had prior. It only makes sense that we offer all our drivers, whether they're limos or taxis, something humane. However, that and the incentives of the cleanup fee and the dollar per head late night fees don't address the

main issue and the issue is the drivers are really suffering out there to make a living. And I know that you all hear this all the time and it's probably our job out there to do the best we can for the rest of the drivers, but it really, really is at a point where the market saturation is overflowing. The formula, I can't believe there wasn't a stipulation put into the formula that stated that if we got to a certain level of different forms of transportation, that you would look at the formula and decide how many permits that are being given out in one area of transportation go against and in direct competition -- what other forms of competition in direct competition to the cab industry, why that wasn't put into the formula really makes me wonder. You know, come on. The Monday report didn't address any real need for new taxi permits. You know, we do pretty well during the festival times, but more and more a lot of the issues that were problems five years ago have been addressed by the people who do a/c and all the other forms of transportation. I mean, we have so much competition out there now, you go and try and work downtown on Friday and Saturday night, you've got cabs cutting you off, very dangerous, pedi cabs in front of you that you have to be aware of, horses and all the other things. I'm not adverse to I think it's healthy for the city. But I think we're at a point where we simply cannot add more taxis. And that there ought to be a moratorium in place so we can get the real numbers and find out what the real damage is across the board really are. Because they really are damages when you start to think of them in legal fashion. Other than that, I still love this town. I sure appreciate y'all listening. Thank you.

Mayor Leffingwell: Oscar Pitano. Henry Gilmore. And Henry is signed up for. Following Henry is Bertha Means.

I'm Henry Gilmore representing Lone Star Cab. Both parts of this ordinance are crucial to our business. The 30 additional permits will help Lone Star to better cover the city and better serve the citizens of Austin. The revenue will help Lone Star invest in better technology. The revenue from the additional permit will also help the permit market itself to increase awareness and create more demand for its services. Somebody referenced to the one percent dispatch for Lone Star Cab. One thing we want to point out is the awe Thursday of the Monday report came out to Lone Star Cab for 30 minutes on one day and promised to come back afterwards and never showed back up again. Our software provider provided them with different information than what they reported in the Monday report and so we're at a loss to explain how they up with that number. But be that as it may, when you think about how you choose to call for a taxi, how do you do it? How do you know who to call? Part of it is that you see other alternatives on the street. You see other taxi permits taxi cabs on the street. The other part is there's advertising to make people aware that there are alternatives to Yellow. This additional revenue will give us the ability to put more cabs on the street, to increase our awareness and advertise our services more. Give us a better chance to compete against the other franchises. The second part of the ordinance is extremely important as well. It removes the 51% owner-driver requirement. This puts us on the same footing as the other two franchises. It makes it easier for the company to secure financing and attract investors. And it also allows the company to more easily enforce its work policies and also allows owner-drivers who get sick or who want to retire to stop driving, but not place the company in jeopardy of losing its franchise. We'd ask for your adoption of the ordinance. I'll be glad to answer any questions.

Mayor Leffingwell: Thank you. Bertha Means is next. Also signed up against, donating time, Abdo Dixon. Is Abdo here?

Here I am.

Mayor Leffingwell: So you have six minutes.

Thank you. Thank you very much, councilmembers. I have attended several meetings pertaining to the cab industry, and at each meeting I would remind the people, and I've said this so many times that they got tired of hearing me say, we have to comply with the rules and regulations of the city of austin, and in particular the formula which has been used for many years to give permits to the franchise we, austin cab, initially harlem, we grew from 59 permits over the years to 162 by using the formula. We feel that this is -- this is the way that we should continue to operate because I don't want politics to come into play when someone will say let's give this company 40 permits. Let's give this company so on. That's not the process. And the drivers who spoke early on said it real well, that we have to use the formula because that is the way that we continue to be well regulated. We don't want deregulation. We have to have rules and regulations in order to implement our program in a professional manner. When some of the drivers told me sometime ago that lone star was going to get so many permits, and I just brushed it a I said that's not the way the system works. And then somebody else said recently, someone was going to get more permits. This is not -- this is not right. We have to have rules and regulations. We have to comply with the formula that we have been using forever. Now, I have an example of my having gone to two african countries some time ago, several years ago,, the taxi cab industry was deregulated. People were killing each other because there were too many cabs. Of course that's not going to happen in austin. I know that we won't do that in austin, I hope. But there was a lot of shooting of people because the cabs were running helter skeletonner. And I just don't -- I have always talked positively about the way austin cab implements its taxi cab project, program. And I certainly hope that we will continue to be fair and to be honest and carry out everything as you've always done in a very professional way. As I said, I've always been proud of the way that we have implemented this business. And I hope as many of the drivers have told you early on, that the formula is what we should -- that we should continue to use. Thank you very much.

Mayor Leffingwell: Thank you. Aube haley. Not in the chamber. Jeffrey rode. Signed up against. Over here is fine. Donating time is joseph beers. Got you. Steven cobel?

He's not here.

Mayor Leffingwell: Who is?

David passmore.

Mayor Leffingwell: Is he signed up?

Yeah, he donated to me.

Mayor Leffingwell: So we'll try to verify that. For the time being you have six minutes, and we'll look passmore and see if he's signed up and give you an additional three.

I guess I didn't get over it as being donated. We signed him up a little late. Thank you very much, your honor, my name is jeff rode, I'm driving for yellow cab. I've been a resident of austin for 40 years and a taxi driver for 18 years. My position on this is against on all four of the ordinances, and with note that I basically do support the 100-dollar cleanup fee, but I would like to stress that what you really need to do today more than anything else is one word with the taxi business: nothing! Okay? No more permits, no changes of any kind, and the rate structure, do not do anything at all until you fix the problem with it, which is the defunct formula. It's just that simple. The purpose of this formula has been to provide sufficient taxis for the travelling public while ensuring that there's enough income for the drivers that they can make a living without literally crashing into signs and whatever else on the side of the road, speeding to get to the trip, etcetera. The simple fact of the matter is, however, in its history the formula never did actually account anything about driver income. It just made this brain dead assumption that the population of austin would be reflective of the total business volume, but there's no connectivity between that. So what you need to do is come back and fix the formula in a manner that actually does look at the business volume of the taxi business itself and with note fact that you're getting that off of meter readings and you're not using them. You're reading meters on taxi cabs every month with cab inspections, but you don't do anything with that information. So what's the point? And what we need to do is have an estimation of literally what the total business volume for cabs is before we go any further with that, that and does need to be built into the formula. The alternative of that, i have to ask all councilmembers present, knowing that when you put more cabs on the street, you're going to be taking income out of our pockets to do it ultimately because for the fixed business volume more cabs means less business for every cab driver. How does any equitable examiner of any issue, no matter what it is, take out of the pocket of one in order to put into the pocket of another without knowing what they're taking out of the pocket of first one to do it? On that note, if I'm not correct, can any of you explain to the voters of austin how it is that this formula does work in the manner that it was supposed to work? In lieu of that, can you find anybody on staff that can? By any chance has anybody gordon dare or steve grassoff at the transportation department if they would perchance have their own income subject to the same kind of metrics that they have told you are sufficient for evaluating changes in my income. Have they ever been asked that? Somebody needs to. I know the most salient question of all of this, why are you taking meter readings that you then don't use? I don't get it! And what I really don't get, these taxi permits are \$400 a year to the cab companies. Yellow cab charges me \$15,340 per year for a permit for which they pay you \$400. 6% of what they're charging me. I don't think anybody can possibly call that a defining cost. Can you not conceivably say raise the cost of the permit, oh, \$10 a year, and come up with a few computers over in the transportation department with which you could accurately account those meter readings and come up with some viable information on what our business volume is? It doesn't make any sense that you're not using information that you've already got at your fingertips. And at that point what i really have to ask is can anybody explain to the voters of austin, texas what, pray tell, have we ever done with this formula except just give a reason to the transportation department staff and ultimately the cab companies for why they would not have to do any, you know, actual thought? Okay? The bottom line is it doesn't do anything for us. It just helps them. They can come up with essentially an automatic answer on all these allocation questions and they don't ever have to really justify anything. Certainly not to the point of our income. Specifically, in closing, to point of lone star cab, I'd like to remind all parties present that lone star cab was given their franchise over a superior rated contender for exactly one they were, to their word, a driver co-op. Now they want

to take all of this and throw it out and get rewarded by virtue of having, by the way, even more permits than the formula should allocate to them. So the next question I have, what contracts with you do I get to break and how much are you going to reward me for the fact that I've broken my word to you? And this is contradictory. If you're going to throw out the formula to give permits to lone star cab, what you're already doing is admitting that the formula isn't working and isn't worthwhile anyway. So do you know what? If you admit that, then what you really need to do is fix the formula where you do have something that provebly does work, provebly does show about what the window between the business volume and what we pay is.

[ Buzzer sounds ]

Mayor Leffingwell: Is dave passmore here? You have another three minutes if you want it.

Thank you very much. mayor, I apologize we didn't get dave signed up quite so quickly. All I can have on all of this is you take a look at a basic illustration of what I've been trying to say about that window. I'd like for everybody to consider a very simple analogy or a very simple scenario, rather. Let's suppose we have 10 cabs and each cab driver is absolutely uniform making \$150 in some time period and he's paying \$100 total fee, terminal fee, to the cab company. Note by the way that the cabs -- the business volume under that scenario is \$1,500, but do note that evenn that scenario the cab company owner wouldn't even know what the total business volume was. He would only know that he's making a thousand dollars. Each of the drivers would know that they are making \$50. Now, let's suppose the cab company owner comes along and says I need five more cabs and you say, there you are, at which point you now put 15 cabs on the street and eats charging \$100 for -- he's charging \$100 for those new same five drivers and now that cab company is getting \$1,500 out of in fact the 1,500-dollar total business volume, right? Meaning that all of those drivers would be getting zero. Obviously that's a limiting case scenario. Obviously you never do that in reality. But the point is that window between what we have in business volume and what we pay out and which we make our living, and there's no measurement of that and there's for way to measure it, and what you have -- what you would have in that scenario if we just, say, put those five cabs out there, we'd have the great chase to find out who is going to be the 12 drivers or so that are actually going to remain in those 15 total permitted cabs with the fact that you can't make a living out of 1500 total business volume and \$1,500 of that going straight to the cab company's pocket. You've got to have some way to measure what the actual impact on the income of the drivers is. The formula as is, where is, does not do that. It never has. And it never will until you build it on the use of the meter readings that you already are taking. And compare that against the cost that you know that we are paying. At that point you can take an average of what that window is per driver. I can only hope and pay that you can see that the benefits of the public out of that is the fact that at that point you can at least warrant the drivers are able to make a living in the 12 hour time limit in which they're allotted to do it, and we're not going to have that great chase and all of the accidents that go along with it to find out who is going to be the last guy standing. Thank you very much, mr. mayor.

Mayor Leffingwell: Thank you. Zena murcha? You signed up for. Nega tetesea. And (indiscernible). Chemet. Also for. Daniel adgio. You have signed up for and you have three minutes. Following daniel will be surrender gill on this podium over here.

Thank you for the opportunity to speak on behalf of lone star. I am strongly support of the city council agenda that allow additional taxi cab permits to companies. I'm not taking your valuable time, I just try to mention three important points. First, for the last five years we have been asking the city council for additional permits to give better service. And the monday report and the city staff formula justified our long time need for more permits. By the way, the last five years lone star get only three permits. For the last five years we get only three permits. And with the 50 permits, the one we own right now, we can't give fast service for the whole (indiscernible) incoming calls and we can't set up a zoning system to locate our driver for faster service. And second, there are a lot of drivers waiting for the permit to have their own taxi instead of driving through somebody else, paying double payments. We have done that. Everybody knows that three franchise taxi companies, there are a lot of people waiting for taxi. And for the matter of fact, right now if you allow these taxi drivers giving secret vote, they can't give 100% for lone star.

(Indiscernible) lone star and they support us. Only you are seeing these people, they have their own interests. Most of the 90% driver are supporting this agenda. They're supporting lone star to (indiscernible) because they're a friendly company. And the third, even though currently you have the base dispatching system, we need more revenue to give us and upgrade new high-tech snatching system and latest securement. Finally my background is i.t. I have been working 15 years for texas commission environmental quality. My role in lone star is i want to make sure the companies have the latest, latest high-tech equipment, dispatching system. And the city staff know that we have the city and we are ready to show the city council our dedication for the city of austin. And one mention I want to say is the austin cab owner, she mentioned that --

[ buzzer sounds ] I have another three minutes for --

Mayor Leffingwell: Denar is in the chamber now? You have another three minutes.

She mentioned that we have to regulate with the formula, but five years ago when lone star created austin cab company, they awarded more than 20 permits, even though at that time they have 140 or 45 permits. Okay. They were awarded out of the formula 20 or more permits. At that time they didn't say that is out of order or out of the formula, I don't want to take it. I know at that time the city council want to support austin cab to stand on two feet. Right now the city council is they want to see us, lone star, to stand on our feet. That's why. We have 50 permits. Even one person I know in town have his own 50 permits. By the way, the lone star is only company from the three franchise that 90% owner-operator drivers. 90% Is owner-operator drivers. So the city council, if they support us to give additional to the formula, right now is -- before this meeting in december the city council, they allowed us for two companies 75 permits. But the formula already supports 53. Now the difference is around 20 not a big deal. 20 Taxis not make a difference in city of austin. It's a big demand, they know it. But intentionally they are coming to attack lone star to be not in the business. That is their intention. But when you're coming to the fact these 20 permits does not make a big difference in taxi drivers' business, in anybody's, but that 20 taxi for lone star, it make a difference. You make us chooses our life here in the business. I'm sure -- I'm sure the city council are looking lone star to survive and give the best quality service. And we are focusing not attack each other. Our focus is customer. The city council, the city elected people to take care of city of austin, not for the taxi driver, not the

franchise people. Our priority is the city of austin citizens. That's our focus. As much as possible we are showing our hard work and satisfy our customer. Thank you for the opportunity to give me this speak, and we are looking for your cooperation. I appreciate you.

Mayor Leffingwell: Thank you.

[ Applause ] so council, I have a suggestion. It's time for live music and proclamations. We'll table this item until after live music and proclamations, but before we recess, I have a staff request to let some folks go home early, and I'll entertain a motion to postpone items 50, 51 and 59, all related, until march 1st. Councilmember morrison moves approval of that postponement request. Second by councilmember martinez. All in favor?

Martinez: I want to make sure that it's understood that all three of those items be at the same 00 so they weren't like where they were today. So they would all be at 2:00.

Mayor Leffingwell: We understand. There was a notification error for this meeting.

They will all be done at 2:00 on the first?

Mayor Leffingwell: All in favor? Opposed say no. Passes on a vote of six on to zero with with councilmember spelman off the dais. So without objection we're in recess.

Martinez: Good evening, everyone. 30, but time for live music and proclamations. Joining us this evening is my buddy from way back. We met right before new year's eve about a month and a half ago. He played during our new year's eve festival in the city. That is shaky graves. He is the monitor of the multifaceted artist, garcia wrote, performed his latest release, roll the bones, that has received rave reviews worldwide. With his choral arrangements and finger pick guitar, his recordings have a unique, psychotic, forelonghorn appeal that has made shaky graves a household name from coast to coast. It follows in a long line of texas trouble doors, of tall tales and small woes. He is a bright asset to texas music and the independent folk seen that will leave you tapping your feet and longing for a slow drive through the back roads of america. Please help me welcome, shaky graves.

[ Applause ] ♪♪♪♪ ♪♪♪♪ ♪♪♪♪ ♪♪♪♪ ♪♪♪♪ ♪♪♪♪

[ applause ]

Martinez: Always, always special. That's some amazing stuff. Thank you. I've got a proclamation that I want to present to you, but before I do, can we get your music on I tunes or where can we check out your next show?

You can. I sell my music on a website called band camp. You can go to shaky graves.band camp.com. You can pay what you want, it's a donation base.

[ Applause ] and I'm playing this saturday night at hole in the wall.

Martinez: All right. Saturday night hole in the wall. We'll see you there. I want to present with you a proclamation that reads, be it known that whereas the local music community makes many contributions towards the development of austin's social, economic and cultural diversity and whereas the dedicated efforts of artists further austin's status as the live music capitol of the world, now therefore i, lee leffingwell, mayor of the city of austin, texas, do here by proclaim february ninth, 2012 as shaky graves day in austin, texas. Congratulations, shaky.

[ Applause ]

Mayor Leffingwell: Well, it's my pleasure to welcome a group of folks here tonight from my favorite profession, engineering. As some of you may know, i graduated from the university of texas with a degree in mechanical engineering myself, but as i like to tell people, my biggest contribution to our community is that I never actually practiced any engineering.

[ Laughter ] but I certainly do appreciate those of you who do and do this important work for us. And I have a proclamation in your honor and rick McMASTER HERE I THINK IS Going to come up and speak for the group immediately afterwards. be it known that whereas austin industries based on engineering and technologies feed our local economy and retain highly educated workers in our area. Because engineers play such a vital role in our society, it's important to ensure that children discover careers in science, technology, engineering and mathematics. So-called stem-related fields. And whereas volunteers from local companies, organizations and institutions are making classroom visits during engineers week, which is february 19th through the 25th, and will continue through the rest of the school year providing hands on activities and discussion about the importance of engineers, I like that, in our society and career opportunities available. And whereas we support these efforts to inspire more students to pursue careers designing our future and improving our world. Now therefore i, lee leffingwell, mayor of the city of austin, texas, do here by proclaim spring 2012 as engineers week and discover engineering 2012. So congratulations to all of you. You're going to accept the proclamation and say a few words if you would like.

Okay. Thank you, mayor. We couldn't do this without all the volunteers from the community. I'm joined with two people on our local volunteer steering committee, jose guerrero and lonnie stern. Jose is from the city of austin, lonnie from skill point alliance. To tell you the effect we have on the community, last year, the last school year, we saw over 15,000 students in classrooms in 14 school districts across central texas. And we saw another 4,000 in other venues, but again we couldn't do it without the hundreds of volunteers and the support of their companies. We had 65 local firms participate last year. 40 Professional societies. And I'm quickly going to go through just a few of them. We had 3 m, applied materials, at&t labs, city of austin, google, hvj where i work, intel, pbs and j, silicon labs, your neighbor out here, skill point alliance, expansion, tceq and of course the university of texas at austin. In terms of professional societies, ac assessment, the american society of civil engineers, ieee, the national society of black engineers, the society of -- the society of hispanic professional engineers. And the society of women engineers. Again, we get out into a lot of classrooms. There are a couple of events that are going to be coming up during engineers work. There are two engineers days at the austin children's museum, february 18th and 19th. Some folks from asce are handling the one day and engineers from the cockrell school of engineering the other day. And then they will introduce a

girl to engineer thing, on february the 25th. We're always looking for more volunteers. You don't have to be a practicing engineer. We already have over 50 schools that have signed up. Just go to our website, [www.centex](http://www.centex.org) ewic.org. And with that, jose, a few words?

Yes.

Thank you, mayor and council and thank you, rick. 2005 The city of austin by resolution asked us to explore joining and partnering with central texas discover engineering, and we did for the last seven years. We've enjoyed and several of our volunteer city engineers have gone to school visits. I personally have been overwhelmed by the support and the excitement of the kids when you put the profession of engineering before their eyes. So we'd like to invite again all practicing engineers, scientists, technologies, computer scientists to visit centex org and sign up as a volunteer. Thank you.

Mayor Leffingwell: So here tonight to honor science festival 2012, we've done this program for, what, 13 years in a row now, sponsored by austin energy. We have this year, i believe, over 4,000 elementary school students participating in the program. Elementary through high school, I should say. Various skill levels, perhaps. Throughout the austin area. And so I think it's a great thing. It does it does is it promotes young people to look towards the stem cells, science, engineering and mathematics, technology, to make their careers in those fields. And I think that's what we need in this country. So I'm very glad that austin energy does this and I'm very proud to honor you representing austin energy tonight. So I have a proclamation, of course, and it reads, be it known that whereas science festival 2012 will showcase the talent of almost 4,000 elementary through high school students from public, home, charter and private schools throughout the austin area and whereas science fairs like science festival 2012 with the theme exploring general just, helps spark an interest in children to pursue science, math and engineering careers. And whereas we congratulate the participants, especially those whose winning projects will go on to state and international competitions. And we thank austin energy, our community-owned electric utility, for sponsoring and organizing this important event for the 13th year in a row. To now therefore i, i, lee leffingwell, mayor of the city of austin, texas, do here by proclaim february 22nd through the 25th, 2012 as austin energy regional science festival days in austin, texas. Congratulations ingrid. Did you want to say a couple of words?

Thank you, mayor.

[ Applause ]

thank you, everybody. I really do appreciate the support of the city and of the community to this wonderful event. A regional science festival has existed in austin for almost 50 years. And we are very honored at austin energy that we have taken it over since 2004 and have been able to help young students get interested and stay engaged in science. We cover approximately -- we do cover 10 counties in 23 school districts and the students come from their local schools where they have won and advance to us. Last year we had almost 4500 students come to us, and they submitted 2500 projects. That's a lot of students and you have to know that about 3,000 of those really elementary students. The elementary students -- this is the highest level they can go, but the winners from the middle and high school students can advance to the state fair and the five

very best projects from the high school, the best of their projects, advance to the international fair where they compete against 54 other countries and all of the u.s. And last year I'm incredibly proud to report that out of the five projects we sent, two placed first at international and two projects placed third. And I think that speaks volumes to the quality of education in the central texas area. I also think it speaks volumes to the support these students receive from their parents, from their teachers, and from the community that permits us, austin energy, to put on this fair. So I really would like to thank all of you for your financial support for the judging you send us. We need about 500 judges every year. For the hundreds of volunteers that you send us. And for the opportunity to run those wonderful events. Thank you.

[ Applause ]

Mayor Leffingwell: So today we have the pleasure of honoring some city of austin employees who exemplify the true meaning of making a difference. This past november public works and the transportation department diversity council participated in the 25th anniversary of the coats for kids drive that collects and distributes warm winter coats to eligible children and teenagers in central texas. And they were recognized for collecting the most coats by a business organization for the 115 they collected. I want you to know that i participated in that program also, but I didn't collect 115 counts. So today we're presenting certificates to the following individuals, and the certificates are similar, but I'm only going to point out the differences and present the proclamations to the following folks. Eva moore. Her certificate is for coming up with the idea of supporting coats for kids. Eva? Congratulations. Next is floyd bermia. Close enough?

[ Laughter ] coordinated involvement with the junior league of austin who sponsors this event. Congratulations, floyd, and we'll have you up in just a minute here to speak for the group. Talliy mcguire. She designed the fliers that encouraged participation in the coats for kids event. So thank you much for your work and your talent. Johnnie colvin provided the barrels for collecting the coats. Johnnie, thank you very much. Fred garcia painted the barrels so that they could be easily seen by people going by. Fred -- you recycled them.

Yeah.

Mayor Leffingwell: Congratulations. Thank you.

[One moment, please, for change in captioners]

working with that kind of leadership and that support we partnered with austin transportation department and were able to put together this group of employees, and this is not the whole group. There's about 14 of us, spent the last couple of years trying to figure out how can we create a culture within our two departments that recognizes and appreciates not only the differences that all city employees bring to the table, but more importantly all those things that make us very much alike. Too much time is spent in how we are different, not enough in how we are so similar. This council has taken that task to themselves, and we are trying to get ourselves involved in creating that dialogue amongst all of our employees. A lot of these discussions in the past might have been held under the surface. We want to bring it out in the open. We want to recognize that we are different, yes, that's true, but there are so many things that make us so

much alike at the end of the day. When the idea came to us about participating in a community effort, we literally jumped on the idea of coats for kids, this being their 25th anniversary. Some of us have been wofd involved with coats for kids for quite a while. I personally spent about 18 years now involved with that. There is no more gratifying effort. So this council was very instrumental in trying to raise that issue, bringing the awareness to city employees, and as the mayor said, thanks to the city employees who did contribute those gently used coats and jackets that helped make this past winter a little bit better for some of our central texas children. It is our intent as a diversity council to make this an annual affair. We plan to do this again and again and again as long as there is a need, we plan to be there to try to help that cause. And again, mayor, thank you very much for your support and your recognition.

[Applause] come on up. Get your boss up here to take a picture with you.

Martinez: all right. Folks, we have one remaining proclamation for the evening. It's my honor to welcome the national association of women in construction to austin city hall. Having come from the fire department certainly understand what it's like to be in an industry that's mostly male dominated and it's an honor to recognize your efforts. National women in construction has been around quite a while, the austin chapter. They work to promote, obviously, their trade but also to help foster leadership in development for women within the construction industry. Some of their more notable projects over the years here in austin have been significant. The fannie davis tower, town lake gazebo, which is about to be refurbished by south first street is one of their projects. They restored the buford fire tower on cesar chavez. They did the public square, the playground for battered women and continue to give back to their community. So it's my honor to recognize these outstanding women and present them with a proclamation. And it reads, be it known whereas the national association of women in construction has distinguished itself as the voice of women in construction for 58 years, and its austin affiliate has promoted the employment and advancement of women in the local construction industry, and whereas the construction community represented by austin national association of women in construction, region 7, chapter 7, has been a driving force in fostering community development through renovation and beautification projects, promotion of skilled career trades and its positive vision for the future, and whereas we are pleased to recognize austin national association of women in construction, region 7, chapter 7, and its many dedicated volunteers for their steadfast work on behalf of and in support of women in construction. Now, therefore, i, lee leffingwell, mayor of the city of austin, texas, do hereby proclaim march 4 through the 10th, 2011 as women in construction week in austin, texas. Congratulations and thank you for what you do. Thank you.

