

## **Closed Caption Log, Council Meeting, 03/22/12**

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>> If everyone would please rise.

[10:08:36]

>> Heavenly father, we thank you for another day of life. We are particularly reminded of the awesome majesty of your creation and the beautiful city to which you called us to live. We thank you for this council and the many sacrifices these men and women make every day to lead our community. We ask your blessings on them and their families, may they know their sacrifice and service has been significant for the city. Bless the deliberations and decisions made in this place today. May they reflect justice and truth. May they help bring your peace to our community. We ask this in your great name, amen.

>> Amen. Please be seated. quorum is present. We'll call this meeting to session at 10:12 a.m. We're meeting here in austin, texas. We're announced that council member morrison is ill and will be absent from the meeting for the course of the day. I will begin with changes and corrections to today's agenda. Item 18, delete the words "design and commission agreement with" and add the words "lead artist agreement with" add after michael galbreath "in design and " item 28. Delete the words williams morris and add the words "morris " on item number 65 add as a second cosponsor, council number riley. Our time certain item today, 10:30. The briefing on the green water treatment plant master development agreement and 12 noon, we'll have our general citizens communications. 00, we'll take up our zoning matters. At 4:00, our public hearings. 30 we'll have live music and proclamation. The musician today is bo whitlock. The consent agenda for today is items 1-68 with some items pulled off of that consent agenda, which will I read out in a moment. First, I want to read our item number 61, appointments and waivers, but that item will remain on consent. To the impact fee advisory committee, david betosts is council member riley's nominee. And the appointment to the impact advisory committee. The number of item it is pulled off the consent agenda, item number four, by council member tovo. Item 12 by council number riley. Items 36, 37, 38, and 39 pulled by council member riley. Item 56 will be heard after at the request of council members tovo and speman items 58 and 59 were pulled by council member riley. Pulled off consent for speakers is item 15, a discussion of the texas sterling contract in the allendale neighborhood. So that is the consent. In addition, items number 26 and 27 will be pulled off of consent to be heard after executive session. We have a number of folks signed up to speak on the consent agenda. Each will be allowed three minutes. We'll begin with gus pena. penna -- pena, you have three minutes to speak on any item on the consent agenda. mayor, I'm a proud marine corps veteran. I want to speak on item 23. The mental health, mental retardation doing work as the austin mental health care. It is issue an worldwide. We have students with issues of anger management. Mayor pro tem, you're one of our best supporters out there against health department issues with anger management et cetera, you identify several issues to be corrected. An appreciate your help. A lot of veterans coming

back from iraq and afghanistan with mental health problem anyplace is appropriate funding for austin travis county integral care. The need is great and getting bigger. We need to support the initiatives to do that work. Item 41 has to do with the grant for the juvenile gang prevention. Ladies and gentlemen, I know you know it, but we have a big criminal element here, not just in mexico, not just laredo or san antonio but here in austin. It will get bigger if we don't do something to intervene quickly. Get the kids mentors, tutors to graduate become positive, productive citizens of atx, austin, texas. Get them educated and give them the jobs they need. Economic development for youth. Expand the program in the city and so they can be organized with activities and not organized crime. Mayor, that is all I have to say with the issues. Continue to touch peoples lives, so it is positive, productive and safe.

[10:15:37]

>> Laura presley.

>> Good morning mayor and council. I'm here to speak about items i have spoke about several and many times. In the agenda the contract managing and purchasing department have different transparency in the way the tax dollars are being spent. I would like to identify this as a disregard to where the tax dollars are going. You need to direct staff to reinstate the information under the purchasing office section and move on. We need to know where our tax dollars are spent. That was taken off january 26. It was on there for years. It needs to go back on. Please direct staff to put it back on. Second thing, question I have is has the 5% credit that the legislature passed last summer been implemented? That is another topic, ongoing discussion since december, i would like to get that resolved and get the credit to the local companies. Bottom line, with regard to the spending items on this week's agenda. Item 46 is a contract with the lower bidder is only 3% lower than an austin company. Ok? I'm totally opposed to this award. I think there are benefits that we get in austin for spending locally. Item 51 is the most egregious. Houston company getting 37 million. And there is 10% different between the company from usa pin there is something wrong. Our community expects us to buy local and support our neighbors. What needs to happen for our council to spend tax dollars consistent with our culture of austin and keep jobs in austin. Thank you.

>> Council member spelman.

>> You mentioned item 51. Could you remind me what the item was?

>> 46 And 51. 46 Has the least bidder only 3% lower. And 51 has less than 10%.

[10:18:05]

>> Thank you, ma'am.

>> Ok.

>> Bertha means. Bertha means. Last speaker is scott johnson. Scott johnson. Those are all the speakers that we have on the consent agenda. I'll entertain a motion for approval. Mayor pro tem cole moves --

>> I would like to talk about that item. I don't think we need to pull

[indiscernible]

>> good morning, mayor, council, I could address any legal questions. I'm interested in item 46. I'm interested in the maintenance for the fire panel and wall creek center. It looks like a standard rfp. Could you give me confirmation of that. Is this a low-bid contract?

>> Give me just a second. It is the lowest bid contract. we don't have the legal authority to choose anything but the lowest bid.

>> That is correct. even though a --

>> I'm sorry. I stand corrected. In a low-bid situation, the council can answer the local preference.

>>Spelman: we can?

>> Yes. I see byron and rudy behind you.

>> Rudy garza. Assistant city manager. March 1, we did begin solicitations using the local preference access however at the time of this solicitation that was not in effect. So at this point, your two options are to accept the bid or reject all bids and we can start all over. At this point, we cannot go to the second low bidder. I'm sure this similar situation will come up in a couple of weeks, all bids of this came after march 1 include a provision for local preference.

>> Correct. if it came up in a couple of weeks, we could have picked the second lowest bidder; is that right?

[10:21:08]

>> Our plan is that we will exercise the local preference if it is within the parameters.

>>Spelman: thank you very much. mayor pro tem cole. can you explain how the matrix works with the local preference bidders when we do that?

>> Byron johnson, purchasing, mr. garza or myself. It might be helpful to go through this. What will happen is as the city attorney's office said, we put a local preference into effect, as provided by the law. So we gave notice to the bid ares. So when that has -- bidders. So you do a finding each time. So when the finding came up within the 3%. The item would say that the city council would make a motion to award making a finding for and we have some language that we worked with the law department to grade this saying there is an economic advantage doing this to a local

and making that award to other than the low bid. It would already be stated for you in the motion when it is applicable. garza said, we started that march 1.

>> Mayor pro tem, there would not be a place on the matrix, per se, it would be within the dollars of the bid. If you saw the matrix you wouldn't see a credit for local preference. It would be based on the bid amount. and the bid amount would be within 3% of the lowest bid? That is the cap? Ok. Thank you. Thank you, mayor. motion is on the table -- pardon me? Ok. berthia means has now showed up. means, would you care to

>> good morning, I'm here to ask one question. what is the rationale for you abandoning the formula that is used to allocate permits to the cab companies? That is my question. Can I get an answer? Can I have an answer? council member riley. I did pull that item because I have the same concerns. I pulled the items based on my same concern that you're raising now.

[10:24:21]

>> I would like to say that everything is very peaceful. We have complied with everything. We were well-regulated. Well-regulated. And everybody knows when we are regulated. So, any other comments? Thank you very much. council member items, did you pull the taxi items, 58 and 59?

>> Mayor those are not -- i guess we're about to do a consent motion. So they're not presently before us for discussion. So we will consider those, ms. means, in a little bit.

>> I appreciate it. Thank you very much. scott johnson.

>> Good morning, mayor. Council members. City staff. I strongly support this item and I work regularly with the council of government. They're coordinating all the science work for the region on air quality. Also there is a liaison between the regional partners which include the city, the county, others and the texas commission on environmental quality as well as e.p.a. They play an important role. Their funding has been cut drastically by the state. This small amount of money, i believe, is very important to continue the monitoring and modeling and some of the work that is so important for us to stay current on what the e.p.a. Requires and for changes. What I would like to say is what I was not involved and don't need to be, the contract is only for one year. A similar contract, a group -- a one-year contract, without that contract having to go to city council for approval. It was approved without it going back to the board and commission. So I hope when this contract does expire in 12 months on a personal level, that it can be easily improved and possibly increased. The total air quality that we spend, including the total amount given to the nonprofit group clean air force should be scrutinized. As I said before this body, educating about air quality doesn't necessarily bring change. Strategies to launch to help small businesses comply with environmental roles and to make them aware of cost-savings measures they could take, such as the city of san antonio does, it could be much more beneficial than the funding we allocate for pure educational strategies. Before I go, and switching subjects, I would like to plug because it is a challenge to get out information. Saturday, we have the texas lawnmower initiative. Everyone can save moey on that day. They can search for central texas lawnmower program to help reduce ground level ozone emissions. 5 To 10% of emissions come

from landscaping equipment. That is an area we haven't addressed as a community and hope to this coming year. I would be happy to answer any questions.

[10:28:02]

>> Motion on the table. All in favor signify by saying aye. Opposed, no. Passes on a vote of 6-00 with council member morrison off the dais. Items 36, 37, 38, 39. Council member riley has a quick comment. I believe we can take those up now. Council member riley.

>>Riley: thank you, mayor. These related to the southeast travis county muds. We approved these for pilot, also in southeast travis county. I want to highlight the DIFFERENCES BETWEEN THE MUDs BY Way of explaining why I intend to vote against the southeast travis county mud items. You look at the mud ordinance we adopted recently, it says the city's objective should be to create a mud for development of the comprehensive plan. The comprehensive plan isn't finalized yet, but the draft that has evolved over the whole comprehensive plan effort did envision development in connected and supporting transit, urban lifestyles and reducing sprawl. It had interconnected patterns in a variety of transportation choices while reducing sprawl, congestion and travel times. It also states that the basic requirements for creation of a mud should be that the development supported by the mud provides extraordinary public benefits and that it is in the city's preferred area. Those are the basic standards we just articulated. When we look at the pilot mud that southeast travis county mud in relation to the pilot knob muds, under those criteria, it is clear that there are some stark differences between the two muds. Staff has identified the pilot knob muds do protect internal connectivity, but the southeast county muds lack internal connectivity largely because they include 135 cul-de-sacs that the muds are essentially a collection of cul-de-sacs. The muds are largely outside of the existing city. They're beyond highway 130. They're off to the southeast. Pilot knob muds are closer in. And are actually connected with the city's existing grid. And will fit in with the city's grid. An important criteria, when we think about the supporting variety of transportation choices and reducing sprawl and urban lifestyle, so on. One important question is, what is the mix of residential and commercial? Is there an appropriate mix to sustain the residential component or adequate commercial use the same as the residential component? Hard to say what the mix would be. What is clear is the mix is very different between the two sets of mud. 2 square feet per person. 5 square feet of commercial per person. Southeast traffic county muds entail some risk. Actually, the city would actually own and operate the wastewater treatment plant in that area, which is not the case with the pilot knob. So there have been concerns raised at the commission that we could be exposed if the mud does not develop according to plan, that we would be out there owning and operating a wastewater treatment plant without an adequate customer base to support it. For all of those reasons I don't believe the southeast travis county muds meet the standards articulated in the mud ordinance. And comparison with the pilot knob mud emphasizes there are stark differences there. I just do not feel comfortable just having recently adopted the mud ordinance, I don't think that we can -- that the southeast travis county muds meet that standard. That is why I will vote against these items. entertain a motion on item 36, 37, 38, 39. Mayor pro tem? I would also like to point out that both -- pilot knob is within dale valley, which is a seriously economically and socially through education efforts, challenged school district. So I want to recognize that the developer has agreed to donate two sites in dale valley for two elementary schools and one middle school.

So I would give direction that that be part of the motion. And on item 36 through 39, similarly, the mud in southeast travis county is also financially challenged. I want to recognize that the developer has agreed to donate two elementary school sites. And also, we know that the school districts have a problem with upkeep on these donated sites. So I would also point out that the developer is to help with that and include that as part of the motion. the pilot knob items have already passed on consent.

[10:34:09]

>>Cole: ok. but you can certainly include that on the items with southeast county items. those items have passed on consent, since that was discussed in the original motion on first reading and the developer has agreed, I think that we're ok on both items.

>>Mayor leffingwell: ok. Is that a motion to approve these items, mayor pro tem?

>>Cole: yes. second by council member tovo. I would like to add, would you restate again, for the record, what the motion is. I want to offer that if you would like to reconsider the other options, I would be happy to second that, just so we can be very clear about the sites. I make a motion to reconsider the pilot knob on consent. do we have to deal with the first motion first? We will reconsider in a motion. on the table to approve item 36, 37, 38, 39. And we will go to item reconsideration after this. there is the approval for two sites -- [indiscernible] the southeast travis county mud has agreed to donate 18-acre elementary school site and also help with the upkeep of the land.

>>Mayor leffingwell: the motion.

>>Cole: move approval. all in favor signify by saying aye. Council member spelman. I would like to ask some questions about the muds.

>> I continue is typical in mud proposals for the mud developer to put in the package plan for wastewater treatment. To dismantle and replace it with our own larger regional treatment later. Why is it this developer has asked for us to operate the plant?

>> Actually, the austin water utility rate prefers for us to operate the facilities. They will be conveyed to the stau -- city of austin. We will have the ownership of the facilities, also ensure the operation and maintenance conform to our present practice. this is our choice, not the developer's choice? We're on the same side here?

[10:37:05]

>> It was our preference, we're on the same side, the developer agreed. presumably -- let me ask you this question instead of answering it for myself. Did the water utility consider the possibility of tying this mud development into the regular system and have wastewater out of south austin regional?

>> Yes, sir, we did. The cost would be five to six times the amount. Given the topography of the basin, it would be best to put a wastewater treatment plant there, at some point in time when there is definite development and flows to warrant that type of investment. We take a look at it then. Also that would be more toward the end of the useful life of the facilities is when the utility would look at that, unless there were other mitigating factors. what will we do with the treated wastewater?

>> There will be a reclaimed water system that reclaimed system will provide water to open spaces for irrigation. particularly, if we wanted to make use of the reclaimed water it would be cheaper for the package plant and send out a sewer line to take the raw sewage to south austin regional and pipe it back in again? Is that accurate.

>> That is very accurate. The cost of bringing a water line to that area would be significant. In addition, by having the reclaimed water system there at the plant, the amount of water that we believe at full build out will allow us to have reclaimed water outside of the district. So we come with an opportunity for us to increase the service area for reclaimed water, based upon the location of the treatment plant. that would be cheaper to do with the package plant than if we were taking wastewater only from austin regional?

>> Yes, sir, at this time? I would like to ask saddle, I believe he's here, too.

>> Richard settle on behalf of the developer. riley suggested this mud proposal was different in form to the pilot knob. In that it was further away and has less commercial development in it, perhaps not enough to actually support the residents in southeast travis county. And that was not so with the pilot knob mud case. Could you address both of the issues?

[10:40:05]

>> As I understand, council member riley's concern is that it would be secured when compared to the comprehensive plan. That is not an objective determination. Pilot knob and southeast travis county are two different kinds of developments. Land planned for both of them anticipated the adequate amount of commercial to serve the area, given their location in our city. So while southeast travis county may have a little less per square foot per residents, because of where it will fit in and with the comprehensive plan, the developer thinks it is adequate. I have to add you will see the plan as it comes through process. That is one of the things that is up for discussion. And if both of us agree that there needs to be more commercial or things need to change, that, in our opinion, is when the comprehensive plan issues are addressed. is it fair to say that pilot knob is in the center of the developing section of east austin or east of i-35 and south east travis county will be the edge of town?

>> That is correct. it makes more sense to have the commercial space in pilot knob because it will be serving the pilot knob residents and the residents in the surrounding area?

>> That is bisected or trisected by sadder lane and the other is pierce lane. They're apples and oranges, hard to compare. Obviously, to some extent, the market tomorrows what is the appropriate mix.

>>Spelman: ok. Following up on the market issue, if it makes sense to have more commercial space to serve in southeast travis county, but for more residents, it would make more commercial space in the mud?

>> As we learn more in the mud process, if that is the case, it is appropriate to add it at that point, as well.

>>Spelman: thank you.

>> On the schools, both muds have agreed to donate the school sites. The pilot knob, it is undetermined how many yet, because the school district doesn't know what will happen out there. In both instances at direction of council, school sites will be donated. all in favor signify by saying aye. Passes on a vote of 5-1. motion to reconsider on the southeast county mud, the developer has agreed -- on the pilot knob mud. to donate two sites -- take the motion to reconsider. I thought -- [inaudible, multiple people speaking]

[10:43:19]

>>mayor leffingwell: Reconsideration of council member tovo. Passes on vote 6-0. Now the motion for pilot knob. I make a motion for staff to donate two sites for two elementary schools and one middle school as additional direction on the motion. motion to approve, second by council member tovo. Further discussion. All in favor signify by saying aye. Opposed no, passes on the vote of 6-0. So I don't have to say council member morrison off the dais, just note that. We have two speakers that signed 45 but they were apparently signed up before we actually took the vote. So without objection, council, i will let them speak on item number 66, which has already passed on the consent agenda. Bill cowan.

>> Good morning, council, staff, I'm a fourth generation downtown austin merchant. My family and our business have been on congress avenue for 40 years. Prior to that, we were one block off of sixth street since 1883. Downtown austin merchants and supporters for 129 years. I'm opposed to removing any parking spaces in downtown austin. I'm opposed to removing any parking spaces on congress avenue and especially opposed to removing two parking spaces in front of my business. Parking and the lack thereof is the single biggest issue in maintaining viable business SINCE THE EARLY '80s. This will be a detriment to my business and the rest of the businesses on my block. I have not been consulted about this from the city. What studies have been done on this issue? I have spoken to others on my block. We are all opposed. We all depend on the parking spaces, especially directly in front of our business for our survival. The single biggest issue we have is the entire issue of parking. I'm happy we have a thriving business and neighbor like the grocery in our block. But the rest of us who have been in our current locations for 30, 40, 53 years are different types of businesses than the grocery. It is essential that our clients be able to pull up and park in front of our locations. There is a huge difference between sidewalk dining, a recommendation from the downtown austin alliance, which I am all in favor of and removing our few precious spaces in order to add a few tables, almost spilling out into the street for the sum of \$100 a month. The city would be losing a large amount of parking revenue and a greater amount from the consumers that cannot come downtown, park, spend money in the district. Not to mention the possible losses of other ongoing businesses as a direct result of this



action. For those that have it in their mind that downtown issues are horrible, this will keep them away. A great deal of customers are not those from foot traffic. We sell items and offer services that people drive from all over central texas to see. Since this is our only location in town, the parking spaces are more important to me right now than ever before. We closed the suburban location three years ago. The number one comment we receive and still receive from that customer base was and is without question is "oh, I hate coming downtown, it is nowhere " I have had to resort to drive to my customers' homes, businesses, offices and other parts of town due to the refusal to navigate the downtown parking issue. If it is not as bad as they think it is, the widespread perception in the city is that it is worse than horrible. This will exasperate the problem.

[10:48:01]

>>Mayor leffingwell: thank you. Elizabeth windland.

>> I have a business at 615 congress avenue. mayor and members. I would greatly appreciate all of you hearing me and what i have to say with a listening heart. Some of the businesses and owners in the 600 block of congress have been on the avenue for 30, 40 or 50 years. We have struggled through a drainage system being put down the center of the avenue. We have struggled with the rebuilding and reduction of the parking spaces. For the beautification project, which has enhanced the avenue tremendously. In the 600 block on the west side of the street, there are no parking spaces for the public. On the east side of the street, we have 10 parking spaces. Four are 15-minute spaces, swon -- one is a handicapped space. Leaving five spaces for eight businesses. At five of the businesses customers are there more than 15 minutes. Some park there and do business in the littlefield tower. Many of the eating establishments have put up with the street people sitting at their tables. For this very reason, wendy's left congress avenue. Sometimes, the street people are hard to control and they are a never-ending battle. I would like to know if the city has done a study to know how taking away two parking spaces from our block will negatively impact the iconic, long-standing, local businesses of the block. This past year has been a terrible economic struggle for many of us on the block. Many of us unload merchandise for our businesses from the very parking spaces in order to operate. If you proceed with the trial program permitting royal grocery to rent two parking spaces, i suggest you limit it to at least six months. Thank you very much for hearing me with a listening heart. windland, it is my understanding that this pilot program that takes two parking spaces away will be parking space neutral in that there will be two more spaces added as a result of there being regained from the space, currently used by capitol metro. I certainly share your concerns and that evaluation of the impact of losing the parking space. For future, if there is one, we'll certainly be a part of the study that goes along with the pilot program. I share your concerns regarding that.

[10:51:20]

>> They are around the corner, which is not beneficial. i understand. I think it is fairly close.

>> If there is a person that is elderly and hard to get around, it is across the parking lot. we will pay a lot of attention to this.

>> We appreciate it. council member tovo. I have a couple of questions for mr. stiller. I thank the two speakers and your perspective. We did have a discussion about this issue at the tuesday work session. One of the things we did talk about was what the mayor just referred to, the two additional spots. Is that confirmed? Are those two additional spots going to be available.

>> I believe it is actually potentially three additional spots on 7th street, which is just around the corner. can you make sure you cycle back with the owners of the businesses, especially on the 600 block and make sure they have the information about where the spots are?

>> Item.

>>Tovo: that would be great. We did have a good discussion, i thought, on tuesday about the cost of the spot. As mentioned, these are revenue-generating spots for the city and certainly make in excess of what they are going to be leased out to royal blue grocery for. I wonder if you could address, as you did on sunday -- tuesday as to what the fees were for royal blue in terms of the cost they would have to put into the pilot.

>> This is an item brought by council. In responding to that, we calculated a fee based on the adjacent property value per square foot, which is one of the calculations for typical fees. In realizing this is an evolving idea for not only businesses but other uses, public uses, we wanted to understand the mechanics of how such an endeavor like this would be done. So therefore, suggested a pilot program, if this were to go forward, suggest a pilot program. There are things certainly we need to learn, for instance, how to deal with drainage, how it affects surrounding property owners, means to help the other businesses maintain. Of course, the policies as we go forward. So as we talk about that, looked at the expense of what it would take to try this, and the risk to the individual business that we as a community may ask them to remove that if the pilot is not successful. We thought the fee could be reduced down to basically the fee that we [indiscernible] so there is a public benefit we believe we are beginning -- gaining in terms of the pilot analysis. the fees were not to compensate for the parking meter revenues, they were set low enough so a business owner would give it a try because there is a substantial investment to convert it to a street patio and run the risk of taking them out if the pilot is deemed unsuccessful in that spot?

[10:55:03]

>> Yes, ma'am. I want to point out, too, you know, I understand the concerns that have been raised about the economics of this, that in effect, we're taking two public spaces and for very little money, we're converting them into additional square footage for a private business. As we talked about on tuesday. It needs to be a consideration of the pilot going forward. How can the city be compensated for the spaces that are revenue-generating for a private business. I appreciate your commitment to looking at that for part of the pilot study and working with the businesses who might be impacted or will be impacted by the loss of the two spaces to make sure their customers can continue to access parking in that area.

>> Absolutely. one other thing I wanted to mention. We passed a related item on the consent agenda today. That talks about the pilot study. There was an addition in it to what we discussed

on tuesday. That is that the pilot program will discuss converting parking spaces for retail uses, but also for other public uses. We had a brief but interesting discussion on parklets. The pilot study will consider taking the public parking spaces where appropriate and considering whether it is appropriate to convert them into another public use like a mini park, and some areas that might be challenged in that.

>> That was understood from the conversation and certainly something we will look at as part of a second resolution as we come back and tell you what we learned from the pilot. It will be appropriately transferrable, regardless of the use in the designation.

>>Tovo: thank you.

>>Spelman: mayor? council member, spelman? we will do more or wait until we see how it works.

>> It is a single location, stand-alone. So we learn from it. The second resolution that immediately follows that, i think it is under.

>>Spelman: 67.

>> Thank you. 67. Is to come back with a recommendation to council. Either to expand that to a permanent program or set up the program for further pilots. But my understanding, it is a single pilot.

>>Spelman: ok. And you do not expect to address 67 with the recommendation for further pilots until we have actually gotten a sense for how well it worked?

>> Absolutely. the only time to try it first.

>> That is my understanding of the current direction.

>>Spelman: ok. I do not expect in the last 48 hours you had a chance to make much headway on the question i asked you. That is fine. I do expect sometime over the next couple of months you will have a chance to address the question of how will we know whether it worked or not? At that point, is it fair to expect that can you put that up in a public location to where the council and public can look at it and weigh-in on the values you will look at?

[10:58:23]

>> Certainly, our normal process is to send a memo on what we learned. Given the sensitivity of this issue, I can commit to keep you up-to-date on a fairly frequent basis, even though you may not receive a final recommendation for a number of months. in view of the fact that this particular pilot has an effect on the adjacent landowners and businesses, i think it would be appropriate if the memo you send to us were made public so the neighboring businesses have a sense for what it is we are looking at, too.

>> I will do my best.

>>Spelman: thank you, sir. we gallon to the -- we will go to our 30 briefing on the green master development brief.

>> Kevin Johns, economic growth services. We're talking about the green water project that completes a decade-long development process culminating in this critical piece for the city's vision for the award-winning second street project. The sale of this acreage completes the west end of the second street downtown shopping district and bring about the important bridge and pedestrian connections at shoal creek. The purpose of the briefing today is to provide the mayor and city council with the terms and conditions of the sale. On april 5, we will ask mayor and council to approve the ordinance giving authority to the city manager to execute the mda and complete the sale. As a reminder to the public, this is a sale of property and not a public-private partnership. Representing the trammell crowe company are danny gwennin, mark valor, aaron tillhorn. Adam nims head of the austin office. Rick weed with de-boyd, bryant, campbell. We have with us the law firm of thompson and knight.

>> Thank you, kevin. Our first slide in the presentation today is just to get everyone oriented on what we're talking about with respect to green water treatment plant. On the screen, you see the depiction of the four blocks. You see shoal creek. Bottom caesarez cesar chavez and the other is san antonio. You see the east-west streets, forms the gateway to the homes and the library. The north side access at nueces street connected with cesar chavez. There are so many facets there are several distinct groups. Let me talk about the general development parameters. Is a phase sale to tc austin. Not public-private like miller. It is more akin to the block 21 sale. The total sales price is 42.2 million. That exceeds the original minimum. The proceeds were allocated by council to the decommissioning of green austin energy substation, public amenities district. The proposed build out cost of the blocks is half a billion dollars. One important facet of this is it includes a developer-funded underground parking garage. What will it look like when it is built? 75 million square feet made up of about 126 apartments, 200 hotel rooms. 82 Square foot of retail. At least 60 thousand square feet of retail on second street. 450,000 Square foot of office. One of the anticipated uses? One of the front blocks, block 1 and 85 will be mostly residential with retail on ground floors. Block 23 office and retail. Block 28 retail and restaurant. There is landscape plans. In addition to all of the other regulatory approvals the city has. Let's talk about community benefits. Affordable housing. 10% Of all the apartments thattor -- that are on-site will be affordable to folks at or below 80% of mfi. There are five additional apartments that will be affordable for folks at or below mfi. It will last for seven years. The city has the option to come in at the end of seven years and continue the affordability of the sites on a year-by-year basis by making up the difference between any affordable rent and market value. The affordable units are generally spread even throughout all of the residences. There is participation goals, monthly reporting. Also a \$250,000 contribution toward shoal creek improvement. \$375,000 Contribution for

[indiscernible] and 150 thousand for onsite music programs. More community benefits. 2000 Square feet storefront for public safety space at no additional cost. 5,000 Storefront space for nonprofit. 35% Of the retail will be rented to local businesses. Pay prevailing wage. This was important because the ordinance was enacted after the rfp was sent out and developer was

selected. Austin energy, two star. Four car-share parking spaces. Minimum of 10 automobile plug-in spaces, bicycle storage facilities and access as required by grade 3. Development benefits. Talk money. Projected taxes over 30 years, property taxes 112 million. 67 Million going to general debt. 45 Million to austin housing trust. Sales tax just under 10 million. Projected on-site employment, 1861. On-site residents 1862. Fees paid to the city, \$5 million. Utilizing the chilled water system. Developer will complete the oasis. This is city-reimbursed function. Retail use restrictions consistent with second street district. As you remember, the picture this project is located at the end of second street. It is using consistent restrictions to carry it throughout second street. 250 Of the 2700 parking spaces will be for public use, on-site retail. Special events, home and library overflow and for enjoyment of downtown. Other development terms, in the original rfp the city agreed to remove the zoning limits and maximize the last remaining document property. Existing city ordinance will be locked down for construction of other safety signage. The heritage tree ordinance was passed after the rfp and after the developer was selected. There are seven heritage trees on site, one protected tree on-site. One of the heritage trees will be relocated. One of them will be removed in connection with environmental remediation on the back. Six will be removed in connection with the development. Now, all of these removals, it will be mitigated at 300% or they will pay mitigation payment all pursuant to the heritage order. Limited fee waiver for the underground rights. That is to facilitate as much density as possible. Work stoppage penalties in amount of \$1,000 a dollars in excess of 30 days. Timing. A direct four-phase sale. Following environmental cleanup, first sale should occur within six months. Second sale within 21 months. Third 18, fourth 15. Now, the second, third, fourth sales could be extending under certain circumstances. Extensions nine months each. One extension of 12 months if restricted financing availability like we have seen recently. Four unilateral extensions of three months each at the developers election and \$125,000 deposit. All of the time frames within this particular slide, these are outside dates. We expect this marketing conditions require that the developer will move forward. Last slide is next steps. As kevin mentioned next steps with respect to this agreement is request for council action on april 5 to execute the mda.

>>Mayor leffingwell: questions? Mayor pro tem. when you talk about this being a direct sale and not like on mueller, but there are all the conditions on the sale. Can you explain how that will work without all the conditions?

>> We have an mda for the project, I was trying to contract the between between this project and where we have an ongoing financial relationship with the developer, like we have approximate w miller. With respect to this mda, if there are stumbles, we have all the conditions. A lot of the payments we get with each particular takedown. We get a prorated takedown. If the developer stumbles we can terminate the mda no further sale. We have the right to enforce to make sure they do certain -- live up to their end of the bargain, so forth. We don't have a financial incentive in the project, other than the taxes that I talked homes and mioject. We have incentives for them to live up to the bargain. when you were giving your presentation, can you it will us how they were calculated? Was there an economic study done. How did we come up with the projections? They were available.

>> I will bring up darren smith as the person that did the tax projections. He's our numbers guy. He can answer anything.

>>Cole: we want a numbers guy.

>> Good morning again, darren smith with economic and planning systems. We have been part of the negotiating teams. The tax estimates as andrew presented were based on the assumed value of the development during the course of construction as well as at its disposition, eventually. They were based on the city's tax rate as currently calculated. I know that that is a flexible number that changes a little bit from year-to-year. did we have intersection with the appraisal district in evaluating that? I'm trying to make sure we had solid grounds for making those projections.

>> We have not -- I have personally not had a direct conversation with the appraisal district. We did talk with city financing. when we talk about our current tax rate and increase on return of property value, what is that based on?

>> Increase on the current value? when you say property taxes over 30 years are going to go up to 112 million and we're going to use that to retire some of the debt service, those are very favorable terms. I'm trying to figure out why -- what we used to make that assumption, other than our tax rate, take the tax rate times the property value. How are we coming up with the property value? Are we using similar properties? .. .. do you want to answer that?

>> Sue edwards, assistant city manager. There was an appraisal done prior to the rfp and therefore all of the tax values are based on that official appraisal. so the official appraisal addresses the property tax numbers you address, which is 112 million over 30 years, which would be favorable, as i said, but how did we come up with the sales tax number?

>> That is estimated on the -- based on the estimated retail on the property. There are formulas we use, based on the type of retail. There are some assumptions about what amount of sales is thrown off from each one of the retails. It is very specific to certain types of retail. so we broke it down to the specific types of retails that are we anticipated based on the mta going into the development?

>> That is correct. Also understand it is market driven. At some point, if this continues for several years, there could be a possible change in the retail based on market.

>>Cole: it is a projection. But we will projecting it will be favorable?

>> Correct. I want to switch to the affordable housing aspect. That is one of the most favorable provisions that we made in the agreement. Can you explain how that would work? My understanding that it is 40% of the increase in value. That is one of the reasons I was focusing on the increase in property tax value.

>> If you recall, council has an ordinance that is existing that says any sale of property after a sale date that is city property, 40% of that projected property tax goes to affordable housing. 60% Goes to the general fund.

>>Cole: thank you, mayor. Thank you. council member tovo. I would like to follow-up on the affordable housing as well. We talked about this a while ago. I think I remember the answer. I would like to be reminded of it. The affordability term of seven years is quite lower than most of our other affordability provisions. I wonder if you could explain why it is not a longer term of affordability here?

>> Part of it is -- has to do with the economics of the project itself in terms of a rate of return that would be reasonable for a developer, but in addition to that, as Andrew mentioned, the city can come in and they can buy down that affordability and continue to have those units be affordable for another period of time, so the developer is not saying we'll only do it for seven years. They're saying we would like to continue that for an unlimited amount of time. However, based on the projected financials and rate of return, we would need assistance after those seven years. I understand the city has an option to do that, but it comes at a cost to the city. Is that a prenegotiated cost, have you talked about what that would be?

>> It is not a prenegotiated cost. It is a discussion that housing will have with them as we move forward. Is there a set amount of time that the developer is willing to extend? Or is it -- you mentioned the term unlimited? Is it indeed unlimited? Could we extend the affordability on the units in an unlimited fashion?

>> Let me check on that.

>> It is year by year. The city has the option year by year, but there is no cap. So the city could do it -- we didn't negotiate preset formulas because someone loses, probably if we agree to say x amount of money, that extension, someone will probably lose. So what we agreed to do is before the building period comes up, about six months, you look at it, look at market rates and figure out the cost and the city can elect to do it or not to do it. Is on a year-by-year basis. There may be instances where there may be better use of the money to foster affordable housing. The city has the option to look at it on a year-by-year basis.

>> It would be a one-year extension at a time.

>> That is correct. and it sounds like basically the city would be asked to subsidize the difference between market rate and -- because there is no prenegotiated?

>> That is correct.

[One moment please for change in captioners]

>> Tovo: There are seven heritage trees and one protected tree on the site. And so the provision is to relocate one and that six would be -- or seven, I guess, would be removed. Will there be a public process as per the heritage tree ordinance for the removal of those trees or is the agreement with the developer that those trees -- that in effect the city has granted them permission to remove those trees?

>> Within the ordinance to adopt the mda there will be a waiver of very limited pieces of the heritage tree ordinance and the waivers are the pieces to go in front of the normal boards and review process. So as far as the public process for the public to weigh in on those particular trees, we're envisioning that it would be part of the public process of the mda in general.

>> Tovo: Okay. So there would be some kind of -- there would be an ability for the public to weigh in on the heritage tree, the state of the heritage trees.

>> Yes. April 5th request for council action.

>> Tovo: You have had a discussion with the developers about whether or not any more of those trees could be relocated on the property or relocated elsewhere?

>> We have had a discussion --

>> councilmember, we have had discussions with our tree arborist also because he's been definitely involved through the whole process. There is a sense that because some of those trees are located very close together that they cannot be removed -- be moved successfully without killing them. So we have had extensive discussions about each one of the trees as we have moved forward.

>> Tovo: Actually, I see our city arborist here. I wonder if he would be comfortable joining us and providing any additional information about the heritage trees on that site.

>> Good morning, I'm michael ambeli, city arborist and planning and review. For the last few months we have assessed the eight trees that are on the property and their ability to potentially be incorporated or transplanted in hopes to try to preserve as many as possible.

>> Tovo: Do you think there is an ability to preserve more than what is outlined here in the powerpoint?

>> We've discussed the -- my first assessment with all trees is an attempt to preserve them in place, but those are somewhat challenging associated with the characteristics of the information that was provided to you with this mda, if that's correct. The transplanting possibilities of moving them to other locations is problematic in both part of obtaining the proper amount of root ball and also is problematic because of the form of the canopy. It just seems like it would be very challenging and costly to move these trees to another location.

>> Tovo: As part of that -- is part of that because of, as assistant city manager edwards said it, they're quite close together, some of them?

>> Yes. Most of those trees are close together, and any type of transplanting would impact one or the other if we opted to move forward on proposing to transplant more of t trees.

>> Tovo: And I do see a provision here, any removed trees would be mitigated at 300%.



>> That's correct. Per code, we have a standard of 300% for heritage trees that are healthy.

>> Tovo: All right. Thank you very much.

>> Mayor Leffingwell: Councilmember Riley?

>> Riley: Thanks, mayor. First I want to thank staff and the others that have been involved in this process for all the work that's gone into it. This is a long-awaited and highly anticipated project and I appreciate all the efforts involved and I'm glad to see how far we've come. Just a few questions. First thing about the mix of uses on this site. This site involves essentially -- involves four blocks. Two full blocks on the south and then two half blocks on the north. Two full blocks on the south, as I understand it, will have a mix of residential and retail and then the two half blocks on the north will have office and hotel and retail and then office and retail. Is that right?

>> That's correct. That's in our plan.

>> Riley: First about the residential block, those are predicted to have 826 apartments. I'm curious about the projected population that is shown on slide 7 because -- the projected population is 1,652, which assumes -- I gather it assumes that population -- assumes two residents per apartment. It's been a long time since we had two residents per apartment downtown. -- Residents per apartment downtown. Where did that assumption come in? Are those apartments going to be different from other apartments we've seen downtown? How did we arrive at an assumption of two people per apartment?

>> I think it's generally an assumption of there would be a certain number of one bedroom, two bedroom and three-bedroom units. So it's a prorated out assumption based on that. It's not exactly two per apartment.

>> That is correct. 0 people per unit is the assumption.

>>

>> Riley: But given that assumption has not been the case downtown for a long time, is there going to be something different about these apartments that will get us there.

>> There are a fair number of larger units, two bedrooms, ones and twos in addition to the studio units. In the event that it is a lower number in actuality, then obviously the number of people living on-site would be somewhat less at one and a half units, which I believe is more consistent with -- I'm sorry, one and a half people per downtown unit which I think is more consistent with the actual mix of units that you have now. That would still put it at about 1250 or so people living --

>> it would seem like a more realistic projection unless there is something different about these apartments.

>> Again, the mix of units is a little bit different than average. There are some more two bedroom units than is typical.

>> Riley: Question about the half blocks to the north. One thing that we've seen with the residential development downtown that sets it apart a little bit from other development that we've seen historically downtown is that residential hi-rises all tend to have balconies, which is especially helpful in the streaked area because it brings -- in the second street area because it brings a certain human element to the buildings. I was surprised when I had I look at all of the images of the hi-rises in the presentation, I don't see any balconies on any of the buildings. Maybe it's that I can't make out the detail on the cover image. Is there any -- has there been any discussion about that or will there continue to be discussion about that? I understand the city does have approval on the elevations. Has that come up in the discussions so far?

>> We have not had that come up as a discussion. The building images that you see varied within the particular presentation and are mainly of the office building. It lent itself better to the size of the presentations we had. And so whether or not there were balconies on the residential, I would fully expect that there would be balconies on the residential.

>> Riley: Okay. I see nodding heads out there. It was a little disappointing just to see standard glass boxes because we really do -- are hopeful of having a vibrant, human oriented development here.

>> We haven't had a lot of discussions on balconies, but we have had a lot of discussions on human, vibrant oriented development.

>> Riley: All right. Turning to the parking, I understand that we will be granting certain waivers to allow usage of the underground rights of way for parking. Does that mean that there will be one whole parking garage connecting all the blocks or will we still have separate parking garages under each block?

>> It will be -- it would not be one large parking garage connecting all the blocks because it's generally cost prohibitive on a lot of fronts. But I believe the developer anticipates having probably one connected garage between the back two blocks because those blocks -- they're still half a city block, but they're quite challenging in terms of depth to a lot of parking. So I think that probably will be connected on the back part. There's at least something connected.

>> Riley: Okay. 2700 Spaces is a lot of spaces. And I'm trying to assess where -- in the second street area as we know it today, the city hall parking garage serves an important function in that it provides parking for a lot of the retail businesses around here. In this development will there be a comparable parking garage that will be considered a main parking garage that will serve the retail for this extension of second street?

>> Well, we have allotted within the document now 250 spaces that are open for that second street retail. Certainly it doesn't do any good to put the retail there without any parking. At least 250 spaces of the garage will be allocated to public parking and certainly the retail parking during the day will be a large component of that.

>> The garage. I thought I just heard that it won't be one garage singular. That each block will have its own separate garage.

>> There will be at least one combined garage, but i fully expect that you will see a situation much like city hall in that city hall has the garage that functions to serve and support second street parking and I believe that these four blocks book ending on either side of streaked will also have the garages that serve that function as well. But at this point I don't believe it's going to be four separate garages. At least two of them will be connected.

>> Riley: And would that be the 250 spaces that will be serving the retail, the connected ones?

>> It would be -- 250 would be a combination between all of the garages for these blocks?

>> Riley: Do we know which block those 250 spaces will be on?

>> They haven't been allocated to a particular block just yet.

>> Riley: Has there been any discussion about the operation of that parking garage? Will we continue to have any involvement with the operation of the garage? Is there any way -- are there any restrictions in the agreement that require it to be open to the public at any time?

>> The restriction -- we will not have any ongoing operational involvement with the garage. The sixth street within the agreement is that they have to have between the four blocks, the 250 spaces that are available to the public to you.

>> Out of the 2700 parking spaces, only 250 are required to be open to the public?

>> At least 250, yes.

>> Riley: Okay. On the timing on -- that we see on slide nine, the beginning point, the timeline appears to start with the city environmental cleanup. Following the city environmental cleanup, the sales are first six months and everything sequence outs from there. What is the current situation with the city's environmental cleanup?

>> We're currently in process. Brad? Maybe I can bring up fred evans to give more detail.

>> Good morning, mayor and council. Fred evans, economic development. There is a second phase of environmental remediation that will be performed before the reconstruction on the northern two blocks. And we will be contracting for that and utilizing trammell crow to assist us in performing that work.

>> Riley: When should we expect the environmental cleanup to be complete?

>> That will be one of the very first things that is performed. And as we move forward with the mda and execution, we expect that to start very quickly on the heels of that. This year. We will be starting this calendar year.

>> Riley: Starting this calendar year. And any way to know how long that will take?

>> I don't recall the estimates on installing the retention system and the excavation for -- to pull out the remediation.

>> Riley: No estimates on that at all?

>> Trammell crow may have estimates.

>> Riley: Of course you know that on the seaholm site we waited literally years and years for the environmental cleanup to be complete. So it's a significant issue.

>> Right. This and the seaholm height that was completely self-performed by the city. In this case we'll be utilizing the resources of trammell crow and they have a very strong market interest in preparing the seats for redevelopment.

>> Riley: And has trammell crow provided any kind of estimate about how long we should expect the cleanup to take?

>> I believe they have, but I don't recall right offhand, I'm sorry.

>> Good morning, adam mimms with trammell crow company. The actual six-month take down is contingent on a completion by tceq which the city has completed for. The environmental cleanup that's being discussed now is specific to block 23 and block 188. We'll start that as soon as we can get permits for it. We'll start the planning for it as soon as we get through the mda process. And it's about a six-month construction duration to install the retention systems, excavation the soil that's required and replace the site as needed.

>> Riley: So help me with the timeline then. When the bales are supposed to start within six months following the city's environmental cleanup.

>> The sales of block one is contingent only on completion of the remediation. That remediation has been done by the city and we're waiting on the certificate by tceq.

>> Riley: Okay. I'll still grasping for any date as to when we think we might expect to see actual dirt turning, actual construction. And so I haven't even heard any guess as to when that might be.

>> If there's six months to go through the remediation, which we fully expect because we're jumping into this mid stream -- actually, we're mid stream right now. It's not starting, it's already been ongoing. If it's six months to complete that, then we have another six months to -- in order to turn dirt on the site, which they wanted to turn dirt on the site tomorrow. So I would fully expect them to get going as soon as they can after the six months. As adam mentioned we do have an element of the tceq within that particular window, so we -- internally I think we could think of six months before we have more or less a developer ready site and then the clock starts for trammell crow. The seaholm -- I was involved in that project too and it was certainly very challenging. We had a number of items that had to occur on that site, in addition to

environmental remediation before it was development ready. And that certainly took longer than we anticipated, but as fred evans mentioned, we do have a developer who is going to manage the environmental remediation on this particular site and is very much motivated to get on the site and turn dirt.

>> Riley: Okay. Still no date, but I guess we're not going to get that today. I'll be interested in continuing to hear -- hope for some guess as to a date by the time we are asked to sign off on this at the next council meeting.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: I wanted to follow up a little bit on that. Rick, were you involved in the w hotel? Okay. Because we did have a date, an absolute sunset date on the w agreement, and they still had to go through environmental -- maybe not remediation because it wasn't an industrial site, but they had to do engineering and environmental. Hugh how were we able to get the w to commit to us a date? And in fact, I remember this because on that date nothing had started, and by the end 00 they had a backhoe out there digging a hole in the ground.

[ Laughter ] it was like april 11th of whatever year that construction started.

>> This is somewhat different and it is a little bit complex. There was environmental remediation on the site itself. Later on there was discovered that there was seepage coming down from the north. So on the north piece of property we found new contamination. It goes down about 20 feet. What will be happening is that when trammell crow -- please correct me if I'm not saying this right. But trammell crow will be doing that remediation. That is in conjunction with their building and the foundation. So we are not sure how long that is going to take, but we do have a commitment because they're ready to go right now. They wish they could start building today. So that's a little bit of where we are in the hesitation because we're not sure exactly what is -- how long that's going to take. But it will be in conjunction with beginning their foundation.

>> Martinez: Right. I'm glad you bring that point up because I think we are in a very different economic environment than when the w agreement was done and had that sunset date on it. They were struggling to find the financing to move forward with the project. And now what I'm hearing is trammell crow is ready to go. They're more anxious probably than we are to get this thing going.

>> You're correct. They have their financing and if they could have done it four months ago they would have done it.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Pardon me if I -- let me drill down on the underground parking a little bit. We've got 456,000 square feet of office space. 82,000 Square feet of retail space. A couple hundred hotel rooms and 126 apartments, right?

>> That's correct.

>> Spelman: And we have 2700 parking spaces for the entire development. 2,450 Of which would be for the office and the hotel and the residential, and 250 would be made available for the public and for the retail. Is that accurate?

>> That's correct.

>> Spelman: I want to be sure that I understand that we have enough parking to deal with the development as we usually do so. What's the usual amount of parking spaces we need to provide for 826 apartments. Apartments? One to five or what's our usual ratio here?