[Applause]

terry, would you like to say a few words?

Sure. Thank you. In recognition -- my name is terri underhill, and I'm the vice president of the austin chapter of the national association of women in construction. In recognition of the proclamation and our chapter, we hold every year -- we have a women in construction week, and it's going to be march 4 through the 10th this year. This is the proclamation honoring women in construction week, and we have partnered with the amrick school for women with young leaders, and we will be doing a take a student to workday with the crockett students, we partner with

crockett. We will also be bowling in the big brother big sister bowling tournament on march 3, and we'll wrap up our week with a networking social happy hour. Basically the national association of women in construction promotes growth and motivation through education, which fosters confidence and strength with the end result of success. Thank you. Oh, one more thing. We've been around since 1953. There are 150 chapters throughout the world, including australia. Thank you.

Martinez: thank you.

[Applause] till ri cs-mu-co nf cs-mu-co-np sf-4 b sf-4a w/lo katharine hardin katherine catherine connelly jerg conley engineering go-co-np dmu-h-co john coronado hills john coronado hills mirza chaff in chafn castillo dell castillo del castillo lindsay lindsay mir sa er dal er dal er dal er daller baghdad cag lar er dal caglar we're out of recess, and before we take item 29 off the table, council, I think we can quickly dispose of item no. 60, And let some folks go home in about 30 seconds. So jenny? There's nobody signed up for this.

Good evening, jenny plumber, office of real estate services. 60 is a change in use on parkland on the town lake shoal beach, and the shoal creek greenbelt. There is no other feasible and prudent alternative to the taking of the dedicated parkland, which includes all planning to minimize harm to the park. The the mitigation for this item is in exchange of land so for the 2,000 acres -- 2,000 acres -- 2,000 square feet the parks department will be getting back 12,000. thank you. There are no speakers signed up so I'll entertain a motion to -- council member martinez moves to close the public hearing and approve the resolution.

Second. second by the mayor pro tem. and I have a quick question for jenny. mayor pro tem cole coal are there any plans to bury the lines along lady bird lake?

I don't believe so. that sure would be nice.

Distribution transportation lines so they're not planning to bury.

Cole: okay, thank you. all in favor of the motion say aye.

Aye. opposed say no, passes on a vote of 6-0 with council member spelman off the dais.

Thank you. so now we'll take item 29 off the table resum our -- not our public hearing but our citizen comment. And for those of you who are here for the public hearing on electric rates, it is not likely that we will get to that item for about two hours, no guarantee, but we have a lot of -- a lot of things to go to before we get to that item. So the next speaker is surrender gill. Surrender gill? Are you in the chamber?

Don't see him. Feru, getahun. Feru getahun. Are you here? John hardman. John hardman. Once again, john hardman. Okay, come on down. John is neutral and you have three minutes.

Number of cabs?

This is on the award of first -- first reading, the award of 30 additional permits to lone star cab company.

Okay, first off, thanks for the venue. Years ago the city council would say that we're going to talk about taxicabs and all of the taxis would come -- drivers would come -- we'd line up and down the street to talk. That was a mess. A committee was formed to supposedly eliminate that. Obviously it hasn't. This is still a problem. I think that to address the problem more participation at these committee meetings would have to be. That isn't going to happen for a number of reasons. I would like to suggest that before any -- because of the problems of forming a committee did not work, i would like to suggest that a vote would be formed, a way of voting would be formed so that a high percentage of the active drivers must vote on the issues coming in front of the city council before it gets to the city council. That I think will encourage a lot of participation with the committees that are formed before the issues come to you. There's a number of things that are not working there also. Nobody knows when those committees are meeting. There's a whole bunch of issues there. Something else has to be done. This needs to be talked out before we come to you over this, because adding more taxis will take away from my money, and common sense says, I don't want that. But adding more taxis to these smaller companies will work its way into a competitive market that we don't have right now. And a competitive market will eliminate a whole lot of problems. It's lopsided, considerably. Look at the numbers. So as far as this particular issue of adding taxis, no, i don't want more taxis because it will affect my money, but yes, I want more taxis because it will help promote a more equal market that will create competition that does not exist. That's about -- that's about it that I've got to say. I would like to see something else happen to make these committees more effective, and I think creating a vote so that they don't get past that committee to you would go a long way. That's three minutes. Huh, quick. thank you, john.

Thank you. joshua borga. Joshua borga. Joshua borga is signed up for, apparently not in the chamber. We have another -- a number of other folks that signed up, approximately 64 and five against not wishing to speak. So that's all the speakers that I have wishing to speak. So council, we're open for discussion, for a motion, and this is posted for first reading only. Council member martinez.

Martinez: thanks, mayor. I wanted to -- gordon, i wanted to ask, we're posted for first reading tonight, and I wanted to just get a sense of a timeline, if council does approve this item, when would it come back for second and third reading, and then ultimately -- one of the things we talked about --

one of the things we talked about back in december, one of the reasons that I think a majority of the council moved forward on this item was to try to get these cabs in place before the busy season of sxsw, so just trying to get a sense of where we line up in that timing and if it's at all possible, if the council does approve this, are these cabs going to be available during that time.

Gordon dur, assistant director of the transportation department. I think that's probably best answered by angela from the city attorney's office.

Martinez: thanks, gordon.

[Inaudible] rodriguez with the city attorney's office. Unfortunately, we will not be able to put the extra permits to use by sxsw. The reason is because if we issue more permits we will have to amend the franchises, because right now the franchises are limited, and the only way to get them more taxicabs, the more permits allowed, would be to amend the franchise itself. Now, we are constrained by the charter for how to amend that franchise. The charter requirements will -- are that we have to have three actual readings at three separate meetings. Then that will put us on the timeline of this being the first. The second reading will take place on march 1, and the third reading would take place march 8. An additional requirement is that we can't put it into effect until 30 days after the first reading, and unfortunately we missed the -- we missed the 30-day mark. So it's going to be -- and then after we approve it, it's going to be an additional 60 days until it can take effect. And I believe, if I can refer you to the ordinance itself, it gives the exact date that they will be in effect. They will be able to be used on may 21, 2012. So again, regardless of our best efforts, the charter constrains us in that regard. but is it -- is it the 60-day delay a charter issue or an ordinance issue?

It's a charter issue.

Martinez: okay. And what was the 30-day? Was that an ordinance or charter?

Charter requirement, sir. As a matter of fact, it says -- let me see, the ordinance submitting the franchise shall not be finally acted upon until 30 days after the first reading thereof. So there's nothing we could have done immediately. And then after it's finally approved on third reading, after that date there's an additional 60 days that the charter requires of us, and as you know, there's nothing we can do to circumvent the requirements of our charter. So that is the effect -- the practical effect. I just -- i remember us asking questions back in december, and none of this ever was brought to our attention, because we specifically were asking questions. It's surprising, but obviously if it's in the charter it's in the charter. Charter. I want to go on record and say that was the conversation we were having back in december and why we allowed for it to be postponed for further discussion, sent to utc and brought back at this meeting because we were told that we could move it forward in that time frame and now we're being told we can't. Is that correct? Is that correct that we can't?

Yes, sir, it is correct that we can't.

Martinez: okay. So -- thank you. Mayor. You know, obviously we've heard from a lot of folks, and certainly understand some of the concerns that have been raised about the formula, and I think that's one of the reasons why this agenda item is on, because there is in some folks' minds and experiences, there are some discrepancies in the formula, and munday's report did talk about lack of cabs during peak hours. So we move forward with this recommendation, obviously not issuing the full allotment of a hundred as recommended by munday, but a compromised number to try to improve the service to the citizens and visitors who are trying to use our taxicab service. I completely appreciate the proposal from yellow cab. I think we do need to take this into account when moving forward as to how we really demonstrate our initiatives to reach our climate protection goals, and I've met with yellow cab and we've discussed this, and I look forward to that continued discussion as well as the new proposed franchisee who's come forward with what I believe is a pretty significant proposal to have 50% of their fleet be 100% carbon

neutral, and I think that's pretty significant. Those are the types of leadership initiatives we're going to need if we want to get the cab industry to match our green values. But aside from all of the points that were made -- not aside from them but taking into account all of those points, you know, this council also sees that we don't necessarily fit this industry into specific parameters. For example, the existing franchises say that yellow cab shouldn't have more than 60% of all the permits issued, but yet they do, but yet this council doesn't act to dissolve their franchise that they are in violation of because they're a good business. They do good business, and yes, they're a little bit above 60%. But technically for those of us who have come down and asked us to stick to the formula or stick to the rules, we would have to shut down a major cab company in this town providing hundreds of jobs and thousands of trips to folks. So the reason I point that out is, yes, there are rules, and we all have to respect and appreciate the rules, especially our charter, which we're never going to be able to violate. That's up to the citizens to change that. We will comply with that. But as it relates to things like the formula that's used to calculate how many cabs we have, we do maintain some discretion, even though the extent that the ordinance that is crafted for one franchise is actually -- -- franchise -- we are actually in violation of that ordinance. But I don't think it's the right thing to hold that up as a means to punish one company. This will actually line us up more in line with those required percentages, because in this particular action yellow cab would not be receiving any additional permit. And I totally appreciate the comments and hope that we continue this dialogue. This is just a small increment of a step moving forward, and we can do a lot more, as you all have shown us, to improve the cab industry. So I hope that we continue to take these additional steps. I look forward to going through the proposal that was submitted and look forward to staff's recommendation for our fourth franchise. Franchise -- franchise. I don't know that Austin is ready for a fourth franchise, but I do know that Austin is ready for some tremendous leadership in how we operate our cab franchises, and that they align with the values of our community. And so I look forward to that continued conversation and I'll move approval on first reading, mayor. Council member Martinez moves approval of item 30 on the first reading. Second by Council member Morrison. Council member Riley? Yeah, I'm not going to be able to support this motion. For those who weren't following this issue last year, the city did engage a consultant to look at our taxi situation, and that is the Munday report you've heard references to. Munday did identify a problem with our taxi service during peak times. He said generally your taxi service is pretty good but we do have an issue at peak times with being able to get a cab, but he cautioned that the solution to that is not to issue a bunch more taxi permits because if you do that you may well not improve customer service at all. What you may wind up with is just more cabs in line at the airport which will actually diminish customer service and drive down the wages of the taxi drivers and really accomplish nothing. And I'm afraid that if we just go ahead and issue these permits in complete Munday's recommendations then we are setting ourselves up for continued problems and we are missing an opportunity, because if we are going to address peak demand service, then the time to do that would really be at the time when we are poised to issue more permits. So we have a window of opportunity here to actually do some meaningful improvements to customer service and working for cabs, if we act very carefully and thoughtfully in issuing permits, not just issuing a bunch more regular permits but actually structure those permits to address peak demand and we also have very good ideas raised by Yellow Cab to promote Green Cab so we could actually combine that in the same initiative by pursuing a program for -- for a day-lease peak demand program geared towards green vehicles. So with all that in mind I would offer a substitute motion that we reject the additional permits before us and direct staff to work with franchise holders, drivers and other stakeholders to

develop a green vehicle day lease peak demand program. Substitute motion by council member Riley to deny approval of item 30 with additional direction to the council. Is there a second for that motion? Motion dies for lack of a second. Council member Riley? I would like to offer another substitute motion. I had a feeling that one might go that way. The proposal before us would actually go beyond the formula that we keep hearing about. Under the formula that the city had in place for some years, we would actually have 19 new permits as opposed to 30 new permits. And so I would suggest that instead of issuing 30 new permits we stick with the formula, have 19 new permits and that we require that they be for green vehicles only. So council member Riley moves to approve item 30 on first reading with the change that the number of additional permits be 19 instead of 30 and all of those 19 be green cabs. Is there a second for that motion? Mayor pro tem seconds for purposes of discussion. I have a question -- Mayor pro tem Cole: I have a question for staff. Has UTC or staff looked into all the requirements for green vehicles, what that means in terms of cost or what the owners have agreed to or any of that type of analysis?

Again, Gordon Dur. In December the council directed staff to come back with some options for -- to enhance the sustainable fleet. We provide you a number of options in the report that were given to each of your offices yesterday. We look forward to a time when we can discuss that with council about some options for the future. Well, we certainly support green vehicles, and you've been here to hear all the discussions about the formula and the UTC recommendations versus what we're trying to do as individual council members to balance and regulate the industry. But I'm just not sure, is there any guidance in the formula about green vehicles?

There is none.

Cole: okay.

The council adopted the formula back in 2003. The previous formula had been adopted in 1988. It directed that there be one permit for every 1200 persons living in the city. In 2003, because there had been a big number generated from that, the council looked at it and adopted the new formula, so that was the last time the formula was really looked at. I think there are some ideas Monday's report that I think you've directed us to come back to you in June, and some things that we could do so we have a better formula going into the future. Well, let me ask the maker of the motion, since I am the second -- since I seconded the motion, if it would be friendly to just make the motion to adopt the formula with a specific direction to staff to come back with those recommendations as to green cabs. That's essentially the motion, sure. Is that -- yes, and this is first reading only so staff would be coming back with recommendations. This is an area that's evolving. Cities around the country have been looking at ways to promote fuel efficiency and low emissions and so I would expect that staff in the course of defining what is a green vehicle would look around the country and consider best practices and come back with recommendations as to exactly what should be required for those new permits. I thought your original substitute motion was to have all the 19 additional permits be green cabs.

Riley: that's right. That's not what I'm -- I'm saying that we make -- we approve all the additional 19, but we're not restricting those to all green cabs until we get the information from staff. Because perhaps an owner can only afford two or three within this period or the

recommendation is over a time period, if that he already have a fleet. So essentially if we say we approve 19 permits but we haven't given any specific direction about what those green vehicles look like, we haven't approved anything.

Riley: if I may, mayor. council member riley. whatever we do tonight it's only going to be on first reading. We're not actually going to approve -- no one is going to get new permits as a direct result of our action tonight. but you understand the concern, right?

Riley: we have some time. At the time that we actually approve the permits we could have rules in place as to exactly what a green vehicle is, and if a franchise wants to get a new permit they would just simply have to meet those requirements for a sustainable vehicle. council member, do you accept the friendly amendment as mayor pro tem proposed it that all the -- they not be restricted to green cabs at this point? no, I don't accept that.

Cole: I can't second. I think it's too early. are you withdrawing your second? I'm withdrawing my second. mayor pro tem withdraws her second, if there's no objection. So substitute motion then dies for lack of a second. So that takes us to the main motion. council member riley?

Riley: one last stab.

[One moment, please, for ]

Riley: We offer the number of permits in the main motion, but be required they be restricted to green vehicles.

Mayor Leffingwell: Substitute motion by councilmember riley --

Riley: Just an amendment. Okay, a substitute motion.

Mayor Leffingwell: Substitute motion that we approve item 29 with the number remaining 30, but they all be green cabs. I assume we have a definition for that. In the ordinance?

I don't believe we have an ordinance that defines that, but we can certainly bring to council proposal how that can be defined.

Mayor Leffingwell: That would be like hybrid, all electric, flex fuel.

I think we have to look around the country and see if it's a miles per gallon or what's worked best and there's other cities that have implemented programs and we can certainly learn from that.

Mayor Leffingwell: I think it will be a complex thing to try to figure out. I know that in the city's case in accordance with the climate protection plan, our goal for green vehicles by 2015, it does allow, for example, for flex fuel vehicles. So it's not quite that cut and dried. Just pointing that out. But anyway, the substitute motion is, as I just said, is there a second for that motion?

Martinez: Mayor, I will second because I wanted to make some comments. But I'm more than likely will withdraw my second. I absolutely --

seconded for purposes of discussion.

Martinez: I absolutely agree with councilmember riley's goal and I think that's what we should be working towards, but we have to keep in mind we don't have a level playing field in the taxi cab industry in this community. And until we truly create a level playing field and eliminate that disparity between profit margins and advertising and revenue, putting an onus on a small company that owns 50 cabs like this, that the next 30 have to somehow be all green, I think it's an insurmountable challenge. I think we'll put them out of business. I absolutely agree we should be moving this direction. As the proposal came forward from the fourth franchisee, which I don't know if it's a value -- it's a valid proposal, but I don't know all the of the merits of it, they're offering to do 50% c and g. So there's certainly an opportunity for it. But just absolutely demanding that any permits issued moving forward now comply. I think we should craft the policy and put it in place, if that's what this body wants to do, prospectively, but I think I'm going to continue to support the motion as is. I know that all three franchises that exist in austin want to do everything they can to improve their service, to improve their gps technology, to improve their carbon emissions. They all do. But they all face a reality of infrastructure costs and then vehicle costs and maintenance cost. And so I would say that if it's a value that's strong enough to the city of austin, we need to partner with these firms and so if they're going to offer something like c and g, we partner with them and we provide the infrastructure for them to use c and g facilities for them to run their fleet and we show our commitment to those values as well because we're awarding them those franchises. And you've heard from the cab driver, some of them believe they're really struggling. Who do you think that will be passed on to if we put this financial burden on? It will be passed on to those drivers as well. So I believe that we should continue with ourests, but i don't believe we should make it mandatory for issuance of these permits. So I'll withdraw my second, mayor.

Mayor Leffingwell: Without objection, char withdraws his second, so the motion dies of lack of a second. All right. That takes us to the main motion. Councilmember tovo.

Tovo: I have a few questions for you. I want to go over the numbers that are in the formulas that are on the books. There's been a lot of discussion about the formula tonight and I want to be sure I have the right set of numbers. It's my understanding that the formula would dictate 51 permits this year and those would be allocated -- some of those would be reserved. So in effect the releases that we were -- if this motion passes and the later motion passes to release permits to austin cab, we haven't yet exceeded the number of permits that are in that 51. What we've done is changed the allocation a little bit and we are using some which would otherwise be set in reserve. Okay. Thanks. Because today -- this is 30, and again if the motion later passes, that's 15, that brings us to 45. Again, we haven't exceeded that 51. Okay, thank you.

Mayor Leffingwell: Further discussion? Councilmember morrison.

Morrison: Yeah. So I'm going to second it and obviously I'm going to support it. And to follow up on councilmember tovo's comments, I do also want to mention that we got an email from one

of the utc members and maybe you can confirm durr, that the utc recommended issuing all 53 permits available today. So that in fact is -- makes the number of 45 even less. And I just want to echo the comments from councilmember martinez who I think really articulated the issues that we're facing here. And I do agree with him, we've got -- obviously we're trying to balance a lot of different issues. I think that moving toward the additional surcharges for peak hours is an important element of this. In terms of helping the income for the taxi drivers. But also we're all going to benefit from having a healthy third franchise and I think that's a lot of what's going on for me in terms of making a decision here today.

Cole: Mayor, I have a question. The utc also recommended that austin cab receive 25 permits and lone star receive 25. And so if we approve 29 and 30, that will be a total of 55. And it's my understanding -- so help me understand what that does to the formula or if we did --

the utc action was they did use the 53 number. They did not specify an allocation between lone star and austin cab. So that wasn't part of the motion they passed tuesday night when they met. So again, the information y'all did not have back in december when you passed the motion was that the formula would generate a number like 51. So that was again new information. There was two permits that were reserved from last year, so that's where the 53 came from that the urban transportation commission proposed. So I'm not aware of --

Cole: Let me tell you what my notes say. Barrowing from the franchise set aside and distributing all permits now, does that --

yes, that was the resolution.

Cole: And that resolution doesn't mean that austin cab would receive more than the 15 permits?

Again, they didn't speak to -- I think they specifically said leave it to council to decide how to split them up, but that was their recommendation to you.

Cole: Okay. So we'll wait on number 30 for this.

Mayor Leffingwell: Councilmember tovo.

Tovo: So the other thing that we asked that was part of the original motion was the legacy permit proposal. And I haven't had a chance to really carefully review the report you gave us yesterday afternoon, but i know that the staff have done some investigating about the legacy permit proposal and have talked with stakeholders and the utc has done some initial work. So I hope we can continue that dialogue about how we might successfully implement a legacy permit proposal here. I know it's something that the taxi drivers association has asked us to consider. And I want to say I am going to be supporting today's motion because I do feel it falls within -- we are changing the allocation a little bit, but it is still within the original 51 that would be released. And I think as councilmember morrison said, I support the goal of maintaining three healthy franchises, but i want to thank the cab drivers who came down here today to -- and at our last hearing to really talk with us and educate us about what it like to be a cab driver here. And I take category 4 opinions very seriously and I thank you for your input. And I look forward to

continuing to talking about the legacy permit proposal and particularly in advance of consideration of any additional permits in June.

Mayor Leffingwell: All in favor of the motion say aye? Opposed say no. It passes on a vote of five-1 with councilmember Spelman off the dais on first reading. That takes us to -- item number 30. And we have a number of people signed up to speak. And we'll start working our way through this group. Anne Gatherbon. She is signed up against. And you have three minutes. Next speaker on the other podium will be Daniel Lawrence, if Daniel is in the chambers.

I am president of the Austin Taxi Cab Drivers Association of Austin. Again I'm going to recommend revisiting the formula. Also, if Yellow Cab wishes to add green vehicles to their fleet, I feel that they should convert some of their existing fleet instead of doing two things. One, continuing to put the current carbon footprint on the environment and two, provide even more permits to be given to the largest franchise when you say you are trying to level the playing field. In addition, if you just want to put green vehicles out there, then create the fourth franchise. They have committed to 50% green vehicles in the beginning and 85% within the next two years. So if you're going to put additional taxis on the street, create more competition and better working conditions for the drivers.

Mayor Leffingwell: Thank you. Daniel Lawrence? Donating time is Criss Coleman and Andre Thomas. So you have up to nine minutes.

Good evening. I'm just going to be brief in response to the statement about Yellow Cab putting more vehicles on the road. The independent contractor drivers actually own the vehicles, all 455 permits. So the choice to purchase those green vehicles would be theirs. So the proposal that we're making is for the opportunity to have -- to purchase green vehicles that would be financed by and owned by the companies utilized in a day lease capacity to beta test that and share that information with independent contractor drivers so that they can make choices. We had a meeting as recently as eight weeks ago trying to get drivers in, independent contractor drivers in to gauge interest on purchasing green vehicles. And we only had six people show up for that meeting. So we haven't had a lot of interest from the drivers themselves because at the current time the cost of an alternative fuel vehicle tends to be at the minimum double and sometimes three times more than the independent contractor drivers are using, which is why I think it would be beneficial to encourage the franchises to make that investment be able to share that information with the independent contractor drivers. So that the industry can make the transition going forward. I think that in regards to the discussion tonight, we're not opposed to the formula distributing more permits for the two ordinances that are proposed tonight. We're asking that -- asking for the opportunity in conjunction with that that these green peak demand permits be created so we can do both, which addresses the problem that exists in getting cabs to the citizens and the community during the hours of peak demand. But also addressing the 60% rule that currently exists per formula. Thank you.

Mayor Leffingwell: Thank you, the next speaker is Jafir Abraham. Not here. Major Singh. Major Singh. And donating time is Ali Mohamed. Are you here? Okay.

(Indiscernible) Singh. Jazzwot Singh. And Merga (indiscernible). You have up to 15 minutes.

Thank you, sir. I truly believe we need to either stick with the formula or not

(indiscernible) the permit. And because we know that in the past these companies they have not done anything to improve to align with environmental goals. In other words, they are just putting those -- they're producing tons of carbon footprints. I believe we should either stick with the formula or issue fewer permit and give the department a chance to review as well as that way we have time to prove your case that we can make a viable fourth franchise that will provide the 50% clean vehicle to start with. That's what we can afford to begin with. And within the next two years we will make our number to 85%. I really believe -- we really need to do something in order to improve our image that what we are going to keep our city clean. I do not see anyone putting any emphasis or effort in the past. I'm not sure if they're going to do it going forward. So again, I know you guys -- you are elected official and I'm hoping and expecting the good from you that you're going to align with those goals and provide the accessory that we should have -- that we should providing this commitment to our city and community and improve the service. I'm open for questions.

Mayor Leffingwell: Thank you. Jennifer taylor. Generalfer taylor. Wendell blow. Wendell blow. Oscar patino. Bertha means. Bertha means, donating time to bertha is odbu dixon. Is he here? means, did you want to speak? Thank you. Jeffrey rode. Gentlemen self beers. Joseph beers. Steven kobel. Dave passmore. Surrender gill. Sarah watkins. Bob kafka. Those are all the speakers that I have signed up wishing to speak. A number of others who are against, not wishing to speak.

[Inaudible - no mic].

Mayor Leffingwell: What is your name?

May name is sarah watkins. And I'm with adapt of texas. And I was watching your debate with interest. As you can see, I use a wheelchair. And I often attempt to use cabs in this city. Typically in the evening hours after I've missed last bus or had too much to drink. And I've never gotten a taxi in this town in less than an hour and a half. Because the number of accessible cabs in this town, there's not enough of them. And what accessible cabs there are, don't usually run evenings. When I call yellow cab or lone star and I ask them for an estimate on a cab, they say they don't know. And so I say okay, well, how many accessible cabs do you have running right now at 12:30? And they say well, maybe one or two. So it's gotten to point where it really limits my ability to do things because I have to gamble with am i going to get a taxi or sit on sixth street for an hour or two hours or more. So if we're going to be in the practice of approving more cab permits for green cabs, I'd like to rent a green cab, that's fine, but if we're going to be approving more permits for more cabs, I think we need to be approving perps for cabs that are accessible as well as green or whatever else so that folks like me don't have to sit and the way endlessly for a cab. Thank you very much.

Morrison: Thank you. I wanted to ask our staff. I believe that this issue is under discussion at our utc, the urban transportation commission. And I know that I've seen it raised that looking at green cabs and specific goals for them that we also include accessible cabs in some of those goals. Can you tell us where we are on that?

Again, Gordon Durr. Right now the city's goal is six to six and a half percent of the cabs be accessible. The UTC is as part of their discussions recommended that any measures we do to incentivize sustainable cabs we use similar measures to incentivize accessible cabs. So that's certainly -- that's something they're discussing, and we certainly think that's a good idea.

Morrison: I appreciate that. Theoretically that's all going to move forward in parallel, but it certainly wasn't mentioned earlier tonight. I appreciate that.

[Inaudible - no mic].

Morrison: Thank you.

Tovo: Mayor, I have just a quick question for Mr. Durr. Am I right in thinking that accessible cabs are outside of the permit limits that franchises now have? How do they fall within a franchise's permit limits?

They do fall outside of what's in the franchise agreement. There's a separate ordinance which allocates or which governs accessible cabs and those are above the current limits that we typically -- we talk about with taxi cab permits.

Tovo: But UTC is looking at other ways to incentivize moving towards accessible cabs.

They recommended to you all that we have -- that ought to be part of what we do as we move forward.

Tovo: Thank you.

I wanted to clarify that even the ADA acceptable vehicles that have permits, there still can't be any more taxi cabs that are authorized in the franchise itself. For instance, if it says you can have 50 max and you have 50 permits, let's say 11 of those have to be -- can be the ADA, but it doesn't mean you can have 51, for instance. You have to stay within that franchise. Because think about it this way. The ordinance can't override the charter. If the franchise agreement says X, we can't circumvent that like FAME or A.D.A. But there are other things that -- I believe there are that Mr. Durr can clarify.

Well, as of today there are in the fleet 38 vehicles. Yellow has 22. Austin has 11 and Lone Star has five. So those are again above. In some cases, for example, my understanding is Lone Star has 50 regular permits plus the five accessible.

Tovo: Thanks. I think we'll need to have further discussion, but we can do it offline.

Mayor Leffingwell: Is Bob Kafka here? Bob Kafka had donated time to Sarah Watkins. Did you want to speak yourself? Okay. Next speaker is Mary Steele. All right. Do you have a microphone there? Donating time to Mary is Stephanie Thomas. Is Stephanie here? So Mary, rules say you have to have people donating time to you in the chamber, so for now you have three minutes.

[Inaudible - no mic].

Mayor Leffingwell: What is your name? So you have six minutes.

Hi, everybody. I am sorry I don't talk the way I used to talk, but I am getting better. I was the one who always prayed and I will do that again soon. But right now I need to -- i know that green cabs are good. I don't want any more pollution. But I'd like to know that as I go someplace, like sarah, that we can both get home. As it is for us, I will not make it home because there are not enough taxis. So while you are thinking about bringing the green taxis, don't forget about my chair. We really need the spots. And there is more than just me. There are more than just a few hear who ride the taxis. We pay our money and we ride. We should be provided a taxi to ride in. That's really all I have to say except don't forget me, please. Thank you.

Mayor Leffingwell: Thank you. Jennifer mcphail.

Good evening, I'm jennifer mcphail with adapt of texas. I wanted to point out the fact that if you want to incentivize people to provide more accessible taxi cabs that actually work, if you find instances where they're effectively must have felling taxi cabs because they're not maintaining them or they don't have a system in place that supports independent cab drivers to maintain their vehicles, then you put pull those permanents because what happens a lot of times is that you've given them permits and the vehicles that they use to provide accessible taxis are not running on the roads. Not because drivers are not available, but because they physically don't run. So you want incentivizing the process and make more accessible taxi cabs, make an example out of one of them. You know, nobody is above the law. And never have so many people fought so hard to give other people our money. It took over 10 years to get those permits in place. And it's still not working. There have been evenings when I have rolled home because it was faster than waiting on a taxi cab and there were no buses available to me. And frankly, I'm sick of giving people incentives and having them not follow through. If I did those kind of things, I would get in trouble. So somebody should do something. There should be something swift done about this because it affects people in a very intimate way. That's what people do when they're stuck at brackenridge and they have no way home, they ride a taxi. When the buses aren't available. And it's not just us. You only hear a lot of people complaining because they're stuck somewhere or they're afraid that the evening is going to be late. So food for thought, thank you.

Mayor Leffingwell: Thank you. Gus pena. Welcome. You have three minutes.

Thank you, mr. mayor. Gus pena, proud native east austinite, proud united states marine corps veteran, served in vietnam. First of all, I'd like to echo your comments, councilmember tovo. You taxi drive drivers here in austin, you don't get paid enough, give yourself a round of applause because we appreciate you very much. I don't hear the applause.

[ Applause ] we appreciate you very much. Now, item number 30 is the item regarding austin cab company. I am proud to stand here and berth means is my seventh grade teacher at allen junior high. Please give her a round of applause too.

[ Applause ] I love you ms. means. I'm trying to stay respectful like you taught me, my mom and dad, but I'm going to say this much. means' comments. She's right on target. There is a process. I'm a former federal investigator with the department of treasury, , and it's just not that common sense will tell you that's what the process was voted on, what it's made of. You know better than that. Let's follow that. And I'll leave those comments up to mrs. means. I second her comments or I spot her comments, rather. I just -- we in the community, we're not cab drivers, we're not fully understanding of the process, but there's a process. Follow that process. And again, I thank y'all very much for listening to the number, the people that come out here and take their time out from trying to make money to voice their opinions, which is their right to do that. Anyway, I will leave it at that, mr. mayor. And I did sign up, I honestly did pause she's my teacher. I would hear from her if I didn't sign up. But anyway, I love you, I love you ms. means. You cab drivers, we respect you very much. Do the right thing. You have fiduciary, statutory responsibility to the taxpayers, the citizens of Austin to do the right thing. And I defer the comments to means, I support her comment very well. Thank you very much.

Mayor Leffingwell: So those are all the speakers that I have signed 'wishing to speak. I'll entertain a motion on item number 30. Councilmember Martinez moves approval and that's first reading. On item 30. Is there a second in seconded by councilmember Morrison? Discussion, councilmember Riley.

Riley: Mayor, I would note that the urban transportation commission did recommend that the city incorporate accessible vehicles into the category of sustainable vehicles, and I continue to believe that we take this opportunity to promote new taxi cabs that are both sustainable and this is one of those rare opportunities that we have to do that. And so I would -- I'm not going to be able to support the motion, but for the same reasons that I articulated previously. I think we should take this opportunity to make thoughtful decisions about our fleet and to the extent we do allow additional permits at this time, we should be addressing a peak demand, sustainable vehicles and accessible vehicles. So I'll be voting no.

Mayor Leffingwell: Any further discussion? Motion on the table. All in favor say aye? Opposed say no. It passes on a vote of six to one with councilmember Riley voting no. That takes us to item number 32. There are a number of people signed up to speak. The first speaker is David Kelly. David Kelly in the chamber? Abdu Dixon? Jafir Ibrahim. Jeffrey Rode. Joseph Beers. Steven Kobel. Dave Passmore. Allen Pease. Allen Pease. John Hardman. Welcome. You have three minutes.

People throwing up in taxi cars?

Mayor Leffingwell: Cleanup fee we call it.

Quite a mess. Okay. Before the current -- there was no regulation at all. The city the committees had talked about it for awhile. And the last one that I went to they said oh, we're not going to make any vote on it. The next thing I knew there was a vote on it and they were adding 10 cents to every single passenger. That's what's now. Everybody has to pay 10 cents for the few irresponsible that make a mess. \$100 flat out, this isn't hashed out enough. This is another example of how the committees are not working. Some are \$100, some are \$20, some are 300

dollars' worth. There is a lot of cleaning on some of these things. So yeah, here I am, I am for this because it is better than this ridiculous 10 cents per every passenger in a car to pay for the fuel. I've got a minute or two left, I can talk about this green stuff with great deal of experience. I've got a car that has 260,000 miles that just got wrecked that was a prius. I have out of personal experience can tell you that these green cars that you're trying to come up with something, it -- I don't know what to tell the drivers about it. These cars pay for themselves. You can do the mileage on just the 840 whatever it is that -- the number that was determined, 840 some-odd miles for the gas change, the meter change for the gas prices. I believe it was somewhere around 840 miles. Do the difference between 15 miles to a gallon and 45. That's what the prius will get. You will see how much money this car saves. The way that I run the business, the car pays for itself and puts money in the bank for maintenance. That car at 250,000 miles is free. A lot of other guys aren't doing this. I don't think that needs an incentive, but they're not listening to me. Maybe they do need to hear it from you. Anyway, I can talk a long time about this. There was something else i was going to -- oh, yeah, the wheelchair in peak nan.

Mayor Leffingwell: You're really kind of supposed to stick to the subject, but I'll give you latitude.

Here's another example of how these things are not working. Nobody is going to these committees and when they are, it's chaotic. Something needs to be done so that when we come to you we have this figured out. I believe this vote thing -- I will, I'll create a deal. In you want me to, I'll create a deal and make a vote possible. And effective.

Mayor Leffingwell: Joshua borga. Is joshua borga here? Okay. Those are all the speakers that I have signed up to speak on item number 32. Councilmember tovo.

Tovo: Mayor, I would like to move approval of this item.

Mayor Leffingwell: Move moves approval. Seconded by councilmember morrison. Further discussion? All in favor say aye. Opposed say no. It passes on a vote of seven to zero. That takes us to item number 33. And I think we've got a bunch of the same folks signed up who are -- were here five minutes ago, but I'll call your names again. Daniel lawrence. Abdo dixon. Conrado contreras. He is here. Welcome. You have three minutes.

Good evening, mayor, mayor pro tem, councilmembers. My name is (indiscernible). I drive a cab for yellow cab at night in the city. Thank you for the new cab stands. Downtown yellow cab has a gps dispatching system where the closest cab to the call gets it first. With all due respect, i would care to respectfully request assistance so that yellow cab can better service your constituency by enlarging the cab stand at at&t conference center, create agriculture stand on rio grande on thursday, friday and saturday so as to better -- as to be -- to be better able to ferry tomorrow's leaders downtown. And c, to invest in the infrastructure by hiring two new members for the ground transportation department. So curtail non-licensed vehicles from operating illegally in the capitol city, the great state of texas. And I'm in favor of number 33. Thank you very much.

[Speaking spanish]

Mayor Leffingwell: Thank you. Jafir ibrahim. Jeffrey rode. Joseph beers. Steven kobel. Dave passmore.

(Indiscernible). You have three minutes.

Yeah. My name is (indiscernible). mayor and members of city council. On the item 33, just i supported it, but we need to have some kind of administration. When we say the vehicle can carry up the (indiscernible) sometimes can be hard. Like, for example, like some vehicles like the san angelo passenger vehicle, if any driver have that they have the market. A lot of drivers can be victimized. So the (indiscernible) on the taxi cab, they have to be eliminated no more than the minivans. That is seven passenger with the driver and that benefits for everybody and all the drivers that can be shared. So we need those kind of

(indiscernible). That's all I say. Thank you very much.

Mayor Leffingwell: Thank you.

Tovo: Does that include the independent contractor drivers?

Yes.

Tovo: So the driver plus six?

Yes.

Tovo: Thank you.

Thank you very much.

Mayor Leffingwell: Solomon (indiscernible). Welcome. You have three minutes. mayor and the councilmembers. I am speaking in support of this proposal. The only suggestion I have is limiting the number of passengers for a single ride. We have safety concern and also just leaving the number of seat belts available. The ordinance right now, the draft ordinance is pretty wide. It doesn't specify. And we want some kind of a cap. And I have spoke with yellow cab and we both agreed with seven passengers would be a good number. To have a maximum, including the driver. Thank you.

Mayor Leffingwell: Thank you. Nega (indiscernible). Joshua borga. Okay. Those are all the speakers that I have signed up wishing to speak on item 33. I'll entertain a motion. Char.

Martinez: I wanted to ask some questions about trying to think about which vehicles would cab companies operate that have -- that have seven seat belts? Is it the minivans that we're talking about?

Yes. We've checked about 25% of the fleet currently between the three franchises are minivans. Right now we say they cannot have more than four passengers over the age of 12. This proposal

is that we say that the limit is the number of seat belts that they have that they can have in the vehicle. We understand there's a concern about a limit and we think that's reasonable to add to this --

so in their request when they're saying a maximum of seven, including the driver, I would assume that means three and three in two bench seats and no one necessarily up front next to the driver? Are there three seat belts on the bench seats? Do we know that?

I think the process would be that they would bring a big vehicle in to us, we would inspect it, we would have a mutual agreement about how many vehicles we would make sure they have a did he kale. I think we've talked to them about the need to convert the entire fleet at one times so as part of the inspection we do every year we can determine how many seat belts can safely be put into a vehicle, and that would be the limit for that particular permit. Phrasers.

I think there's some good intention behind this and I'm certainly going to be and want to be supportive of this. I just wanted to ask what did we find, if any in our research, about the safety of the drivers as you increase passengers? When you have six passengers riding in the cab, I think you increase the danger risk for the driver. Because we have had some drivers that have been in some very tough situations where they were mugged or robbed and taken out to out of the way places. I'm wondering if we saw any correlation to increasing the number of passengers state of the driver?

I don't know that we research that particular issue. We can certainly do that and come back to council with any concerns that there may be.

Tovo: I have a few additional questions. I see that we had some drivers who signed up against this and left. And one or two of them have shared their concerns with me, but I wondered if there was a discussion at utc where -- and if you had a sense of what the cab drivers' position was and was it mixed or was there a unified position?

In the several meetings that we've held, I don't -- there's been some other issues that kind of overshadowed discussions. I think although we brought it forward a few times as another idea, I don't know that I've heard any particular other than today when they were talking about that there would be a reasonable limit on the number of -- but I know the drivers were concerned with the current requirement that at times they would load more than -- if you have four adults and three children under 12 in theory that's a load for a taxi. So in some cases they've been told that's what they have to carry, so I think bringing the rational case of everybody needs a seat belt I think it's simple for everybody to understand. So I haven't heard any other concerns.

Tovo: And I guess my other question for you, was there any discussion about adding a passenger fee if you are carrying more than four passengers? I know we addressed passenger fee for peak hours last week, but I'm trying to think of our goal of incentivizing cab drivers to be out on street during peak hours, but I was wondering if there were concerns about two cab fares now becoming one cab fare with the increase in the number of passengers one is able to carry.

I don't know if we can continue to have discussions with the drivers. We have heard if there are six people, now they can get one cab instead of taking two. So that is certainly something we can look at and hopefully we'll get information back on the distribution of sizes of parties so that we can look at that as we move forward.

Tovo: Okay. Thanks.

Mayor Leffingwell: Let me say I agree with the way this is written, but aren't you required to have a seat belt for every passenger anyway?

That would seem a logical conclusion.

Mayor Leffingwell: Isn't that state law?

Yes.

Mayor Leffingwell: So -- okay. Belt and suspenders, i guess. All right. Councilmember morrison?

Morrison: Just to clarify and make sure i understand what's going on, what currently we have a limit of four passengers. Regardless of seat belts.

Four passengers over 12, plus --

Morrison: So we're expanding the number of people that may --

Mayor Leffingwell: I understand that, but as far as talking about a bigger number, you couldn't have a bigger number than that anyway. It is. Did we get a motion on this? Councilmember spelman. Seconded by councilmember morrison. Further discussion? All in favor say aye. Did you want to make a comment before we finish the vote?

Yes. I don't know that the language currently addresses the maximum we can bring that back to you as a separate item. The backup material was to limit the capacity to the number of seat belts. If you like we can bring back to you the limit that was discussed tonight after a separate action to amend this section.

Mayor Leffingwell: Why don't you leave that up to the councilmembers to decide. So we'll continue to vote unless somebody -- a councilmember has a comment. All in favor say aye. Opposed say no. It passes on a vote of six to one with councilmember tovo voting no. And that would be on all three readings. Councilmember martinez.

Martinez: I think just as a point of clarification, we as a city can allow up to as many as we want, but that doesn't preclude the cab companies from implementing a policy that says we connell allow x amount of passengers per vehicle. Does it? It doesn't preclude them from operating their business in a manner that they feel is most safe. If they feel like five is the

maximum, they can clearly display that to any customers wanting to get in their cab, couldn't they?

Well, there -- there is kind of an ongoing issue at the airport that when a party comes out, they're loaded into cabs and if a party, again, of four adults and three children, that's one cab load according to the current ordinance, so they are required to only take one cab. So it does have an impact i think in that area.

Mayor Leffingwell: Okay. That takes us to our zoning cases. Thank you, mayor and council. These are the two p.m. Zoning ordinance and restrictive covenant. These are the items where hearings have been closed. The first item I'd like to offer is for consent, item 45, case c-14-2011-0055 for the property located at 125002 tom net trail. This is to rezone the property to neighborhood office mixed use district zoning. On january 12th, the city council approved a different zoning and we would offer this for consent approval on second and third readings.

Mayor Leffingwell: Consent agenda for those items where we've already closed the public hearing is to approve on second and third readings items 45 and 46. Motion to approve by councilmember spelman. Seconded by councilmember morrison.

Spelman: Mayor? I don't believe 46 is on the consent agenda yet.

Mayor Leffingwell: Thank you. Just item number 45. And is there a request to postpone item 46?

Yes. If you would like I can go through the other consent items that are also scheduled for two p.m. --

Mayor Leffingwell: Let's go ahead and get this done first. All in favor say aye? Opposed say no. It passes on a vote of six to zero with mayor pro tem cole off the dais. Go ahead.

Thank you, mayor and zoning and neighborhood plan amendments are where the public hearings are open and there's possible item. The first item I would like to offer for consent is item 46. For the property located at 2200 tillery street. This is a change to the east mlk neighborhood plan. Staff is requesting a postponement of this item to your march eighth agenda. The commission has yet to act on this item. Which is also related to 47 and 48. Item 47 is case c-14-84-361 for the property located at 2200 tillery street. This is a restrictive covenant termination. Staff is requesting postponement of this item to your march eighth agenda. And item number 48 is case c-14-2011-0088, for the property at 2200 tillery request. Staff is also requesting a postponement to your march eighth agenda. Item number 49 and 54 are related. Both of these will be discussion items. Dumb 50, council has postponed this item to march 1st, EARLIER TODAY AND That is a postponement to march 1st at two p.m. Item 51, the coronado hills neighborhood plan area rezonings. Council also previously proposed this item earlier in the day to your march 1st agenda at two p.m. The next consent item I can offer for consent approval is item number 52, this is case c-14-2011-0121. For the property at 181325 fm 27 kind road. This is to zone the property to community commercial district zoning. The zoning and platting commission's recommendation was to grant community commercial conditional overlay or gr-co

combined district zoning and this is ready for consent approval on all three readings. Item number 53, case c-14-2011-0140 for the property located on honey tree lane will be a discussion item. Item 54, c-14--2011-0146, this is related to that neighborhood planning amendment I spoke of earlier, item 49. This will also be a discussion item. Item 55 is c-14-2011-0155 for the property on east rundberg lane so zone the property from general office neighborhood plan combining district zoning. The planning commission recommendation was to grant general office conditional overlay neighborhood plan combining district zoning. This is ready for consent approval on all three readings. Item 56 is c-14-2011-0161 for the property at 2205 west parmer lane. This is to zone the property to neighborhood commercial mixed use combining district zoning. The zoning and platting commission's recommendation was to grant neighborhood commercial mixed use conditional overlay or lr-mu-co combining district zoning. And this is ready for consent approval on all three readings. Finally item number 27 is case c-14-2011-0124 for the property located at 702 san antonio street. This is to rezone the property to downtown mixed use historic landmark combining district zoning. The planning commission's recommendation was to grant the dmuh with a conditional overlay combining district zoning. And this is ready for consent approval on all three readings.

Mayor Leffingwell: So the consent agenda is to postpone to march 8. Postpone item 47 and 48 million march 8. 51 And 52 have already been acted on. 50 And 51. To to close the public hearing and approve on all a three readings items 52, 55, 56 and 57.

Spelman: Mayor, I move approval, but I note that there are two citizens who want to speak on item 55.

Mayor Leffingwell: We'll pull item 55 off of the consent agenda --

mayor, I understand that this possibly was the applicant and that if there were questions.

Mayor Leffingwell: It doesn't say that on our sheet here. So virginia lopez and frank castillo are not wishing to speak. So item 55 will remain on consent. So --

Spelman: Move approval.

Mayor Leffingwell: Councilmember spelman moves approval. Councilmember morrison seconds. All in favor say aye. Opposed say no? It passes on a vote of six to zero with the mayor pro tem off the dais.

Thank you, mayor and council, I think that brings us back to item number 49, which is neighborhood plan amendment. And I would like to present item 54 at the same time. It's the related rezoning case for the same property. Both of these properties are out in the oak hill area. Item number 49 is case npa-2011-0025.03. This is for a property located at 7401 west u.s. Highway 290. This is in the oak hill combined neighborhood planning area. And the request is to change the future land use map from office to general land use or commercial land use, and the planning commission recommendation was to grant neighborhood mixed use land use. The related zoning case is item number 54, case c-14-2011-0146 again for that same property at 7401 west u.s. highway 290. The zoning change request to community commercial conditional overlay

neighborhood plan or gr-co-mp combined district zoning. The planning commission was so grant neighborhood commercial conditional overlay neighborhood plan combined district zoning.

[One moment, please, for change in captioners]

vote of 10-1 to support the change to the neighborhood plan as well as the zoning change to the gr-co-np. The staff recommendation does not support what the contact team supports and what the applicant is requesting, and for neither the neighborhood plan amendment, which staff is supporting a neighborhood mixed use and the zoning change only to lr-co np and with some conditions, the planning commission did recommend the staff recommendation in this particular case, and not the applicant's request, nor what the contact team requested. I want to point out a few things because I know that the -- one of the main issues for staff was an issue of service stations. I'll tell you from this location generally going to the west there is a tract known as speedy stop that was -- I don't know, some of you may have been here when we did the west park pud, but it's right at the corner of 1826 and 290 west. There is a service station at that location. It is accessible from the signal at that location. Also on the southeast corner site that was -- excuse me, a tract that is zoned gr that would allow at this major arterial in the freeway a service station. Going east, if you look at convict hill road and as you keep going further to the west there's -- jerry, if you can put up the map, the zoning map, it will show a tract that's called wolf creek pass, and there are some lr tracts there, but if you look just to the north on the map you'll see the old albertson's tract. That also has been zoned gr in the oak hill neighborhood plan, it really discussed the possibility of having service stations, other facilities that would serve the area. It was kind of left out. It was left blank, a white area, to really talk about tod in the future. That area allows -- that tract would allow a service station, but if you go from the subject tract around 71, down 71 about nine tenths of , past a firestone, there is an exxon station on 71. Going further east along 290, if you were to proceed west of william canon on the north side of the road there's a shell service station. That's a little bit infamous because we had a tanker EXPLODE IN THE 1980s WHICH Caused actually some runoff going into williams creek right behind t but there was also a service station there. Interestingly enough during the oak hill process staff did not support the gr zoning, which is right next door, which currently we had planned for the austin -- evening it's called the austin -- I think it's called the austin senior center, assisted facility. On that tract car washes were permitted on that tract. That's immediately of this property. Further to the east at wolf creek pass, which is the first street that you see on the south side there is an lr tract that was approved in 2007 which also prohibited service station, and across the street there's a starbucks and a bank side that's not yet developed and I think -- i can't remember the name of the other bank that was recently constructed but service stations were also prohibited from that tract. When we went through the oak hill plan there was a lot of discussion, I think, about service stations, where they're appropriate. It highlighted some particular areas that staff went through the plan and they acknowledged the neighborhood where service stations wouldn't be appropriate, certainly in the floodplain, the water quality zone, the transition zone. I will tell you that the draw or swale that's in front of this property runs along the south side of 290 all the way down and intersects at william creek right where the big ledge is, it goes by the y itself and passes down to that area. So staff believes that during the oak hill plan we made this point, the neighborhood supported, i believe, the gr tract next door, which prohibited this use. It's not at the location of two highways like the albertson's site is, which still could allow for redevelopment of that site to include a car wash, nor site, which is at the intersection of a major arterial and 290

west, and that would also allow a car wash and a gas station. But we did not feel it was appropriate for this particular location. So I wanted to point thought things out. I know that the applicant has a report that they would like to present to you. As I said before, it is supported by the contact team. It is supported by the applicant but not supported by staff, but the commission for both requests. If you have any questions I'll be more than happy to answer them. I have a quick question. Has staff from the watershed protection department participated in the staff recommendation?

They have. We've actually talked to numerous staff from the watershed protection department. rusthoven has had some discussions with sylvia pope and others, and I know scholar sporting in my department who deals with underground storage tank looked at this and he's actually one of the people who brought up the issue of the tanker exploding back in the '80s. do you have anything to add? Okay. Council member spelman i think may have a question, but first I just want to point out that we are having the presentation in the public hearing for 49 and 54 together but we'll vote on them separately. Council member spelman. thank you, mayor. Greg, are there any other distinctions between lr and gr other than the gr allows for a gas station?

The gr and lr, actually there are some differences, but I think the applicant has agreed to prohibit most of those. I mean, some of those that we would also have concern are exterminating services. I think it did leave in the possibility of having a general restaurant on this property. The service station and the car wash were ones that the applicant -- but there are other uses that certainly are prohibited in lr but are allowed in gr, outdoor sports and recreation, pawnshop services. Now, some of these the applicant has also agreed to prohibit. Research services, theaters, automotive rental, automotive repair, automotive sales, business and trade school, business support services, commercial off street parking lot, that would be kind of like an all right parking lot. Funeral services, hotel/motel, indoor entertainment, indoor sports and recreation. I think that's probably in general watts. the applicant has not agreed to prohibit all of those. There are some gr uses that are not permitted in lr?