>> I will say very early on in the infancy there's a walk or parking study commission to really drill down on the parking, and that's been updated over several -- over the last several years. Let me bring adam up who is actually the developer.

>> Morning. Generally we would use about one and a half parking spaces per apartment unit. So the 2700 spaces that are discussed throughout the presentation are for the overall development. There actually currently are scheduled a little bit in excess of 250 parking spaces for the retail and are designed to develop and the exact program of the development completes, we will have a better handle on how many in excess of 250 there may be available for the public.

>> Spelman: Okay. So 250 is a minimum. It may be greater than 250 depending on how everything else works out.

>> It may end up more than that, but that is the minimum as stipulated by the mda.

>> Spelman: Okay. What would the ordinary amount of parking spaces be to service 82,000 square feet of retail?

>> It depends. Again, in an urban environment we expect it to be a little different than we would in a suburban environment. We probably at the end of the day are going to end up somewhere around four parking spaces per thousand square feet of retail. It may be a little bit less than that. It may be three parking spaces per thousand.

>> Spelman: Looks like you're talking about three or so now.

>> Yeah. Right now we're at the minimum level and it would be about three per thousand.

>> Spelman: Because you presume there will be a lot of walk-in traffic, people working downtown and walking over.

>> Correct.

>> Spelman: Is there going to be any provision for -- are any of these parking spaces likely to be shared, used by office people during the day and then used by residents or hotel goers in the evening?

>> Yes. There absolutely will be. We anticipate sharing office parking spaces with residential parking spaces as those two sort of fluctuate. We probably will also share between the office and the hotel. Hotel and residential have different peak demands obviously than office users do.

>> Spelman: Certainly can reduce your cost of parking construction if you can use the space 24 hours instead of only eight or 10 hours a day.

>> Exactly right.

>> Spelman: About what portion of your parking spaces do you believe will be available for use on that 24 hour basis? How much overlap is there between your office market and your hotel and residential market?

>> Not a whole lot. I think we generally -- there's a few different ways to calculate it. There's some percentages that people in the industry have used in the past to say maybe 30% of your residential spaces could be available for office parkers during the day. We typically have been sticking with that. We have commissioned a parking study in the past to look at the shared parking arrangements as well. And if the parking generally will be available to office tenants during the day. There will be some portion of that that may also be open at night to retail tenants or for public use.

>> Spelman: That would make sense. Although my guess is you will get relatively little retail traffic in the evening given this is an urban environment, but who knows? Maybe you will get lucky.

>> When a/c is going there will be some demand for it.

>> Spelman: Sounds like you will have some stuff available to help in a/c.

>> Yes, sir.

>> Spelman: Thank you, sir. I have a couple of questions of our city staff too. There's of couple of places where you artfully did not provide artfully an unexpectedly did not provide numbers and I want to verify that's because we didn't have any numbers to provide. The developer is going to complete the street grids at nueces and second. And it says city reimbursed, but you don't say how much.

>> Fred evans --.

>> Any recounts?

>> The estimated value of the streetscape -- the street, street scapes and utility extensions is nine million dollars.

>> Spelman: Okay. And by city reimbursement, what form will that take? What form will the city reimbursement take?

>> We expect to reimburse on a monthly draw basis based on costs -- eligible costs incurred by the developer.

>> Spelman: So as they provide the streets and the utilities, we'll be reimbursing them up to nine million dollars or so. Okay. As it's being built. You suggest that the developer is going to petition to join the downtown mid. Do we have a sense for how much the annual contribution is likely to be for this development? is -- has an assessment of 10 cents per 100, based on a-billion dollars just in construction cost we estimate that the minimum would be around half a million a year to the daa.

>> Spelman: Okay. An extremely useful thing. And finally, what is the value of that limited fee waiver for use of underground rights of way? Roughly. If we haven't calculated it out exactly I will understand, but do we have a sense for how much that is?

>> We do not currently have that number. We can get it to you.

>> Spelman: Okay. Get it -- you will get it to us I presume before april 5th.

>> Yes. That concept was in the of using the underground parking. And we had several discussions about waivers, but that's the only one that has ended up, but we will get that number to you before political 5th.

>> Spelman: Thank you very much.

>> Riley: Just a couple more questions about the parking. Has there been any question about decoupling the parking spaces from the leases of the residential spaces as we require, for instance, in the university neighborhood so that when someone goes to rent an apartment that the lease for the parking space is separate from the lease for the -- from the apartments.

>> Most is making sure we have the appropriate parking, but also the shared aspect of the parking and making the parking underground as efficient as possible.

>> Riley: It seems that it would be a prime opportunity for that. In the west campus area since we started requiring it through the university neighborhood overlay, it's now become standard practice even for buildings that are not covered by uno, that everybody decouples the parking from the lease of so I think christmas something that ought to be considered here. Seems like a prime opportunity. And in fact, in residential buildings downtown, when that's not in place formally an informal market has to develop when someone wants to shed a parking space that they don't need. So if they don't need as much parking as is provided, then they can make it available for public use and they get compensated for that. It would be great if we could think that through because it seems like the same reason why we required it in the university neighborhood would apply here. There ought to be some consideration about that. Also, 2700 parking spaces is a lot for considering that there's 826 apartments. It's obviously far more than the apartments will need. I know there is some office space, but it seems like that would create opportunities to make use of more than 250 spaces. I think we'll have to look carefully at the numbers on that because if the office -- to extent that spaces are being made available for office



uses, then those spaces -- there will be a market for those spaces in the evenings if we are successful in this area becoming as much of a destination as other places downtown. City hall garage, which has come up a couple of times today, has been selling out frequently, even though it has far more spaces than we're talking about here. And so I think we ought to look carefully at the 250 number because it seems like there's an opportunity to provide more parking to the public than that given that there won't be much of that parking -- of the available parking presumably will be serving the office uses, which won't have the need for it in the evening. So I think all those parking issues are going to need more attention before we act on this.

>> Certainly the public spaces are the highest -- generate the highest amount of revenue of any of those spaces. So there are definitely incentive there's to increase that number, make as many available to the public as possible.

>> Riley: The 250 number seems surprisingly low to me given the number of spaces that we're talking about.

>> Just for added information, councilmember, the 250 spaces was what was required. And I don't remember whether it was required in the or by council, but it was set at that time in 2008 as 250. Certainly we can talk about that, but that's how it was established.

>> Riley: Okay. Thanks.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I have a quick follow-up question. I'm afraid I missed the details that you were offering about the unit mix.

>> I'll bring add dumb up to talk about the -- add dumb up to talk about the unit mix.

>> The units today are not set in stone. They will be driven purely by the market at the end of the day in terms of the unit mix that we expect to achieve. Right now we're about 60 to 70% one bedrooms. Probably 15 to 20% two bedrooms. And then a small number of three-bedrooms as well.

>> Tovo: You said 15 to 20 percent two bedrooms and a small number of three-bedrooms.

>> Correct.

>> Tovo: I would just offer that I would love to see this become a project where there are more multiple bedrooms. And I wonder what we can do as a city to really encourage more multibedroom units so that we have an opportunity to at least try to attract some families to these kinds of projects. It certainly has been a successful model in other cities. It kind of an untested model.

>> Tovo: Are you planning or thinking through any particular amenities that would be -- would make the project more appealing for storage, some of the other things that are particularly appealing to families with children living in multi-family units?

>> Sure. Both the apartment buildings have a large amenity deck associated with them that will have a pool. It will have a fitness center. There's likely to be movie rooms where you can rent out a room and have the screening center. So there are no specific-to-children amenities that are currently planned, but I think as our tenant mix develops, it's something that we might consider to make sure that we're meeting market.

>> Tovo: Certainly pools are one of the things that families with children look for. I mentioned another first floor storage. There are some other particular design choices that I think would make the project more appealing to families and children. And again that's certainly a goal of our city. It's part of the adopted vision now to encourage more families with children in our central city. I would love to see them relocating to projects like yours, but I think it does take a little bit of intentionality about it in thinking through that, what those users in particular need. Thanks.

>> Mayor Leffingwell: Okay. Thank you very much. We'll see you back on april 5th, I guess.

>> Thank you.

>> Mayor Leffingwell: All right. Council, there's one item, it's item number 15, that was pulled only because of speakers. If there's no objection, we can at least let those folks speak. We may not be able to finalize action on this item, but we'll go ahead and call up item 15. 15 With two speakers. Mark van gelder. Mark van gelders? You have three minutes.

>> Yes?

>> Mayor Leffingwell: You have three minutes to speak.

>> Thank you. I'm a resident on nasco drive where this allendale storm drain improvement project is taking place. And for about a year and a half I've been trying to help the public works department and the watershed department, make some improvements, as the name implies, to the various details of this project in our neighborhood, things that the residents there know about and have apparently been overlooked or planned in error or whatever. Very specifically in our situation they are installing what are called curb inlets, slots in the curb where storm water goes down into the new sewer system. And those can be installed either on the street side of the curb or they can be installed on the sidewalk side of the curb. On our street, nasco, there are no sidewalks, but even though five of the eight that have already been installed in the neighborhood are what they call the type a in the street, the ones in front of my house and the other speaker's house are -- and several others are planned to be installed in our front lawns next to our trees on our property. You know, you're talking about a street manhole and a slab of concrete installed in your front lawn near your trees. The departments have options about whether they install them in the street or whether they install them in the -- on the curb side. And type a inlets or coa inlets. And what we're requesting, among a few other things that my neighbor will also talk about, is simply that the design of these inlets be placed in the street where manholes and slabs of

concrete belong, rather than in our front lawns next to our trees. And if they do it the way that they've got it in the plans, even though they have options, it will permanently devalue our appearance of the front of our properties on this small residential street. I've been trying to work on this for a year and a half, and it's been frustrating because there's -- the watershed department that has -- watershed protection department that has certain kind of jurisdiction over the project, another department is managing the project and they also have a consulting engineer. Anyway, it's hard to figure out who to talk to about what, so I wanted to talk to you about it.

>> Spelman: Mayor?

>> Mayor Leffingwell: Could we address our second speaker so at least we can get all the speakers in and then we can come back after break and have the discussion? Ingrid broderick? I just hate to have these folks have to wait for two or three hours.

>> Hi. I'm ingrid broderick, a 38-year resident of austin. I've owned and resided in my home on nasco drive for 17 years. Through this project I don't believe that nasco drive is being treated fairly in the distribution of the funding of this project. Although we will bear the brunt of the permanent damage left to our street. There are currently 15 curb inlets scheduled to be installed in this project. Seven of the 15 will be in a two-block span of nasco. One 10 footer, five 15 footers and one 20-foot. This only leaves eight to be distributed along its the many other blocks that are in this project. Incorporately, my project -- my property has been chosen for the installation of one of the 15-foot by four foot with one to two manholes will be installed four feet into my front yard, just a few feet from a live oak tree in my front yard. Whereas the south end of my property has got nothing. So we have the choice between my front door, which they did move, they moved it right in front of the oak tree to the middle of my yard. Back on point here, though, I've consistently requested that a less intrusive type a or poured in place inlet be used, but this request has been denied and I've been given various weak excuses by various different departments why this cannot be used. Meanwhile, five of the eight remaining inlets have already been installed on bull creek and white horse trail and they are the less intrusive type a which i have requested and have been denied. The other issue is the lack of the requested funding for the same upgraded curbs and driveways that are being afforded the residents of bull creek and white horse trail. Not only do this project leave our street permanently scared with these hideous inlets in our yard, but we will only get at best a shoddy patch job on our curbs and driveways when we have endured -- sorry for the shaky voice, but I'm very emotional about this. We have incurred the same inconveniences and same damages as the residents on white horse and bull creek. I'm not in this alone. I have collected 20 signatures of residents on nasco who share my concerns. We think we should be afforded the same thing that the other people in this project are getting. I mean, we are bearing the brunt of this permanent damage. While these properties are being enhanced with upgraded curbs and driveways, everything to our property is just detrimental. My little last saying here is manholes belong in the street, not in our front yards. And I thank you for the opportunity to be able to share these views. I have not felt heard, although I guess I have been heard and some of the people I've dealt with have been very courteous, but yet no satisfaction in making the changes that we are requesting for our street. We're just looking for the same services and amenities that the other residents on this project are being afforded. Thank you.

[ Buzzer sounds ]

>> Mayor Leffingwell: Thank you. So council, if there's no objection, I would anticipate some discussion on this before we take action. If there's no objection, we'll table this and take it up right after our break. Right after our noon and executive session break. So we will go to our general citizen communications. Rae nadler-olenick. On water flouridation.

>> Good afternoon, mayor and councilmembers. Earlier this month i attended a public forum called my health, my voice, at reagan high school. It was sponsored by the austin-travis county public health and human services department and is the first of a series of eight such events to be held, one each month, in various travis county title I school districts. There were free medical screenings, information tables sponsored by the and any baby can, and presentations. Powerpoints covering issues like diet, exercise, obesity, medical conditions and, of course, the usual self-congratulatory reports on the department's multi-million-dollar cdc anti-smoking grants consumed well over an hour. Of that time perhaps five minutes were devoted to dental health. We learned that a private charitable organization, the david's foundation, provides for the dental needs of economically disadvantaged elementary school children in the region through a program which brings mobile dent activity offices to their school. This seemed like a realistic way to treat the explosion of oral disease. Every major national state foundation and dental association reports since 2000 has warned us it is occur among our nation's economically disadvantaged children. It certainly makes more sense than wasting the 385,000 to one million dollars, depending on who you believe, the city annually pays for useless water flouridation. david's foundation website and here's what I learned. During 2010 volunteer dental personnel operating out of the well equipped time served 4,700 low income children with procedures ranging from routine cleaning and filling to root canals, extractions and urgent care. Taught 28,000 children and their parents how to brush and floss properly. 2 million in free dental services in central texas. From what I can tell, the city pays little out of its own budget towards this exemplary program. Granted, it does partner with the school districts involved, all of which received federal funds, and under that buzz word partner lies a murky maze of fiscal relationships which I can't claim familiarity. So if anyone on the dais has a figure on how much the city actually pays out towards direct dental care for austin's neediest children, I would like to hear it. Does any one of you have that information?

>> Mayor Leffingwell: I don't think so, ma'am.

>> Thank you.

>> Mayor Leffingwell: Thank you. Next speaker is calculate walt olenick.

>> Afternoon, council. The numbers rae just gave you of children served by david's dental van program represent only those of elementary school age, approximately five to 11. I'm wondering what about the younger children? Tooth decay is a big problem among toddlers, even babies today. And what about those older than 11? And who are living outside of the districts served? Not all of these youngsters live in austin, so there is overlap. But the up shot is that there is a great dental need out there which the city of austin's water fluoridation program is really doing

nothing to mitigate. The last 40 minutes of the forum were dedicated to facilitated small group discussions. It was better than most stage delphi

(indiscernible). There were no parlor games, just a relatively straightforward questions to toss around, such as what would a healthy austin look like to you? Fair enough. Our facilitator, who happened to be the public health and human services communication director, seemed startled that fluoride would be on anyone's radar, but she asked for some further information. We sent to her along with a question about which other school districts would host future forums and she never responded. However the next two events have now been scheduled for del valle and manor. Last month's forum at reagan high school was held in our own neighborhood, so we felt right at home. And even though there seem to be as many health and human services personnel on hand as actual neighborhood participants, it was still a worthwhile occasion. We didn't get to hear -- we didn't get near the health screenings to see what they were screening for, but there were plenty of time around. It was also a chance to educate people about fluoride, both during the discussion sessions and informal milling around time. Several of the w.i.c. Mothers hadn't seen the posted non-warnings about dental fluorosis, so we were able to let them know. We encourage everyone to attend one or more forums and share their information about fluoride. The next one takes place tonight, 6:00 to 8:00 p.m. At the del valle isd opportunity center at 5301 ross road-b in del valle. For more information go to gov/health forum or call 972-5888. Thank you.

[ Applause ]

>> Mayor Leffingwell: Next speaker is (indiscernible). Topic is mabel davis dog park.

>> I'm helen varty and i walk my dog in mabel davis park daily. I'm here today on behalf of numerous parties to request that council direct the parks department to stop all progress on the off-leash dog area at mabel davis until there is a robust, transparent and fair community process. This dog park is slated to be built on a pesticide landfill near a swimming pool, a skateboard park, a playground for toddlers and upstream from an elementary school. The pollution from this proposed dog park will unavoidably run off directly into country club creek, which is only 50 feet away. I believe that working in conjunction with the dog park advisory committee made the decision to select mabel davis as the location before ever opening up the issue to the community. The mabel davis neighborhood was not aware of when the parks department pard was going to meet on this issue. It was posted a website only a week before their meeting. Therefore the parks department board is unaware of the neighborhood survey and petition and have not heard many residents' concerns. They are also a unaware that many neighbors, including those few who support the dog park, wanted to dialogue amenities that could be brought to the park. At the first community meeting the overwhelming majority of neighborhoods were against the dog park. Neighbors came to the second community meeting hoping for a dialogue, but they were greeted by posters greeted by the off-leash dog area advisory committee and pard advocating for the park. Neighbors were asked to submit comment cards, however I watched people walk in, take a look at what was happening and leave in frustration. Park staff reported that over 60% of emails had been in support of the park, but I believe this reflects the organization of the off leash dog park volunteers and does not represent the reaction of the mabel davis community. I believe most people whose children use this area aren't each yet aware of the plans. As there's been virtually

noist at community education. Please reopen this discussion and give these issues and the people who live in the mabel davis area the respect that they deserve by conducting a broader process that entails community education and feedback.

>> Mayor Leffingwell: Thank you. Councilmember martinez.

>> Martinez: Since there's another speaker signed up, i want you to know that I plan on bringing an item from council next week that would require, one, the design to come to council and then the ultimate decision of whether or not we move forward with the project to come before council. And in that time certainly we want to make sure that we engage all of the neighbors that live around mabel davis park to be part of that conversation in terms of design and whether or not we implement that design into an actual project. So it wasn't scheduled to be before council for a public hearing and decision, but with the support of council next week on that item, it will be. And we will continue the public discussion.

>> Great. Thank you. That's great news.

>> Riley: Chair? varty, if I could ask you another question. I want to make sure i understand the point you're making. Are you saying that the -- you feel like the parks department came up with the idea of a dog park and essentially is forcing it on the neighborhood?

>> Yes.

>> Riley: What puzzles me is when I look at the east riverside oltorf combined neighborhood plan I see -- let me first ask did you participate in the neighborhood plan?

>> Is this the one that was like six years ago?

>> Riley: Well, it was a multi-year process and it finally wrapped up probably four or five years ago.

>> Yeah. On that plan I wasn't living there then, but on that plan the dog park was -- there was a list and the dog park was last, but from -- and i wasn't there, but people have told me that everything was put up on the wall and everything was okay. And then people voted on it. And so really nothing was taken off the list, but i wasn't there. Does that make sense?

>> Riley: I think. It's not actually last, but it is towards the bottom of a list. But the neighborhood plan does -- the recommendation 94 in the plan does state provide following public amenities at mabel davis park in this order of priority, and then it's numbered 10 out of 12, fenced dog park.

>> Right. But when you go to those community meetings and everybody makes suggestions, aren't they all included?

>> Riley: I don't believe so, but we can check with staff about that. But it's your sense that the neighborhood does not actually agree with that part of the neighborhood plan?

>> Right.

>> Riley: Thanks.

>> Mayor Leffingwell: Librado almanza. Topic is cesar chavez march on 3-31-12.

>> Thank you, mayor and city councilmembers. My name is librado almanza and I work with poder and that stand for people organized in defense of earth and her resources. Poder invites you and everyone to celebrate the life of librado almanza by attending the social justice march. This year we will be celebrating 50 years of the united farm workers union. This march will take place ON SUNDAY, MARCH 31st, 2012. The march will begin at at carats says library at 1105 east cesar chavez street and we'll end here at city hall. Cesar chavez was born on MARCH 31st, 1927 IN YUMA, Arizona. Cesar chavez was a latino farm worker, labor leader, civil rights activist and crusader for social change. He was co-founder of the united farm workers which advocates for better wages and safer working conditions on american farm lands. Cesar chavez is more than a symbol and role model for farm workers and the chicano, mexican community. Cesar demonstrated the need for all working people to support those who are supresses and exploited, working for dignity on the job and community and increasing democratic rights of working people, challenging the powerful and defense of the powerless. MARCH 31st, 2012 MARKS THE 11Th annual cesar chavez march in austin, texas. Austin residents have celebrated the life of cesar chavez and his selfless dedication for farm workers and workers right, civil justice, environmental justice, peace, non-violence and empowerment of the poor and disenfranchised. As cesar chavez once said, we have the power that comes from justice of our cause. So long as we are willing to sacrifice for that cause, so long as we persist in non-violence and work to spread the message of our struggle, then millions of people around the world will respond from their hearts and in the end we will overcome.

[Speaking spanish] thank you.

[ Applause ]

>> Mayor Leffingwell: Susana almanza.

>> Tovo: I just have a quick question. Would you mind stating the date again. I thought I heard you say sunday.

>> I meant saturday, march 31st.

>> Tovo: Thanks so much.

>> Good afternoon, mayor and city councilmembers, I'm susana almanza with poder and I also have information that poder will be celebrating the sixth annual sesquicentennial awards -- cesar chavez awards at the mexican-american culture center. We'll be recognizing and honoring individuals that continue the struggle for justice, individuals that help keep the spirit of cesar chavez alive. This year's awardees are -- excuse me. I'm having trouble with the control. It's going backwards. I'm not doing anything. Is it just this arrow here? Okay. Britney garza, poder's

young scholars for justice. Adrianna with poder's young scholar's for justice. Christina with the texas folk life.

(Indiscernible), a representative from the community development commission from montopolis. Israel lopez, also a member of the montopolis neighborhood and contact team and director of the little league in montopolis. City councilmember laura morrison. Scott johnson, volunteer. Linda crockett with the mac. Sylvia with the art museum. Might ron smith, community development commissioner with the city of austin. The east austin coalition. Fred mcgee with the montopolis neighborhood association and contact team. Rosa santos with the govalle, johnston terrace planning team. Ruby rio, commissioner with the community development commission. Frank (indiscernible), member of the montopolis neighborhood association and the contact team. Nora faust with keep allen elementary open. And marissa owe which with the east austin prep academy, principal. And this year's lifetime achievement award goes to the honorable gonzalo barrientos, our former state representative and senator. So we invite everyone out THIS SATURDAY, MARCH 31st, To the barrientos mexican-american cultural center as we celebrate these individuals. Thank you so much.

[ Applause ]

>> Mayor Leffingwell: Thank you. Matthew sturtevant. On mabel davis park.