That's correct. And I believe the auto washing, the restaurant that I had mentioned, general and the service station are those, I believe, that -- theater, research services, hotel/motel, I believe indoor -- indoor entertainment, sports recreation and funeral services I think were still left in. does staff have any heartburn about any of those uses other than the gas station and the underground storage tanks therein?

Well, we've looked at this as being a neighborhood collector and intersecting with 290 which happens along a lot of our freeways, so we didn't think the gr, which is more of a regional base, was really appropriate at this location. and what kind of restrictions are on the gr tract immediately to the west?

The gr to the west, it prohibits automotive repair service, automotive sales, bail bonds, outdoor sports and recreation, outdoor -- let's see, indoor sports and rek raig, indoor entertainment, pet services, pawn shops, automotive rentals, automotive washing of any type, commercial off street parking, service station, exterminating services, outdoor entertainment, theater, dropoff recycling facility. That tract was also subject to sos. This property actually came in and the property owner had requested on a prior application, which the application has expired, but we determined -- i

determined that this property was grandfathered for commercial use and could be developed not under sos but under prior williamson creek regulations. That could be developed with I think about 65% imer impervious cover.

Spelman: gotcha. So the tract to the west is zoned gr. You can't put a service station on it. There's another list of -- there's a fairly long list of prohibited uses but there are some gr uses remaining that are not prohibited. So that's basically --

that's correct.

Spelman: thanks a lot.

And I did -- we had one other thing that I'll bring up. We did receive a petition today, this afternoon, from an adjacent property. That's the first baptist church of oak hill, which adjoins the property. We have not had an opportunity to calculate whether it's valid or not. It does border this property along its southern and western boundary.

Spelman: thank you.

And I believe there's still someone here possibly to speak to that. any more questions of staff? Council member tovo. guernsey, i just want to kind of pull the sort of gist of what you were saying in terms of the service stations. So am I right in understanding that part of the staff calculation was not just that this was an environmentally sensitive area but also that there were other service station opportunities in the neighborhood planning area?

There are other service station opportunities we feel in other areas of redevelopment or for new construction, and there are existing service stations within about one mile of this in various directions, which there are three existing.

Tovo: thanks.

Mayor leffingwell: okay. Is someone speaking for the applicant? Alice glasco, and donating time to you is jimmy nassour. Jimmy nassour is here. Steve portneo, so you have up to 11 minutes.

Good evening, mayor and council members. I'm alice glasco representing the applicant, and I would like to start off by saying that we have met with the oak hill neighborhood planning contact team and we met with them twice. The first meeting was to ask them to allow us to submit the application out of cycle, which is before february of each year, and the second time was december 6 -- I'm sorry, november 30 of 2011, and I'm going to read the letter to you. Brian reese who is the president of the contact team could not be here, but was at the planning commission hearing to support their report. You adopted the oak hill neighborhood plan in 2008 and in the plan there are several goals and objectives in the plan that speak to what -- what the neighborhood would like to see as far as services in the area. And when we met with them the contact team supported the request and they the oak hill neighborhood plan contact team voted to support a change to the approved future land use map from office to commercial and the

proposed zoning change from lo-np to gr-np with the following use -- they are automotive repair services, automotive rentals, automotive sales, automotive washing is allowed as a secondary application only, bale bond services, be custom manufacturing, pawnshop services, exterminating services and outdoor entertainment, and we agree with that -- with those prohibitions. I would like to also state that our request for go zoning, the neighborhood feels like they need services to support their neighborhood and the community in the vicinity of this tract, and a service station is a use that they would like to see. Certain staff has indicated that there are other opportunities on other tracts in the area that are contemplated but have not been developed yet. tract at 1826 and 290 west is a case that came when I was a planning director several years ago. It still has not been developed. When we speak of service stations, we recognize that they are service stations on the north side of us-290 west. We are -- the point we're making is that on the south side of highway 290 between the highway -- between the county line headed towards downtown eastbound on the south side, you do not have services within an 8-mile stretch so your gas stations from the county line on the south side of 290, not the north side, just the south side, and monterey oaks. So that's road is approximately 8 miles you do not have service stations. Secondly, the state -- txdot 3 acres of our tract, and that seems to be about the same thing on the south side. There used to be services on the north side. Most of them have been wiped away due to the right-of-way of possession. We do recognize the sensitivity of the site, the soil, the staff mentioned, is within the txdot right-of-way which is going to be the frontage roads of the future roadway extension, and as you saw on the map, the tracts -- shows up the map the area in front of the site is -- right-of-way has been condemned. The zoning definition in your city code regarding gl gr zoning is a designation for office or other commercial use that serves neighborhood or other needs and is generally accessible for major traffic ways. highway 290 of course is a major traffic way and we believe that that is consistent with the location of this site. I would like to offer that the -- under tceq regulations there are separate regulations for properties that are in the contributing zone. Our tract is in the contributing zone. They're also stricter requirements for tracts that are over the edwards aquifer. We would like to offer to be subjected to comply with the requirements for gas stations for the regulations that apply to the property as if you were over the edwards aquifer. Those are very stringent regulations. The property remains -- is monitored during construction and after construction, and we would offer that if you can consider granting the -- the service station as recommended by the neighborhood contact team, that you would then subject us to comply to tceq regulations that pertain to sites that are over the edwards aquifer as opposed to those regulations that apply to tracts that are over the contributing zone. I would also like to state that when you adopted the neighborhood plan, there's a page in the plan, some of you have copies of it, it states that service stations are allowed on properties that do not have a critical water quality zone, water quality transition zone, a cef buffer zone, a 100-year floodplain. So that is in the adoptive plan and I just wanted to share that with you. I would conclude with that and respond to any questions you might have. any questions? Council member spelman. why does it matter whether the gas station is on the north side or the south side of 290?

Well, the -- what matters is really accessibility. You can see to the south of a tract on that map, you have several rooftops in the area, and when you think of environmental protection you also think of air quality control, so you'd have shorter distances to drive to services. And also that you would have -- when the road -- when the highway is ultimately constructed, you're going to have a divided highway so that if you're eastbound on us-290 west, that you be able to access services

on that frontage road more easily than otherwise. So you have the ease of access and also the in and out of accessibility would be more feasible.

Spelman: okay. So even if it were not too difficult to make a left turn going westbound on to the south side of the road or vice versa if you were going the other way, even if it would be possible to cross over traffic now, it would be more difficult when this road is finally built out the way it's anticipated?

Correct.

Spelman: okay. Is there a chicken lane on 290?

A chicken lane? Technical -- I'm sure there's a better name for it than that. I believe it is a four-lane highway --

undivided. without a median.

Correct. is there a turning lane in the center?

I've driven several times because the contact team holds meeting of the acc campus on the 10th floor, and I -- greg might be able to answer --

mayor leffingwell: mr. Gu gu ernsey might know.

As you're going from -- i know going westbound on 290, there's actually a turn signal at convict hill road -- I mean, there is a dedicated left turn, middle median turn signal that was installed probably four or five years ago, I think, at that intersection. So making a left from 290 is not difficult to do anymore with the installation by txdot.

Spelman: okay. Making a left at convict hill road?

Making a left coming off of 290 into convict hill road going westbound. So if you're going westbound on 290, you've just passed the y, and you would like to come to this tract, you can make a left turn on to convict hill road via a chicken lane with a signal --

spelman: gotcha. But if you are -- okay. I'm going now eastbound, I'm going into the y from dripping springs.

Okay spell I need some I need some gas. How.

How difficult will it be to get gas given all the gas stations are on the north side of the street?

You could stop at 1826. The next service station I'm aware of, if you were to look at the map that's currently up, that big gray area to the right -- let me point that out real quick. This big gray area right here I believe is small middle school and patton, and there is on the corner right here, there is an exxon and a chevron station that you'd have to exit at monterey oaks just like alice

had said. The shell station I was talking about here is about one mile away. This is about two to - just a little over two and a half miles.

Spelman: okay. About two and a half miles from the site we're talking about here?

Pardon? two and a half miles from the site here or two and a half miles from the y or --

it's about -- well, this site is right here, it's about one mile to william canon, and the site that i was talking about, which is the shell station about in this area, and it's about another mile, mile and a half down the road on the south side. You'd have to exit it at monterey oaks and then get back on to 290, between the two service stations there.

Spelman: thank you. more questions for ms. glasco? I have one question. mayor pro tem. I understand the need for the service station. I just don't understand how far the other service stations are or where they're located. Can you give us any insight into that?

Yes. Let me put up a map. The point right here that acts on it at this point is the county line. This is towards -- further west so between -- there's an exit there. 7 miles from that station on the south side to the left at convict hill road and us-290 west and then from the subject tract eastbound to monterey oaks, 3 miles on the south side. Those are the distances. that explains why the contact team felt like there was a need.

Correct.

[Inaudible] directly across the street from the subject tract is the austin community college campus and the site is directly across there and then you have sidewalks from the community college to the site. And the other interest to them regarding gr zoning was the restaurants, for example, gr zoning does not put a maximum size on your restaurants whereas lr does. It caps you at 5,000 square feet so you could not have a sit-down restaurant but typically have like a chilies or apple bees that go before the 5,000-square-foot limit. Thank you. mayor, I'll make a motion -- well, we have more speakers? oh, we have more speakers? Okay. so those are all the speakers that we have signed up in favor, and we'll go to those who are against. Carry dunn? Carey dunn? Is carey dunn here? Art colvin? Art colvin? Okay. You have three minutes. mayor, members of the council, my name is art colvin, and I represent first baptist church of oak hill. We -- we're not opposed to a zone change, but we are in favor of the lr staff request. So if there's any questions -- council member spelman, do you have any questions?

Spelman: why?

The applicant, from our -- from our aspect, the applicant hasn't shown any site plans or anything. They've just talked in generalities. They're looking for a maximum amount of square footage for a restaurant or something, but we have an access that comes across their easterly portion of their property, and so our concern was what they've put on that property, will it impact our access? And we've talked to the applicant, and we're amenable to work with them, but that's just our concern, is not knowing what they're proposing. I mean, they've talked in generalities about things. So just to safeguard our access across -- we've got a recorded easement, and so it's

put in place and there's no chance of getting rid of it, but the impact of their traffic and the circulation on their site versus our access, and ours is only used on weekends, but depending on what they do on their property would be done weekly, daily. So we're just voicing a concern that, you know, we want to be aware of what's going on and the impact it's going to have on us. presuming your access, your access of course is going to remain intact unless you bargain it away, and I don't think you're going to do that.

Correct. so you keep the access. Suppose they constructed a gas station on that corner. Would that be a problem for the church?

Not per se. Again, it depends on how the gas station access -- their site is sloped to the west. It's got a pretty good grade on it, and at the bottom towards 290 it flattens out. So depending on how they do their circulation again, if they go uphill to where our access is, there may be a conflict with the vehicles because of stacking, trying to get on to convict hill. We're just looking at -- we'll feel more comfortable knowing exactly what they're doing, but at this point they're just asking for a zoning change, so in our viewpoint it was better. I see your point. Thank you, sir.

Mayor leffingwell: okay. Those are all the speakers that we have signed up against, and the applicant is entitled to three minutes rebuttal time.

Mayor, just briefly -- just to speak briefly to colvin's comments regarding access. We do have joint access with them, the access he spoke of to convict hill road is a joint access that was granted to them by the previous owner before my client brought the property. We intend to work with them regarding ingress and egress from 290 on to their site, and share -- we can share whatever we need to share at the time of site plan and or any shared parking, whatever, at the time of development, and we've been in touch with them so we'll stay in touch, even during development.

Mayor leffingwell: okay. So council will take up item 49 first, which is the change to the future land flum.discussion? Motion? I believe it's ready for all three readings. Council member morrison. I think before I speak, I think I saw the city attorney -- I was wondering about whether we should do things on first reading only. city attorney?

I was going to mention that we've prepared ordinances that reflect the planning commission's recommendation, and if we were not -- if the motion made by council was expected to pass and it did not reflect that recommendation, I would ask council if we could have an opportunity to get ordinances in front of you that did reflect what you wish to pass on third reading. yeah, obviously if there's a change to the recommendation you wouldn't be ready for that changed ordinance.

Yes, sir. council member morrison. and if I could guernsey, there is a petition, we don't know if it's valid. Does it apply to just the request or also to staff and planning commission recommendations?

Thank you, council member, for asking that. Actually the church is in favor and support. The staff and the planning commission recommendation. As I said before, we don't know if it's valid

or not. This tract does border the property on its west and south sides. So if it is valid then it would require a super-majority vote to grant what the applicant is requesting. It would only require a simple majority to do the commission's recommendation. and could I ask guernsey, do you have any -- do we have a general approach to when there is a petition that may be valid, do we generally give the courtesy of only first reading to wait and see if it's valid? Because since it's not been validated -- or what's your advice on that?

I think you could do it either way, but I think we normally would try to calculate the petition to find out if it is or it is not valid before you would, you know, have your final vote.

Morrison: okay. Well, that's good information, although it doesn't really apply to the motion I'm going to make. I would like to make a motion for a staff recommendation, which the petition does not apply to, so it's a staff recommendation, and the planning commission recommendation, and I guess on all three readings. I'm going to second that.

[Inaud

[inaudible] the same as the planning commission recommendation?

That's correct. and mayor, if I -- so the motion is to approve the -- close the public hearing and approve the staff recommendation on all three readings. Is there a second to that motion?

Tovo: yes, I second that. council member tovo seconds. Is there a discussion? Council member morrison. I just want to add a little background to my thinking about this. I remember in, I think it was october of 2008 when we passed the oak hill plan, 00 in the morning, and we worked through -- I mean, it was grueling, we worked through an amazing amount of compromise and delicate -- delicate zoning and flum uses because it was really a matter of trying to balance the sensitivity of the land out there with the need for services and all. So I think from my point of view it's appropriate, especially with staff's recommendation and explanation of their point of view, of the gas service stations, it's appropriate to keep the change minimal. further discussion? Council member spelman. I understand the need to keep the changes minimal, but I will have expected you to say something in favor of the neighborhood planning contact team's recommendation, which was to make the change, they thought that would be the most appropriate thing to do from the neighborhood's point of view. I wonder if there was a reason you were at variance from the contact team. I guess it's a matter of at this point approaching the plan with -- as a long-range vision, and while there -- if i understand correctly, and i didn't hear from them personally so I don't have any personal knowledge of why they supported it, except for the suggestion that maybe they want, you know, easier access to gas stations, and because that was something that was already -- that was already sort of, you know, worked through as discussed by staff, and there are other opportunities, we know, for gas service stations. They're just not there yet. So it's a matter of taking a bit of a longer view to the availability of gas stations. And in the end if we do this, if the idea was to limit the total number of gas stations, which apparently it was, that's some of the work that was done during the plan, this -- even though they're not there yet we can expect they will be. Stho. I'm not sure that they will be but they could be but the zoning will be in place for a gas station if somebody wanted to do that.

Morrison: may i, mayor? If if they wanted to do so and -- if there's a demand for it, the market supports it, likely it's going to happen.

Spelman: somewhere. Okay.

Tovo: mayor? council member tovo. yeah, I just want to speak to my second. I guess it's more relevant to the zoning change we're going to consider in a minute, but I support the staff recommendation and the planning commission rems because I think they've done a real thorough assessment of the kind of uses that are available in that area and to me it makes a big difference there are other sites available to be a service station, and as i understood the staff discussion here earlier this morning -- it felt like this morning but I guess it was just about 15 minutes ago -- this is a site that was grandfathered under older environmental regulations, it is in the barton springs zone. It is in the drinking water protection zone, and so i feel very confident supporting the staff's recommendation and I'm just going to quote it, based on the location of the property in the barton springs zone and adjacent to residential areas a zoning category of neighborhood commercial district zoning is more appropriate. And so that's my rationale for supporting this. I think this allows the property owner real flexibility in developing the property. There are many uses under Ir that they could use, and, you know, the only item excluded under the planning commission recommendation is service station. I think that's appropriate for an environmentally sensitive piece of land, i should say a piece of land in an environmentally sensitive area. motion on the table with a second. Further comment? All in favor of the motion say aye.

Aye. opposed say no?

No. so that was mayor pro tem, council member spelman, council member martinez and myself, so the motion fails on a vote of 4-3, with the four of us voting no. Council member spelman. mayor, I move to change the language designation on the flum from office to commercial land use as requested by the applicant.

Cole: second. motion to close the public hearing and approve the flum recommendation to commercial land use and seconded by the mayor pro tem. on first reading only. first reading only. Further discussion? All in favor say aye.

Aye.

Mayor leffingwell: aye. Opposed say no. Council member riley, tovo and morrison voting no. Motion passes on first reading on a vote of 4 4-3. So that takes us to item no. 54. 54 is the companion item for the zoning. Entertainment a motion on that item. Council member spelman? council member morrison said it's my ball game so I have to make it up here. I move approval to rezone the property to community commercial -- to gr-co-np with additional restrictions. I'll hold the restriction -- list the restrictions if you like. Let me get a second first.

Cole: second. motion by council member spelman, and that is the applicant's request, second by the mayor pro tem. Is there any further discussion of that? And that should close the public hearing and read on first oh approve on first reading only. first reading only. I have an additional restriction. council member spelman. it's my understanding if you're putting in an underground

storage take in in travis county there's a series of requirements that have to be met. This isn't a contributing zone. There is a different series of more stringent requirements to put underground storage tank associated with a gas station in the recharge zone, and I would like if any -- storage tanks associated with gas station be placed on the site at any future point, that they have to adhere to the recharge zone requirements rather than merely the contributing zone requirements. I have a list of them here, chad, if you want to take a look at them. so amending your own motion to add the additional restriction that the -- a service station, if located on that site, would be subjected to a tceq requirements for the recharge zone. City attorney.

I apologize for talking so much. Council member, I just wanted to let you know there's no way to put those restrictions into an ordinance, although we can explore with staff the possibility of perhaps putting that into a restrictive covenant or some other document. So just so you understand that it will take a little -- it will take a little work, and we'll let you know if there's a problem. so long as it gets done, the instruments are up to you. That's your job.

Mayor leffingwell: okay. So that instead of it being a modification to your motion is just going to be direction to come back for second and third reading within the instrument to accomplish that.

Spelman: that's correct. and is there a second to that motion? Mayor pro tem seconds that motion.

If I could for clarification, that includes in the co additionally the uses of the applicant as already offering to prohibit; is that correct? I was under the impression that was already in the motion but by all means, let me state that out right. we have one additional question for staff. I think I understood you to say that there was -- had been a petition filed. You haven't verified it.

That's correct, but given the additional condition we would only be able to do first reading today. We would prepare the documents. If this motion is passed, then bring a restricted covenant amendment to you with a revised ordinance and then you could look at that -- by that time we should -- we should have the petition figured out, whether or not it's valid and see if that would affect your final vote. I just recall last week the staff request was a petition had been filed and you hadn't had time to verify it so you requested that we not approve it on all three readings.

Right. so this would be actually normal operating procedure.

That's correct, just first reading. then all in favor of that motion with additional instruction for second and third readings, say aye.

Aye.

Mayor leffingwell: aye. Opposed say no.

No. passes on a vote of 4-3, council member riley, tovo, morrison voting no.

Thank you, mayor and council. That brings us to our last zoning item. 53, and this is for a zoning change request at 3010 honey tree lane. This is case no. c14-2011-0140. The property is currently owned by the austin water utility, and they are seeking a zoning change from its current p public designation to sf-2, standard lot district zoning. The was the site of a decommissioned pump -- property was the site of a decommissioned pump station and was not developed by the utility and they are requesting this change in order to basically seek and prepare the property for sale. The adjacent land uses to the north and south and east and west mostly on these adjacent properties is already single-family. To the north there is a tract of land which is a hospital, you've seen the kind of northeast corner, which kind of borders their property along -- I guess it's kind of northeast side. The rest of the properties are developed with single-family homes. The property, as i -- or .324 acres, about 14,000 square feet. The adjacent lots on either side of this property are close in size, and the property does take access to honey tree lane. That's its only legal access. It's a flag lot tract. It considered a legal tract. It was not require subdivision. It could be developed, and the access would be taken by a 15-foot flag that goes to the property. I wanted to show you two other pictures. Sorry. I wanted to point out a couple features. Again, this is the hospital I was talking about, and all of the land that kind of surrounds this tract right now is zoned single-family. There are single-family homes on either side of the flag lot itself. As you kind of zoom into that area, the area we're talking about here, again, here is the hospital tract, the single-family homes that are on various sides of it. The property we're talking about, there's a small piece that goes back and then it runs in this area. So the area -- there's a small developed little garden area -- excuse me. As I understand, had been developed on the utility's property but it's been since removed, and the property boundary line actually kind of splits between this little garden feature here and this garden feature there. And you can get a little better picture of the area behind. The staff recommendation on this was for the sf-2 zoning. It would require resubdivision if they were to even try to get two lots. Under sf-2 the minimum lot size is 5750. If you notice the size of the lot, it would possibly allow for development of two lots going through the subdivision but it would require variances because the flag is too narrow. The planning commission's recommendation was to grant sf-1 zoning, which has a minimum lot size of 10,000 square feet, wouldn't allow the construction of a single -- single-family home on this property. And it would be available to develop. I understand the water utility has talked to the city arborist in my department. There are two trees that are on the property. One is actually locating the flag. It's my understanding that the tree that's in the flag could be removed, but whoever develops the property would be responsible for basically making up for the caliper of that tree. It is not a heritage tree. It is a protected tree, i think about 20 inches in diameter. The other tree is a larger tree that is on the property but after looking at the site staff feels the property could be developed without infringing on that tree. There's representatives from the water utility that are here. There is a valid petition against the rezoning from p public to the sf-2 zoning, and it stands at approximately 79%, and at that point I'll pause. If you have any questions -- what about. Sf-1?

Pardon. does a valid petition apply to sf-1?

It's basically anything but leave it at p public. If the important were left at p public, there are civic uses that are currently allowed under the zoning ordinance for this property, under our zoning regulation I guess you could develop it as a church or possibly a day care. Under p public zoning, and it would take on the site development standards of the adjacent properties on either side, for your information. council member morrison. I have a couple of questions, and I'm sure

more will come up. This is an interesting case. Couldn't we leave it public and sell it to somebody else and then they would be limited to those civic uses?

That's correct, I mean, and that property owner, whoever he, she, they may be, could come back in and request a zoning change in the future. So do we -- maybe if water utility is here they could help us understand why they're asking for a rezoning. I understand that neighbors have offered to buy it, but they never were able to. I guess what I heard was that they didn't really get any response from the water utility.

Good evening, mayor and council members. I'm Gopal [inaudible] with Austin Water Utility. This property, I think Guernsey described that this is a decommissioned pump station site. And in terms of the zoning we were told that it would -- we would get a better return on the property if the zoning is compatible with the neighborhood, and that's why we requested S-2 zoning so we can sell it as compatible to the other properties in the area. Do we have any sense of the order of magnitude of the better return that we'd get if we rezone it SF-2?

We have to go through the city procurement process to request bids, and, you know, that's how we have to sell it to the real estate -- through the real estate department, and that's what we intend to do. We have talked to the real estate, and they recommended that we request and get the zoning change.

Morrison: okay. And then I also have a question about the survey that's in -- that's in the backup, because it's -- the survey is done on a plat, I guess, on top of the existing plat, and I see that it says exhibit A, which is the longest skinny pole of this sort of double flag lot. Exhibit A to be retained as a water/wastewater easement by City of Austin. So does that mean that we're also planning to go replot it to remove that exhibit and that requirement before we sell it? Are we going to sell it with the requirement that it be retained?

We are planning to retain that as water and wastewater easement, and we intend to sell it as that.

Morrison: okay. So we're thinking of selling land -- okay. So it can be retained as a water and wastewater easement but still be sold.

Yes. and so it would be sold to somebody else but they would have no use of it.

Right. Exactly.

Morrison: okay. Interesting. Thank you.

Cole: mayor? Mayor, I have a couple . . . Mayor Leffingwell: Mayor pro tem.

I think you're saying that the difference between public versus SF-1 versus SF-2, is really just the value, the dollar value, and in this case because we own it we're talking about the dollar value that we can receive if we sell it to the city; is that right?

That's correct. We have asked our departments to see if they're interested to take this, including the parks department, and none of the departments are interested in developing this property for any.

Let me ask greg, because I think the critical question is if we own property why would we not zone it to the highest use to get the most money for the taxpayers, and that's what you're trying to do, isn't that right?

I think that's what the water utility is certainly trying to do. I was going to mention that I talked to betsy in neighborhood housing today and the value of the property is \$200,000 for the lot. The lot to the east. I think the lot to the west is \$199,500. Tcad I think would evaluate this as about \$200,000 if it could be -- because they believe it could be -- and if we change the zoning what is it?

It's going to remain about that same value, what you'd see reflective of the two houses on either side would probably be about \$200,000. so as public what is the value? Are you saying -- the value does not change regardless of how we zone it?

Actually, when we originally -- my name is eric mena. I'm a project coordinator for austin utility, and I'm the applicant. When we first met with the appraisers at that site, they did indicate that the value would be anywhere -- you know, anywhere from 30 to 60,000. as currently zoned right now?

As public, yeah. And with staff recommendation of sf-2, they indicated that it would be comparable to the surrounding property values.

Cole: which is 200,000.

Yeah, when I looked at tcad earlier, they're at like 220, the neighboring property as far as what the tax, tcad shows. So it will be somewhere in that area. So after we obtain the zoning, we would go through the appraisal process and that would be the minimum bid on the property. and greg, help me, but generally when you actually get an independent appraiser, don't they come up with a number that is higher than what tcad is showing?