>> I'm matthew sturtevant and I live right across the street from mabel davis and I use it with my dog everyday. Helen went over most of the stuff that I was going to say, but basically the neighborhood felt excluded when this whole process of the planning for the dog park happened. They had one meeting where they were supposedly there for input, and there was no data taken. So I called it upon myself to ask the auditorium full of people if anybody from the neighborhood was for the dog park? And only one person there was for it. Since then as we've requested information from parks department, it's been slow to come. The 60% number that they got in emails I've never seen any documentation of it. The funny thing is that they sent me the one piece of documentation was taken from a 2006 information that councilmember riley was mentioning, and it's not dead last, but it's tied with dead last as far as something that our neighborhood wanted. Number 1 was improvement of trails or additional trails. And that's something that i don't see any footwork being done whatsoever in our neighborhood park. There's four electric car plug-ins, but -- and I'm a big tree hugger, but it just -- priorities are a little out of whack. What I would propose is that the -- I've already spoken to each councilmember individually in your office. What I would propose is that we can't seem to get access to the parks board. I went to one meeting that 30 on the opposite side of town, and what i would really love is for my neighborhood to be able to talk directly to the parks board at linder elementary. When it's there people actually show up and then our voice is heard. But if they schedule it at 5:30 across town. And also from the beginning of this project, they kept denying that there was any progress being made. They sort of talked about it like it was hypothetical when in fact two departments were working on it with, i don't know, five, seven people for over a year. And they kept saying it's not a real plan, nobody has voted on anything. Meanwhile the rest of us are sort of left in the dark. Now it looks like they're trying to push it through at the last minute without any input from us. So again, what I would propose is that the neighborhood be able to get in front of parks and recreation board or at the very least get their contact information.



That would be easy enough. We could send our emails to them. It seems very elusive and we certainly can't get that from the parks department. The last thing I would say is if this does get pushed through, if we get bulldozed and they just do it anyways, I would say that part of the plan should definitely include an additional trail. I've been working with parks foundation on adding a trail around the pond, which is right there, and I think that would be a great compromise. That's all I have. Thank you.

>> Cole: Thank you. Next we have carol anne rose kennedy.

>> Riley: Mayor pro tem?

>> Cole: Councilmember riley.

>> Riley: sturtevant, I just wanted to encourage you to get in touch with my office. We have been having a regular -- periodic meetings on the country club creek trail, including the connection to the mabel davis park. And I think we are making good progress on that. I would be happy to visit with you further on that. I would also be happy to direct you to the contact information for the parks board members because it is on the city's website.

>> Okay. Thank you.

>> Riley: Thanks.

>> Cole: Thank you. Carol anne rose kennedy? Okay. She's not in the chamber. Next we have jeanette heindel. Jeanette also will speak on mabel davis.

>> Good afternoon, live across from the park as well. Thank you for listening to me today. I want to start by saying thank you for getting this on the agenda. Councilmember martinez, we appreciate feeling like at least it's getting a fair hearing. The other thing I would like to say is thank you for the park. It's something I use daily. I walk my park in it probably twice a day. It's a beautiful property. I'm really grateful to live across the street from it. When we heard that there was a potential of bringing a dog park to the neighborhood, there was a meeting called at linder elementary as helen and matthew have alluded to, which is right in the neighborhood. And they were told that we had the opportunity to then talk about how we felt about this as a potential amenity coming to our neighborhood. My concern about that meeting in particular and the process from that point is that night we were asked to vote in the room. And when there was a show of hands for who wanted the dog park in the neighborhood and who didn't, there was one neighbor that did not, but then the off-leash advisory committee was also voting for the dog park. And it's like, I would happily like to vote for a dog park in another neighborhood, but I'm not comfortable with a community hearing then consisting of amenity designed to propagate that planning -- i mean, that just seems like a fair and dishonest process to me. We stated some of our concerns about the park. The first being that we are on a landfill, so there's some concern about digging and that kind of thing. We were also told that it would be maintained, which at that point was already a problem. The park is struggling to be maintained adequately at this point. And we're being told that volunteers are going to keep the dog park part clean. And I personally am not interested in volunteering for that, so I'm a little bit curious about where these magical

volunteers are coming from. Secondly, as helen and matthew have said, the next meeting that was called was far away and it wasn't anywhere near the neighborhood. And we were again told that this was all just up for discussion, that it would come before council. That we had an opportunity to talk to you. Helen and matthew and another one of our neighbors have talked to a lot of you individually. And the next thing we know pard said it, you're designing a dog park. And I'd like to just say as far as what we would like personally, I would like to review the recommendation, so I appreciate that you're already doing that. Regardless of the dog park, I would like more consideration about the amenities that we consider amenities. And in order of sort of top 3 would be good instead of 10, 11, 12. And then finally, I'm not feeling real comfortable with the representative we have. Ricardo solis is supposed to advocate for our neighborhood and what we want, and in the process that we just went through, I'm not feeling confident that that's happening. Thank you.

>> Cole: Thank you. Next we have clay dafoe.

>> Good afternoon, council. One of our most important rights is our right to gather, assemble and petition our government for a redress of grievances as in the first amendment. Today I feel like I can no longer trust that that guarantee will exist in its complete form. Because of actions or non-actions taken by our city council, our whole body of citizens' rights are in danger. Currently they're being violated by the city of austin's administrative rules regarding city hall use policy, which has changed dramatically in the matter of a few months. Unelected city manager marc ott first released new administrative rules in late october restricting times when food could be distributed on the outside plaza of the publicly owned austin city hall. This controlling, neurotic administrative policy, without being given the sanction of law of this body, led to the arrest of over 30 citizens on october 30th for merely being present outside their own city hall. The council expressed concern, but failed to act. The journey continued when a new marc ott authorized policy came into effect february 2nd banning sleeping and even gathering at city hall plaza between 6:00 a.m. and 6:00 p.m. It was obviously directed to shut down the four month long occupy austin. Most likely because the council did not enjoy the movement's presence. The reason for the restriction was by no means content neutral. ON FEBRUARY 2nd, ALMOST A Dozen arrests were made. Again, a peaceful citizen simply being present on a property they owned. Now we have turned city hall off limits in these hours and have violated our most sacred promise of -- sacred promise of our public, the right of free speech. Marc ott is not a dictator. He cannot issue and enforce policy at will. You the city council are the stewards of this city and yet you have done nothing for nearly five months to address the grave violation of our first amendment rights to gather. You have abdicated your power to protect us from overbearing and unconstitutional administrative policy that destroys the social compact and spits on and laughs at the central principle on which our nation is founded. Don't pretend you can't do anything about it for we pay you to meet frequently and conduct our most pressing city business. Protecting our right to gather should be your primary concern, not doling out millions in corporate incentives to formula one into apple. America knows we are in a fight for the survival of our own existence and despite your current unlawful city use policy the first amendment still exists. And when enough of us realize unelected bureaucrats are facing our country's paramount laws they will reject your entire rule and restore to themselves what is rightful through theirs. Please do the right thing and pass legislation to repeal this uninstitutional use policy that violates our rights to gather. Thank you.

[ Applause ]

>> Cole: Thank you, clay. Next we have daniel white.

>> Mayor Leffingwell: Daniel white?

>> Good afternoon, how is y'all's knowledge of gilbert and sullivan? What's the next line, the flowers that bloom in the spring? It had nothing to do with a case trial law. It does have something to do with this case is this book, every town needs a trail by jen olson. And in particular the insight and front and back covers which show a 1964 city of austin master plan of town lake. And this map shows clearly beyond reputation that the land on the west corner of south lamar and riverside drive is dedicated city parkland. And this is the same site where the new zach scott theater is being built. Section 26 of texas municipal code specifically prohibits such constructions unless a wide range of things are done prior to the initiation of construction. I have looked and I have not found that any of these pro advice sos have been followed. Furthermore, this construction also is an apparent violation of the 2001 town lake master plan overlay as far as height and set back restrictions. I have been unable to find a zoning variance for these apparent violations of the master plan have ever been granted. Now, about a month ago the parks department was out at the youth hostel there on lakeshore drive for a section 26 violation. There's something quite terribly wrong that the same parks department has the same sort of violation, apparent violation of law going on in their front yard and they don't do anything about it. But really that's not the point at hand here. The point at hand here is that I have been the victim of an ongoing campaign of defamation and vilification that I have written to you about repeatedly by parks department. Parks staff has engaged in unlawful actions against me that are tortious and possible violations of texas municipal code. And I have not heard anything from any of you back ever, including city manager marc ott. Furthermore, I have had less than satisfactory conversations with city attorney debra thomas who has once again followed your practice on council and refused to respond to communications. So the question is in the larger question, what are you going to do and shut violation of an eight story building being unlawfully built in the bright light of day in central austin under the rug? Certainly you've done an excellent job so far of sweeping the city staff's violations of law against me under the rug, and I want to see what you do to seep this under the rug.

>> Mayor Leffingwell: Thank you.

[ Applause ] those are all the speakers that we have.

>> No questions?

>> Mayor Leffingwell: As you're aware, we can't have any discussion of this item since it was not posted, prelisted. As a discussion topic.

>> No questions otherwise?

>> Mayor Leffingwell: Councilmember tovo, you can ask a question, but we can't have any discussion of the subject.

>> Tovo: Right. I was just going to clarify, we might have a response to one of the questions you asked, but because you didn't put your topic on the citizens communication list, we can't engage with you on the topic. I was just restating what the mayor said, but trying to be clearer about it.

>> Mayor Leffingwell: Right. Council, before we go into executive session, councilmember martinez i think is going to make a motion to postpone on items 58 and 59. If we can get that done before executive session.

>> Martinez: Thank you, mayor. We have an email from councilmember morrison who was actually a co-sponsor of this item with myself to get us to this point. She has sent us an email requesting that we consider a postponement of item 58 and 59 until the april 5th council meeting. And she is a co-sponsor and I will go ahead and move that we postpone these two items until april 5th.

>> Mayor Leffingwell: Councilmember martinez moves to postpone 58 and 59 until april fifth. Mayor pro tem seconds. Further discussion? All in favor say aye? Opposed say no. It passes on a vote of five to zero with councilmember spelman and morrison off the dais. So now without objection the city council will go into closed session to take up three items. 071 of the government code, council will consult with legal counsel regarding the following items. Item 26, discuss legal issues related to amending legal service agreement with brown mccarroll, llp in connection with texas campaigns for the environment versus lcra. Item 27, discuss legal issues related to amending a professional services agreement to john hall public affairs in connection with texas campaign for the environment versus lcra. And item 70, to discuss legal issues related to reagan national advertising of austin versus the city of austin. Is there any objection to going into executive session? Hearing none, the council will now go into executive session.

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[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.

>> Mayor Leffingwell: We're out of closed session. Closed session we took up items 26, 27 and 70. Small number of action was taken. -- No action was taken. So council, when we left we had tabled item number 12 -- excuse me, item number 15. We've taken all the citizen input, and now we are ready to take discussion or action on item number 15. Councilmember tovo?

>> Tovo: I have questions for staff on this item. I wonder if you can give us a sense. We heard some concerns from citizens who spoke about the alternatives that have been selected in terms of the manholes and their placement and so why don't we start there. What has been the project team relationship with the neighbors and how willing have they been to consider alternatives and are there alternatives that would be viable on this street?

>> There are -- howard, public works department. There are alternatives to the manhole configuration. I will defer some of that conversation I think to watershed protection. I would like

to address the other issue that is brought of and that is with the appearance of the street when we're finished. The action before council today asked for some additional authorization which would include doing a complete overlay of nasco. Originally it was only scheduled to be minor so what we've asked for was enough enough to put in basically a new wearing surface in. In discussions with members of the community and with watershed protection, one of the things we would like to propose is putting in enough additional authorization to do a partial depth rehabilitation of the street, which will allow us to also put in new curbs, gutters and driveways. And that would require some additional authorization, depending upon the availability of funding above what we've asked for, probably in an amount not to exceed another \$100,000. I don't think it would cost that much, but that would allow us to proceed with the work without -- while the contractor is immobilized without having to come back to council again. And that would give the same finished appearance as we've done throughout the remainder of the neighborhood. The remainder of the neighborhood was also not scheduled to get curb, gutter and driveways, but because of the addition of a water main replacement that was highly instructive, we went back and put that in as well to do a complete streets approach to the work. So that's something I would like to propose to council as we talk through the issues. I think the relationship has been a little bit frustrating for the residents of the area, but it's also been positive and we've worked through a lot of the issues. I will turn discussion over to jose guerrero from ward to talk about the different types of inlets what happened they'll do to try to reach an amicable solution with the residents.

>> Tovo: I have a couple of follow-up questions of what you just said. If I understand you correctly you said today we authorize a different amount that was posted to allow for that --

>> I am.

>> Tovo: Just to be clear, office going to be the same as white horse and bull creek, the treatment that they received?

>> It will include curbs, gutters and driveways treatments as was done on the other streets.

>> Tovo: I know as the authorization came before council there was discussion about being on schedule and that there were potentially -- well, there were some -- some neighbors had concerns that the folks throughout on the site were not moving quite as speedily as they could and that was potentially creating some other damage. Are there any concerns about that? In order, are there any -- were there any missteps that created more damage to the streets than anticipated or was it just the water main issue that was an unanticipated situation?

>> The primary cause for the delay and the additional inconvenience was the inclusion of the water main replacement. What's included in what we're asking for today as well is a little over \$100,000 for acceleration of the project. One of the questions that you and councilmember morrison have is how to speed completion. So by add be additional crews we can accelerate completion by about two months.

>> Tovo: I'm happy that we're doing that because i think the residents of this area have really struggled with this project for awhile. I want to be sure that it is not the responsibility of the

contractors out there on the site to cover that additional cost or the additional cost that were contemplated for the finished curb.

>> I'm not quite sure by what you mean by responsibility of the contractors.

>> Tovo: If they have caused the delays, then i would expect them to come forward and cover the cost of accelerating the project.

>> No, they have not.

>> Tovo: Okay. And again with regard to the impact on the street, it sounds like that was unforeseeable and not as a result of any negligence.

>> I think that's correct.

>> Tovo: All right. Thanks.

>> My name is jose guerrero, assistant director of the watershed department. During the lunch break I was able to meet with the citizens and show them the array of options that our staff has looked at. I think we're down to possibly two final options. We're going to have a field meeting with the citizen involved on nasco and come up with the final configuration and get that information to our contractor.

>> Tovo: Great. I appreciate that. Thanks. I think that probably addresses the concerns that we heard from the neighbors. Thank you.

>> Mayor Leffingwell: Are we ready for a motion? Councilmember spelman moves approval of item 15. Councilmember tovo seconds. Further discussion?

>> Tovo: Do we need -- I'm sorry. Do we need to get some information from staff about that additional authorization? Or is it already -- is what we've got sufficient?

>> Mayor Leffingwell: I guess the question is do you need to? Go ahead.

>> The item that you have before you is not sufficient to incorporate the additional curb and gutter work, so we had talked about a couple minutes ago was increasing that authorization by \$100,000 subject to the viability of funding so that we could incorporate that additional scope of work.

>> Mayor Leffingwell: So each number would be an additional \$100,000?

>> The total request on top of the total. So it is \$227,000 or 410,000. So it would be another \$100,000 on top of that.

>> Spelman: Mayor, can i amend the motion?

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: I amend the motion -- amend the motion to be -- to move approval of item 15 with the revision of the total amount of 60 to

(indiscernible).

>> Mayor Leffingwell: Is that acceptable?

>> Yes.

>> Mayor Leffingwell: All in favor? Opposed say no? It passes on a vote of six to zero. Council, we could, since 00, we could get ready of the consent part of our zone agenda and let some folks be able to go home. If we could do that quickly and then go back to our consent.

>> Thank you, mayor and council. Greg guernsey with planning and development review department. First item I'd like to offer for consent is item number 72. This is case c-14-2011-0158 for the property located at 2117-2129 and 2209-2225 maxwell lane tory zone the property from townhouse condominium neighborhood plan. This is ready for consent approval on second and third reading. That concludes this portion 00 agenda I can offer for consent. Mayor, would you like for me to continue through the other consent items for public hearings that have not yet been held?

>> Mayor Leffingwell: Let's get this out of the way. I'll entertain a motion to approve item number 72 on second and third reading. So moved by the mayor pro tem. Seconded by councilmember spelman. Councilmember tovo?

>> Tovo: Mayor, I am recusing myself from this item.

>> Mayor Leffingwell: Okay. It's barely enough then. All in favor say aye? Opposed say no. That passes on a vote of five to zero with councilmember tovo recused and councilmember morrison absent.

>> Thank you, mayor and council. 00 zoning and neighborhood plan amendment items. These are where the public hearings are open and there's possible action. Item number 73 and 74, i just want to note on item 74 is a zoning case that has a valid petition that stands about 38%. I know we have a councilmember that is absent today. I would offer those for postponement. Item number 73, npa 01 for a property located in the university hills windsor park neighborhood planning area for the property at 6500 and 6502 manor road. The related zone willing item is 74, case c-14-20110087 for the property located at 6500 and 6502 manor road. That's the zoning change request for that property. Item number 75 --

>> Mayor Leffingwell: Before we go on, what was the postponement date?

>> We would just suggest your next meeting on april fifth?

>> Mayor Leffingwell: Council, it's your normal practice to postpone items with a valid petition until we have a full council. So if there's no objection we'll add 73 and 74 to the consent agenda with a postponement until april fifth.

>> Martinez: Mayor, that's objection.

>> Mayor Leffingwell: Councilmember martinez objects.

>> Martinez: I want to ask the residents because they're the ones who have been coming down here for every one of these meetings and they're here again today and, I mean, if -- if they're prepared to move forward, the only person that's asking for the postponement is mr. guernsey. And there is a valid petition.

>> Mayor Leffingwell: Why don't we pull it off the consent agenda and address it later then. All right, go ahead.

>> Item number 75 is case c-14-2011-0169 for the property located at 7016 east ben white boulevard. Staff is requesting a postponement of this item to your april fifth agenda. A related item, item number 76 is case c-14-79-074-rct for the property located again at 7616 east ben white boulevard. Staff is requesting a postponement of this item to your april fifth agenda. And finally item number 77, c-14-79-285-rct for 7016 east ben white boulevard westbound, staff is requesting a postponement to your april fifth agenda. Item 78 is case c-14-04-0151. sh. This is shire's court at 1910 one half wickshire lane. Staff is requesting a postponement of this item to your april 26th agenda. I'll note that the planning commission postponed this to the april 10th and not the 12th as is listed on your agenda. Item 79 is case c-14-2011-0016 for the property at 201 east 34th street. The applicant has requested an indefinite postponement of this item. Before this item would come back to you we will renotify and repost in the paper regarding this item. Item number 80, mayor, if there's no one signed up to speak in regards to this item I could offer this item as consent. We could do all three of the planning commission recommendations. If there's no one signed up on item number 80. The clerk indicates there's no one here on regards to the item, so I'll offer this as consent on case c-14-2011-0157 for the property located at 2207 lake austin boulevard. This is a zoning change request to neighborhood commercial, neighborhood plan combining district zoning. The planning commission's recommendation was to grant neighborhood commercial conditional overlay neighborhood plan queening district zoning and this is ready for consent approval on all three readings. Item number 81 is case c-14-2011-0163. It will be a discussion item. Item 82 will also be a discussion item. We have a speaker on 82 as well. Item 83 is case c-14-2012-001 for the property located at 9215 south first street. This is a zoning change to general commercial services commercial combining district zoning. The zoning and platting commission recommendation was to grant the cs-co zoning and this is ready for consent approval on all three readings. Item 84 is case c-14-2012-0006 for the property located at 9511 forth fm 620 road. Staff is requesting a postponement of this item to your april 26th agenda. The zoning and platting commission will consider THIS ON APRIL 18th.

>>> Item 85 is case c-14-2012-0007 for the property located at 10711 dk ranch road. To rezone the property to single-family residence standard lot district zoning. The zoning and platting commission's recommendation was to grant the sf 2 district zoning and this is ready for consent



approval on all three readings. Item 86 is case c-14-2012, 00711. This is to rezone the property to limited office, mixed use combining district zoning. This is ready for consent approval on all three readings. And finally, item number 87, case c-14--2012-0020, we have a speaker that signed up that would like to address you in regards to this item. That concludes the items i could offer for consent approval.

>> Mayor Leffingwell: 81 was consent all three?

>> 81, We have a speaker, i understand, that has signed up that would like to address out this item.

>> Mayor Leffingwell: So the consent agenda for the items where we have -- to hold a public hearing is to postpone item income 74, 75, -- item 74, 75, 75th --

>> mayor, I think that 74 is one of the items that councilmember martinez --

>> Mayor Leffingwell: That's correct. Correction, we'll start over. Item number 75 and 76 postponed until april fifth. Item 78 postponed until april 26th. Item 79 indefinitely postponed. And to close the public hearing and approve item number 80 on all three readings. To close the public hearing and approve on all three readings item number 83. Postpone 84 until april 26th. Close the public hearing and approve on all three readings items number 85 and 86.

>> And mayor, we could also indicate item number 77 is staff postponement to april fifth.

>> Mayor Leffingwell: Add item number 77 to the consent agenda postponed until april fifth. I'll sprain a motion to approve the consent agenda. Councilmember spelman moves approval, councilmember martinez seconds. All in favor say aye? Opposed say no. It passes on a vote of six to zero.

>> Thank you, mayor and council.

>> Mayor Leffingwell: Now we'll go back to the morning consent agenda with item number 4 pulled by councilmember tovo. There's no one signed up to speak.

>>

>> Tovo: I had a couple of questions about this. In the questions and answers I asked if this item -- will the item comply with the ordinance, and the answer was based on a discussion with the applicant's engineer they will be complying. And I just want to -- I just want certainty on that issue as to whether or not they are -- are they required to be in compliance? And have they agreed to comply?

>> Certainly. We do have the applicant here that could address that more specifically, but they have in our discussions and indicated they are going to comply with the requirements.

>> Tovo: Yes. I would be glad to hear that from the applicant as well.

>> Jerry paralysis, paralysis engineering.

>> Tovo: If you could answer that question, will they be complying with the s.o.s. ordinance?

>> Yes, we are complying with the s.o.s. ordinance.

>> Tovo: Great, thank you. And -- I've got the information about the extensions. Let me see if I have any other questions before you before you leave the dais. Okay. Thank you. I think that was it. And based on the information that you responded in the question and answer, this is not -- this extension is not being sized to serve any additional development, is that correct?

>> That's correct. Currently we have an existing 12-inch line that runs along 71, and this property is just tapping into the existing infrastructure out there. And we'll be providing domestic service to this property.

>> Tovo: And can you address -- I didn't completely understand the answer about the lcra providing fire protection.

>> Yes. Lcra currently has a 24-inch water line that runs along 71 as well. In order for us to meet the fire demand, we would have to upgrade the 12-inch line. Because the 24-inch line exists, travis county esd number 3 has agreed to provide fire protection out there for this facility and there's an agreement between lcra and sd number 3 to provide that fire protection.

>> Tovo: Thank you. And are there -- what is contemplated in terms of -- are septic systems contemplated? Sorry, that may be a question for the engineer.

>> No, what's currently being proposed is on-site sewage facility.

>> Tovo: All right. Thank you. Mayor, I move approval.

>> Mayor Leffingwell: Councilmember tovo moves approval. Is there a second? Seconded by councilmember spelman. All in favor say aye? Opposed say no. It passes on a vote of six to zero. So that brings us to item number 12 pulled by councilmember riley. And we do have one speaker. George kinney.

>> Riley: Mayor, if i could.

>> Mayor Leffingwell: Go ahead, councilmember.

>> Riley: Item 12 relates to a contract for the design of the second street project. This is the eastern extension of the second street project that we all know so well, since it is right here. This is a very long-awaited project that would extend -- that this second streetscape all the way from congress avenue over to the convention center. There is a lot of community interest in this. It has been a long time coming. And of course, the plan itself is a culmination of a lot of planning, including planning on part of folks here in the room. I thought this would be a timely opportunity

to get an update from staff on exactly where we are on the second street project, and hear what we can expect in the coming months wrap to the buildout of second street.