They'll certainly look at comparable sales in the neighborhood. I know when my staff looked at it, we just looked at the lots that are generally on either side of it to get an idea. This property is actually larger, I think, than one of the lots which adjoins and slightly smaller than the other lot that it adjoins, so it's reasonable to think that the value as mentioned it would be from about 199,500 to about \$220,000 in value, if it had same development rights as the neighboring properties, which all those properties currently enjoy sf-2. The other thing I want to point out as I talked to sarah hensley also today about the potential using this as a park tract. It's not very accessible given it's a flag lot and the very narrow area. It would be extremely difficult for the parks department to maintain -- she basically told me that the parks department would not be interested in making this a public park tract. So I just wanted to convey that message after talking to the directors of neighborhood housing, given the value of the lot, they didn't think it would be appropriate for affordable housing, and I talked with the parks director, and given its size of the

property and the constraints of getting in and out and its location, it would not be appropriate parkland.

Cole: thank you. I'm done. Thank you, mayor. council member tovo. guernsey, i have a couple of follow-up questions on that. It sounds like it's a very -- I mean, it looks like it's a very oddly configured site and I heard you say that the responses you got from the housing department and also from parks is that it would be difficult -- it poses some problems for accessibility. So how could it be challenging to build affordable housing on but not challenging to build any other kind of housing? Won't those same constraints lower the value?

The accessibility factor I'm talking about is just for the general public. They would be going between two single-family lots and basically having a park area about the size of -- a little larger than an sf-1 lot but actually would be behind three other lots. And so there might be -- turning out to be sort of a nuisance issue in the sense that you could have undesirable, maybe, activities that would occur behind these homes that people might find objectionable. It's not necessarily a tract that if you had many of these tracts throughout the city, 14,000-square-foot tracts throughout the city, scattered throughout all the different neighborhoods, it's very hard for the parks department to go from site to site to site to maintain these small types of tracts. And so it's one where you could certainly access it by pedestrians and vehicle but it's not one where the parks director feel that they would like all of these throughout the community because they're difficult to maintain, just sending mowing crews out to keep it clear of litter on a regular basis if you had these sprouting up everywhere. I guess, you know, with all due respect, we're not talking about sort of locating them throughout our community. We're just talking about one, but it sounds like they felt that this particular site was challenging to maintain, or just not sort of the model they wanted.

It's certainly not the model they want. do you have a sense of whether they -- of how it fit in terms of the parks' goals? You know, there's been a lot of work in the parks department to look at the gaps throughout our city. Do you have any sense of whether this is an area that has a gap in terms of not having parks or open space within walking distance to a majority of residents in this area?

No, I do not. I should have kind of compared it to the gaps analysis but I didn't have an opportunity to do that. Maybe my colleagues. Thanks. council member riley? Did you have a question? yeah, just a quick question. Access to the site would be by way of a short pole going to honey tree lane, right?

That's correct. I mean, it's a flag lot. That situation, 15 feet. We do have many of them in the urban core, but you don't usually see them more on the suburban fringe. This is a little different in that sense. The lot size, though, as i mentioned, is larger than maybe some lots that are in that particular neighborhood, but within our urban core you do have many lots. As you know, speaking about flag lots, just the other day but there are many more of them that are in the urban core. there is a vault, a man post and a -- there on honey tree lane. Would any of those obstruct access?

I might ask the water utility that question.

Actually, no, they would not. They're actually -- they're right at the very edge of the 15-foot easement, and I believe there is a photograph. I believe -- some of the people that are against this might have a better photograph of it. As you're looking -- if you're standing on the street looking at the lot, the access is just to the left of those things. Right is there's a cable box, that's actually on the left side if you're looking down the shorter dog leg, it's right there on the edge, and if you -- and to the right there is a light pole there as well as a manhole, electric manhole. But that's actually off to the side.

Riley: okay. So as -- with the driveway there --

yeah, you can see it right here. So whoever was to develop this lot would have to address those but those are addressable. They could put a curb cut there and a driveway through there. These utilities are -- you know, the cable box is probably the more nuisance, and this light pole, whoever develops that lot would have to deal with that type of stuff. They would have to do some due diligence work and either come up with a way to address that.

In this image we can see a tree down there.

[One moment, please, for ]

Riley: Did the arborist express any opinion as to --

I don't know if the utility has spoken to the arborist. I know that there is a cost to that certainly that could be 50, \$60,000 depending on the equipment that's brought in and all that's done. And it would certainly -- we would need to talk to the adjacent property owners to get their cooperation because the root zone and the canopy of this tree probably goes on both sides of the flag area.

Councilmember Spelman.

Tell me about due diligence. You've got a pole on one side and what is this small green thing on the left side of this picture?

I believe that's a cable box.

A cable box.

Time Warner, I believe, is the owner of that one.

Spelman: Would either of these two need to be moved in order to put a functional driveway on that flag pole?

I'm not too sure if that would have to be done. We didn't look into that.

Councilmember, most likely the cable box can be moved very easily. If that needs to be moved. So that will be the one that I would say that can be moved to a different location.

Spelman: The cable box is not therefore our responsibility. If somebody were to purchase this lot and wanted to move that box, what more or less would have to happen?

Generally you request that of the cable company and they will come and adjust the box. That is basically side ways to the lot, to the residences in that area. In that case it could be moved.

Spelman: How much would it cost to move it?

I don't know how much it would cost.

Spelman: Presumably less than moving that large tree in the background?

Yes.

Spelman: Somebody had mentioned earlier that a resident had come to the water utility and tried to buy this lot. Are you familiar with that situation?

Yeah. We were familiar with that, but real estate indicated that we weren't allowed to necessarily designate any one person or entity. It had to be an open bid process. So that's why we went the route that we did.

Spelman: Thank you.

Mayor Leffingwell: Okay. Now we're ready to hear from the applicant, which is the city of austin water utility. Do you have anything to add?

No, mayor.

[ Laughter ] we request your approval.

Mayor Leffingwell: Okay. So we will go to those signed up against. They're not signed -- there are none signed up for wishing to. The first speaker is stanley young. And donating time is veronica leal. All right. So you have three minutes to speak. He'll help you out there. We're not hearing you yet.

Now? There we go. Stanley young, thank you for the opportunity to come and talk with you. And as we've been talking about, property here is right here, and then there are adjacent properties. And then the picture that we've been showing here. Also, this is actually a parking garage for the hospital that's behind us. And then there are houses all around it. A and the primary thing that I want to bring across is that we are not opposed to selling the property. And as has been indicated, several of us have actually approached the city to buy it over the past few years. What we are opposed to is the speculative up zoning of it to be able to sell it. And that's why we put the petition in with about 79 plus percent. So that was the reason behind that is we think that the city should leave it at peak, sell it, let whoever gets it deal with all of these issues

that we've been talking -- that we've been hearing about after they've figured out what they want to do. So that's the primary thing. As has been indicated, there are actually three parcels here. The flag is one parcel. The main part is another parcel. And then this very long piece that's going to be retained as an easement, as another piece that is being combined to create this one parcel that is going to be put up for sale. And as has been indicated, it's a very irregular lot, as you can see. And very thankful for the zoning people. They actually had parks come back out and look at it after they had said they didn't want it, but again, they said they still didn't want it. So that's something -- mayor mary you might want to hold that closer.

Sorry. And then also during discussions with the city staff that we've had along the way, they indicated that there are several challenges to developing this particular piece of property. So we've been hearing about that and we would be interested in having it go as p and then let whoever gets it deal with those challenges after they've gotten it. And then also when it was at zap for the recommendation coming forward, they also had reservations with going with the sf 2, hence the recommendation to sf 1. And even that there was a lot of discussion with that, with that particular upzone from p. And I think that's all that I've wanted to talk about. I can answer questions or the next speaker can come up. He has different points that he's going to be making if you wanted to ask questions after you hear what he has to say.

Mayor Leffingwell: I just have one quick question. You say you offered to buy the property from --

we have in past.

Mayor Leffingwell: You have. But you were wanting to buy it for 30,000 as zoned now as p?

Actually, tonight's the first night I've heard that.

Mayor Leffingwell: That's what I was going to ask you, have you heard that before.

No.

Mayor Leffingwell: All right. Thank you. Councilmember riley.

Riley: young, i want to thank you for being here and I also want to thank you for giving me a tour of the site the other day. We visited briefly about the possibility of imposing restrictions on the development of the property such as height restrictions or set backs that would govern the placement of any building on the site. Have you had a chance to discuss that possibility with your neighbors?

We did. I'm getting into oscar's part of the presentation a little bit. At least right now we did discuss that with our neighbors. At this point we're leaving the position in as p, but if there are other creative solutions, we would certainly be interested in talking with people about that.

Riley: Thanks.

But for me or do you want --

Mayor Leffingwell: I'm ready to call on the next speaker unless you're --

no.

Mayor Leffingwell: Unless someone has a question for you. Oscar leal. And donating time is yiping pen.

No longer hear. My name is oscar and my wife and I own the property at 3010 honey tree lane just south of that flag pole. And I'm sure you -- you just heard all the problems with this property, all the limitations and obstacles, so I'm not going to go into that, but understand to that there are some environmental concerns as well, as are identified in the zoning change review sheet, the environmental section that you have in front of you. There could be some possible -- there could be some possible problems for water source, the existing habitat, as well as of course the protected live oak trees. I just heard, I guess, from the applicant that it's okay to move the protected live oak tree that's sitting on the flag pole, but not the one that's sitting on the main property itself. I don't understand that. How can one be okay to move and not the other one? They also mentioned that they have not had a formal appraisal yet they feel that the value of this property is equivalent to those properties surrounding it. Well, there is no other lot like this in our neighborhood. It's extremely irregular. There are three different tracts of land, if they are combining to make one, with a number of limitations to include the protected trees, the light posts, the manhole, the electric volt. So for them to say that this property is worth such when they even haven't even had a formal appraisal done a little bit out of line. It is true that the other lots around it are sf-2, but there are no other ones that look like this in our neighborhood. Having a home back there would most likely affect the value of the homes in the neighborhood in addition to the privacy, most importantly, of those that adjourn this property. And that's why we're asking that you decline the applicant's request to upzone this property and to either sell it as is, as a p, and allow those individuals that might want to take the risk knowing that there are all these limitations to this property to take it on and try to rezone it at that point, but like sam said, if there are other options that you might have that we can work with that, it's also something we could look at. If you have any questions, I'd be happy to take any.

Mayor Leffingwell: Councilmember spelman.

Spelman: leal, do you have any evidence other than just what you might reasonably call common sense, that the presence of -- I don't want to dig in aty it by saying it's common sense, although it may strike some as being some, although I can make an argument to the contrary. You're a flag lot, you're adjacent to it, and you argue if somebody builds on it your property value will go down. Do you know some realtors who have said that?

Well, it's more common sense. If I was going to look for a home and I had this home behind me looking at my living room, I would definitely not value that property the same as i would, you know, a home a neighborhood down or a block down that did not have that same problem with it. So I can't imagine myself paying the same amount of money for that same property.

Spelman: Or at least a little bit harder to sell, take you a little longer. and that's of course not taking into account the limitations of everything else we just mentioned.

Spelman: Sure.

Mayor Leffingwell: So given that, if it stays on p, and someone decides to put a day care center on it, how would you feel about that?

I don't know if -- I'm not sure if p can actually allow for a day care center.

Mayor Leffingwell: I'm just going by what our zoning person told us. Definitely a church could be built there.

I'm new to this. I'm trying to keep up.

Mayor Leffingwell: Obviously everybody would rather have a vacant lot next to them.

That's right.

The p public district actually as stands would not allow for residential use. So I'm not sure if it would even allow an accessory residential use on that property. But it would allow civic uses by definition under our code, and so a day care or a religious assembly use would be permitted on that property. The site development standards are a little bit unique since it's under an acre, so it would actually take on the site development standards that you would find on either side of the property that would be similar to the sf-2. Now, if it was a church it triggers compatibility standards. If it was a small day care, then it may not unless it had more than 20 children. And there are unique things that deal with different types of uses that might be introduced on that property.

Mayor Leffingwell: Okay. Thank you. Councilmember spelman.

Spelman: Since guernsey was close to the mic I wanted to ask him a question too. We have an as yet incomplete, but in process ordinance dealing with flag lots. I wonder if the process of coming up with this ordinance that you or a member of your staff had run into any evidence suggest suggesting that the flag lot had an effect on the property values.

I think in the urban core that hasn't been true. It may actually have the reverse because we've had incidents where we've had property owners come to commission that by creating these lots and developing them with new houses may raise property values on the adjacent properties because it's newer development and there may not have been transactions in the neighborhood. I've heard that before. So it's not necessarily always the case. Certainly I think with respect to the individual properties that are nearby, it may have an effect on that. I'm not an appraiser, i don't know. In regards to that.

Spelman: A case could be made that a more recent transaction than might otherwise be made that there might be a short-term blip in property values, but in the long run it may not have any effect at all is your best guess.

This property is similar size to other properties, even to one that's next door. I'm not sure if it's your property or the property next door, but it's of similar size. So it's reasonable to think that if you followed all the zoning setbacks that are similar throughout the neighborhood or more restrictive ones under sf 1 that you would end up with a property that would probably be the same value or close to it.

Do you mind if I answer that?

Mayor Leffingwell: Do you have --

I was just going to say it would be hard to actually place a value on a property that there is no surrounding values around the neighborhood that would look like it. So for him to say that the value on the property would not change, it's just speculation. As a real estate would tell you, you would need similar properties in the area to try to actually appraise it. So unless there is another neighborhood where there's only one flag lot in the area, it would be hard to say whether it's actually impacted the neighborhood or not.

Spelman: It is a question which would respond to evidence, but we don't have that evidence. Thank you, sir.

Mayor Leffingwell: Hilly young? Okay. So those are all the speakers we have signed up against. So the applicant has the opportunity for a three-minute rebuttal. You don't have to take it, but you have the opportunity.

We have the tcad information, mayor and council, for the neighboring properties. 1312 Honey tree lane is 230,000. 1320 Honey lane is 23,500. And (indiscernible)-b honey tree lane is 220,000.

Mayor Leffingwell: City manager, did you have a comment?

Council, a couple of things I would like to address as far as the value. We did talk about an appraisal -- and I think the bid process would in fact be one way that we would determine the value. We would set a reserve amount if in fact we proceeded. And the responses to that bid would really be the real gauge of what the market value is for that property. So it is difficult to determine with precision whether or not a change in zoning would affect it. But clearly the only objective we have from the utility standpoint is trying to maximize our assets. This is an asset that we own that no longer has a functional use for the utility and it was an opportunity for us to optimize that for the utility and our ratepayers.

Mayor Leffingwell: Thank you. Councilmember morrison.

Morrison: I just want to share a thought based on what you said, and that is that when we have people come down here and apply for zoning changes, if they come and say, I'm making this -- I want this application approved because my goal is to make as much money off this property as I possibly can, I think I would have some real issues with that because it's a lot more than just let's make as much money as we can. We could do zoning really fast around here if we were just here to make sure that everybody got as much money as they could with their property. And I understand that is one department's perspective trying to maximize their assets, and we need to ensure that we're responsible with taxpayers' money, but land use decisions are about more than how do I make as much money as I possibly can. They're really about compatibility and is this the right thing to do. So I think that we just need to keep that in mind now that we're the applicant, we the city, we need to not have a conflict of interest here. And make sure that we're making an appropriate land use decision.

Mayor Leffingwell: Let me say that I agree with you, councilmember morrison, and if the request were to zone this gr, I certainly would not support that. But that use does seem compatible with the surrounding properties. Okay. So anything else to add?

Mayor, that's what we are requesting, a compatible zoning with the neighborhood. We are not asking anything and our intention is not to make -- we can sell it for a lot more money, but we just want to be just like the neighborhood. That's what we are requesting.

Mayor Leffingwell: So council, I guess technically this is ready for all three, if we adopt the zoning and platting commission recommendation. It takes four votes to pass it on one reading, five votes to pass it on two and six votes to pass it on three. Councilmember spelman.

Spelman: I believe there's a valid petition off of this.

Mayor Leffingwell: That's what I said what i did. Four for one reading, five for two readings, for all three readings it would take six votes.

Spelman: Okay. Mayor, I move to close the public hearing and move approval of the zoning and platting commission recommendation on all three readings.

Mayor Leffingwell: So councilmember spelman moves to close the public hearing and approve the zoning and platting commission recommendation on all three readings. Is there a second for that? Councilmember riley seconds.

Riley: I'll second that. I would like to ask a question of the neighbors. And I guess this could be young or mr. leal. I wanted to -- what we have here is a situation where p zoning may well -- could well lead to something that is not desired on the part of the neighborhood. It could lead to the possibility of uses that are really not as compatible with the uses as single-family would be. young at least has indicated some interest in solutions that would lead to something that would be acceptable to the neighborhood. And it seems to me that if the neighborhood tried to envision potential uses that could be compatible with the existing uses, that there could be conversations about setbacks and height limits and so on. If you could envision some house there that would not be -- that would not be such a bad thing, then it seems like there's room for

confession, continued conversation to get to -- to put enough restrictions in place, but that's the kind of development we would get to. Do you see an opportunity to engage in that kind of conversation?

I definitely -- just the way it sits now and if you were to look back at that survey, you can't even start to figure out where the setbacks are or what the front of that property is. And --

Riley: That seems to strike me as all the more reason why there could be real value in sitting down and figuring out an appropriate configuration of the site. What would be an appropriate place for the house to sit and what would be appropriate setbacks that would lead to that placement of the house and so on. And yes, it would require some thought, but it seems like it could well be a productive conversation that could involve both the neighbors and the city working towards something that is mutually acceptable. Do you -- do you think the neighborhood would be open to that kind of conversation?

Definitely.

Mayor Leffingwell: Councilmember Spelman.

Spelman: I have a question of councilmember Riley with your permission, Mayor. What instrument do you think we might create to enable that kind of a conversation. Conversation?

Riley: Like look to Guernsey for guidance on that, but as we rezone it we could modify the development regulations that would ordinarily apply.

That's correct. You could approve this on first reading, the neighborhood could certainly come back with some suggestions to the applicant. We could see maybe what I guess conditional overlays could be applied to this tract. Certainly the SF 1 district as it extends is already more restrictive covenant than the neighboring properties in some respect that it has less impervious cover, less building coverage would be allowed. 35 Percent building coverage versus 40 in all the SF 2 lots. 40% Impervious cover versus 45 on all the other lots. So there are things that are already more restrictive under the zoning and platting commission's, the height remains the same at 35 feet. The SF 2 versus SF 1 and the general setbacks from interior yards and rear yards, five feet and 10 feet are the same. Although this tract would have the additional burden of the utility easement along the rear and they couldn't move closer into those utility, they would have to sit out of those easements.

Spelman: Mayor, I would like to modify my motion for first reading only and direct staff to have that conversation that Guernsey was just suggesting.

Mayor Leffingwell: Okay. Riley, do you accept that? Yeah. And I want to say that I'm going to support this because I totally understand wanting to have that open space and I think the opportunity will be there to still acquire that open space. But I think the city is under an obligation to try their best to obtain fair market value based on an appropriate neighborhood use.

You still have the opportunity to purchase the property, just at a fair market price from the normal use of that property. So first reading only, councilmember morrison.

Morrison: I that something -- I hope that something can be worked out. I realize that it would be best if the first read willing passes, but because we are in a situation with a strong valid petition, I do want to record a vote of no just to make sure -- and perhaps other people might be willing to do that, but wanted to make sure it moves on, but just to make sure that the applicant understands that we really need to have some serious negotiation about that.

Tovo: Mayor, would you mind reminding us how many votes it needs to move on.

Mayor Leffingwell: First reading requires four votes. All in favor of the motion say aye? Opposed say no. It passes on a vote of five to two with councilmember tovo and morrison voting no. Okay. So that takes us to the last item on our agenda, which is item 61, which is the public hearing, no action will be taken. Apparently we have a little bit less than six hours of testimony scheduled. A little less than six hours. We'll start with number 1 and start to work our way through. Commissioner gomez, privilege to an elected official, if commissioner gomez would like to speak first, is she in the chamber? Okay. Commissioner? Welcome to city hall.

I want to thank you for this opportunity to address the issue of the increased --

Mayor Leffingwell: Could you pull the mic down a little bit? Thank you.

Possible proposals to increase the electric rates. I'm very much aware of the proposal that councilmembers morrison and tovo had this 5% interim increase until there is further study of the issue. And inch that's -- and i think that's a very good idea. I've given you written comments, but I wanted to go ahead and reiterate some of these comments tonight because of the importance of the issue. And I am here today really as a county commissioner of precinct 4 to ask specifically that you consider people in precinct 4 who are low and middle income. And there's some families here to put a face on those low and middle income families. And of course, there are some children here who are our future voters, future constituents, and so they need to get hole as well so they can get up and go to school. Parents and older people go through very stressful situations everyday in this community because of the very difficult choices that they have to make between food or utilities. Utilities or medical care. Or school supplies for children's school work or utilities or food. Before adding on to the burden that many families already have, I would tremendously appreciate you considering that what city government can do with your triple a rating to not only handle current need, but for the future needs that come with growth. It is wise to buy some things with cash, but it is wise and cheaper to borrow money for long-term investments. The city of austin and travis county have always considered the effects of our decisions on those who can least afford living here and I look forward to all of us maintaining that commitment. There are many people who are smarter than me on these utility issues and there are ready to add to the intelligent and common sense kel dialogue that needs to take place here. I am equally concerned about the message that people who have been conserving energy for many years receive from these proposals that seem to punish them for not using more energy. And I am one of those people, and I am also in the business of teaching my family members, my granddaughter that it's necessary to conserve not only energy, but our natural resources. And I

don't want to give her the wrong impression that if you say -- if you conserve energy, you're going to have to pay more, you know, because other folks or maybe not all of us are conserving. So I really would appreciate your consideration of our families. Thank you.

Mayor Leffingwell: Thank you, commissioner. So we'll go to -- I believe there's a speaker here with a number of small children. So we can get those kiddos home to bed. Nidal herrona. Is that you?

I am nidal herrona. Your honor and councilmembers --

Mayor Leffingwell: Set the clock for three minutes.

My name is

(indiscernible).

My name is jamie santos.

Hi, my name is gloria hernandez.

Hi.

(Indiscernible).

I'm an austinite from way back. These are my neighbors. These were my neighbors. We were displaced from one -- from one complex to another. The reason that we're speaking is because of the -- a lot of us are single parents. A lot of us are women with no income. We have children, we have -- we have needs. We have -- in a lot of situations the jobs that we hold, if we have any, are -- they are minimal. A lot of the times we have to stress to them that that weekly or that monthly paycheck and the rise in the rates doesn't help in us trying to make a living for ourselves. And then having to deal with higher rates and the electricity. A lot of the apartments that we go to -- actually, many of the apartments here in austin are electric. And it would be something else if we had electric, electric and gas, but we don't. Now, as being a single parent myself, I have to deal -- he work for the texas state senate, but when it comes to my pockets, it doesn't show for much. And when I have to make amends -- payments for one thing and then -- and then kind of make a deal, I'll pay you so much because my electric bill is so high, it -- it's a problem. A lot of us have children that we have to have. We have to have -- we have to run the electricity. We have to run the heater. For myself, my daughter and myself have dealt with blankets in the wintertime because of electricity. We've had to deal in the summertime, open windows and fans. I'm sure that these ladies also would have to do that in order to come -- come be prepared to pay for that high rate of electricity. A lot of these apartments are not weatherized. We have to deal with that. There again, we have to use electricity in order to keep warm or --

[ buzzer sounds ]

Mayor Leffingwell: Thank you, sir.

Well, thank you for giving us -- [ applause ]

Mayor Leffingwell: So we have a number of folks here also wanting to speak with special needs, so please just take the microphone -- if you're signed up to speak, I don't have your names, but I'd like to give you the opportunity to get -- speak out of order so you can take public transportation home before it closes. You are signed up, Jennifer?

Yes, sir. My name is Jennifer McPhail. I'm with Adapt of Texas and I'm here tonight to let you know that Adapt does not support any increase in electric utility rates because there are so many people in our community that have struggled before the recession, at the current rates, when they were lower. There's always going to be a group of people that will struggle with increases in the cost of living. Most of the very low income people with disabilities in this city fall in that group of people. So whether we're talking 5% increase or an 18% increase or whatever increase there may be, there will still be people that struggle. We get quite a few phone calls from people that are on respirators, that in the summertime have a hard time paying their bills. Or people that have a history of stroke or other heart problems that can't be out in the heat. And they're having trouble paying their bills. So what are we going to do? We're talking about these rate increases and I've heard a lot of feedback from people that are on assistant services, the pool is getting smaller. It's getting harder to qualify for those services. And if we increase the rates, the demand for those services is only going to go up. We need to start planning for the fact that there are groups of people that will always struggle to pay their utility bills. And that's not going to change. And if you increase it, it's only going to increase the burden for those people. I'm with Adapt of Texas as well. As Jennifer said, most of our community, we live on fixed incomes, not because we want to, but because that's the only way to get services. If you're a respirator or on a vent, those aren't optional things. And you may think a power chair. Well, all power chairs that are in this room are charged by electricity. Medicaid nor Medicare will pay for a (indiscernible) option. I wish they would, but they won't. Any increase would be unjust, unfair and unnecessary. Thank you.

Can you let them know that I can speak for you. My name is Mary and I am with Adapt. And I also am speaking for others. I don't have any money --

Mayor Leffingwell:.