>> Thank you. Good afternoon be mayor and council. Carey juarez with public works department. This item requests authorization to provide construction phase services from the design engineer for second street space 3, which is about to start construction. And I have a few slides that just talk about the project in general. Okay. This is the overall second street project. Phase 1 was from san antonio to colorado, and phase 1 of course is complete. Phase 2, which is from congress -- colorado to congress is also complete. And phase 3, which is what we're talking about today, is from colorado to trinity. The vision for the second street project was to provide a pedestrian dominant corridor between the seaholm area and the convention center which is consistent with the great streets master plan and also to provide a downtown destination for residents and visitors. Some of the design elements of the second street district include three lanes. 32-Foot sidewalk on the northside, 18-foot sidewalk on the southside. Street furnishings like trees, benches, chairs, bike racks, etcetera. A lot of art in public places. And just an environment to support a mixed use development. A lot of private developments have contributed to the success of this area, including the ones that you see listed here. And the status as I talked about, phase 1 and phase 2 are complete and we're just starting construction on phase 3, which is congress to trinity. Phase 3 includes the jw marriott hotel, which will construct the northside of second street between congress and brazos. The public works department has been coordinating with jw marriott for the coordination of utilities in our construction activity and we're synchronizing our project schedules to reduce the impact to both of the construction projects as well as the public. And with that I would be happy to answer any questions.

>> Mayor Leffingwell: Any questions of staff? We have one speaker, gerard kinney. Welcome and you have three minutes.

>> Thank you, mayor. And members of council. I'm gerard kinney, austinite. I was involved in the design of the great streets plan for austin. I'm here because I know that this may be the only opportunity to discuss what some of us consider to be some really serious problems with the way that the marriott hotel will be addressing second street. I think I left you some messages about that. I think you're probably aware of the major points. So I won't try to take three minutes -- you can't go into much detail. I will just say that I as well as many other design professionals who have been involved in a long time in development of great streets in general and in subjects of urban design about how buildings address both second street and congress avenue in this case, we are and I am very, very concerned about this building. It's a nicely designed building, architecturally it will be very beautiful, but the problems here have to do with the way the site plan is arranged with respect to the street and the fact that they are using second street to face a pedestrian oriented street, obviously the most pedestrian oriented street downtown, to -- as their major vehicular entrance for this hotel. And it's a huge hotel, like the one we heard about this morning over on this side that will be 200 homes, this is a thousand rooms. This will be thousands of cars a day, taxis, buses, time coming down second street, entering, dropping people off. Some will go into the underground parking, but many, many, many of them will return to second street and many of those -- they'll either jam up traffic trying to turn left on to second street, or they will turn right and go through the second street congress intersection, and many of us think that would just be really a real serious problem. We think that -- I think that buildings

can be redesigned to have that entrance be on brazos street. I've heard presentations from the architects and the applicants and their representatives. They claim that they can't do that. I suspectfully -- i respectfully disagree with that. I think it's a matter of good design. And the other thing is the way it addressed in congress avenue is it will have the major exits from the ballrooms taking up a large amount of the congress avenue facade. It does not address congress avenue in a pedestrian friendly kind of up to the standards of the main street of texas way. So there are other items and I can answer questions, but I wanted to convey that concern and hope that you might direct staff to really consider these issues as they review the application. Thank you.

>> Mayor Leffingwell: Thank you. Councilmember riley.

>> Riley: Gerard, keeping the focus on second street, since this is the agenda item that we're addressing today. I understand your concern relates to the curb cuts and the drive-through, essentially for the hotel. You were involved in this section of streaked great streets discussion. Can you help me why the port da share that is proposed for the marriott would be at odds with the vision and the standards that we have date? You know that second has a double row of trees. It is considered the pedestrian connection from seaholm I guess all the way to the convention center. We see an enormous amount of pedestrian orients using this. The what the applicant has been referring to is exciting for automobiles. It will be lots and lots of cars and that is not consistent with the vision that I had and I think sinclair had and the many others have had about particularly that northside of second street.

>> Riley: Mayor, I wanted to get an idea of how staff has the plans for the marriott with the vision for second street.

>> Thank you, councilmember. Council, george adams with planning and development review department. kinney's comments and concerns and and share them in many ways and balance that with the constraints of the site. And to a certain extent the operational needs of the applicant. And this is really consistent with what we've done with other projects along second street. If you look at the w, there are deviations in the standards that apply along second street for that project. We were able to get comfortable with those. If you look at the new central libraryo the west there will be deviations from the idealized applications of the second street standards due to the operational needs of the ie site and constraints in the right-of-way. So I see this as consistent with how we have tried to maintain the vision, but apply -- take into consideration the real conditions on the ground as we -- as the area develops out.

>> Riley: The idea is that we're creating a continuous pedestrian oriented corridor all the way from seaholm to the convention center along second street and especially along the northside of second street. Can you help me picture that particular block, which the point has been made that that's a particularly critical block since that serves as the connection from the existing part of second street to the section we're talking about now, the whole extension going over to the convention center that pedestrians would really need a reason to be drawn across congress avenue to continue along that way. And do you believe that even with the porte-cochere that it still will be an inviting environment for pedestrians or would pedestrians instead be obstructed or perhaps each put at risk because of all the cars going in and out?

>> Well, I'll say reasonable minds can differ on this, but I do firmly believe that it will be a desirable addition to second street both in terms of the improvements that go in the public right-of-way and the project itself. Everyone knows it's a very large project, it will be very active. There's going to be significant pedestrian activity in addition to the auto -- the volumes of automobiles that were talked about earlier. We have -- in working with the applicant we have pushed them as much as we can, i believe, to realize the specifics of the great streets improvements. And we have -- and most of those they are -- they are achieving. So I believe what is currently proposed, and we're still working on some of the details, but I think it will be a good addition. I think it will make that connection. I don't think it will deter pedestrians from moving through the corridor. Just to give you a few specifics, we're trying to narrow the driveways to the greatest extent possible. We're making sure that those driveways are leveled as the pedestrian moves through the corridor so that you're not dealing with something that feels like a driveway. The one thing that the project does incorporate is a ramp from the porte-cochere down into the parking garage on that -- what would be the southwest corner of the block or the northwest corner of second and congress. So that when a car comes in to the porte-cochere it can be taken down immediately into the parking garage rather than exit out the other driveway and circle around the block. So we think that will significantly reduce the number of vehicles that are cycling through the porte-cochere.

>> There is another exit from the garage?

>> Excuse me?

>> Riley: There is another exit from the garage.

>> Yes, on brazos.

>> Riley: So even many cars will be entering, because this is the front entrance of the hotel, they won't all be exiting right there on second street. Many will exit on --

>> that's correct, there's also an entrance to the garage on brazos in addition to the exit.

>> Riley: And I understand that there is an exit on the second and congress.

>> I understand that's going to be a restaurant or cafe.

>> Riley: There will be some part of second street that includes, say, cafe seat or anything else that would be inviting?

>> That's correct. On essentially at least the last plan that I saw on the two corners, so congress and second and brazos and second are where the outdoor cafes would be focused.

>> Riley: Okay.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: Yeah, not to belabor this point, but I'm just looking over some information that was provided to me, and it's my understanding that the downtown plan really has language in there that says that porte-cochere's should be prohibited on pedestrian activity streets, which second street is one. Can you help me design to what extent the design commission will be involved? Working with the owners? Do they have an opportunity to continue to provide feedback?

>> Sure. The project has been to the design commission about -- memory serves me, it was november of last year, maybe a little later than that. Parafoils I believe they were not supported -- also, I believe they were not supportive of the porte-cochere, and the project will -- did voluntarily do to the design commission and present.

>> Tovo: They were not supportive of that design element.

>> I believe they sent a design to the council, one of many that you received.

>> Tovo: I assume that part of their rationale is just what councilmember has been talking about and it is contradictory to the goals that are expressed in the downtown plan?

>> I think those are two the points they did raise. I will mention we have been in discussions with them on this for probably close to three years. So the discussions started well before the downtown plan was adopted. Testify active right. But it was in draft form --

>> Tovo: Right, but it was in draft form for most of those three years, right?

>> One of the challenges with the site and I think part of the reason for location of the porte-cochere was first of all the size of the project. It's very large project, but secondly, second street the project has limited frontage on two of the four on congress avenue and on third street. There was issue of the location of the tower making it difficult to locate the porte-cochere on brazos, which is something that the applicant has pointed out to staff. If you take all those factors into consideration, that leaves you with second street for the primary option.

>> Tovo: Thank you.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: George, one more question. The section of -- the existing section of second street that has been redone from congress over to to this section, the western side of congress, we have two travel lanes, two traffic lanes. And on the eastern side we'll have three as i understand it from the presentation.

>> It will be the same paving sections. So it will be two travel lanes and a parking lane on the northside.

>> Riley: I see. Appeared then the porte-cochere itself, how many lanes will be in the porte-cochere?

>> There are two dropoff lanes in the porte-cochere.

>>

>> Riley: And the curb cuts, how wide are the curb cuts for that porte-cochere? Is that generally about two lanes wide or --

>> I don't know exactly. It will be in the neighborhood of 20 feet and we're trying to narrow that down to the most we can.

>> Riley: And then to come back to the particular contract on our agenda, this is an amendment to an existing contract in the amount of about \$389,000. This -- can you help me understand exactly what this -- what this amendment covers?

>> Councilmember, the amendment before you is for the construction services contract. The work in the area around the hotel, the construction contract which council approve at its december meeting has been executed so the contractor has been mobilized and started work. Around the hotel, while there's utility work in the contract, the final finish of that area is not part of that construction contract. That will be done by the marriott developer as part of their site plan work. The contract for this work starting at trinity, going to congress. It's the street except for the finish around the hotel.

>> Riley: All around the hotel, but not the actually --

>> the utility work.

>> Riley: Okay. Mayor, I share many of the concerns articulated by gerard and expressed by others who have been in touch with us. But this particular item really does not give us much room to address those concerns. This item related to the build on second street. I think it's helpful for us all to understand the context that this work is going on and the impact that the marriott will be -- will have on that context, but in terms of the item before us today, I don't see any reason to hold this item up. I will move approval on this item.

>> Mayor Leffingwell: Motion approve by councilmember riley, seconded by the mayor pro tem. Further discussion? All in favor say aye? Oppose said no. Passes on a vote of six to zero. I believe we can take up related item number 26 and 27 together. This was only pulled to have discussion during executive session. There are no citizens signed up to speak on either item. I'll entertain a motion. Councilmember martinez moves approval of items 26 and 27. Seconded by councilmember spelman. All in favor say aye? Opposed say no. Passes on a vote of six to zero. Item number 56, we have a number of speakers signed up to speak. It's set for after 3:00 p.m. By councilmember spelman and tovo. We'll go ahead and start hearing our speakers. First is colin mullins. Next is -- next is francisco cortez. Francisco cortez. Robert gore. Robert gore, you're shown as donating time. Do you want to speak? Let me ask the other spurs on this same list. Derrick graham? jack McCabe. Braette ledesma. All right. So you have -- robert gore, you have three minutes.

>> Thank you, mayor. It was my understanding that the council agreed with occupy austin in that bank of america was a predatory institution and we should pull our city's money from that institution. Today item number 56 is to move that money into a more predatory institution, chase bank. I'm here to ask the council to give us more time to give you more options. The city manager's office i don't think did his due diligence, and we have. There is someone present here who talked to a credit union backing agency. I'm not sure what they are, but they back the credit unions and they say that the credit union can handle the city's money. It doesn't have to go to one of these big bank institutions. I don't have a whole lot to say on this, just to ask us to ask the council to give us more time, defer this issue until the next time you meet. Please don't vote on this. Thank you.

>> Mayor Leffingwell:

(Indiscernible). You have three minutes.

>> It was three weeks ago today that the city council led the public to believe that it would be checking into transferring the city's funds into a more responsible banking establishment and being open to more -- a more clear and being open and more clear about their plans well in advance so the people of austin had a chance to voice their concerns. Instead of taking the time to chide you like naughty children, I have done a small bit of research. I came into contact with the member's trust company, fsb, rick ybarra, when i moved my own rather large account. I called him yesterday and asked if his trust company could handle a multibillion dollar account. Without hesitation he said yes. I asked if he had heard that the city of austin were looking for something and he was surprised that he had not. I gave him marc ott's business phone and jason alexander's name as contacts for the city. Unlike chase, members of this -- members trust will be able to assist the city in die vesting from corrupt mortgage companies and the like and reinvesting our money in less harmful venues. He said he would call or come by, but even if he doesn't, it would be worth your time to call. His business phone is 512-467-8080, extension 21109 and his cell phone is 512-4 (no audio) 8023. No one is expecting miracles, but please, don't treat austinites like fools. Chase, really? Very sorry.

>> Mayor Leffingwell: Next speaker is terry johns. Is terry john in the chamber? Christopher renschaw.

>> I'm terry dunn?

>> I'm asking for christopher (indiscernible) is in the chamber? So you have three minutes instead of six.

>> Okay. Hello, mayor, members of city council, mr. ott. Before I step into this issue, I want to say that i came to austin about six years ago and absolutely fell in love with this city. The people, the climate, the culture here have all been wonderful to me. And in spite of all its flaws I have always been proud to call austin home and never ashamed of it. I was thrilled when i learned the city had decided to pass a responsible banking resolution, and was just as disappointed to discover agenda item number 56. That you would be die vesting from bank of america to an institution that is just as, if not east austin more, irresponsible than bank of america. This



organization is a thief, a bully and a liar as an entity. They have stolen and lied to me personally. When I had an account with chase bank, after I signed the contract to create my account, they proceeded to change my contract after the fact without either consulting or informing me. Because of this change in contract, I made an overdraft that I was not aware I was able to make. Because of this overdraft i incurred fees that I did not know I would be charged.

[One moment, please, for change in captioners] is.

>> Than they have treated me as an individual, you are deluded yourselves. They may not do it in the immediate future but rest assured.

[Buzzer alarming]

>> I am done. your time has expired. John deficiency. -- John duffy. The next speaker after john will be sterling macintosh. You have three minutes.

>> When occupy austin bank action team asked divest funds from bank of america, intention was for the city to keep it here in town, not send it to headquarters somewhere out of state to used in wall street casino. Austin tax dollars should not serve foundational reserve requirements for the reckless reserve strategies by bank of america, jp morgan chase or their subsidiary financial service arms. Not to mention the, the austinites don't know where the money will be held when it is with these massive institutions. They very used this arm via a deposit iter arm that stops the assets with fdic that is taxpayer money, when chase jp morgan chase in 2003 it formed largest hedge fund in the u.s. And they paid funds with amounts between the government and state. And they say that they desalaried investors with bias research. They paid out 2 billion in funds and sediments in their enroll of financing enron corporation which is part of the collapse in 2001 and then in 2006 they paid fines to pay for commissions in the exchange commission commission in the district attorney's office and then in 2005 they paid money to settle a lawsuit in enron. The regulatory authority said that brokers at chase recommended customers as little as investing experience and conservative risk tolerance by unit investment trusts and floating rate funds, in november of 2009. Jp morgan chase agreed to 722 million-dollar settlement securities exchange commission, and the list goes on. A lawsuit filed against jp morgan chase in december 2010 by trustees -- by trustee irving pikard on behalf madoff's defense. Jp morgan chase was the defendant for his pyramid scheme. They. If active duty personnel were overcharge the and 18.

>> Speaking on foreclosures, consider the leaked by former jp morgan chase mortgager server who said his job entailed making borrowers jump through every hoop so if something got failed to be done on time they could deny or foreclose. The former employee explained job to paper which quote what jarred recalled what his job told him in the first week of his job, we are in the foreclosure business not modification business. And also said giving debt to people who really need it, that is what foreclosure are, homeownerses are probably better going off somewhere else because they get 100% relief of foreclosure. Of course they don't talk about the stress by the families in the street and the equity that was put on the home.

[Buzzer alarming]

>> they decided to -- blah-blah-blah, goes on and on. This is not what we are looking for in responsible banking resolution.

>> Mayor leffingwell: Macintosh. Sterling macintosh. Izanman. You have three minutes, following leslie, will be azura kristino.

>> It's interesting that city manager ott got up and ran from the dyas. Thank you for coming back. Because I am not here to attack or to exuriate you for a change. I want to compliment you and a those on the council who may have worked with you in your absolute brilliance in attempting to thwart the will of the people. It runs in line for your general efforts to serve the people of this city with what it doesn't want. And I am delighted to be able to stand here and thank you for your efforts. After all, what else could have been meant by the actions of the council and the citizens when they requested a change from our current banking practices to new practices that would place our accounts and our moneys, the citizens' moneys, not yours, in a local bank or credit union. Last I heard, chase doesn't qualify as either a local bank or a credit union. What gets even better, is that you recommend that we move our citizens' money from one malefactor to another. The genius of this is beyond reproach. You have served the city well, because there has got to be a reason that is beyond my capacity to understand for this kind of move kind of move That flies in the face of every kind of instruction you have been given. Once again, I want to go on the record of thanking the city manager for bringing our eyes to a problem we didn't kn existed. Thank you.

>> Azura kristino. Those are all of the speakers we have signed up wishing to speak on this item. I will entertain a motion on item 56. Council member spelman.

>> Spelman: I share the concern of all of the speakers. I would very much prefer that we not use bank of america or chase or any of those bad boys as our primary institution. I wonder if the manager or anybody else in city government can explain to us why they are the only two banks that and whether it is likely we can get another respondent. city manager.

>> Were the only responses that we did get. I think we sent out over 100 requests for responses and we got the few that we did. I believe council got a fairly lengthy correspondence from our chief financial officer, elaine hart, explaining some of the background, relative to this issue and some of the details associated with the solicitation process, so, elaine, if you would come and provide a summary of that information for council.

>> I will be glad to. We did begin a solicitation last summer, and as state law requires, we issued a request for application for banking services or depository services. We have been working on that since then. In the fall we visited with the council some about the need to look at alternative banking institutions as well with. We issued the rfa in august. It was sent to 112 financial institutions, including three, what we consider local or regional banks. Those were velocity credi union, united heritage credit union, and coamerica bank which is head quartered in dallas. We advertised two weeks -- two dates in the statesman. We advertised in our online vendor system and as a result of the application process, we received only three responses. We received responses from bank of america, jp morgan chase and wells fargo. No other applicants of the 112 that we contacted responded. During that time we've also looked at opportunities where we could

do additional work with alternative banks. I will mention that state law requires that our depository contracts rotate, have a five-year term. We are coming on the end of that five-year term, may 31st with bank of america. In looking at alternative banks, we talked to some other cities who have adopted similar resolutions, like the council adopted on march 1st. At the beginning of march, the cities that we contacted were san francisco, san jose, las amless, seattle, washington, philadelphia, portland, oregon, none of them have switched the depository services, all are using wells fargo with the exception of san francisco which uses bank of america. We had talked to a local credit union to see if they could respond to or requirements for our services, and learned that they were not able to collect -- provide collate 250,000 and our requirements are \$10 million, and their services are really geared toward consumer -- consumer services. They are not -- they have limits on how much they can loan their assets, 12 and a half of assets they can lepped to businesses, if they loan more than that, it reduces amount they can loan to who are citizens that got the deposits in their banks so we are told the credit union can't do the depository services so we asked for other services where they can provide value to us and in one particular instance, we do have a couple of cases where we have been able to use a credit union. Our employee differed compensation plan has a fixed account investment option with a local credit union. In addition to that, we have a accelerator energy efficiency loan program and this -- we have a local credit union that has contracted to be the lender for that, so in those cases where we have banking services that really benefit the consumer level, rather than at the corporate business level, we can and have identified where we can use these alternative banking institutions, and we are committed to continuing look for those opportunities in the future. But at this time, we recommend approval of moving -- moving forward with this contract, so that we can have a timely transition of our banking services. Our transition period at this time is about two months. For the first time we had done this time of transition was five years ago and that was a 6-month transition, so are on a very fasttrack to get this done. I will be glad to answer any other questions to get this done if you have any.

>> Spelman: You mentioned you had 112 and you sent notices to 112 banks. Presumably some of the banks indicated at least initial interest in responding to the request. Is that accurate?

>> I will have to check with art, but I believe we only got three responses. We will get the purchasing officer up.

>> Spelman: Okay. Fair enough.

>> Johnston, purchasing officer. No, unfortunately, they didn't. We worked with treasury in advance to send it as broad as possible to everybody. Anybody that could have been listed in our system, anybody that was listed in any of the yellow pages, google, or any other banks that we thought could have the capable for participation.

>> Spelman: Including several credit unions, including coamerica, frost, I presume? So big banks centered, what we thinkbof ordinarily as big banks centered in texas to, you sent notices to, as well as the big gang of national banks. Why is it you believe we only got three responses?

>> Again, when you talk to the other agent situations, generally they -- they are the -- what is similar to have been counting the big three and you generally look at those of having the

capability of doing it. The second thing is that our -- our structure and the services they perform for us are fairly expensive and if you are a smaller bank, it would be hard to afford those services at the rate they charge us and if you look at the rate structure, it is a very attractive rate structure for us. The rates, in fact, we looked at are more attractive than even ten years ago. So, again, they have to provide some services to us at a cost that, as a smaller bank, it would be really hard to do without passing that cost on to all of your other clients.

>> Byron, you or elaine, give us a sense of the scale we are talking about in terms of the transactions.

>> We have 32 bank accounts. On an annual basis, we have 5 billion-dollars in deposit transactions. 4 Million in automated clearinghouse transactions. About 4,000 wires -- wire transactions per year. 6500 Night drop deposited. And an example of that is a rec center for the parks department, and they have a night deposit for cash receipts they have collected during the day.

>> Spelman: So between 15 and 20 per day?

>> Yes.

>> Spelman: Okay.

>> 760 Million in checks issued, 3 billion in electronic funds transfer transacaions, and a 500 million in payroll trend -- payroll checks and ach related to payroll. We do have a high volume of transactions.

>> Spelman: When I asked you about this in the fall, you just made the announcement, you hadn't gotten any bids back and you were suggesting you expected to get responses from only two or three banks and there are only two or three banks able to handle large amount of transactions there and handle that management of collateral at any amount of time.

>> That's correct.

>> Spelman: Did you get what you expected?

>> Yes, I think we did.

>> Spelman: Why would you recommend chase over bfa?

>> They were the highest evaluated by the committee that review it is proposal and they were the highest on cost. In fact, they were lower over b of a.

>> Spelman: How much will it save us on this contract to go with chase instead of b of a?

>> We will get that for you.

>> Spelman: Okay. That will be fine, thanks.

>> It is not listed in the are rca. It said the pricing offered represents the 15% increase over the current contract.

>> Spelman: Byron is coming up.

>> Byron johnston, again. The two evaluated highest, bank of america and chase, there isn't much difference. There is only about \$15,000 difference in the transactional fees between the two, so it was very close between those and it is very competitive, again, once a contract is awarded, they will send open records request, they will get what the current proposal does and so they have both of our -- they have our contracts, both of them and it is easy to do this. You look at very competitive environment. Evaluation committee, they will look at a number of factors other than just the pure cause and that's why they were evaluated higher.

>> Spelman: It looks like better service out of chase than we would out of b of a? Is that the short answer?

>> Yes, that is several factors. We looked at service, how they are handling their accounts and number of different factors and we publish those in the application for depository, so they are aware of what those evaluation factors are.

>> Spelman: Okay. Last question. At least my last question, probably for elaine. You talked about 32 accounts. We have got billions of dollars transactions. How many transactions there are on daily basis. Is there a way reasonably that we could split the city's transactions into multiple pieces so that different banks could handle different parts of our operation?

>> We could look at that. I wouldn't recommend it at this point, given where we are in this particular process. We could certainly look at that. It's much easier and more efficient to manage it if they are all together because you -- this high volume of activity is moving money between all of those accounts and if you are spreading that money amongst a variety of up substitutions, it makes it a little more complicated to manage it, given your managing the shuffle between accounts.

>> Spelman: Would it be fair to say that there is a reliability -- there may be reliability issues moving money bank constantly from one bank to another.

>> I haven't done that in the past and I would be concerned we set up proper internal controls to make sure the transactions got handled properly as they were moving and that they were fully collateralized at each institution and we haven't done that before. That has not been our process.

>> Spelman: The cities you discussed this with -- i remember berkeley, san francisco, los ange san jose, have any taken the accounts and broken it in smaller pieces to farm to other banks.

>> I don't have that information. I can certainly get that information. I don't know if the staff has that. I just know that they have not moved their accounts and they do have a similar resolution to what the accounts are, as adopted.

>> So they are all trying to do the same thing we are trying to do. They weren't able to do it, either.

>> They haven't been able to at this point, yet.

>> Spelman: Thank you, ma'am. council member tovo.

>> Tovo: I have just a couple of follow-up questions. I appreciate the work you did in look into the other cities that have passed similar resolutions. Are any of them -- I think what I understood from your comments is that none of them have transferred their funds. Are any in the process of transferring funds to credit unions or smaller, locally owned banks? As of early march, none of them have moved their accounts and they are not in the process of moving them, is our understanding, although they have adopted a resolution to look at alternative banking arrangement.

>> Tovo: And is it your understanding that it's the same -- basically the same issues we are facing here in austin, of the amount that would need to be collateralized?

>> I believe it is the same issue. They are all very large cities and would have the same problem with the volume of transactions and the same kind of business -- business activities that we conduct here at the city of austin from a cash management standpoint.

>> Tovo: What is the length of time of this contract?

>> This is three years with two options to renew, so it's a 2012 month option, -- 2 twelve month option and a five year contract and that's what state law provides for, a five-year contract.

>> Tovo: The state law requires that you evaluate it every five years?

>> Yes.

>> Tovo: So would it be an option, to do, say, a one year contract to provide for some additional time to consider other options? To consider the resolution that the council adopted and, you know, allow for -- allow for you to transfer the funds and to do so in a timely fashion by may 31st but allow this exploration to go on, to consider whether or not there are any options for transferring services and funds to locally owned or a credit union?

>> Not under the current application for depository. When you look at this contract, you look at a huge expense that they have to do that they don't bill us that is part of that transfer. And the workload that they have to do that they are going to be spending thousands of hours, and so when you look at that, you look at how they are going to have to write down their cost, and so we looked at the recovery time period so that they can get return on their investment, be able to

recoup that back. Thirty-six months is about the minimum window. hart said, you can use a five-year contract. We chose minimum we could do to get the best rate structure which is 36 months, so if you do it any less than that, then the fee structure is going to be significantly higher because they won't have any time to recoup the cost of the transition between the two and, again, it's a big effort and the second thing is that it's a huge effort for staff.

>> Tovo: For staff here?

>> We will be spending -- personally, unfortunately, but a lot of people will be spending a lot of time to work on this. They have to move the accounts. They have to go through -- we have to test the ft system, the wire transfer system, because we want to make sure that it flows smooth and there isn't any impact services to the citizens or to any of the checks to make sure those all go through. It's a very laborious process. Thirty-six months, you talk to any of the agencies, it is really about the minimum you can do and get that point to where you want to maximize and you want to make sure we are getting the best bang for our buck.

>> Tovo: Okay. And you had mentioned in part a few ways in which the city uses, you know, a few of the programs that are working -- working with local credit unions. Are there other -- are there other portions of the city finances that could be -- could be managed by a local -- a locally owned bank or a credit union?

>> Again, we are going to look at that some more. Motion of that would be a situation where there's -- we are working at the consumer level, like this loan program, or for our employees, where they are making specific investment decisions for their deferred comp, but we will continue to look at that to see if there are opportunities.

>> Tovo: Great.

>> We just haven't identified any as of yet.

>> Tovo: Any additional. Will you be reporting back to -- can you keep --

>> yes, we will keep you informed. Yes.

>> Tovo: Okay. And I assume -- we had asked the resolution we passed ask for -- asked for staff to report back within 60 days and I assume your memo -- I mean, your memo does answer many of the issues we addressed. So do you think you might have additional information for us, about other opportunities or will that take a bit longer?

>> We will go ahead and look and see if we can get you something else to supplement this in another 30 days to meet -- meet the 60 days time frame.

>> Tovo: Thank you very much the. i entertain a motion on item 56. Mr. izenhoom. Spelman.

>> Spelman: I am very unhappy to do this but I move approval of the item. council member spelman moves approval. Is there a second? Second by council member martinez. Further

discussion? " opposed say no. Passes on a vote of 6-0. Go to item 57, pulled by council member martinez.

>> Martinez: Thank you, mayor, this is an item postponed from previous council meeting requiring our janitorial services, contract through austin energy and we received a memo literally right before the council meeting so you may not have seen it but it does a side by side analysis of the services that will be provided under this contract and the cost associated with those services, and then it shows a comparison of whether -- what the cost would be if it were -- if those jobs were to be kept in house through city of austin employees. And the basic difference is, is benefits. Benefits and retirement. That the city offers its employees. So for me, one, that's substantial. That's important, but, too, we are in this '11-'12 work session cycle trying to define what is the best rate for austin energy and what is the best impact -- or the least impact we can have on -- on residential ratepayers and houses of worship and i think all of those are really appropriate conversations, but in the context of everything that we do, I think this is also appropriate, that -- I don't see how we can be asking or going through this process and eventually going to ask our citizens to pay more for electricity and then contracting out several hundred jobs. Especially when, in the grand scheme of things, yes, it is more money. 2 million differential, but we are talking about substantial jobs that would have a lifelong benefit, and so I can't support moving forward with contracting these services out, when I believe we should be doing everything we can to make those -- these types of jobs available to citizens as city of austin employees, so i am going to make a motion, mayor, that we reject this item, and if necessary, I am prepared to try bring back an item to council for consideration as soon as possible to direct staff to create these positions and services within the city of austin. move motion by council member martinez to reject item number 57. Is there a second?

>> Tovo: Yes. I am going to second it. second by council member tovo. Any discussion? Council member spelman.

>> Spelman: Is there somebody from ae who can speak to this contract?

>> Carey overton with austin energy.

>> I assume you have had an opportunity to review the internal proposal?

>> Yes.

>> And you are also familiar with the external proposal that this rca is urging us to adopt?

>> Yes.

>> Spelman: What is the difference in cost between the two of them, how much money are we talking about?

>> Council member martinez identified what the major differences are. They are very, very similar but it becomes a cost differential \$2 million over the five years of the contract.



>> Spelman: Okay.

>> And that's primarily because of wages and benefits. And then there is some small differences in the service delivery, but I think -- I think for this discussion, they are fairly close.

>> Spelman: Okay. So the the only difference -- how much is the difference is wages and how much is the difference benefits, can you tell?

>> I would say about 87 percent of the total contract differences is -- is both wages and benefits. How much of each?

>> [Indiscernible - no mic]. Pat albrow austin energy. The difference in the contracts is about 70% cost is labor and 30% of the difference is benefits.

>> Spelman: Okay. So 70% of the 87%, or 70% of the whole thing?

>> Yes, 70% of the 87%.

>> Spelman: So of 87%, 13% something else, fewer people, better equipment, something like that?

>> That's correct.

>> Spelman: But of the vast majority of it, 70% they are paying lower wages and 30% they are paying worse benefits?

>> That's correct.

>> Spelman: Okay. The benefits, it is easier for me to understand, so let me walk through a scenario and see what you think of this. If we are -- first, is the outside contractor paying any health benefits at all?

>> The contractor is offering health insurance but they do not pay .

>> Spelman: They don't pay for health insurance and of course city employees get health insurance through the city?

>> That's correct.

>> Spelman: So one big difference. What is the take rate for the health insurance for their contractors? Do we have a number of how many employees accept their offers.

>> We talked with the employees which is at the building we are at, town lake center and most said they did not taken surance because it was very expensive.

>> Spelman: Okay. So it means if they get sick, family members get sick, what do they do?

>> They use the local services, hospitals here in town.

>> Spelman: Which means ultimately we are paying for it, right?

>> That's -- that's correct.

>> Spelman: So one way or another, the city of austin will be picking up their health insurance problems?

>> That's correct.

>> Spelman: Okay. Now that's about -- that's -- the primary difference in benefits, is it health insurance or --

>> health insurance and retirement. Those two items are the larger items. There are some other minor benefits but the big ticket items health insurance and retirement benefits.

>> Spelman: Okay and the contractors don't have retirement benefits?

>> They don't have retirement.

>> They have to stay for their retirement and 70% is labor, wages lower and have to find ways of saving for retirement on a much lower wage than city of austin employees also getting.

>> That's correct.

>> Spelman: Remind me, how much is size of total contract?

>> It's -- the total contract on the proposed have contractor is 2.9 million, almost \$3 million.

>> Spelman: 9 or 3 and there is a substantial difference between the internal and external proposal so a fairly big percentage, 30% of that difference.

>> True.

>> Spelman: Operate, at least, some stont I can't recall portion of this the is not really a difference because we are going to end up having to pay for the contractors' health problems anyway, and at some point we will probably have to pay more because their wages are so low that they won't be able to pay for saving for retirement, also. Is there a way in at least conceptually, of taking that into account at an all end proposal where we are actual talking about total costs to city taxpayers of each of two proposals, not just financial costs in the short run but also social costs that will have to pay, for example, through brackenridge and the health clinics.

>> Purchasing officer. Not easily, but for two reasons. We can't identify what our true costs that are directly billed to the city. The second thing, we can't -- actually there's an attorney general's

opinion that deals with the issue of adding benefits -- health benefits to contracts, and it says that you can't, as an agency, or the state, competitive bid law, you can't do that.

>> Spelman: Can't do what exactly?

>> Can't have a requirement for health benefits.

>> Spelman: We cannot require health benefits from contractors?

>> That's a correct statement. It was attorney general's opinion. It was issued in 1990. Tissued by maddox. I happen to know it very well. I was at the city of huitt and headed contracting for services and the attorney general opinion was one of my contracts.

>> Spelman: I presume your response to that attorney general opinion is very similar to my current response to the attorney general opinion. Okay. So there is no way we can require benefits of contractors? The there a way when evaluating competing contracts we can take into account that contract ortor who is do not provide benefits are going to cost us a whole heck of a lot of money which is not going to show up in the balance sheet?

>> That is an issue that in purchasing we looked at for years and it is hard to quantitative put a number to that. You really can't. Because you don't know whether people have a spouse that they can get either benefit or health benefit or something from, and it's really hard to do it. It's such a moving target that to do that when it's not really a good evaluation criteria, and so you like to have something that is really a black and white issue, you can put a number to it. You can feel confident. And that's a number that's really hard to be able to get an answer to. No, there is no easy way to do that.

>> Spelman: No easy way to do that and it's not something you have tried to do before?

>> Yes, a lot of agencies have tried to do that one. We have tried to look at it. We actually asked some questions. We do ask if they -- if they have benefits or not. We ask them to declare it. We ask them whether it's paid or not do we look at it. But for evaluation criteria, it is really hard and, again, it's a question that a lot of agencies look at at and we look at how to deal with it, as a purchasing group, it is not really a quantitative number that you can really hold.

>> Spelman: I understand. That would be a whole lot of assumptions you can make in order to come up with any number and of course you wouldn't know whether your assumptions are accurate or not the next 20 years to see what happens to people. Let me ask you another question and then I will stop. We have the internal proposal which is paying a wage to who would be city employees for doing janitorial work and we have the contractors who are paying wage to their employees for doing janitorial work. Roughly number of ftes in both of the proposals is about the same. Difference in them is rate, right?

>> This that's pretty close. They take a different philosophy. A lot of janitorial companies uses a model that says you can do this activity within certain time periods and so but generally the ftes are very close. You have people that required to be day work, they have to be there regardless of

whether they finish early but they are very close. so same number of ftes, but something like 65% of the difference is due to the wage rates? What wage rate do we pay to the average person who is doing the kind of work we are talking about contracting for or?

>> That -- I --

>> Spelman: overton may have an answer for you.

>> Eric stockton with building services. Our average wage weight for building and grounds, averaging out around those positions is about 13.24 an hour.

>> Spelman:24, That's what we are paying, how much is the coottor paying? 15 an hour. Eleven dollars.

>> Spelman: Our living wage floor is \$11 and they are scraping along the edge of that floor? we say will you commit to the living wage and they say, yes, but they won't give that information per employee, generally. They will say we meet that or we exceed that one, but generally they won't want to say I pay employee a \$11, I pay employee b \$12 because there may be a discrepancy between them, but in all cases, it's our our living wage and above what the standard federal minimum wage is.

>> Spelman: Okay. And that difference of \$2 and a quarter or so an hour more or less is the difference -- vast majority of the differences between these two proposals. Okay. Is the city recommending the internal or the external proposal?

>> The current recommendation is that we go with the contract that was dead on award.

>> Spelman: Any are reason for picking external proposal other internal proposal, other than it 2 million cheaper apparently?

>> I think the answer is -- the answer is what happened is there was a decision a long time ago to not go to a staff response and go to on austin side contractor and this was the outside contracted response and so we have not really had a formal response. We have done this work now to do this one, so I think everybody here, it's something that every department looks at, whether there's a contract or whether they can staff through the budget process. They usually do that through the budget process, but the concern right now, again, is the fact that, one, it is cheaper to do this one, our current employees to do it. This situation currently has -- the current contractor is the contractor to be awarded a new contract, and so the employees, some of them have been on the contract for the life of the contract, for over three years and so they are going to continue to be employed and have work and basically -- the city and austin energy has looked at this and said this appears to be the best fit.

>> Spelman: And we have been doing this contract or contracts like this for several years, have we not?

>> That's correct.

>> Spelman: And this is just reupping the same contract as we made a decision a bunch of years ago, we are doing the same thing we always have been doing?

>> We treat the scope a little bit. We try to make sure that we have the correct things in the way the legal language, from the law department, from indemnity and hold harmless hand make sure we can do that one. But it is basically the same contract with a few tweaks to make it better each time.

>> Spelman: Is the internal proposal responsive in all respects, had it been submitted from some external contractor, it would have met all of your standards?

>> It would appear to.

>> Spelman: Okay.

>> Thank you.

>> Mayor. pro tem . >> Cole: BYRON, I HAVE A FEW Questions for you. First of all, I think it is important to distinguish whether or not we, as the city of austin make any direct payments to any health care providers that may be providing benefits to these workers.

>> Boy, that's a good question and I am not aware of any on a contract that we do but I am not all inclusive. I am sure if we ask health and human services, maybe they know of agreements but I don't know of any.

>> Cole: I mean, we used to own brackenridge and we no longer own brackenridge.

>> That's correct.

>> Cole: Okay. So -- and we know, like you said before, that some of these workers may have insurance benefits through their spouse. Correct?

>> Cole: And sol of these workers may actually have medicare or medicaid benefits.

>> Right.

>> Cole: So when we talk about trying to evaluate the differences between benefits and who is paying that we are looking at the payments that will come from the entity, the city of austin, where our money comes from, property taxes, sales taxes and austin energy revenues. Is that correct?

>> Correct.

>> Cole: Compared to the benefits payments that would come from another entity like brackenridge hospital, which i believe principally comes from other patients. Is that correct? Okay. So it's really a question of who is going to pick up that tab, whether it is the patients of a

particular entity, as opposed to the people who directly contribute to the city of austin? That means yes?

>> If that was a question, the answer is yes.

>> That was a question.

>> Yes, again and I think I said to council member spelman, the same of whether or not they -- again, it is a moving target. It could be an employee, it could be the workforce as the workforce changes. It does that one, and as we know, many people have a spouse that maybe works somewhere that doesn't have benefits. Mine has done that for years around.

>> Cole: Do you know if the employees that this contractor is planning to hire the same employee or similar to the same employees in terms of their background, education, that type of thing? Would those be the same people that we would hire?

>> That's a good question and, in fact, we looked at whether or not the -- the people that were doing the work would meet the similar job descriptions that we have, and the answer is, we would have to interview. We would have to work with hr to interview everybody, so we couldn't say that they would do it -- I mean, they are doing the skill set, obviously, to perform the work but we don't know whether or not they would be able to do it. I couldn't -- I wouldn't feel confident in answering that they would meet our job descriptions or not. I just --

>> Cole: What I am trying to figure out is if our higher wages that we pay is a result of the requirements for these jobs being higher, like more experience? Or is it simply the city of paysor more?

>> It could be both factors, like I said, when you hire someone, you put them through the human resources department and depending on the job description and minimum level required and how many above that, zones 1-4 so we have a staff that have been here a time period and that could be a factor, but, again, we don't know without looking at each individual employee and we haven't done that and law would discourage us to get involved in the employee-employer relationship with a contractor.

>> Cole: I understand. Well, do you know if we were to bring these positions in house, if they would fill some vacancies that we currently have?

>> I do not know that.

>> Cole: Does anybody know that?

>> We could certainly -- we would certainly look at that and if they meet the minimum qualifications, we can work with hr on -- on taking that -- those kind of steps, and I have not had a chance to review any of the qualifications and how they do their division of labor. We have a set of qualifications that are pretty universal so we have maximum flexibility with our building

and grounds assistants so they can do a number of different tasks and skills. It just would more time and deeper analysis for me to answer that definitively.

>> Cole: If we assume they would be fulfilling vacancies, wouldn't the 1 -- and I am taking a different tax because i think we need to evaluate this one very, very closely, because we have setting some precedent for how we handle this. If they were filling vacancies, wouldn't the differential between the contract, if we bring people in house versus opposing this agenda item, be lower? Because we actually -- not lower -- but because we actually have budgeted for the vacancy?

>> Well, the vacancies we have now are already assigned to sites. If we have a vacancy, that site is operating in an impaired manner. Or we are using overtime to meet the basic needs of that site. The vacancies that we have would address current operations without absorbing the additional facilities that are represented by this contract.

>> Cole: Okay. So we probably still have about a million dollar differential?

>> Most likely.

>> Cole: Most likely. Okay. Well, I appreciate the answers to those questions. I think it is a very interesting predicament that we put ourselves in right now, and i know that we went through extensive efforts to hire, because of vacancies and because of the change in the economy over the last three years, and so I appreciate the motion for us to carefully consider it and I do believe I will be supporting it. I have a couple of questions. First of all, do city departments contract out janitorial services?

>> Yes, they do. We have a -- we actually supply custodial services to about 78 or 80 city facilities out of inventory of about 200. Some of those are fire stations, which there are quite a few, 44. They take care of theiral facilities and we help them out. In other words, it is a mixture of services. It's a -- we try to be as efficient as possible so we use other departments and their resources. Some of the departments, particularly enterprise departments contract out, and some of the departments have their own in-house services. For example, aviation. so the majority of it is in house but there are --

>> I believe so, yes.

>> Mayor leffingwell: Substantial number of their contracts? That's correct. second of all, and I am asking this question because of the answer i thought I heard from one of council member spelman's questions, that we could not require that our contractee offer health insurance. So I guess my question is, by denying this contract because they don't offer health the insurance, are we, in fact, requiring them to offer health insurance?

>> I will have to let the purchasing officer and that one. it might be a legal issue.

>> Carrie are grace for the law department. I think I understand your question, mayorch. And I think the answer is no if we reject the contract -- or reject the item and decide to staff it

internally. We are not in some odd way requiring the contractor who is on the agenda today to have -- to pay for those benefits. We are just choosing a different sort of policy direction. I understand you could outright reject it for no reason at all basically. But given the discussion on the dyas, it is definitely inferred this is one of the reasons for rejecting a contract like this. I just want to make sure that didn't play into that.

>> No, sir. I think we are fine.

>> Mayor leffingwell: okay. One more quick question. By rejecting this contract, and I think it was touched on by perhaps by other -- are we going to cause the lay-offs of a bunch of people who work for this specific contractor, or are those -- are those contracts ongoing right now? They are contracts that continue? Their employees are getting laid off? Is that the scenario?

>> Yes. Mayor, it would be a delay. We would not know until we go through the hr process how many of those employees would actually be the same employees who could come on as ftes with the city, but during the delay there could be a potential, that some of those employees who are currently working will not be employed after the process is finished. we won't know that for a while until we go through that process? It can be staff internally and so maybe if that's the thing to do, see how -- evaluate how it would work out. And we already have done that from a cost perspective. But it could cause people to be laid off? That's correct. Council member tovo.

>> Tovo: I have a question additional questions. Just to follow up on the mayor's question. Are there any reasons you know of that the existing contract employees would be prohibited from applying for those full-time positions?

>> Byron joshnson again, we don't know. We have very specific things, I don't know whether there is background checks. I don't know whether they -- we go through a process with our hr that determines the eligibility and, again, then the best candidate is selected, so if other people that have -- are more qualified, then these people, again, might not do this. The other people with a company may choose to not apply to our job for whatever reason. Maybe they only work two days a week and we are going to require full time. So we don't know what -- what they will do or whether they are will want to stay with the company and hopefully the company will find someplace else for them. We don't know that.

>> Tovo: I was really asking -- and I understand the hr process you have described. But I was really asking about whether there is anything you know of in terms of their agreement with their company that would prohibit them from now applying for the job -- other industries. It's not a noncompete clause, I don't think it applies in this case, but I want to make sure they are not going -- sometimes with a temporary agency, certain restrictions around whether or not you can apply for a permanent job at that company and I don't know if there is anything kin to that with these employees who are working for this company.

>> You are correct. There are those clauses for a lot of different companies that they say when you go to a client, you can't, then -- you are prohibited from working. We are not aware of that. That's not something we would ask this this type of scenario, when it is an existing contract,



because we didn't anticipate that that would possibly be -- go to in-house services, so i wouldn't feel confident and the company is not currently in the chambers so I couldn't ask it.

>> Tovo: Okay. Just in looking over the cost comparison, which I very much appreciate. I think there is good information for us. I notice -- can you just describe to me what the increases are from year to year? Are they primarily anticipated staff salary increases?

>> Yes. Each year both has an escalator. In that, the numbers that you received, the escalators for the contract is at 10%, and you typically will see about a 3% increase in the city employees' benefits as well. And so those differences are reflected throughout the years.

>> Tovo: All right. And, you know, we could have a discussion, I suppose, about each line item but I imagine you have -- that building services have done their best in terms of I do have some questions about why it's more expensive for the city to provide materials and supplies than it would for the contract company. I assume that the city has great buying power, too, because we are buying on mass. So I do have some --

>> I will let building services answer the question about escalation around the materials but substantial and total 2 million, you will see it are reflected as a fraction each year of the escalations, so, primary again, each year, 70-80% of that is the difference, so the supplies would be a small portion of that.

>> Tovo: And I was more -- I was really asking about the differential in the materials and supplies more than the escalation.

>> Very small.

>> Tovo: But it's sort of immaterial. It amounts to 10,000 and the contract differential is more than that.

>> Exactly.

>> Tovo: So it is mostly salaries and benefits. Do you have a sense of the turn over of the company that contracts? What the turnover is like at the company they contract?

>> Well, because this is narrow and they are very specific to a plant, operations and also one of our administrative buildings and my understanding is these employees have been working on this job and on this contract for quite some time so it has been very little turnover with the employees.