(Indiscernible). I'm talking to the operator here. I'm sorry to interrupt you.

I don't have a lot of money. But I do have a wheelchair and it uses electricity. I am getting a new bed to help me get up, and it's taken me four years to get my bed. It is electric. My house is all electric. And if I cannot pay the bill, I'm just in trouble. Not only that, but you think of all the people who are on -- what it is is life support. And they will die without that. So people who cannot get out of their house to go to dialysis so they get their dialysis at home, they're not going to live. I don't mean to state gloom and doom, but think, the people who can afford should pay more. Those who cannot afford should not be raised. It is not fair. And I think you all just need to think and when you think, you'll realize that it is not right. Thank you.

[ Applause ]

my name is sarah watkins with adapt of texas. And I could echo everything that everyone else has said here about the facts that a lot of us are poor, a lot of us are on fixed incomes. If you look at the typical sort of social security monthly allotment that a lot of us get it amounts to 17 percent of mfi and for all the talk that the city talks about affordable housing. You can build all the affordable housing you want, but if you can't pay your electric bill your housing still isn't affordable. And I would also, I think, with the remainder of my time I would like to talk about the conversation I had with a woman who comes in in the morning and she works for me. And she works for me about 20 hours a week. She has a disability herself. She can't really work much more than that because she takes care of her husband who is blind. He has diabetes. He can't work either. So she doesn't make a whole lot of money working for me. And she's been freaking out about these utility increases for about six months. We talk about it probably three or four times a week where she says, you know, if I have to stay and I have to keep paying -- she can barely pay the utility bills that she has right now. And she says if my rates go up and I can't pay my utility bills I will have to find another place to live. And she says if I have to find another place to live, then I can't take the bus and work for you anymore either. It's also an issue that affects working people who because of electricity rates may have to quit the job that they have or find second jobs or figure or some other way to put food on the table. So when we talk about utility increases, I think it's really unfair and really immoral that the majority of these proposed increases are going to fall on people who can't afford to pay for them in the first place. If utility increases have to go up, they should start -- you should start with the large corporations that are here and contribute, you know, lots of money to this economy and can take more of their fair share of electric rates. If you want to start somewhere, start with dell. Don't start with the poor people. Thank you.

[ Applause ] my name is bob kafka also with adapt of texas. I think you need to look at these electric rates for people with disabilities, the raise, and people with disabilities are being hit from all ends. We just went through a legislative session where the legislature underfunded medicaid by five billion dollars and right now services are being cut, the attendant services for many people are being cut. So it's not just the electric rates going up in a vacuum, but everything else that is going up in terms of rental food, and this is hitting people with disabilities, most of the people in adapt are on supplemental security income, which is a little less than \$700 a month. And out of that comes all the things that y'all pay for and it has to be done with that. So -- and this is in addition to, like I said, the fears. And again, as a person with a disability, you live everyday, especially if you're using attendant services, that you will be forced into a nursing home. And again, this is just one other sort of fear that is out there. We get calls all the time from people hearing about their attendant services, family breakups, things that are caused by low income and we really hope that you would look at these rates, think about really low income people because what's happening is what's happening all over. The campaign talks about middle income people, wealthy people. You know, if I've heard one word either from the republicans or the democrats about low income people, it would be nice, but we have been totally forgotten in the campaigns for who knows what. I think we need to get back to that we're a community of all people, low income as well as everybody else. Thank you very much.

My name is freddie gonzalez. I'm with adapt of texas. And I'm -- (indiscernible) i need to know if that program is going to -- if that program is going to be higher too, if the utility rates, is it going to be higher too. So if I could have that question answered. Because I only work four hours

two days out of the week, two days a week, and i can't -- they need to keep the rates as low as possible. Thank you.

Mayor Leffingwell: Thank you.

Mayor Leffingwell: Tom smith. Donating time is carol gager. Debbie russell. Okay. So you have up to nine minutes.

Gene, mayor and city council. Thanks very much for your courtesy of allowing those with children and with special needs to go first. We're here tonight to say some nice things about austin energy, but also to suggest that perhaps there's some other ways to do this rate increase that will enable us to do a full and more thorough analysis of whether it's needed. I think we all share common goals in our community. We want our electric utility to be able to provide services in ways that are as affordable as possible, as efficient as possible, and in ways to reduce pollution and create wealth in our community by making sure we reinvest the money that we spend on energy locally. Austin energy has tried to meet these goals and has come up with some really innovative ways to do that. But the process that you're in, the hearing process, hearing from hundreds of people about this proposal, has shown there are some significant flaws. And also I think shown that there's some solutions to a number of these problems that need to be examined. And it has raised a number of questions about whether or not the amount of money they're requesting is appropriate or too high. And how we're funding various programs within austin energy and whether the amount of reserves we're putting aside are too much or too little. Whether it's fair and equitable. This morning laura morrison and kathy tovo suggested that we hit the pause button and increase rates by about three and a half percent such time as we have an opportunity to sort this out. And we support that proposal. We think there is some number that is appropriate that would allow austin energy to get through the next nine months or so while we take a look at all these components. But an interim rate increase we think is an appropriate way to deal with it right now. We think that you should do a number of other things too. One of the first things is to cap program. You've heard from the people in the low income community and disability community, but the program is totally inefficient now and there is an unmet need and we agree with that. We think we need to maintain the current cost of service and continue and look at perhaps expanding some of these solar and efficiency programs that actually save money and keep charges at the same cost factor as they are today. And during that period of time do a series of studies to figure out the rest of this puzzle. You're the policymakers, the people that are supposed to make these hard decisions and a number of questions have been presented to you by austin energy and a number of witnesses that have been here. One of the things that's important is to bring in some outside professional help that are advisors to you. Rate analysts and revenue requirement specialist who can figure out does austin energy really need this. And how is it that we can design our rates to accomplish all of our goals. And you are not unique or alone in this. You may be ahead of the pack, but there are various associations, nonprofit groups who are designed to provide assistance like the regulatory assistance project to councils or other policy making bodies that look at how you accomplish affordability and changing to a new modern energy system. And we suggest you might consider consulting with them. Among the things we think you ought to set aside, workshops and work on, and bring in expertise here, what is the revenue requirement. And it's important that we acknowledge that we do this with the post-2011 test year because the way we price electricity has changed. And as you know, partially because

of heat, but also because we made significant off system sales off this system our revenues exceeded what we anticipated last year from electricity sales. And that needs to be accounted for and we need to determine whether or not that's going to continue in the future. I mentioned earlier we need to take a look at what are appropriate amount of reserves are. What we had in reserves at the same time immediately after competition was designed to create a cushion, but may not be needed now that we know a lot more about how we're faring in constitution. -- Competition. We need to look at the cost of service model and the deal that austin energy is offering, that we'll change cost of service models, but we'll give five percent discount to residential consumers and 110 percent cost to industrial customers. Certainly will never receive a p.u.c. challenge. So there will substantially be an increase in the cost of service for residential and small consumers that isn't really on the table here and being discussed. We need to look at the funding mechanisms for efficiency and renewables and rooftops solar and community solar to make sure that we can accomplish our goals. We need to look at the transfer to the city's coffers to make sure it's just and appropriate. And whether we should be asking for an income transfer on fuel as well as on just revenues. And whether there are other ways to meet that. We need to take a look at equitable treatment of our out of city ratepayers and we don't support giving them a discount. However there may be some other kinds of deals that could be done to make sure that what we're charging our out of city ratepayers is equitable and we need to look at that fairly and squarely and have a robust hearing on that. I have an alternative we could consider -- a lot of these out of city ratepayers and i live in westlake and I'm one of them, and bee caves and red bud trail are clogged with out of city ratepayers coming to work every morning in austin, texas and using our services. We could put a toll booth up at -- at various locations and I'll help you design them, but we shouldn't really do that until we really know what the costs are of serving those out of city ratepayers the services they all benefit from here. Again, I think it's appropriate for us to do some sort of short-term rate increase to get us through this next summer. Analyze what our revenue needs really are and take a look at the best ways to meet them. And above all, this is complex stuff. And austin energy has spent a lot of time and money looking at it, but they have their needs internally and you are the regulators in what you will be judged on by the public utilities commission and the legislature is how well you govern, how well you do this duty that has been assigned to you to be the rate-making body for the citizens of austin and to take a look at making sure the costs are justified and reasonable. And so it is -- behooves you to do the responsible thing and bring it to council to make sure that you're getting the best advice you possibly can on what is justified as a rate increase. Thank you all very much for your time.

Mayor Leffingwell: Paul robbins? Donating time is francisco cortez. Is francisco here? Don't see him. Cam magnor. Let me get through the list here? You're cam? Okay.

Paul norris.

He had to leave.

Paul norris.

Kundi wicky. So you have up to nine minutes.

Roger baker is also here. Thank you, roger. So I have maybe 12 minutes?

Are you on the list, roger? All right. So you have 12 minutes.

All right. Thank you. And thanks to the people that donated to me. That donated their time to me. I'm Paul Robins, I'm an environmental activist and consumer advocate and I've been working on energy issues since 1977. First I want to reiterate my disappointment at the fact that the rate case is being run without an independent consumer advocate. For those in attendance tonight who are not familiar with the rate-making procedures, it is customary for a consumer advocate to be hired to represent residential and small commercial customers while large customers can hire their own lawyers and expert witnesses, small customers cannot. This practice gives some balance to the proceedings. In this rate case there is no independent consumer advocate. A, quote, residential rate advisor, unquote, was hired by Austin Energy. This is kind of the equivalent of a court case in which the party filing a lawsuit gets to choose their opponent's counsel. It is unfair on its surface.

[One moment, please, for change in captioners] average customer charge of 35¢ to \$9 in other large utilities in Texas. Actually, the initial charge is \$22, but you have to back out \$4 for the supposed free 200-kilowatt hours. So an \$18 customer charge, this is an extra \$12 a month, \$144 a year, whether or not a customer uses a watt of energy. The minimum charge under the new proposal, adjusted for a small amount of energy provided, will raise about \$51.3 million. \$52.3 Million. Entire rate increase for the residential class in face one is \$49.4 million. So in may the entire rate increase is being paid by this exorbitant minimum charge. Now, take a look at the next chart. This is the current rate structure at different tiers of usage. You can tell at the left hand it's 100 kilowatts. Kilowatt hours a month, at the right end it's 4,000-kilowatt hours a month. your McMansion type usage. And in the -- in this particular current rates, you've got -- and this chart isn't working well with your computer, but at least you can see the bars. You are talking about 300-kilowatt hours at about 9 cents, 500-kilowatt hours at 10 cents. It rises to 10 cents a kilowatt hour after 9,000. It's what you would call a mildly progressive rate. Now, the next chart, let's see how well it shows up. 300-Kilowatt hours a month, which is about what I use, is 13 cents per kilowatt hour. McMANSIONS, AT THE FAR End, use 12 cents a kilowatt hour. And you can tell that -- that all of the usage, all of the increased income is weighted to -- to low usage. Now, look at the third chart where the -- where the -- can you switch again? Where the minimum -- this uses the old rate structure for the first 1500-kilowatt hours and then takes all of the money, the -- the \$52 million or so and weights it to higher usage. And you can see it is an aggressive conservation rate. Where at 500-kilowatt hours you are paying eight cents a kilowatt hour unit cost, and at 4,000-kilowatt hours a month, you are paying double. 16 Cents per kilowatt hour. I'm sorry this power point doesn't work well on your computer but you can tell the relative gist of what I'm saying. The fall on 1500-kilowatt hours and greater represents 83% of all of the bills. In Maine, 83% of the customers are exempt from this additional charge. Now, this can be done a number of different way, I'm just using this as one example of the direction that you should go. Next, I want to talk more about market charges. The high minimum charges are supposedly being implemented to recover a cost of service. Let's talk about that. Here's next slide a graphic version of the peak day on the ERCOT Texas grid. Notice the increasing -- this is in a hot August day. And again, the computer isn't working well, but this should read ERCOT peak. Notice the increasing contours at the top in yellow and red colors as we reach the heat of the day at 5:00 in the afternoon. These are your intermediate and peak generators. They cost successively more with each higher tier. I use almost no peak demand. Acquaintances of mine use absolutely no air

conditioning and no peak demand. They can use as little as 100-kilowatt hours a month in august. Where is their economic reward? There's talk of a time of use rate that would acknowledge peak demand in the market, but it's not been proposed. It is -- we don't have their numbers. Even if it is, the only way it would be truly market based is if it offered prices for every hour. Another gap in the market, next slide, is green choice. Currently, environmentalists pay a premium to buy wind power. But we also have to pay for the debt and operation of conventional power plants, we have to pay for the new pollution control devices on fayette. We have to pay for decommissioning of the toxic nuclear power plant. My electricity does not create acid rain, global warming and nuclear waste. The invisible hand of the market? It vanished. That was a joke.

[Laughter] thanks, guy.

[Laughter] austin energy wants me to pay them. When are they going to pay me? I have one final topic, one of the worst parts is a separate electric rate for people living outside of austin. Austin's profit from the electric utility goes to the general fund which funds city services. Many people living outside of the city feel they should not pay this profit because they don't live here and reap the benefits. Austin energy feels that appeasing this sentiment will lessen the sting for out of city ratepayers and they will not petition for deregulation of austin's municipal utility in the legislature. There are numerous problems with the logic here. One, there is no large municipal utility in texas that has separate rate structures for out of city ratepayers. Two, the ability to profit from a utility has ample legal precedent in texas. Three, no private utility, gas, cable, phone, investor owned electric utility goes without a profit. In austin, the profit generally goes to things like street maintenance. In a private utility, the profit generally goes to maintain pension funds and buy sports cars. Five, excuse me, fourth bullet. It costs a great deal to build and maintain transmission and distribution networks in low density subdivisions outside of the city. These costs are currently absorbed over the entire rate base. Five, many out of city ratepayers commute to work and therefore they use city services while they're here. Six, perhaps most importantly, this proposal will cause wealth flight, creating another reason to drive people to live outside of austin and promote more urban sprawl. And finally, perhaps most ironically, the proposal will not stop deregulation proponents. These people are free marketzel lots. And they will not stop their attacks on austin or other texas cities based on this appeasement policy. Council, I appreciate your time. Have a good evening.

[ Applause ]

Mayor Leffingwell: I will entertain a motion to extend the meeting past 10:00. Councilmember spelman, councilmember spelman so moves, seconded by councilmember morrison. Anybody in favor? Say aye.

Aye.

Mayor Leffingwell: Anybody opposed say no. Passes on a vote of 7-0. Leslie eisenman donating time sharon, eisenman, chris nielsen, elaine duro, jason bonker, banker, okay, so you have nine minutes. You have to speak into the microphone. I'm leaning all the way into it. Thank you for turning it on.

Mayor Leffingwell: That's better.

My name is less Eisenman, director of advocacy and board member of the Texas Gray Panthers, councilmember of Move On and a proud participant in Occupy Austin. And Occupy as an aside, still alive and well despite the Gestapo-like tactics employed by our militarized under your oversight and the orders that it must have received in behalf. Mayor, councilmembers, once again, I stand before you speaking out in defense of the citizens of Austin and Travis County. And in condemnation of the destructive and amoral behavior of your employees, the decision making upper management of Austin Energy. A battle for Austin's soul is now underway. Premiering at Austin Energy executive suites. After being confronted by a united populace, taken to task shifting costs from residential to industrial -- a rate design that penalizes rather than rewards energy conservation low usage, provides no plan for reducing or eliminating the inefficiencies enumerated in their heavily redacted, navigant report, makes one wonder what else may be in there and is hiding in the dark, they greatly overstate AE's revenue needs. They reduce the reasonable use of debt in favor of tax accumulation for capital expenditures and they fail to provide adequately or at all for solar or energy efficiency. Old go on to attack Austin's houses of worship that are already struggling to maintain their dedication to the less fortunate and -- and why go on? In terms of serving the public good, Austin's proposal is a stark failure, another example of corporatist overreach in the tradition of Wisconsin's governor and his colleagues in Ohio and Michigan, just on another front. The objectives are the same. Take from the poor and middle class to enable give aways to the richest amongst us. There was a time when dreamers populated this city. They looked to create a freer, more egalitarian and caring space, where people could live together, work together, dream and create together, help those who needed help and build a prosperous city with the bonds of earlier times. As part of that dream, Austin became known as the live music center of the nation. Think about that. People to people music. Not disembodied disc to ear. Only a city that prized and supported people to people contact prized collective and individual freedom, supported the widest variety of lifestyles in all of Texas, and when necessary, the help and assistance required by those falling on bad times, could that dream have grown and created what Austin became and how Austin was known and perceived. That dream is being assaulted from all sides. And lives are being destroyed. State government slashes funds to support public education, health and human services of every type, but the prisons must be maintained. The city and the schools do the same. And the vulnerable get left out, left behind, chopped up, diced and left out. And Austin Energy would heap on their backs the burdens of maintaining low energy rates for our biggest hotels while the poorest are asked to give up more and more from their meager resources. According to reports in the Austin American-Statesman, our Mayor Leffingwell floated an idea of two rate structures, one for customers inside the city and a lower one for customers outside it. It should be noted that at the public hearing, January 12th, WE HEARD FROM THE Developer's darling, Texas state representative Paul Workman who advanced the ludicrous idea that his suburban constituents served by Austin Energy, were being taxed by the city of Austin without representation. Never thought that I would see the day that Austin's mayor would be carrying water for a republican cry baby.

[Laughter]

[applause] in case anyone thinks there is the slightest merit to this illogical and irrational proposition, 1, it was the citizens of Austin who through their good sense and foresight invested

the money and created austin energy. They deserve whatever profits their collective investments, vision and good judgment may bring them. Two, the people who live outside our city choose to do so for reasons of their own. If they wish to have for themselves whatever benefits accrue to our city's residents, they can choose to find a place within -- to live within the boundaries of the city. Or request annexation. That they should pay a rate lower than city residents turns reason on its head. In effect, they would gather dividends for not investing. If austin energy were a privately owned utility operating for profit, of private stockholders, paul workman wouldn't be saying anything. He would not interfere with a private profit making entity and his constituents would simply take their case to the state. Taxation without representation? Indeed. Finally under the principles and values of free enterprise, ratepayers who are not stockholders should probably be paying more, not less. Under the single rate structure, they already benefit from the probability that austin energy rates will more often than not be lowered than those of analogous privately held utilities. And surprise of surprise, this hair brained proposition was embraced by the executives of the publicly owned austin energy. A slap in the face of every ratepayer in the city of austin. Austin energy would make it even more at extract active than ever to live outside austin city limits. Promoting ever greater urban sprawl. I got a lot more to say but I'm running out of time because everybody had to go home. I wish you well.

[ Applause ]

joe [indiscernible] donate being time is ron

[indiscernible] is ron here? Claire deyoung? Claire is here. Steve spear? He's here. So you have up to nine minutes. Thank you mayor and council. This morning, a major break through happened with all of our efforts and corresponds and hard work to -- two very hard working councilmembers, kathy tovo and laura morrison asked several consumer advocates to come down and stand behind them when they held a press conference and asked for a delay in this rate case. Supported by an interim increase of 3 and a half percent to allow enough time to go through the agonizing details of this case. And the way they expressed it, I couldn't have said it better. They said it's more important to get this done right than to get it done quickly. And so what I would ask everyone here to do tonight, is if you are a member of a neighborhood organization, if you are a member of any other community group, ask each one of them to sponsor a resolution supporting the concept of laura morrison and kathy tovo and forward that information to the other five councilmembers. We need unanimous support for this great concept of doing what's right for austin energy customers. I am so glad that we've got the process started now, but we need unanimous support for this direction of moving forward. The other thing that I would say is I recognize that austin energy does not like this idea. They will not like it and as far as I understand, there's already been a push back. That they don't like the idea of another delay. So what I would say about that is the reason for the delay is -- is that the rate increase as it's proposed is simply not equitable, it's not fair. It's based on a flawed cost of service model. It upsets the rate design and penalizes the people who use the least amount of energy, which violates austin's long and proud tradition of encouraging energy conservation. And so the reason for the delay is to make sure that we don't get pushed into a rate design and a cost of service that does not meet austin community standards. And so if -- if you were to meet with austin energy, and establish a goal, of a revenue requirement that will get them safely through the summer, without violating or without putting our bond rating at risk, and without seriously damaging the

financial viability of austin energy, that's what you need to do. You need to sit across the table from them, but you need to exercise your policy discretion and let them know that -- that we have got to get this done right. There's too many people in the community who have expressed an interest in this. And if you were to find out, for example, after talking to them and after discussing this issue with, you know, people with the proper amount of expertise, if it turns out that -- that the revenue requirement is somewhat different, and that they would be put at risk, i don't believe anyone in austin really wants to see austin energy's finances put at risk. So whatever it is that you ultimately decide to do, the main thing that we're asking is to delay the implementation of these proposed changes. That's what we're really asking for. We know that it's been 17 years since we haven't had a rate increase and we know that there needs to be some kind of a rate increase. Whatever it has to be, if it has to be done quickly, we want you to postpone these controversial decisions. Now, let me make a comment about cost of service, because the cost of service issue is the whole reason why the residential ratepayers and the small business people are getting the huge brunt of this rate increase. I can tell you and I've already emailed it to every councilmember, austin energy in september supported in writing the bip cost of service model that the consumer groups in this room are supporting. And not only did austin energy support it in writing, but their beck also supported it in writing in september in response to the electric utility commission. Then something magically happened between the date that they supported it in writing and the date when they made their first official rate filing and that is that sometime in the dark of night, some lobbyists came in and changed their minds and all of a sudden, the final version of their proposal did a switch-a-roo they supported the industrial ratepayers aed cost of service model. I'm an accountant, 36 year accountant. I'm going to get to the bottom line on this. Right now, well, actually it was in '09 when these figures were published but it hasn't changed since then by much, the cost -- the cos kilowatt hour for industrial rate pairs, the 10 by pedernales, txu is \$8.75. Guess where austin energy's rates are? At the bottom of the part at 89 cents per kilowatt hour. That's the bottom line, folks. The industrial ratepayers have gotten three decreases between 1994 and today. And now they are asking you to change the cost of service model so that they can get even lower rates. You saw the poor folks and you saw the special needs folks come up here and speak to you tonight. After they waited five hours or four hours or whatever it was. Just please keep in mind the facts of this case. That's why we need this delay. And -- and the other thing that I want to say and this has not been really discussed very much, but from my accounting perspective, what I would like for you to do is before you pass the final increase, after you've had the interim increase and you've had the discussion from the community on all of the rest of the details, I would recommend that you ask austin energy to submit a plan of how they're going to spend their money over the next three to five years and I would like to -- for the city

[ applause ] -- I would like for the city council to approve that plan in a public meeting so that the ratepayers know what they are getting for that rate increase. And that there's full transparency from here on out. No more hidden reports. I want oversight from the city manager's office, oversight from the city council and I want everyone in the community to understand how austin energy works and in that scenario, we can have the best public utility in the united states. I believe that we are capable in this community of providing input, there's so many good people in this town who have utility experience and who have an interest in solar and conservation and all of the things that we want to make austin energy the best. So that's what I'm asking you to do. And the last thing that i want to say is that 25 years ago, I stood at this very podium, albeit in a

different building and recommended some reforms in the city council agenda process because I saw too many times 25 years ago when people had to wait several hours for a public hearing. So one of the things that i would ask you to do is to consider that, 25 years after the fact, that people with families need to have a time certain when there's a city-wide public hearing. Even if it has to be on a different night of the week because I just can't imagine why there isn't some better way to do something like this. I will tell you that I'm going to try to be a really good guy for the rest of my life because if I get up to see saint peter and he tells me that I haven't been a good guy, my heavens, he might send me to an eternal zoning hearing and I sure wouldn't want that to happen, thank you very much.

[Laughter]

[ applause ]

[one moment please for change in captioners]

> I am here on behalf of the 40,000 austin members of the aarp and other older citizens of our community like ourselves. I am an aarp member and president of the north austin aarp chapter 2700 which currently has 430 members, all of them over 50 and many of them well beyond 50, including me. We actively promote policies that help secure the well being of all older citizens. In this light, we prepare the proposed energy rate increase and particularly the projected \$18 a month minimum connection charge will place an undue and unfair burden on many of austin's older citizens. The proposed \$12 increase from a current \$6 to a monthly charge of \$18 will hit older customers particularly hard, especially those over 65 years old who statistically consume only one half to 2/3 of the 15,750 kilowatts per year that average under 65-year-old households use. While it may be reasonable and necessary to maintain a minimum monthly connection charge, a sudden 200% increase in that charge is grossly insensitive to the austin's most vulnerable and least voracious older residential energy users. I talk and visit regularly with older citizens like myself who struggle every day to pay their basic living expenses now. Another hot summer like record-breaking 2011 will push many of them beyond the ability to cope. Residential rate increases on the scale proposed may become life and death matters. For the most resource-limited seniors, aside from the fact that such rate to impose a disproportionately high and unfair increase for a 65 plus minimal energy users. I urged the city council to reject the rate proposal by austin energy to date. Instead, I think you should require a much more measured approach which, number one, better establishes a need and a purpose for the proposed increase. And, two, distributes the increase among all rate payers in a use less/pay less structure. Thank you.

Thank you.

Steven reese.

I'm jessica lemon. I'm the associate state director of outreach of aarp in austin and I'm here as gene is on behalf of our 40,000 members.