>> Tovo: Okay. Thanks. And I seconded the motion so i am going to support it. I think there is a difference, for me, in terms of this contract than the one we considered earlier. We -- I think it was at our last meeting we had a contract for 311 employees and we had a very good discussion at our work session and back-up about why there is a need for -- why that made better sense to have -- sorry we didn't approve it, we had back up information about the 311 employees and why it made sense to approve as contract basis so you can staff up as appropriate times were -- when

you needed more staffing and this morning we had a contract we approved for the park services that was a similar kind of situation, where those jobs are being contracted out, again, to allow for additional staffing, because it was not an ongoing need. It was a time sensitive, limited to a particular time frame. So in those cases, it does seem to make better sense to hire contract employees. In this case, where we are sure it is going to be ongoing need that Austin Energy has, I think it makes better sense to have those fast internally, for all of those reasons my colleagues have mentioned, I do think we are spending a fair amount of public money on these jobs, regardless of how they get done and I think we should be mindful of what those jobs are like and whether it provides a fair and living wage for people who occupy that position and I think we have a better position for doing that if they are internal and allow for benefits for people to actually be better, so... all in favor of the motion to not approve item number 57 say aye. Oppose say no. Passes on a vote of 6-0. Takes us to item number 73 number of folks signed up to speak. We already had a presentation on this item.

>> Mayor and council, just to remind you, this is a zoning case and a neighbor plan amendment and for the university of park area, I understand the applicant is here and will probably approach you and request a postponement. This item has been brought to you I think three previous times, first two times, there was a staff postponement because there was a delay at the planning commission. Next time it came up before you was like two days before the planning commission acted two days before the hearing and then it was postponed the last time it was brought before you. You had first reading. So -- a discussion of postponement?

>> Yes.

>> Mayor Leffingwell: Discussion on not on the merits of the case but a discussion on whether or not to postpone it so what we will do is we will hear from someone on the applicant side and then we will hear from someone on the opponents' side, folks against it and then we will make a decision whether or not to postpone. If it's not postponed we will hear this case again.

>> Again, this is item 73 and 74. that's correct. Applicant.

>> Mayor and council members, we are [indiscernible] Kenny is not going to be able to make it. He did sign up to speak and I am here [indiscernible] and we trying to see if we can get on the agenda for next week and we will be ready at that time. thank you. Does someone want to speak on behalf of those opposed to items it is 73 with regard to postponement? Do you agree with it or disagree? Anyone? Yes. Please.

>> I am Lynn Marshall and vice chair of the university hills contact team and given what need has said, we are prepared but we have no objection to postponement under these circumstances. thank you. Entertain moment to postpone item 73 and 74 until April 5th. Pro tem so moves. Second by council member Spelman. " aye opposed say no. Passes on vote of 6-0. Postponed until April 5th.

>> Thank you. Greg Guernsey and the number item is 31, at 76 fall well lane and my staff has been in contact with the property owner Esagent and I understand this case is withdrawn and so there is no action required own 81 thenning. Mayor, I believe you have two individuals who may

have actually signed up on this, but given that the property owner has indicated to their agent this case is withdrawn, no action is required and the zoning would remain as it is at this moment. so item number 81 is withdrawn?

>> Item number 81 is withdrawn. Correct. Writens us to item 82 which is c14-2011-0103. Eighty-two is a zoning change can located -- for property located at 1206-1218 east 51st street, located in windsor park neighborhood. A zoning change request to gr-mu-v-co-np, and that zoning change would -- is proposed to allow a bank with drive through lanes. The staff recommendation did recommend the zoning change to hall how drive-in services on this property. The planning commissions' recommendation did recommend this to you on a vote of 6-0. It does have support of windsor park neighborhood association and windsor park contact team and their betters are in your -- and the letters are in the back up. The property itself is approximately 1 and a half acres of land. It lies on east 51st street near linkister, it is a drive-through bank and the intention is that the building as it will be located on the property would be located on the south corner, which I guess -- can you turn the map slightly? Which would be in the lower right hand portion of the property. To the north, the property zoned mm2, multi-family and to the south is mueller on planning development, and to the east and to the west are both g mu,co-np. I will note the applicant didn't provide my staff a copy of a copseptional plan. They vice president submitted their site plan yet and the question was raised whether or not it would be in compliance with commercial design standards. My staff has looked at that conceptual drawing and would be on support of it and I think we have a copy we can show you but at this point I will pause and will happy to answer any questions you have at this time. questions for staff? I guess we will hear from the applicant.

>> Very good. Thank you. you have five minutes.

>> We have -- we are going to try to keep this pretty quick. Michael wayland on behalf of ibc bank. This has been a terrific journey that ibc bank has taken and you will hear that from the president of the neighborhood association as well as the bank. Over the past several months we have worked hard, listening, having open dialogue to get overwhelming support by the contact team and the neighborhood association after that support was originally not there. We are really proud of that. Ibc bank as you may or may not know is the largest hispanic owned bank in the united states. It has local board of directors. It has offices -- their offices are open saturday and sunday. They do look to serve the underbanked, something that is very important in this area. There is a lot of payday loan and other opportunities that the underbank might not -- might take advantage of instead of using a bank and that's why they saturday hours and sunday hours. They have bilingual staff and do specific outreach in the neighborhood schools to help the underbanked. The discussions we have had have included looking at the neighborhood plan and trying to meet many of the identified goals of the plan, including a community room, which will be available at the bank for anybody to use. Nonprofits to use that aren't politically affiliated, that don't support republicans or democrats and support nonprofits. Including the community organizations. That was one of the goals set forth in the community neighborhood plan. Several other goals including a sidewalk all the way to 52nd street, and, ultimately, and you will hear a little bit about this from janet swinson, president of the neighborhood association, they leveraged the need for two drive throughs in the rear of the property, which was something that was prohibited in the plan. They just leveraged the hell out of it and got a lot of stuff and it worked

great. It's a great way to compromise and to get a lot of the goals in the plan met. It is true, that the neighborhood plan has as its prohibition the two drive throughs and you will hear from kroviak who has been the loudest, most vocal voice against it, despite the local support of the neighborhood association and contact team, that is immutable. And I would ask you to ask him this question. Isn't it the case that the neighborhood planning process has specifically a way for the plan to evolve and to change, given the marketplace and given change circumstances? That's precisely what we did. We went to the contact team. We went to the neighborhood association and they leveraged our need for a change for a lot of stuff. So I would ask him, doesn't that exist? Isn't there a place in the plan and didn't michael and didn't bob barnes, the president of the bank follow that process and achieve success through months of dialogue? And I would also ask him, since he is a member of both mueller and windsor or has been, isn't it true the 51st street vision includes having this building close to the corner, is suggestion rick kroviak himself made to me and we did to expand the size of the pocket park along 51st street. A very good suggestion we incorporated into our plan based on his feedback and then ask him, when he comes up here, hasn't, hasn't bob barnes, been candid, open, and flexible, throughout their months and discussions and hasn't bob barnes said if I don't get community support I won't be here because a community banker doesn't come where he is wanted. It is low to moderate census tract. They are committed to this census tract in the windsor park neighborhood association and i hope you will as well by voting for this case. Thank you very much. thank you. For the record, I believe what wheelland really meant was they leveraged the heck out of it. All right. We will hear from those in favor. Cody sowen. Tell me if I mispronounced that. Donating time is charlene bartley. Is charlene here? She is here. You have 6 minutes.

>> Thank you very much. My name is cody sowen and the president of the gay and less bean film festival one of the sellers of properties today. I have been asked to represent the sellers group and provide a comments. After years attempting to sell the property we caught a lucky break. Several years ago ibc bank collected several properties including our own and through that we stuck together, we attended neighborhood meetings, contact meetings and worked with ibc to make sure we left a project to be proud of and we are very proud of the end result. People opposing variance today will not mention -- will not mention the countless hours of hard work that all parties put into the final design. Let me be clear. Not everyone got what they wanted. In reality, no one really did. The sellers have had their property off the market for twelve months. The contact team and neighborhood association didn't realize their initial vision. Ibc, I can't imagine how much money they have made michael wheelin and in the end we work together, ibc sellers and neighborhood and contact team to provide a beautiful market and catalyst for the neighborhood.

>> Cole: Oh, sorry. Mr. valdez.

>> Good afternoon, my name is joel valdez. My brother and I gary own one of the tracts, the adjoining tracts will belongs to my mother and four siblings who are in their 70s and 80s. I grew up in windsor park and my first house was purchased there. My parents still live there so windsor park has been a very big piece of our life and will currently continue to be that way. So we are excited about this -- we are very excited about this project with ibc bank. As cody said we had 6 separate landowners, stuck together own this project and a big part of that is we believe in this project. As you have the opportunity to see the site plan, it is a beautiful project. I love the idea

that growing up on 51st street, also, all of the trees that are there, they are still going to be there on the site plan. They have done a great job on keeping that. That's an important piece of that. The pocket park is exciting to see what they have done for the residents who are going to be walking and come to the bank, hopefully some of the children will use that park some. So it is exciting to see that they see the vision for windsor park, also, and it's -- and also, what I really was intrigued by -- never done this piece before but going through the process and working with the contact team, working with the neighborhood association, as cody said, we have had ibc and the landowners have kind of gone back and forth on different ways, how can this really be the best project or for this area and it was really successful process and I am very proud of that and proud that I had opportunity to participate in that. So we with really believe in this project and hopefully we can m&o forward on it. Thank you. thank you. Next is janette swinson and donating time is larry bartley. Larry is here and you have 6 minutes, if you need it.

[One moment, please, for change in captioners] I think coming back to the next meeting and saying yes, we can do that. I think we developed a really good negotiating process with them, which I really hope will continue as they move into windsor park as -- and have the -- the bank in the edge of our neighborhood. It's one thing that hasn't been mentioned a lot that I would like to mention is the fact that windsor park is the fact that it has a 37% hispanic population. This is a bank that has -- is the largest hispanic bank. And it is a bank that caters to what is called the underbanked. And I'm hoping that our neighborhood also has a lot of payday loan, payday lenders along cameron road. And if this ibc bank could close down one of those payday lenders, I would be extremely happy. Because I believe they are not an asset to our neighborhood. They're not an asset to the people who are forced for one way or the other to bank with them. I think so -- I think that we did have a -- we voted on this issue twice, both the neighborhood contact team which I'm not a member of but I did attend a lot of their meetings and also the windsor park neighborhood association. We voted initially to oppose it. But when they came back and said with new information -- and i think the key new information was that the two drive-throughs which were in question which were really a problem for the neighborhood and the bank that needed them, they agreed first of all to have only two. Then they want -- and then three -- they wanted three. They said we can do this with two. I think the final piece that happened between our initial vote in october and our vote in january was the fact that they said that the -- it would be written so that they would not convey to something other than a financial institution. And one of the concerns of the neighborhood is that we did not want drivethroughs for fast foods and to -- that would really change the character and the look of 52nd -- east 51st street. So that was -- that was important. And at that point, I felt that we -- that was enough new information to warrant reopening it. At the neighborhood meeting, we voted. First of all, whether to reopen discussions. And secondly, to -- whether to -- and that was voted on and approved by a significant majority people who are willing to listen and they wanted to hear more. And secondly, we voted -- we barnes, the president of ibc. And I think his constant reassurance to the neighborhood is that we will not come to your neighborhood where we are not wanted. I think that was -- I think that was an important thing and i think even for -- most of those who opposed this, I think that was a key piece of information. So, we did vote, 19-6 with four extensions to support ibc in their request for conditional overlay. So I think that -- I think that one other thing I would like to add, I think this vote was a totally legitimate vote. The property holders -- the property owners of the tract in question has been very faithful attenders of our meeting. We missed them the last couple of months. But they have been there every month. Some of them had

become members of the neighborhood association. They did not, however, vote on this particular issue. Some of us were eligible to. As property owners, residents, they did not. I think that was appropriate. I'm convinced it was a legitimate vote and look forward for working with -- continuing to work with ibc bank. Do you have any questions?

>> Thank you.

>> Next speaker is robert barnes in favor.

>> I'm bob barnes. You know I'm the president of the bank, ibc bank. We're the largest hispanic-owned bank in the country. One of the things I wanted to point out is that the process that we engaged in with the neighborhood and with the contact team was really not new to me. I'm a community banker. I believe banking starts in the heart of the community. I've always been a community banker. When I visited with jeanette and we started to have dialogue, i told jeanette that I'd been there, done that. In my past, I had been president of the homeowner's association in houston for several years with 2200 homes and I was used to conflict resolution and i understood where she was coming from. I understood the issues being raised. I was also president of a large nonprofit in houston for many years that effected huge change in the central city of houston and dealt with many issues at city and in through my neighborhood. I had been very patient through this process and it's been a very good process. For the most part almost every recommendation that the neighborhood came to us to make once we looked at it, went back to architects, engineers, evaluated it. We felt they were good recommendations. Even some of the comments that rick also suggested like having our building close to the corner were accepted, even though he will vote no against this or will speak against it, it was a good dialogue and I think the outcome was very worthwhile for the neighborhood and for ibc. We do have banking hours that are not only for saturday, but for sunday. We do and will have outreach for the underbanked and this is a low to moderate census track and it's important that our bank have outreach in this area. At any rate, it's been a great process for ibc. Jeanette, we will not forget you. I will be there. I will be attending your neighborhood meetings. And I'll be part of your neighborhood and our bank will be proud to be part of your neighborhood when we open our bank. Thank you.

>> Mayor Leffingwell: Thank you. In addition, we have shannon perry, steve and laura not wishing to speak. Those opposed? Rick prevoniak. Donating time is brian tree -- is brian here? Raise your hand high so I can see if you're here. Not here. Atlanta carpenter moore is here, you have six minutes.

>> Since I have that time, if you have questions of me, which apparently you were asked to ask of me, we can do that now or wait until I'm done.

>> Mayor Leffingwell: You have six minutes.

>> I want to talk about zoning uses on 1218 to 1218 east 51st street. Most of you know, for over 15 years I tried to make 51st street a place of connection between minute neighborhood and miller. I participate in the windsor park neighborhood association planning process to make sure it's addressed. This rezoned to allow for office, retail, and other opportunities but restricted automobile from going 51st to a pedestrian friendly street. Our neighborhood's plan commercial

design section noted in 2006 the city added design chapters to the development landing codes to improve the quality of commercial development in the city. Further stressing the commercial oriented development, the plan designated they be designated a corridor which the city council did in 2007. It says the vision of the line of developments in the neighborhood would will addressed to the site plan review process as all plans will be reviewed to verify their compliance with the dmsu standards. Ibc did not tell us at that time that drivethroughs were prohibited. We asked for fewer lane, better pedestrian in the futures and look at ibc to look at other windsor park sites where drivethroughs are appropriate. They returned and asked for support to remove the drivethrough restriction. They did not tell us the site plan failed to meet the dmsu standards. Both the neighborhood association and contact team voted against last fall and reversed positions in january at that time neither group was aware that this site plan is noncompliant. It's since then that i researched dsmu and learned how far this plan is from meeting the standards. Either ibc didn't do their homework or they weren't honest with the neighborhood. So if you change the zoning conditions today to allow the drivethrough use and ibc buys the six properties and submits a site plan that does not meet dsmu standards, what happens? Will ibc flip the six lots that now have drivethrough uses? Or what changes might be allowed to satisfy substantial compliance? And will that happen with any community input? Since ibc didn't respond to our request for a pedestrian friendly design. Or will they continue to resist until their noncompliant plan is approved. I've been asking these questions for two months. Can I get some answers today. Thank you.

>> Mayor Leffingwell: All right, those are all of the speakers signed up against. Do we have any questions? Thank you. Three minutes' rebuttal from the applicant.

>> there's no rebuttal.

>> Mayor Leffingwell: Council, entertain a motion on item 82.

>> I have a quick question of jeanette of the neighborhood. I don't know, where is she? What was the -- you told us the final vote that was in favor of the project.

>> The january vote at the neighborhood association was 19-6.

>> 19-6. Okay. Thank you.

>> Yes. That was the vote to approve. The contact team, I don't have the actual number, but it was significant.

>> It was significant?

>> It was -- it may have been like 6 or 8 -- does anybody?

>> Thoo's okay. They voted --

>> both of them voted by --

>> you were comfortable.

>> Mayor, I move approval.

>> Mayor Leffingwell: Mayor pro tem moves to close public hearing on all three readings, item 82, second by councilmember spelman, any discussion in councilmember riley?

>> Riley: I want to express my gratitude to everybody involve in the long process. This case has been here for a long time. I respect everyone's commitment to the vision for 51st street, especially in the light of the concerns that he's raised. I shared some of those same concerns about that long-term vision. But I also respect that the neighborhood association's ability to engage in discussions with the applicants like ibc and to take advantage of opportunities to secure other valuable benefits with the neighborhoods such as the SIDEWALK, 52nd STREET, AND PARK On 51st and the judgment o the neighborhood contact team on matters that relate to issues addressed in any of the plans. So, in light of all of the hard work that's gone in to securing those agreements, I'll support the motion.

>> Mayor Leffingwell: Have a comment? All in favor say aye, aye. Opposed? Say no, this passes on a vote of 5-0 with councilmembers martinez and morrison off the dais. Correction, 6-0 with councilmember morrison.

>> I'm with the planning review department. Your final zoning item is 87. C-14, 20120020. This is located on 2807 macacha road. It's to change the commercial zoning to community combined district overlay to change the condition of a zoning. In june of 2007, the owner of this property had the property rezoned from cs to csc0 zoning. The purpose of the zoning request was for the applicant to build a vertical misused for vmu project. The vmu ordinance had been approved by the city council but the code was not amended to adopt the v overlay and the opt-out process had not been put together yet. So at that time, the applicant used the staff to determine the best way to allow them to do a vmu was through overlay. We incorporated three sentences into the ordinance to allow them to do vmu. As part of that case, the applicant reached an -- the owner reached the agreement with the neighborhood and followed six months later with another zoning request. They agreed to a number of things on a property including parkland. They also agreed on this property to downzone the property from cfco to grco with the intention of doing the same project because it would be in zoning categories. At that time, the staff made a mistake and did not carry over the three conditional overlays from the ordinance to allow them to do the vertical mixed use zoning. At the time the neighborhood did the opt-out process, it was skipped over because the presumption was it had vmu, therefore there was no need to discuss it. The applicant submitted the site plan for the vmu project and we discovered the error in carrying over the previous conditions. So at this time, staff is simply requesting that we add the three sentences that were in the original ordinance, bring them over, and allow them to receive. The planning commission is recommending approval of this case. They had one condition. That was that the heritage tree ordinance be followed. The staff is not recommending this condition be added to the ordinance because the tract -- the the property is subject to the heritage tree ordinance and the site plan is under review, including compliance with the heritage tree ordinance. There are 19 heritage trees on the property. The applicant is proposing to save 18 of them. The 19th tree is



determined by staff to be in such poor condition it's not worth saving. So they are complying with that ordinance and with that, I'm available for any questions.

>> So that's the conditions on the tree ordinance, does that include --

>> the staff included that should not be included in the code.

>> Mayor Leffingwell: But the plan is to comply?

>> Yes. We're reviewing it with compliance, yes.

>> Mayor Leffingwell: Any more questions of staff? You have a presentation by the applicant? Did you have a question.

>> Morrison: I do have a question for staff. Why are you recommending it not be included in the conditional overlay. It may be redundant if it's required to comply. Is there a danger in including it in the overlay as well?

>> I don't believe it's a danger. It is because of the redundancy. We feel if we do it this time for one case, maybe in future cases there will be more times that we have to repeat the code and we feel it's already in the code and there's not a need to do that. It's just the way we see it.

>> Tovo: There's no question?

>> There's no question whatsoever.

>> Tovo: That they need to comply.

>> Right, it's under review currently. They agree.

>> Tovo: Okay.

>> We are the applicant. The city of Austin is the applicant.

>> Mayor Leffingwell: No one signed up in favor. Michelle Robinson Lynch is signed up in favor. And we have Michael Fossom signed up against.

>> Mr. Mayor, councilmembers. I'm the executive director of the Austin Heritage Tree Foundation. I'm here to speak against the rezoning of 2807 unless the developer and city staff makes all possible efforts to preserve the protected and heritage trees on site and encroachment on the tree's critical root zone. The heritage trees are worth protecting. Please direct the environmental reviewer to go beyond when city code when possible to be extra creative in the root zone of heritage trees. Protecting the critical root zone is important now in a time of severe drought. We reviewed the site plan a couple of weeks ago. And then the heritage trees would be significantly impacted. I included a couple of examples in the handout that I gave you. I think the environmental reviewer may solve these issues once they review the plans. But I'm concerned

with the amount of construction is so large that it impacts and encroaches on the heritage tree root zone. So it will be preserved as required by the tree ordinance, but they will be impacted by the construction and this is allowed by the city code. The city code is weak on this topic. While most tree loving cities require the entire root zone be preserved, Austin requires only half of the root zone be preserved. Heritage trees need more than half preserved. The outer half of the root zone that the city is likely to impact is very important to older tree, heritage trees, because that's where the feeder roots are that absorb water. Developments push the maximum available and so many heritage trees are impacted in this case. Construction is encroaching on the root zone of many healthy trees and this is allowed by code. For instance, four trees in one area, two heritage-sized live oaks where a new road will be built right over part of their root zone. It will be built over half of the root zone of the smaller trees, one half of the tree's drip line. The landscape architecture is the steward of heritage trees. Please challenge them to go beyond the city code and aim at nonencroaching on the critical root zone wherever possible. I often find that all it takes to save a tree is to challenge the designer to do so. The misconception that trees will be okay because we've been doing it for years and because it's allowed by city code. The problem is that it takes years for trees to dry after -- die after construction encroachment, so we attribute it to age or drought. Please look at the two pictures I gave you. That type of encroachment on the tree zone happens all the time. The heritage trees may survive, but they won't thrive. Thank you.

>> Mayor Leffingwell: Any rebuttal by the staff?

>> No, mayor. Other than to say the property owner will comply with all current city code.

>> Mayor Leffingwell: And council? Discussion? Councilmember Spelman wants to close the public hearing. Second by the mayor pro tem. Any discussion? All in favor say aye. Aye. Opposed? Passes on a vote of 6-0.

>> Thank you, mayor. That concludes zoning.

>> Mayor Leffingwell: Okay. Item 88, I think, there are no speakers signed up.

>> That's correct. This is an amendment to the regular latering plan as directed by the city council through resolution what the amendment would do to revolve nonconforming use issue and the Burnett gateway area. We have certain buildings industrial design have yet to be redeveloped because the market has not yet taken effect. This would allow the uses to change tenants a little easier. Recognizing in to warehousing distribution, custom manufacturing, conditional and light manufacturing uses to continue on these buildings if the buildings are raised and redeveloped, they would have to comply with our current regulations. There are no speakers on this item. It was recommended by the commission. There are no -- and that's all I have to say, I guess.

>> Mayor Leffingwell: That's all you need to say, really, I think. Councilmember Marup -- Martinez votes to close the public hearing and approve 88. Second? Second by Spelman. All in favor, aye, opposed? No? Passes on a count of 6-0. That brings us to the last item on our agenda. We have approximately two hours and ten minutes of testimony. So unless there are preliminary remarks by staff. We had the briefing on this item. We'll go ahead and go to our public hearing.

And it may be necessary, I want to tell you, it may be necessary 30 for live music and proclamations, table this motion and come back afterwards.