Mayor Leffingwell: Carla Johnson in Carla Johnson here? Okay, got you. And then flowing -- you'll have six minutes. Next will be Lenetta Cooper on this side. Mayor, councilmembers, thank you so much. I serve as legislative counsel for the Baptist General Commission of Texas. Thanks to each of you for having the courage to slow down this process and to hear the concerns of so many in the community. Mayor, I'd like to thank you for your comments flowing the last public hearing to consider the unique needs of the faith community and make every effort to minimize the impact. The council's receptiveness to public input is one of the most important benefits of having a municipal utility. You have the opportunity to reflect the values of the community in your policy decisions and not look only at the bottom line. Another long-standing benefit is tailored rate classes that take into account the needs of customers in ways rarely seen in the competitive rate market. Many members of the community expressed the effects on many Austinites. And the adjustments for houses of worship do little to address the fear in the faith community. All of the previous concerns we raised still apply. There's a disparate, unfair impact on Austin's houses of worship under this proposal. To select one class of users and single them out for an increase far and above all others is bad public policy. Austin Energy has had a sanctuary rate class since at least the 1960s. To reverse over 50 years of rate policy in one fell swoop seems incredibly unreasonable. While I understand it's been a long open public process, I testified before the council on October 3, you would think with such a drastic reversal of a 50-year-old policy, there would have been a coordinated outreach to the faith community. But there's not. In the new proposal, small commercial customers excluding the houses of worship not exceeding a peak usage of 10 kilowatts per month will be exempted from the demand of use charges. Of the houses of worship being forced to the class charges for the first time, only 41 would see relief from the new proposal. Of the several dozen churches we generated bill projections, none would see a benefit. The smallest church we calculated the projections for which shares a building with other congregations will not benefit. We greatly appreciate the consideration you gave to the houses of worship. Exempting weekends when calculating peak demand for purposes of assessing a demand charge makes sense since peak demand for the system never falls on weekends. Time of use rates could also prove to be a workable solution, but in both cases, more data is needed. It's been said before. I want to stress to you again, the type of social service benefits churches provide in the Austin community. I delivered this evening, and I believe you'll receive tomorrow a copy of a letter from the CEO and president of Capital Area Food Bank that states that of the 300 partner agencies that distribute food and other social service benefits, 50 are churches within the Austin Energy service area. The food bank is concerned that significant rate increases for so many of their vital partners will have a detrimental effect on their ability to carry out their mission. One example, First Baptist Church of Austin, my church, provides yearly cash support of \$40,000 to individuals and other Austin area nonprofits and has done so for more than 20 years. This is in addition to the hundreds of volunteer hours completed by congregation members. I want to point out two areas of frustration I've had with Austin Energy. First, on slide 12 of their new proposal, this is the chart showing the effect on small houses of worship. It only lists the increase that would be seen under phase one. They're proposing a three-step phase-in. Include all of the phases on this chart so the true impact is seen. It's as if you'd have us believe you're not voting on phase three right now. And I keep hearing we focus too much of our percentage on the increase and not on the actual dollar amount. I understand what they're saying, I get it. It's frustrating because in what other rate class do they make this distinction and statement? If low-use residential rates were going up an average of 80%, would citizens be told, oh, don't worry about it, it's really a small dollar amount. The

commercial customers were told the same thing. I think not. From my perspective, austin energy does not know or is unwilling to share what the true impact will be for the houses of worship. El paso energy made the same mistake only had to revise their new rate at the puc when the true impact was felt by the community. Austin energy seems to be hoping that churches were not paying attention. If any other rate class were experiencing the same shock houses of worship were facing, we wouldn't have had this conversation right now. I believe the solution would have long since been worked out. Thank you for your time and attention.

Mayor Leffingwell: And your time is --

I don't have anybody left. I'm going to give you the cliff note's version tonight.

Mayor Leffingwell: You want three minutes?

That's all I've got, your honor.

Mayor Leffingwell: All the same, I have to call them out. Janie santos? Gloria fernandez? Gloria sands? And bryce donblasser. None here, you have three minutes.

Like I said, I'm going to give you the cliff note's version. I have prepared testimony that I'm going to track. The three concerns I have is the general fund transfer. It's not a substitute for tax, it's a profit. It's recognized in the case law, the puc. A right that the public utility has to recover from all of its rate payers. It's a cost that you are recovering for the financial and operational management of this utility and bearing the financial risk of operating the utility. That's what a profit is, that's what the general fund transfer is. And I've send you information about the proposed change for the fuel recovery, not for the special contract customers but for all other customers. We're concerned about changing the way you recover the cost from one set of customers and not all is going to have the effect of subsidizing the industrial rate payers. I've written that out in the rate statement. We hope you can look at it. We have a big concern. We think you should keep the current rate for all classes until 2015 when the contract expires. Take a moment and we should step back from the rate case and take the time to look at this stuff. Austin energy has had over two years to prepare this rate case and it is incomprehensible to me that the presentation is still so flawed. Austin energy has marketed its wants and needs but fails to justify the needs. It asked for more cap money without any current plan to spend it. It states the data, hiding the base rates which is what we're setting among fuel costs and rates. It fails to make known the expenses such as the plant and contract expenses even though it made measurable increase in expenses for salary and benefit. It makes no intent to ensure that with the new fuel cost-related surcharges, residential customers will not be subsidizing the fuel cost of special contract customers. Austin energy is asking the council to make a decision based on little information and in a short time frame, involving substantial changes to how much revenue is needed, how rate payers are charged, and whether new ways of recovering fuel costs, which comprise almost 50% of our bills, will be fair to all rate payers. Austin energy's request for a decision from you is based more on facts and we are asking you to ignore the marketing and get to the facts of this case. And we think it can only be done if you abate this case and direct austin energy to address the issues that I and others that have come before you have raised and to rely on more current test year data and have the revised rate case reviewed by a citizen's panel

comprised of members, especially including low income advocates with regulatory experience before the puc or other similar state-rate setting jurisdiction.

Mayor Leffingwell: Thank you.

Thank you.

[ Applause ]

Mayor Leffingwell: Carol? Okay. Donating time is shirley johnson? All right. Kathy tyler. Okay. Joyce pullman? No joyce pullman. So you have nine minutes.

I have some packets for you. I need to -- .

Mr. mayor, councilmembers. My name is carol --

Mayor Leffingwell: Please --

you can turn that off until i tell you to put it on -- the presentation. Thank you. All right, my name is carol. I'm executive director of texas rose rate payers' organization to save energy. And I've been here a few times and most of the time, I have talked to you about the cap program and energy efficiency programs for low and moderate income customers. I think a lot of the points have been made tonight. Tonight, what I want to talk to you about is the \$10 electric delivery charge that's on the bill and why I think it is not fair to residential consumers and it's also not a good strategy to be used by a municipally owned utility for recovering revenue. I do still care about all of my other issues, though, so I snuck a piece of paper in the pile that I gave you that sum rises what we would like to see in terms of changes for the cap program and energy efficiency. All right. What I want to concentrate on is why the \$10 fee is unfair to residential consumers. Almost all residential consumers. It is partially unfair because it enacts a strategy known as decoupling in the industry, and decoupling basically means that you no longer have a relationship between the amount of electricity that you're using and the price of the electricity that you're using. And that is a big concern. Now, if you wouldn't mind, could you put my presentation up? I want to show you some calculations I have done that relate to the effects of the fixed fee on people's bills. I was also concerned about the fact that energy efficiency programs were -- energy efficiency programs were cited as the reason why this fixed fee was necessary. I have spent the last 30 years of my life preaching and advocating for ene efficiency because it reduces capital costs for utility, saves consumers money, reduces fuel costs, good for the environment, reduces emissions and also creates jobs in the community. So it ripped me apart to hear, okay, we're saying that we have to give people an unfair charge on their bills because they're investing in energy efficiency. I don't think that austin energy is losing any money because of energy efficiency. I'll take the next slide, please. The first slide looks at -- this is what we're talking about. Currently the fixed charge is \$6. It's going up -- the new proposal is \$12 with 200 kilowatt hours in it. That's a \$6 a month increase. An electric delivery charge which is currently zero. That's not really accurate. They recover the charge of electric delivery in the rate that we pay for each kilowatt hour. The proposal is for the customers to pay just \$10 up front. We have a \$16 per month increase, which is 266% just in the front end of the bill that people are

receiving. Okay, let's look at the next page. And I have included the sources in your packet of where these numbers came from. These -- the source of this are some numbers that austin energy provided in the rate filing package. And the first column represents monthly kilowatt use in different ranges going from 1 to 1500. The next column is the percent of bills issued each year for that amount of usage. That column adds up to like 82%. So that represents 82% of all of the residential bills that are issued in the year. The next column is what austin energy estimates to be the monthly demand of customers using these different amounts of money. Now the next column is important because the residential customers are the only customers who are being asked in this rate case -- in this rate proposal to pay a fixed monthly charge. Every other customer class is charged a certain amount per kw of demand that they put on the system. Small commercial customers are being charged \$1.50 per kw. That's the proposal. That's the closest to what a residential customer uses. So I calculated what the monthly electric delivery charge would be for each of these bills at \$1.50 per kw. And we can see it ranges from 90 cents a month to \$9.45 a month. So that is a lot less than \$20. In the first case, it's \$9.10. What we have is a situation where 82% of all of the bills that were issued will be issued to the people that will pay more than what they've actually taken from the system in electric delivery fees. And I don't think that's fair. We've heard enough tonight about the effects of this on low-income people. The next page -- moving to the energy efficiency issue. I looked at the report that was in your packet that was done by austin energy that is an annual report. There's a page in here that has a lot of good numbers on it. I took the five-year calculation of the difference in annual kilowatt hour use over a five-year period. And we see for a residential customer, over five years, the kilowatt hour sales per customer went down. They went down by 568. The amount of money we're paying every year has gone down by \$41.80. So it looks like, oh, this is not good. But it tells me energy efficiency is working and it's doing the job that it was intended to do for the consumer. Look at the next slide. Here we look at what's happening in the residential sector overall. We can see that over the last five years, austin energy has added 30,516 residential customers to the system, megawatt hour sales has gone up, and so has the dollar revenue. This tells me that austin energy is able to serve more customers with less capital investment, less fuel, all of the things that I listed before. And I don't see where it is fair to blame energy efficiency programs as being the reason that this -- this unfair, you know, fixed fee is going on the bill. All right, so I'm going to wrap this up. Everybody's had like a hard -- a hard day today. So so I want to say -- my conclusions are, I've been an expert witness in cases. I worked for the public utility commission, I don't see any evidence that energy efficiency programs are causing austin energy to lose sales of residential customers. The next slide? Okay? That -- this \$10 electric delivery charge exceeds the cost of serving the customers, you know, 82% of all customers residential bills. I believe that residential customers should be charged based on usage like other customer classes up and it should be worked into the kilowatt hour rate as it is today. Decoupling is being used by investor-owned utilities to maintain revenue streams and to sustain profits. I'm going to run out of time. I want to point out to you. Two articles that I included in this from "public power" magazine. One is it called reconciling energy efficiency programs and revenue adequacy. I'll read one quote -- a public power utility, however, may not find it necessary to implement such decoupling mechanisms because the utility operates on a nonprofit basis and so has different goals and a different business model than an iou. So this talks about some of the issues and things to look at. We're a public utility. So we can design our utility to meet the goals of the community and not shareholder objectives. So that's your job, folks, is to figure out whether that decoupling is okay or not.

Thank you, carol.

Next we have ruby rose? Are you here? Okay. Cecillia? Here she comes. After cecellia, we'll have doris williams.

Good afternoon, good evening, rather. My name is cecelia crossley. And first of all, I would like to thank mayor lee leffingwell and mayor pro tem cheryl cole and the city councilmembers to allow citizen input on the rate increase. 1% tax decrease for the 45,000 rate payers who live outside of the city and do not pay city taxes. The city pays the franchise tax fee of 3% for the right of way to service these areas. That amounts to \$1 million a year. These people pay no taxes but use the city resources. I'm in favor of one tax rate. The 45,000 rate payers as well as the austin citizens should have the same tax rate. Although I believe the 45,000 rate payers should pay the franchise fee rather than the city of austin. And I'm kind of embarrassing coming in under these circumstances. But, you know, anyway, thank you.

Cole: Thank you, cecilia, thank you for coming. Doris williams?

Mayor leftlingwell, city councilmembers. I'm doris williams and live in north austin. I spoke previously against austin energy's proposed increase and I spoke on the big picture of timing in light of the current economy. Tonight I want to further focus on details. The utility admittedly is about to go to the red. This is huge. One of austin energy's justifications for the rate increase is no rate increase in 17 years. This raises more questions than the simple remedy of raising the rates. One, why now? Well, now we know the real reason. The utility is going into the red. Something is seriously wrong with management or its business model. Two, could there be mismanagement? Since rates haven't been raised in 17 years, was there overcharging all along? Earlier, I talked about numbers crunchers, advocates against the rate increase whose scientific data do not necessarily justify the support this increase and again are told about what's happened in the past that led to this current financial situation. At a recent community forum on the proposed residential rate increase, I spoke with an austin energy representative who adamantly stated that austin energy wouldn't go to the red if they didn't have to give one-third of the revenues to the city of austin. We're not advocating cutting city services. In my opinion, this whole proposed residential increase simply equates to a bailout analogous to wall street. And further more, like wall street, we the taxpayers will have to foot the bill, bail them out. One person put it it amounts to el electric rate justification for the poor, schools, and churches. It boils down to finances. Most of us are open to a reasonably mutually acceptable increase in rates because of the cost of living, consumer price index, cost of goods and services is constantly rising. It's part of the american capitalistic economy. The austin energy representative I mentioned stated austin energy suppliers were increasing their costs to the utility. Most businesses award contracts to the lowest bidder on the best value for the company stockholders. Perhaps austin energy could review the business practices to see if it's fair and if there's equal opportunity for all suppliers. Consider women and minority contractors. How many women and minority contractors are there? Does austin energy have a diversity goal? What is the track record. I review my utility bill each month, and each month the residential fuel charge fluctuates. I'm trying to understand the variable charges. Thank you very much for your time.

Cole: Thank you. Next we have joshua -- joshua, i know I saw you.

Yeah, right here.

Cole: There you go.

I should have time donated to me as well?

Cole: You have time donated to you. Several people. If you'll give me a second. YOU HAVE rodney McFee, is he here? Okay, thank you, rodney. Pat buehler, okay. And amanda robinson? All right. Josh, you have a total of 12 minutes.

I'm joshua houston, general council of texas impact. We have spent the last week or so annualizing some of the modifications to the austin energy proposal. To sum it up, if last month i was here to tan 80% increase on worship facilities of the 9% increase. There are 421 meters in this rate class. The net savings of the group of 41 really tiny congregations is about \$20,000. To put this in perspective, all 622 worship facilities currently pay about \$5 million annually in electric bills. Under austin energy's proposal, we would pay roughly about \$9 million. So this modification reduced the burden on the faith community by .5%. Now, less than 10 kw is an abstract concept. To give you an idea of the size of the building we're talking about, the average residence is between 5 and 7 kw, kilowatts, that's the average residence, which includes apartments and condominiums. Many suburban homes ex-seeped 10 kw. If a home has more than two air conditioning units, it probably also exceeds 10 kw. All of the congregational data that I've been able to gather is all self-reported. The only congregation for which I have any data that's under 10 kw is a congregation that has multiple meters. That's parker lane united methodist church in which their under 10 kw meter is on a tiny building as they use as a thrift store and a restroom for on duty police officers. The impact of the modifications, therefore, is quite minimal. To give you some idea of those who would be left out of the austin energy modifications: Highland park baptist church off of balcones has a parsonage they let the homeless use as office space. They fall under highland park for their billing. IT'S A 1960s HOUSE. But if this plan were to go to effect, this average house would fall into the median commercial class and be assessed demand charges because it's larger than a 10 kw and class iffed as a church. christopher's episcopal, which I mentioned last month, a 129% increase. If you pull it up on satellite imagery on google maps, it's smaller than the neighboring town homes classified as residential. It has maybe 125 members on a good sunday and it's in the medium commercial class. We're not talking about large megachurches here. We're talking about buildings smaller than michael dell's house. But they're still too large for austin energy's modifications. And just to be -- so everyone is clear with regard to the time of use rate, this is not a modification to their original plan. This has always been part of austin energy proposal going all the way back to august. If you read that 600-page proposal, it states these rates were meant to be an experimental pilot program. And frankly, I don't want my clients to be one of austin energy's science experiments. We need to see three things to support any rate plan. First, the plan needs to be fair. It cannot sock any customer class with an 80% increase, especially one that's a vital part of our city's social safety net. That's simply not good policy. The issue for us continues to be the delivery, demand, and regulatory charges that are based and calculated on a measurement of off peak demand. Second, the plan needs to be green. We supported a funding mechanism for energy efficient ensip and solar. One condition -- if all rate payers are to pay for green programming, then it's a percentage of the funds that should be dedicated to all rate payers, not just the wealthy

ones that can afford the up front costs required to get the rebates. Third, the plan must be affordable. be adequately funded to cover the true need in austin. And as we undergo the process of assessing what that true need is, and as we try to decide how deep and wide we want the program to be, it would be best if city council oversaw the design of the cap program. The design of the program is a policy decision for council and should not be left up for the utility. Austin energy's primary mission is to sell power. They're not primarily designed to be a social service agency. If the city council oversaw the design, you could bring in all of the stake holders, all of the experts from all of the different city agencies, from all of the governmental entities, the faith community, and nonprofit. If we could figure out what our resources are in our community, figure out how to make the delivery of the services the most efficient possible, and then to figure out how to stretch the dollars that we do have, as far as they can go, by maximizing the public and private partnership which my baptists talking about, \$40,000 that come from first baptist austin that go to secular nonprofit. These are the three things that texas impact would have to see in order to support the rate increase. The question is how do we move forward? And it appears from many of the public statements, from the majority of councilmembers there are grave concerns about austin energy's proposal. For that leadership and for that vision, the faith community thanks you. It also appears that there's a fundamental choice to be made if we are to keep the conversation moving forward. We either, one, modify the proposal, or, two, pass a temporary across-the-board increase to get austin energy back to the black panned start over. We're open to either approach. If council decides to modify the proposal, the spelman plan is a great starting point. It fixes the house of worship issue by limiting the meter readings only on weekdays. I heard concern over a potential first amendment issue creating a rate class for churches. I have researched this. Let me assure you, legally this is a nonissue. Governmental action can neither favor nor inhibit religion. It calls for neutrality. The public commission has approved the following criteria in the el paso rate case. They said the rate must be available to all charitable and off-peak customers. While the largest number of customers would be religious institutions, it could be available to a community theater or a ball field that would meet the two criteria of being charitable and off peak. This makes sense. If a rate is unfair for worship facilities, such a rate is unfair to other nonprofits with similar consumption patterns. We welcome the neutrality of the approach. It lowers the charge to \$15. It mitigates the impact on low-use users by billing a certain number of kilowatt hours as part of the fixed charge, and it helps low income customers by eliminating the fixed charge. It scrubs the revenue requirement and eliminates slush funds from the general fund transfer. We would hope to request what would hopefully be a friendly amendment, the rider be dedicated to the low-income and second that the council oversee the design of the cap program. The only con I see in the spelman plan is it retains the fixed delivery charge and subsequent legal research has revealed that similar fixed delivery charges have been tried by texas and new mexico power and also by center point energy and they were struck down in two previous rate cases by the public utility commission. Other than that, it's a great starting point. If council decides it needs more time in order to evaluate all of the policy decisions and implications in the tovo morrison plan is an approach we would support. This plan passes a temporary across the board increase to get austin energy operating in the black allowing council a year or so to perform their role as the board of directors and guide this company to best serve the city of austin. This approach leaves little to be reviewed by the puc and seems to be a wide approach. My only problem with this approach is if we're going to string it out for another year, I would urge council to instruct austin energy to do some analysis and release their data for third party verification. Throughout the process, texas impact has made

repeated requests to run numbers on the impact to houses of worship. They have been repeatedly declined. And when we have requested the necessary data to do it ourselves, they have worked with the city attorney's office to fight the open records request with the attorney general. Texas impact cannot support any plan until we know 100% for sure exactly what it is, what it's going to do, with both the congregation and the low income pairs we represent. Thank you very much. We look forward to working with everyone.

I have a quick question for you. You -- I didn't get it down -- about energy official ensi and the churches. What did you say?

Oh, which part? I was --

you were talking about the thing that it would take to support it. You said it had to be fair and 80% rate wasn't equitable. And you said you talked about delivery, demand. And you said something about efficiency.

Yes, ma'am, the second thing. In order to be green. We support the funding mechanism that is a rider with the line item in the proposal that's part of the -- forgive me, it's late and my mind is slipping. It's part of the -- it's in there with the cap charge that goes to fund the cap program as well. The community benefit charge or something like that. It's a line item for energy efficiency and for solar rebates. We supported it with the one condition that if all rate payers are going to be paying for green programming, then a percentage of those funds that's part of that energy efficiency line item be debt deducted to all rate payers. Low-income people. We want to make sure they're not subsidizing solar on wealthy people's homes because they're the ones able to afford the rebates. They like solar, but we want to make sure we have low-income weatherization to help people on their utility bills as a long-term strategy in addition to the short-term strategy of one-time customer billing assistance that the cap program will provide.

Cole: As you know, I'm going to host a meeting with several of the churches and Texas Impact to kind of hone in what the community dialogue on these issues and we'll, of course, have councilmember Spelman's plan. That meeting is posted. So I anticipate other councilmembers will be there. We'll delve into that earlier. I wanted to have a chance to talk about it.

I haven't talked to my executive director about all of that.

Cole: She says yes.

Messages don't always get passed down. So thank you very much.

Mayor Leffingwell: This time of night, you can call me anything you want to. Lucky I remembered your name.

Thank you.

Spelman: Houston, I support your friendly amendments and I share your reluctance to drag this out any further than we need to. Thanks.

Mayor Leffingwell: Who's next?

Michael -- is michael here? Gus pena after that.

Mayor Leffingwell: Gus pena, following gus will be lauren ross over here on this side.

Good evening, councilmembers, gus pena, proud native, night marine corps veteran by 17 years, who is monitoring austin energy, who's evaluating the balance, who's evaluating the effectiveness or lack thereof? We heard people talk about statistical data. I'm a data-driven man. I worked at the IRS. I can tell you horror stories. But I want to tell you about personal impact issues. What will happen with any kind of rate increase in our councilmember morrison and councilmember tovo, we appreciate the press conference you had this morning. But what happened to the people of color? We are advocates also. There's a lot of us out there. I don't care -- I don't need to be called. I had enough of this already. I've been doing it for 40 years at city councils and the legislature member, be inclusive. Item 61 deals with the ordinance to amend the electric rate schedule. Any kind of increase will be catastrophic to the poor -- low socioeconomic status. The poor, the churches, yes, be uh the people living in poverty are one buck away from becoming homeless. I can tell you horror stories about being homeless. And it ain't pretty, excuse my bad english. It's not good. Austin energy has been around for a long time. We have a law department. In all these years could we not have had an attorney or attorneys well versed in puc, issues that pertain to austin energy. We have an item. Item ten, I was not here for that, having to do with the legal service agreement with the here in austin in the amount not to exceed \$1,450,000. Come on, ladies and gentlemen. If we had somebody overseeing austin energy, we wouldn't have to have this contract. We have enough people already on unemployment lines. I don't care what anybody tells me, we're in a recession. Unemployment rates higher than 8%. People are giving up. They're not applying for unemployment compensation. No affordable housing being torn down. This is not an affordable town for many. And I urge you, all of y'all, to look at real 4ri the basic needs out there in the community. It's not what's being reported. I hope, at least, you find an attorney or attorneys that you can educate to be well versed on puc, austin energy, whatever, so we don't have to spend this amount of money we could have been spending on people, basic needs, service agents. We were not fully funded last year. Somebody asked me, what about austin energy money? It's not fair to tell me they're running out of money. Monitor. Thank you.

Mayor Leffingwell: Lauren ross has time donated from ellen friedman and megan keith. Is megan here? Got you. You have nine minutes. Next speaker will be adrian gutierrez on this side.

Good evening, mayor, councilmembers. Way past my bedtime and I hope to say what I want to say in less than three minutes. I want to echo the sense of outrage that you heard through two commissions that this city is proposing that austin energy has proposed such an offensively regressive rate structure to this city. I want to commend councilmember cole for taking this conversation to the community and holding it at a time other than 11:00 at night. That's important. I think councilmember morrison and councilmember tovo's proposal is headed in the right direction, but I really hope that we can go further than that. And I do want to weigh in on the issue of taxation without representation that was raised here and also by dick brown in the

austin american statesman. They say that paying the full rate of austin utility bills constitutes taxation without representation because they don't vote for you. But what they don't mention is the reason they don't vote for you is because they live in cities that a long time incorporated so they wouldn't have to pay city taxes. The typical \$700,000 house in west lake hills, that's what the average house in west lake hills is worth, pays \$320 a year in their municipal property taxes. If that -- if that house was in the city of austin, it would pay \$3,250 a year. You can go to the t-cad rates and look it up. I did the math. So they are making essentially a \$3,000 a year tax benefit because they're not in the city of austin and then they're complaining about having to contribute to living on the edge of this really beautiful vibrant creative smart city that's the reason why their houses are worth \$700,000. The same house sitting on the edge of beeville, texas doesn't draw that kind of cash and they don't want to pay their utility bill. So the last thing I want to say is I want to support the use less, pay less model. I think that's critically important. Let's wipe out the fixed fee charge from any kind of rate increase. Yeah, make the city the progressive city that we think we are. Thanks very much.

[ Applause ]

Mayor Leffingwell: Adrian? Donating time to you is james casey. James casey? Not here. Peter cooper? Peter is here. So you have six minutes.

Mayor, fellow citizens. It's been a plot said on figures and a lot of what I had intended to say has been mentioned. But I'm going to emphasize a few more points. Primarily, I am here representing activate austin, our organization would like to mention what our expectations are. Right now we believe the morrison-tovo propose salad dresses our need, addresses the time that we need to make sure that this aberration of a process gets revisited. I say aberration, it is what it is. It's a -- a public utility that is behaving as a rogue corporate institution refusing to be responsive to the voice of the people. Most importantly, refusing to be responsive to the direction of our government. That is completely unacceptable. Which leads to point number two of our expectations/demands. That there is the consideration of a complete overhaul and reining in of austin energy's top management. This aimed at reflecting the huge conflict that this particular process is exposing as to what the top management of our public utility believes are primary value systems where those most affected by economic injustice are attempted to be burdened with what is being claimed as a fiscal need by the utility. Therefore, that needs to be addressed as promptly as possible and hopefully lead to the hiring of management that is reflective of the vast majority of this city's values. We demand that whatever process ensues from here is dealt with full transparency. We don't believe that the process is transparent. We believe there's too many hidden reports, too many back door conversations that have not been inclusive and transparent. Therefore, we believe th any -- the rumor already started with how the morrison-tovo proposal does not meet the needs -- well, let's see the figures. I want a public open process where the public utility presents their claim as to how this will not meet the needs. The year -- councilman spelman? I believe we need the year. I believe the year of time is needed to get back on the right track, to allow for civil society, to ourselves, you know, convene in a much more comprehensive manner. It is real 4ri problematic that almost 3/4 of the people here today are not here now. It's reminiscent of what someone said happened 25 years ago. I was here for that process too. The problem is that has not been addressed. That has not been fixed. Democratic process requires a serious intentionality by our governing body ensures that a vast majority of our population are

spaces that are fully par 'tis pa toir and open process. This is an exclusive process. Have not learned as much as i have learned from my fellow citizens tonight. I don't believe that my fellow citizens are here to hear what i have to say as well. That is highly problematic. I believe I had some time allocated to me? What's the balance of my time, please?

You have a minute and a half.

Thank you very much. I believe that the basic problem here is that both proposals presented by austin energy is highly regressive. They are racist and classist. That is reflected in what has been proposed thus far. The fact that the second proposal is in some ways worse than the first proposal, it's bewildering, in terms oh it was fact that we had a full house here where a vast majority of people speaking on behalf of major civil society organizations spoke against this and spoke against the very methodology that had been used for if arriving at how this rate hike would be handled. Yet, they come back with this thing that it's really offensive to me. I say offensive because the expectation is that a publicly run utility under the management of our city government will be responsive to the voice of the people. I feel that they've done whatever they want. They're acting as a rogue institution. I'm not quite sure what the motivations are. I'm not quite sure what's behind it. But I hope that the city council gets to the bottom of that. Again, we believe that the morrison-tovo proposal is a good proposal. And I believe that we are prepared to support it. Thank you very much.

Mayor Leffingwell: Rao? Okay, donating time, rich delrath. Rich? Okay. Next speaker after mohan is johnny lamone from this side. And after johnny, gene chappell. You have six anyones.

Thank you. Austin energy has a handy calculator on their website that you can calculate the -- you know, your electric bill based on the current rate and the proposed one. I used a calculator to check what my bill would be. It was quite an eye opener. My wife and I live in an 1100 square foot house in northeast austin. January bill was 240 kilowatt hours. When I plugged in those numbers, the current rate is \$26.96. Under the proposed rate, it goes up to \$34.89. That's a 52% increase. Nothing like 12.5%. It's a 52% increase. Now, if you plug the same NUMBERS TO a McMansion out there that uses ten times the electricity that we use, the -- 54 to \$252.04, a 13% increase. So percentagewise, my bill goes up four times as much as those IN the McMansions. Austin energy is really pleased you have these huge houses that uses their product and, you know, willing to get a sweetheart deal for them. NOW, IT'S -- if McMansion happens to be in a suburb outside of austin, west lake, for example, then -- then the -- austin energy gives them a six-person discount. And I guess it takes so much pity on them that they don't get the opportunity to pay our city taxes. I -- I am encouraged by the proposal that councilmember laura morrison and councilmember kathie tovo have done. It's encouraging. What I feel, though, is that we, the people, are going to have to keep the pressure on because theth austin energy is so out of touch that we have to have the dials here. You councilmembers go back to them and just mandate that they just simply cannot have a structure that feels like a poll tax to the poor and cannot have a structure that just makes a mockery of any kind of conservation efforts that we have in the city. Thank you.

[ Applause ]

Mayor Leffingwell: Thank, chappell. All right? Gene chappell? Donating time, bruce murray?

Yes, sir.

Mayor Leffingwell: Okay. David smith?

Yes, sir.

Mayor Leffingwell: You have nine minutes.

Thank you, may yorp. Try not to take that much time. I appreciate your staying here and your stamina. All of the excitement is coming out of every pore of your face. My name is gene chappell. I'm the administrator of hill crest baptist church in northwest hills and I really appreciate y'all staying with this toer haul of these comments. It's been quite an education for me tonight to hear all of that. There's tremendous ideas floating around that would be supportive as a church community. 1893, 100 Years ago, the city of austin got to the energy business. Since then, city councils have overseen the electrical business fully owned by the citizens of austin effective at providing us dependable power at a reasonable cost. This business model has served the citizens of austin very well. Up until about 2000. If you look at the charts austin energy presented to you back in december 14, you'll see starting in 2000, things begin to get wobbly. Some things were up. Everybody was in perfect parallel, '94 to 2000. The wheels began to fall off. We're told there's the \$32,000 a year. My grandson 2. Because of the lateness 06 the hour, I won't show you pictures. I'll spare you that. One of the great joys he has is he likes you to play with him. He takes a toy behind the chair hour couch and say, where go? I asked you the same question, \$230 million? Where go? We're now being told that austin energy is going to be functioning at \$126 million a year in the red. Where go? We don't know. I hope you do, as the oversight group for austin energy. I want to express appreciation to the austin american statusman for all of the articles they've done -- they've written on this subject. They've done a very good job at allowing us as citizens to see what's going on. One of the articles entitled "is austin energy try tooing hard to " I'll leave that for others to make the decision. But there's a quote in there that says austin energy paid navigant \$280,000 to prepare a report that was requested that went all but unnoticed much of last year when activists caught wind of it in december. Austin energy said the report k0u8d not be copied because navigant claimed the material was copywritered. Austin energy withheld on the grounds that information could give competitors an advantage. I thought they were a monopoly. Who are their competitors? Obviously I don't understand these things. Monopoly,. 4% of the austin ratepayers have said we are not willing to pay more for that particular thing. Yet, more money was spent, 2008, unsold, now the city committed to 8 and a half million dollar exes pendture to help make up that loss. For those of us on the frontlines of dealing with people, we can tell you story after story the difficulties energy rates place on people. You have heard many of those and have seen them here tonight. Those who can't pay -- there are those who can't pay their bills for a variety of reasons, but in addition to those who can't pay, increased electrical costs ladder. I have seen who couldn't make it and sere senior adults and family who is can't go on church activities particularly during the summer because of high utility bills. This morning I had a senior say that last summer they cut her air conditioning off because she couldn't afford to pay the higher bills. Now she recently saw a pie chart to see where austin energy's money was going. She said they are spending money

for things that don't even have to get anything to do with getting the electricity. What is up with that? I didn't have an answer. I asked you as a council, what is up with that? Electricity is a required commodity in today's world. It is fundamental to our existence. We have heard this many times here. It is not fair to force -- use force, to have people participate in venture capital funding by spending money in masking a bail out as a necessary rate increase when those of interest fail. Customers of austin energy are very simple if their expectations from their monopoly energy company, the very best service, best possible rates. Our city owned utility has served us well for almost 120 years. We are in danger possibly of losing that resource. The decisions you make will be critical and that the termination. We ask you to identify, fix the problems before setting any new rates. tovo for the spelman, thankses for doing those, morrison and I know several of you are working on similar things as financiers, thank you for that. The churches and residential ratepayers, what we spend on electricity is equivalent to milk, egg, butter money. A basic required commodity. It is not venture capital money. 4% of the ratepayers have told you over ten-year period, they don't want to pay extra for their power. Find a bandaid, put on it long enough to survive and find the answer. Thank you so much for your time.

[Applause]

thank you.

Mike sloan. Donating time is robin rather. Not hear? Gregory joeban. Go up. Go up. Meyer. You have 9 minutes.

Nine minutes.

Yes.

Okay. I believe there is still some fundamental issues here on the rate design that council needs to give austin energy direction on. So that's why I support what council members tovo and morrison recommended today, to take more time. I think it's really critical that this council, whether you can do it in a couple of weeks is fine but you need to give direction to austin energy for what you want austin energy to do. I think there is slides -- I am going to talk a little bit about san antonio versus austin, and I think just drilling in on electricity, the single biggest difference between austin and san antonio is that in general austin city council always said yes to austin energy, and, you know, the reason you are having this rate increase is because council said yes to a lot of expenses spending in the last few years and now it has to be paid for. In contrast, in san antonio, they said no to cps on the nuclear deal, and that really changed the direction of the city there a few years ago. I also want to point out that the san antonio paper really played a critical role in helping get stacks for council and I think that's one of the key issues here, you have the facts you need to make decisions -- facts for council. And I want to contrast that to the paper here. San antonio, they really drilled in, did some very detailed analysis on the nuclear deal and I think was really instrumental in helping their city council and their community reject moving forward on the nuclear deal. Here, there is so many -- and it helped trigger the movement toward mission verdes plan, they really accelerated in going green in san antonio the last couple of years. Contrasts here, green power as seen is unaffordable. You see that in the headlines and many of the austin american statesman articles. I think many people in city hall have that

opinion. And you have the for number 35? I don't know if I got it out of order, but anyway, going back to, on austin energy, in the statesman, I used to get really frustrated when i would read some of the arts from marty tui, like green is expensive, we are spending too much on green. But it is settle subtle but significant. Ma is a writer and san antonio they have an energy writer and energy writer, they dig into the real facts going on but in politics if enough people believe in somethings that nonfactual, it is a political reality you have to deal with on council and so I think it's so important that you get the real facts of what is going on and, furthermore, like in san antonio, they have a bunch of advisors to city council, professional advisors from the utility that advise council what to do. You don't have any of that here in austin. So I the think it's so important -- I want to point that out. Whereas there is his perspective here that green power is too expensive that is expressed in our paper, there is a quote up here on the screen. This is from the public utility commission of texas. It says, quote, when generation has had the impact of reducing wholesale and retail prices of electricity -- wind generation. And this is rick perry's appointees, all three of them agree with this statement but in town we have the suggestion that green power is too expensive. Green power is really affordable if you look and and drill into the facts so hopefully it is something that austin energy and the community will be able to drill into the facts. I want to go through a couple of more slides pretty quick thely. These are some numbers -- i will follow up. The main thing I want to get from this is that if you look at the all end costs of new generation, a lot of what has been approved by the city in recent years tends to be expensive stuff, like approve some new gas speakers and biogas plan and there has been gas hedging. Those are expensive things. The things that have been reduced are some of the things that and this is somewhat interesting. And I think this is right and I think city -- you will get some follow-up if I am wrong on any of these. I think right now, today, austin energy uses less renewable energy than they did three years ago. The reason is because you had 80-megawatt wind contract that went off the books. During the last three years, the city using less renewable energy than it had, the solar program for the revaprogram is the lowest it has been in the the entire history of the program for 2012 and energy efficiency I believe also is either at or near the lowest it has been a decade or more. It is interesting with the what the priorities of the city are, if you really want to do green power and efficiency and solar, you need to give that directive to austin energy. So I will follow up on some of these designation these details by email next. Here is an area if you are looking to reduce costs to consumers. This shows the austin energy fuel charge, the total amount of money that is collected. If you go back to the last rate case, the fuel charge and aggregate collecting less than \$100 million. I believe now it is over it used to be very closely linked to the blue line which is natural gas prices. For some reason, in the last few years, there has been this huge divergence between the collections of fuel and natural gas cost. Not clear what is going on. The public doesn't have access to that information. I am pretty sure a lot of it is related to the fuel hedging policy for austin energy. I at least hope that you can get the answers on behalf of the community. But it looks like there is some potential to reduce costs if you need to shave some costs out of the budget going forward. The next -- this is the last slide I want to show about solar relative between san antonio and austin. The blue line is austin's installations of commercial solar and the red line is san antonio. It speaks for itself. San antonio made a commitment in 2008 that they were going to go in this in 2009, they approved a major funding plan, \$849 million to spend on efficiency and rooftop solar and it's just helped the program take off. So there is -- they are running the program. They have the commitment and they have the money to do it and if this the is something that you want to see happen -- that's the magic formula. You need to tell austin energy, this the is important and make sure you have the

money and strongly recommend you did what san antonio did and put it in the fuel charge. It wraps in the fuel charge. You know how easy to raise fuel charge. A memo, raise it \$65 million for austin energy in one fall swoop with very little oversight. It just goes up. This can be scrutinized. The numbers for efficiency and rooftop solar are carefully scrutinized but then the fuel charge it's very easy to raise the funds. I think with that I just want to wrap up on the business model and I think at its essence on the business model, you need to tell austin energy, which is more important? We have a business model now that's about revenue growth. Is that more important or is it about reducing bills for people that live here? And those aren't -- those are somewhat mutually exclusive, so you have to decide which one is more important. Now, you can still get general fund revenue with either model. But the model today is based on growth and mutually exclusive with having lower bills. It is a key thing you need to derivative direction to austin energy on. Thank you.

[Buzzer alarming].

[Applause]

not here. Eugene preston. Three minutes. Next after eugene will be jessica keener.

Gene preston. I am speaking for comments that jess totton would make but he is not here because he has a sore throat. He has key points for austin interfaith, for the key points for proposed rate increase. The concern of austin interfaith is the rate increase for low income customers and houses of worship is excessive is. Several members of the city council suggested the city council take time to review important issues raised by austin energy's rate increase. We believe that such a review has merit. The austin energy proposal raises number of questions. Any review should include a thorough examination of whether 100 million increases is really needed. Any review should examine cost allocation and rate design choices that have been recommended. There are reasonable options for allocating costs and designing rates that would be fairer and more affordable. If the council decides that it needs to act on the austin energy proposal in the near term without a thorough review of the level of the overall rate increase and cost allocation and rate design, there are several measures that should be taken to make the new rates more affordable to low income customers and houses of worship. City council should increase funding for customer assistance program and reduce fixed charges in the residential rates so the rate increase for most low income customers is reduced. The city council should modify the rate designed for the 10-15-kilowatt commercial customers to reduce rate impact on larger houses of worship as stated previously, a modification that we believe would be appropriate to explore would be to base demand charge for this class on a customer's highest weekday peak, not weekend peak. We would austin energy provide information to public and city council on such modification of the commercial rate design to assess whether this is a reasonable modification to address the concerns about the rates of worship facilities and jess has a request for information to austin energy but he is waiting on a response. Whether the city council takes additional time to review the proposed rate increase or acts in the near future, the impact of rate increase for low income customers and houses of worship should be addressed. Furthermore, I would like to say that austin energy is telling us that we should take a look at time of use rates. We have looked at those rates. They are rather complex. I suggested to austin energy to put a calculator out there on the internet so we can play around with time of use rates. And

maybe they can. That would help us a lot to evaluate -- whether the time of use rates are beneficial or not.

[Applause].

Justin. And following Justin will be John Reich. John Reich.

Thank you, my name is I am here on behalf of First United Methodist Church where I am a member and serve on our finance board. First I would like to say thank you so much for hosting this forum tonight and allowing us to speak. Thank you to Council Member Cole for hosting a forum out in the community where we had a chance to talk and thank you to everyone for slowing this process down and taking a very close look. We are very appreciative of that fact. I would like to just spend some time -- there are other speakers from our church who will talk about a lot of charitable activities we perform at the church. My family are involved with a number of those. We help serve thousands of homeless families and individuals within our -- at our church facilities each month and we are very worried at how we might not be able to provide those services in the future. I would like to dispel three myths I have heard during this process about churches. I believe it was one of the first hearings here, where I heard a city staffer say that, well, we are putting some groups into commercial or business classes because they can pass their cost on to their customers. At our church, the people who we are serving, many of them are homeless. They are poor. We can't pass those costs on. And those are costs that if they are passed on, it is probably going to end up in the jails and social services are provided by other taxpayers, and government entities. Another myth is that churches are providing activities that they really haven't done before. Someone made a comment one time that, well, you know, churches are now providing day-care and are doing things that aren't church. I offer churches have been providing these services for thousands of years and we want to continue to do that and do everything to encourage it because that's what a community is all about and lastly, one thing that I heard someone mention in the Austin American Statesman. I am thankful for their coverage around glad they are raising awareness and sharing facts. I see in some media outlets 5% increase of rates. The only data I have seen truly analyzed from Texas Impact and I am thankful they are doing saying church has average 80% increase. Yet when I see press releases from Austin Energy, the top bullet is a 5 percent rate increase so I asked an Austin Energy 5 rate increase? And the answer was very nebulous, of, well, it is not one person gets that. Yes, you will have different rates than others. What is our rate? There wasn't a clear answer and I hope you can share more of that information with the public and make it real easy for them to see where the different classes are impacted. Again, thank you for the opportunity to share my opinion and I hope you continue to look at especially the way it impacts churches disproportionately. Thank you.

John Reich and following John is Nancy Depayable. Nancy Depayable.

John Wright, one of the senior pastors at First United Church in downtown Austin. Thank you Council and Mayor for opportunity to speak to you. Many of the points have been raised already. I want to reiterate that Austin Energy's modified proposal really is -- offers very minuscule relief. People have already shared how that will help 40, perhaps 40 of the very smallest churches and do nothing for the remaining 520 churches. I want to thank Council Member Spelman's initiative to perhaps exempt or to measure the demand charge for churches to keep that measure during the

week and not on the weekend. I think that will help a number of churches that will provide a more equitable solution. However, I want to add are dress our situation at first united methodist church, the use of our family life center. We use that primarily during the week to feed 3 to 400 homeless people every tuesday morning, every thursday morning. And the demand charge -- the -- the demand charge that will be applied to us will result in a 47% increase on the bills that we incur in the family life center of 16, 17,000-dollar hit for us, and when we are trying to be in partnership with the city to minister to the very poorest, the most disadvantaged in the city, and rather than find some way to partner in that, we feel like we have been penalized by being given such an extreme disproportionate rate increase for that facility, because that's what we use that philosophy for primarily during the week. I want to reiterate what was said early on, that we in the faith community stand for the needs of the poorest we have heard from many representatives of the poorest people. We have to find a way to ameliorate the severe impact on the poorest people, the hebrew and citizen tradition always says those who are charged with the rulers, the kings must -- the kings have to be -- defend the cause of the poor and I want to put that before you. I do want to say that we very much appreciate council -- the council women -- the general council women, tovo and morrison's proposal to -- [buzzer alarming] -- to pass us -- pass an interim increase so this can be studied further. Thank you very much.

Thank you. the next over here will be brian discuss phomppo, brian phmppo here.

Thank you for the opportunity to speak with you tonight. My name is nancy nobel, city of austin resident and also vice chair at first united methodist church and chair our governing body which is 100 members strong who help pass policies for our church and what reverand didn't tell us is a harsh reality faced which was cutting the hundred thousand dollars from our operating budget. I don't share to get sympathy because we aren't any different than others trying to tighten their belt right now, I share it because it is the harsh reality of what we are. In I would need everybody to detail the ministries and missions our church but it is not only about the church but community as a whole. Josh mentioned a housing for homeless and housing for families, 365. I have been there because i have been there and picked the families up and taken them to our church to stay. Highland park baptist pays for the costs. We pay for the electric costs. Without our churches, they have nowhere to go. I had our scheduler pull for me today also groups that use our facilities. We sit downtown right in front of the capitol and prime location for many here a sampling, any baby can, ymca, a multi-faith organization, twelve step program, easter seals of central texas, heart to heart hospice, texas book festival, women's resource fair and even for a chuckle she put the two book christmas rehearsal uses ours which is over 100 tubas practice there and I have not heard this but they use our facilities at discounted cost and for many of these, it is tree. Also the boyscouts, so it is not just about our church, not just about faith. It is about the community we serve as a whole. Recently someone that visited our church said what I like about the methodist church is we don't just say things, that we actually do things. This this proposed rate hike will actually cut into our ability to do things and that's what we are all about. We are not opposed to paying our fair share increase, what we are opposed to is i encourage you to revisit this proposal especially for houses of worship who are serving the communities, the believed and the lost. Thank you very much.

Following brian will be jeff. Jeff cotton here? Okay. John elford. And bobby jones. Okay. Go ahead brian.

I am brian. Thank you mayor and council for staying up late with us tonight and hearing us. I am going to talk to you about something that hasn't been emphasized much, the five share residential rate structure and our failure of design objectives I think. I will learn how to use this - - thanks. Quick summary, first of all, I have to agree. It seems on the surface that laying adoption of the current set of proposals, which I think are punitive and complex seem like the only practical thing to do the recent counter proposal from ae doesn't rectify a lot of inequities that existed in the original proposal and we heard a lot about that tonight and a lot of lost opportunities here and leaving a lot on the table for better efficiency we aren't really going after. I think we also need to in general re-evaluate shifting any burden here to residential customers from the industrial customer base, and preserve the notion which I really appreciate the mayor, your support on this, of separating out rates for out of city customers. I understand the -- where folks may come out in understanding how this works but in general this really is taxation without reputation given the fund transfer that -- taxation without representation, and also I want to say we need to focus on replacing five tier rate plan to implement across the board rate conservation and investment efficiency in a fair way. So I have here the objectives from ae's -- what were their objectives when they did this design. I highlighted three out of 8 I think are totally missed which I think constitutes a I will go through those three now. First of all, set rates closer to the cost of service for residential customer class minimizing interclass subsidies. This chart is straight from ae's presentation. I colored in pink the space of cost of service delivery and in black the line of what the proposed rates as you can see in the tier 4 and tier 5, this is where subsidies are happening. This is where the customers are paying above the cost of delivery and this is being allocated across 18% of customers. Those customers aren't necessarily rich customers. They can't necessarily afford it and so this is really total failure at achieving objectives for setting residential rates and diverging further and adding additional subsidies instead of reducing them. Next slide please. Second improving price signals that encourage conservation and promote investment in home energy efficiency improvements. The way we set residential rates now will dramatically affect how we will be a broad broader community. This is great objectives. Pricing signals, how you will do it, rebates or incentivize folks to be more efficient.

[Buzzer alarming]

yeah. Three minutes goes by too fast.

That is your time, thank you.

I will send this to you in email. Thanks.

Are you jeffs cotton.

John elford and next bobby jones on the other side.

Good morning, mayor and council members, it is great to see you so attentive on this friday morning. I am john senior pastor from a church in austin and representing not only this church but austin interfaith. Martin law thersaid I guess it is okay to have a man lift himself to a bootstrap but a cruel guest to ask a ask a man to lift himself by his own bootstraps. People are concerned about the austin energy rate proposal on their own houses of worship, I hope you understand our

primary concern is whether this plan is fair and just and the impact that that plan will have on low income households. While we applaud austin energy's efforts to increase funding for customer assistance program, we are also aware the proposed level doesn't go far enough and will not reach all low income customers. And the revised rates which 7% actually result in 34% increase for locon assumption customers, many of whom are also low income customers. It is hard to imagine or, for me to imagine a worst place to raise revenues than out of the pockets of those instruction to go meet basic needs. We find much to applause in council member spelman's proposals, particularly in the elimination of the arbitrary weekends demand charges on houses of worship, the reduction of residential fixed rates, elimination of fees for those in the customer assistance program and asking austin energy to scrub the budget for savings. We also find more merit in the tovo and morrison proposal, to raise rates by 3.5% across the board. Allowing time for review for a thorough review we hope of the austin energy proposal. While all of us in the faith community support great conservation work that austin energy has been doing and would never want to put austin energy or the city in financial jeopardy, we hope the larger questions will not g in debates about this, do we need somethings that affordable, quote from our website, the most livable city in the country. Are we taking care of all citizens? , Especially the poorest among us? Thank y'all for your time. God bless you and your work.

[Applause].

Bobby jones. Bobby jones.

[Indiscernible] cavazos. Heather everly. Troy wayly. Three minutes.

Howdy y'all, my name is roy wayly, vice chair of the austin sierra club. I think larry weiss wanted to donate 3 minutes to me. Oh, well, it is late for all of us.

[Laughter] -- cyrus read wasn't able to be here but I am working reed and the lone star sierra club on this issue and we applaud what he said earlier robins, many other necks. One thing we want to point out as we try to work out way out of the cold plant the study won't be out until september so we will move forward with a big chunk of information missing. We appreciate the conversation and everyone that spoke this morning but austin sierra club certainly appreciates the work you have put into it, the meetings that have taken place, mayor pro tem are, yours council member spelman, your plan, but we smile most favorably at this time on the tovo-morrison proposal that was put out, to look at a short-term solution, and let us get all of the information, have a deeper, fuller conversation and let's find a long-term solution because so far, we agree with each and every one of you who may not agree necessarily wi another, but agree that what's on the table right now does not work. Just to briefly address something that's said earlier about the green choice program. The green choice program had a waiting list for each batch. It sold out and had a waiting list until we got to the last batch and so the green choice, to say that austinites do not favor green energy, I think, is a misrepresentation. Austinites do favor green energy but they favor affordable green energy and we are getting there. Thank you very much for your time. It has been a long day for personally, I thank you, and as a representative of the sierra club, I thank you for your dedication to this.

[Applause]

trever lavell, not here, donating time is sta