>> Kevin Johns, director of economic growth and redevelopment. The purpose of this public hearing is to consider an ordinance creating an economic development program with Apple and authorizing the negotiation and execution of that economic development agreement. Representing Apple today are two people, Mike Faulks who is the director of state and local government compliance from Cupertino and Glen Goldman, the director. He's here.

>> Mayor Leffingwell: Do they wish to add to their comments from last week or just available for questions?

>> They're just available for questions.

>> Mayor Leffingwell: With that, we'll go to our public hearing. And take folks in order. In the order you signed up. First speaker is Richard Cleary. Richard Cleary? Gary Farmer. And donating time is Mike Rollins. Mike Rollins here? Don't see him? Dave Porter. Dave's here. Adriana Cruz, here. Laura Berlin, Laura Berlin? Looks like you have nine minutes.

>> Mayor, mayor pro tem, councilmembers, thank you all for your service and thank you for allowing us to address you on this particular topic today. I am Gary Farmer and I serve as the volunteer chair of the Greater Austin Economic Development Corporation and Opportunity Austin, both of which are affiliates of the Greater Austin Chamber. And I'm also an Austin resident and a small business owner here. Opportunity Austin measures every incentive deal by three basic standards. Number one, does it create jobs for families? Number two, does it create return for taxpayers? Excuse me, and number three, does it create accountability for corporations? The city of Austin incorporates these three standards into its established approaches and its adopted policies when considering economic development incentive agreements. Apple, of course, has made application and followed city process throughout this entire period. The agreement that you're considering today has been negotiated in good faith but Apple representatives and your city staff. The agreement will provide if 6 million tax rebate over a ten-year period. 6 million in tax revenue does not exist today. And it will only be created if Apple locates its operation in Austin and builds the 1 million square foot campus it's contemplating. 6 million in taxes due to the city. 6 million in taxes due to the city. And then under the agreement, and only in compliance with the agreement, will the city rebate 6 million to Apple over the ten years. So I think that today, the most -- the most important things to consider are the standards that we've talked about and the benefits to Austin. So are we getting jobs for our citizens? Yes, in fact we are. 3,635 jobs over ten years. As you've seen in the application, 90% of the jobs are hired locally. They're not bringing tons of people in from Cupertino. Those jobs on average, on average, will be a way -- wage of \$54,000 a year. In the collective, that creates \$196 million of wage to Austin-area families. And that's pretty strong. That average wage equates to a \$25.96 an hour job. Again, on average. Now, that's in the early years. In the later years, the average wage rises to \$64,000 per job, or \$30.76 per hour. Creating approximately \$232 million of wages, which will flow into our economy. Additionally, each of these jobs provides full benefits to the employees, including training, education, and tuition reimbursement. These are very strong jobs, indeed. So, standard two. Are the taxpayers making a return? Yes, in fact, the city of Austin and its residents will

make 6 million over the ten-year period. 6 million, the city still makes 6 million, or, on average, \$1,460,000 per annum. That's a very strong cash positive agreement for the city and the citizens. What about additional returns? The city, Travis County will make a strong return. The county will consider an incentive agreement as well. We don't know what that will be exactly. I can't particularly quantify the county's benefit nor the county's amount of rebate. But suffice it to say, the county will make a very strong return. And since many of your constituents live in Travis County, that is additional return to your constituents as well. Something that hasn't been talked about is the fact that Austin Community College will have a very strong return, Central Health will have a very strong return. Probably in the \$250,000 to \$300,000 per year range for each of those jurisdictions. Then Round Rock Independent School District will have a significant return. The third standard, accountability. Will Apple be held accountable? Yes, they will. If Apple doesn't build the buildings and Apple doesn't hire the employees as outlined in the agreement, then Apple will not get the incentive at all. This particular agreement is totally verifiable and absolutely enforceable at your will. So, what about intangible benefits? The standards have been met. The tangible benefits looked very strong. So what about intangibles? Well, to start with, Apple is a marquee company. It's a global name. And I think that Apple, by selecting Austin, has validated us as a very good place to live, work, and play. A very good place to come and create a career, have a family, have a life, and enjoy what we enjoy quite handily. That's a very powerful message that will resonate around this country if not around the globe. The ripple effect of this economic engine will be phenomenal. As I said, I'm a small business owner. I think it will maneuver to our benefit. It will benefit many local businesses, large and small, including retailers, restaurants, local artisans, all -- all walks and shapes of businesses and people will benefit by this enterprise. Apple's charitable giving policy is incredible. I was absolutely amazed when I learned that Apple will match dollar-for-dollar up to \$10,000 per year any employee giving to charitable causes. Many of our charities will prosper with Apple in town. And I've seen the process. They showed it to us. It's amazing. The employee simply goes to the proper place, makes the contribution. Submits it to Apple. And they send the check, no questions asked. Up to \$10,000. That's pretty strong. How about other intangible benefits? How about intangibles on the most personal of levels. When an unemployed person gets a job, that creates dignity. When a father gets a wage that allows him to stand up to his financial responsibilities, that creates integrity. When a couple can afford to buy a home or start a family, that creates prosperity. And I think when a family fully employed can spend time with their kids going to a ball game, taking in a movie, that creates hope. Those are pretty strong intangibles. I think 3,635 new Apple jobs creating in this community dignity, integrity, prosperity, and hope, that's a pretty fair trade. It's one I'll hope you make. I urge your approval of this agreement. Would answer any questions you might have. Farmer, I have a couple of questions for you.

>> Yes, ma'am.

>> Cole: You focused on the \$8.6 million. I understand that's the city's grant. Will you talk a little bit about the return on investment in terms of direct benefits to the city. Because I don't think it's been made clear that the dollar sum is a direct benefit.

>> Mayor pro tem, you know the city has adopted, as have many of the cities across the country a program called web loci. It takes all of the information, puts it to the program, it measures total benefits and total costs. Okay? So within that program and that calculation, all of the taxes paid,

the various things that create benefit for the city are -- are contemplated. And then all of the costs, the extra police, fire, ems, librarians, all of those things were also contemplated. And you get a net-net benefit. So included in the burdens are the \$8.6 million in rebate. And after you account for that, and you look at the bottom line, 6 million net benefit to the city of austin.

>> Let me ask you something. Because we're talking about adding 3600 people at \$54,000 a year. Does the web loci calculation include the potential sales taxes?

>> Yes, ma'am.

>> Cole: Okay, correct. Any other questions? The mayor is back.

>> Mayor Leffingwell: Thank y'all very much. Next speaker is gus pena. Gus pena is for. Brady ledesma. Is brady ledesma here? Brady is not here. So you havehr minutes.

>> Mayor, councilmembers, gus pena, proud native east austin, proud united states marine corps veteran. I'm in favor of this. There were concerns brought to me from the people in the community. Number one, the funding from the enterprise fund, the state of texas. What portion will the county allocate. And what return will the city of austin gain? I want to welcome back the apple representative from california. They were very cordial and respectful to me and as one actor said in a movie, "show me " we want to make sure that the hispanic contractors, african-american contractors, any minority contractors, but especially we want to be fair and equity that the angulo contractors receive their due diligence when everybody is employed. Unemployment is higher than the economists say here in austin. I mean no disrespect. But it is to me, I'm a former irs investigator, I can tell you this much, it is more to me more than 8%. People have given up. They do not apply for unemployment benefits. They're not included in the unemployment role. We want economic development, economic development, economic development. Jobs for everybody. And this is a high-paying job. Jobs, excuse me, and benefits. One of the things that I would ask is if approved, apple would do is provide mentors and tutors for our students. Withe want them to graduate. We want them to go higher education. Become productive citizens. Number two, hire the youth. We have summer job programs with the city and the county. I don't know. That's going to be up to the city and if approved, if -- if the agreement is reached, provide job opportunities for our youth, wherever applicable. That is what we in the community want to see also. We want the youth to be employed. I look at the -- I respect the -- the speaker prior to me. I do agree. If the agreement -- or the agreements of the terms are not met, the city is not liable. As is the county. I don't know what the county will provide, but I will tell you this much, ladies and gentlemen, believe me, as a young man, I'm old -- over 59. We need jobs. Not only for our youth, middle age, but also older workers who want to work also. This provides economic development, provides funding for the tax rolls, it benefits the city, the county, the state also. You know, I respect what -- people are very skeptical about spending all of this money to a company. But I will tell you this much, I've done my homework. And as the prior speaker said, this is a benefit. But, remember, the homeless, the unemployed. Thank you very much. We need this job approved. Thank you.

>> Wayne dafoe, signed up against. You have three minutes.

>> Thank you, council. You're considering an item here to give apple a massive tax rebate. Actually I believe it's going to be 100% of real property -- of their property taxes. This is done through chapter 380 of the texas local government code that you're giving this economic development grant. This is going to happen for ten years. 6 Million are going to be given away to apple. They say it's going to create 3,635 jobs. That's a great goal. If they can do it on their own without receiving that assistance, I'm all for it. I don't think, though, that this resolution brings equity to our taxpayers here in austin. Apple is one of the wealthiest corporations in the world. With the popularity of the ipods, the itunes, all of that, their profits are not decreasing any time soon. And I believe just like you gave enterprise funds and tax rebates farrathane and issued the state grants for the major events trust fund for formula one, this is the perfect example of corporate welfare that comes through the council and is passed at the expense of us, the people. We're giving apple a corporate handout that doesn't need it. We're going to lose, like i 6 million in our tax base and that's wrong. Austin city council continues the spending rampage. There's talk of a bond package in november that will put more debt on our city. I saw an article recently for a new police headquarters, \$143 million. Also the push for urban rail, which will probably be much more than that police headquarters. This is going to result in what we've been seeing recently -- increased utility rates, increased property taxes. And what for? For a major corporation to come and move here and get a deal they would probably move here anyway for? I don't think it's fair. The first gentleman that came and spoke talked about if apple doesn't completely build that they will not receive all of the funds. That's actually not true. Because if you look at the agreement itself, the first phase in the first seven years has invested \$56 million at west parmer lane and delcor drive. The second phase is the big chunk, \$226 million they're promising to put into this new base. If you look at article 2, subsection c of the agreement, it says if apple has not obtained a building permit or issued a notice for phase two, this is the big portion, the \$226 million they plan to put in the project, they will still get the tax rebate.

>> Mayor Leffingwell: Your time has expired.

>> We need to say no to this. Thank you.

>> Mayor Leffingwell: John d duffy? Signed up against? You have three minutes.

>> Going to read to you from com, a financial period call on-line. Concerning apple. A company value dependent on continued success of two key problems, has a market capitalization of \$542 billion than the entire retail sector as defined by the s&p 500. Apple's stock price rallied to 50 due to decision to spread the huge cash, \$956 billion in cash equivalent in the form of a dividend and share buyback program. Apple will pay a quarterly 65 per share starting july 1 and plans to buy back up to \$10 billion in stock over three years starting september 30. Apple is under pressure to award shareholders as they keep feeding the cash mountain. Apple shareholders have been awarded handsomely as stock soared from \$5 a share to today's \$600 level. Apple's stock went up 75% in the past 52 weeks alone. Do apple shareholders need cash reward from apple. From greenpeace, the environmental organization. Apple is one of the worst tech companies in the world in terms of the influence on the environment. It targets apple's dirty data centers like the one in north carolina. The tech companies and the reliance on coal. Apple ranked dead last with greenpeace saying that the energy is the use of coal. His use of foxcon, the world's largest maker of electronic components. They're in controversies mostly related with how they manage

employees in china. In 2012, the fair labor association was audited by april. There were suicide where 14 die in 2010. Foxcon factories are labor camps. In response to the suicides, they installed suicide prevention netting and promises to offer higher wages at the production bases. Workers were forced to sign a legally binding document guaranteeing that they and the descendents would not see the result of unexpected death, self-injury, or suicide. There's no room in austin, a city with a myriad of budgetary issues to be handing out money to a private corporation, let alone a corporation that economic period calls is describing as having a mountain of cash on hand, let alone a corporation with an abysmal labor and environmental record. Obviously, I'm against and i think this is indicative of the relationship we have between government and corporations. Just like we have had bank 06 america and chase. Now at apple. We need to pull out of that. Thank you.

[ Applause ]

>> Mayor Leffingwell: Next speaker is david pena. David pena? David signed up for. You have three minutes.

>> Good afternoon, mayor. Council. Thank you for the opportunity to come before you. My name is david pena, I'm the executive director for the asia chambers. I'm here in support today. We come before you because apple's expansion is a good thing for stin. Apple is member of the asian chambers, we're here and we're committed to supporting apple's expansion to austin because of their commitment to diversity and the commitment to a diverse supplier base. We, the asian chambers, are aware of apple's commitment to a diverse workforce, its employees, community partners, and greater community at large. Our members and volunteers stand in support of the city's incentives and we look forward to working with apple as we welcome them to austin. Thank you.

>> Mayor Leffingwell: Thank you. Laura pressley? Laura pressley? Natalie coffield? Natalie coffield here? Signed up for? Got three minutes.

>> Thank you. One f. Thank you. Good afternoon, mayor leffingwell, mayor pro tem cole and esteemed members. My name is natalie cofield. Thank you for the opportunity to provide remarks this evening to support efforts to further stimulate the economic development within the city of austin. I speak this evening on behalf of the ccacc executive team and the board of directors in support of the city of austin's proposal to provide a 100% ten-year property tax abatement to apple valued at \$8.6 million. As a collaborative chamber of commerce, we're committed to the growth of businesses in the region and excited about the possibility of one of the world's leading companies for innovation and technology increasing its presence in the parameters of our city. We believe the growth of apple's presence is consistent with the city's desire to increase our technology and services sector. The industry for opportunity austin. Further, as a large corporation, an increase in apple's operations creates direct benefits for the region through the creation of roughly 3,600 direct jobs with an average wage of \$54,000. And indirect benefits through the stimulation of housing and retail demands and the potential inspiration of a new wave of entrepreneurial aspirations and areas of procurement for apple. In closing, as a president of the african-american chamber of commerce, this support comes adjoined to encouragement that apple increase the visibility to the community and corporate

partner through increased gaugement throughout the region, commit itself to resources and policies to ensure that economic gains are equitable and increase pipeline employment that encourages the engagement of austin's minority communities. Thank you for the opportunity to speak.

>> Mayor Leffingwell: Thank you.

>> Cole: Can I ask natalie a quick question.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: Did your board take a vote on this issue?

>> Yes, we did.

>> Mayor Leffingwell: Todd reblusky. Is todd here? Donating time, herbie hightower. So herbie hightower is not donating time. You've got three minutes, you're signed up against.

>> Mayor Leffingwell: What is your name?

>> Gabriela.

>> Mayor Leffingwell: All right, you have six minutes. Are you signed up with the clerk? Okay.

>> Hi, I just want to preface this with a little-known tidbit that apple computer is actually McINTOSH HAVE THEIR OWN Programming language called apple script. I'm an avid apple scripter and administrator in the apple script the form. I'm a mac person, that lets you know where I stand as far as apple as far as a customer. Last year governor perry announced that keyesnian economics, the idea that government needs to help the economy along is a failure. He returned to texas to announce the incentive to bring apple here. This is the type of hypocrisy we have to deal with in texas. Government incentives have become a hot-button issue in texas. As this issue grows, it's up to apple to describe which side of the narrative they want to be on. Billion dollar company investments in austin? Or billion dollar company takes \$20 million handout while texas slashes education and social services. The well-known fact of the matter is apple has a \$90 billion cash surplus. Apple doesn't need a dime to expand its operations here. Texas has already slashed programs and is facing more tough times for next leive session. There's the bastrop recovery effort, the women's health program, and the state emergency services all need funding. There's a very real possibility that some of these slush funds, the emerging technology fund, may be liquidated this session because of the growing pressure on these programs. If this deal goes through, when the protests at the capitol are going on, and they will be. We're down here looking for a million here and a million there, withe will remember apple. When elderly or children's services are cut, we will remember apple. When more social services are cut down at the legislature, we will remember apple. Again, the question is, what side of the narrative does apple want to be on? that the representatives from apple go home, take no incentives from the state, city, or county, dip into the \$90 billion you have, and come back to austin and expand your operations here. We would love to have apple here, just not on our dime.



Apple taking \$30 million is like someone asking if they can have a dollar because they don't want to break a \$20. With regards to the competing with other cities, we really don't know, you know? It's been reveal in the news in the last week that phoenix was never really in contention because of some state issues with land. I'm not sure what the details are. But it's been verified by the governor and the -- and the mayor of the city that was being considered that they're no longer in contention. So this competitive selection process that keeps getting thrown out seems to ring a bell. Seems very familiar in my mind. And it would be really nice if apple would just come out and say, look, here's who's bidding against us so we know this is a valid competition, or if they just want to come here anyway because we have south by southwest, the most innovative technology hub in the southwest, the -- you know, the silicon hills. You know? We have everything to offer apple without giving them any money. And it would be really unfortunate if as in the case of formula one, the entire site -- the site competition was a fraud. That would be really unfortunate to find out after the fact. So the only other thing I want to add is if you guys do pass this, please, please make sure that the provisions are in there so that -- the performance measures are in there. That when we say that they're going to create these jobs, that we have it in the ordinance, the method of calculation, and tracking systems and so we can validate that we've got what we paid for if you decide to do it. But I have a feeling that the apple executives are going to go home, tell tim -- what's his name? The ceo? Tim cooke, you know, let's just go there and spend our own money. We don't need their money. Thank you very much.

[ Applause ]

>> Mayor Leffingwell: Leslie icerman? Leslie issenman? Okay. Donating time is jonathan blaising. Jonathan blaising here? Don't see him. So you have three minutes signed up against.

>> Les icenman, director of advocacy for the texas gray panthers. Quoting from the arizona republic, the largest newspaper in the state of arizona. According to phoenix deputy city manager david kreider, who oversees the city's economic development efforts, phoenix did not even know apple was considering coming to the city until it was too late. When he found out, he hustled to clear obstacles for a site. To no avail. The state commerce authority said that we had been crossed off the list. But we didn't even know we were on the list. In retrospect, we had no chance to make our case. Historically, the whole reason for giving any kind of corporate welfare, and understand that's what this is -- and you're choosing to give welfare to the largest corporation in the world, the most profitable corporation in the world? One which nonetheless, I welcome to austin. And we all welcome to austin. Come here, build, employ. You don't need our \$8 million. You don't need our \$21 million. That's hardly buys you coffee in the morning. It's time to go back to basics. If there ever was a reason to get into the giveaways of city, county, and state money, the time has come to end it. It has become nothing but corporate slush. There is no reason for us to give apple \$8 million so they can have another cup of coffee. It's pointless. Not that I blame apple. It's the job of apple to maximize the return for their stockholders. But I would remind you all of the sons of liberty were created in response to a corporation -- the east india corporation. The largest stockholder of which was the king of england. They were fighting to get out of being under the control of a corporation. And I hope that you have the courage to do the same.

>> Mayor Leffingwell: Your time has expired.

[ Applause ]

>> Mayor Leffingwell: Michael cunningham. Michael cunningham. Are you michael cunningham? All right. Signed up neutral. You have three minutes.

>> Mayor leffingwell, councilmembers. Well, thank you for giving us the time to come up here and speak on this issue. I signed up as neutral on this one right here. I'm the executive director of the state council of building construction trades council in the state of texas. And we have many affiliates here in the travis county area. Many of our construction unions, we have a lot of construction union members in this -- in this city and county that are taxpayers, along with us. And 10,000 of construction workers who are both union members and workers that are not union members. I know there's a lot of work on this in the last eight months to try to bring this together. And no doubt, I'll never come up and speak against construction jobs. We need construction jobs in this country. Many people don't know -- might not be aware of, the construction industry has been hit harder than probably any other industry in the country. Right now, we're somewhere 3% unemployment in this country of construction workers. So this could be a big boon to us. And to austin also. When we think there's something missing in this package. One we'd like to ask you to reconsider. A few months ago, I appeared here before you to talk about the white lodge and the j.w. Marriott hotel to be built here on the feed rivers and the money the city would be giving up to do that. And the council made an amendment to an ordinance to include prevailing wages. I do see that you have a lot of protections for the city, the MWBEs AND THE FMDRs AND THE Constructions on the architectural requirements and the construction meeting the minority par 'tis -- participation. I applaud that. We go back to -- a lot of time we don't agree with what chambers say, stuff like that. They don't create a lot of good jobs. One of the things about having a prevailing wage and a requirement like this is that we know the workers are going to be paid, they're going to be paid properly, classified properly. They'll be subject to overtime payments and all of the other benefits afforded to employees of construction contractors. This will help our apprenticeship programs where we train a lot of people to give an opportunity of apprentices and young people in this community to get on the program and work on these types of jobs. We implore you to reconsider and make a caveat to change on this right here and making a future we won't have to come back and talk about some of these things and tax abatements and rebates and fee waivers of making that part of a prerequisite that prevailing wages be included. It's our tax dollars you use on that. The construction worker should benefit out of this too. A lot of the contractor and unions that secure some of this work also provide health care and benefits just like we talked about earlier. So we asked you to do that and consider -- and prevailing wage in this package.

>> Mayor Leffingwell: Thank you.

>> I'll answer any questions you might have.

>> Mayor Leffingwell: Thank you.

[ Applause ]

>> Mayor Leffingwell: So, that takes us to 5:30. Without objection, we'll -- council will go to recess for an hour to an hour and a half. When we come back, we'll continue this appearance.

>> I don't know if it's coming out. Is it coming out there somewhere? Then turn it up. Yeah, turn it up.

>> City councilmember chris riley and my great pleasure to introduce y'all to bobby whitlock. Yeah. Yeah. Before we hear from bobby, let's tell you a little bit about him. He was born in memphis in 1948. He represents the true southern blues and soul singer. He learned to play the guitar as a child and signed with his first record label at age 16. In 1969, he formed the iconic band, derek and the dominoes.

[ Applause ] playing alongside legends eric clap ton and george harrison. Their hit record, "layla" and other assorted love songs is now celebrating the 40th year and is considered to be one of the most influential records in rock 'n' roll history. This year, their record is grammy nominated once again. Bobby has continued to write songs that have been hits for the likes of ray charles, george jones, cheryl crow and many others. His book, bobby whitlock was released in 2011 and the number one book on rock music on amazon than more than a year. Today bobby and his wife and musical partner here with us as well. Cocoa?

[ Applause ]

>> thank you.

>> Bobby and cocoa are settled in austin and play with a new band at the saxson pub every sunday at 6:00 p.m. People come literally from around the world to hear them. They have a new record now saying esoteric. ♪♪ Love is love is love ♪♪ mama-papa love, grandma love, aunt and uncle love, dog-cat love, bird love. That's just one love. That's the only love there is. That's the love we all share. It's not personal to us even though we think it is. But it's only one love. Only in the last few years has the true story of this song "poetry in the garden" come to light. Everyone thought it was about my girlfriend. It was, and her name was bekka. And she was a little bitty dog about that tall. And she went missing. And this song came forth. And it closed the "layla" album. ♪♪ There's a thorn tree in the garden but it's not the way it seems missing you still missing you ♪♪ ♪♪ she's the only girl I kept the only one I've known and no one ever shared ♪♪ ♪♪ and I miss her ♪♪ it all seems so strange it seems she'd never turn her back on me ♪♪ ♪♪ even without the last good-bye ♪♪ ♪♪ if she winds up walking the streets never love another man she meets ♪♪ ♪♪ you'll be the one to answer why ♪♪ ♪♪ if I never see her face again never hold her hand ♪♪ ♪♪ and if she's in somebody's arms I'll understand ♪♪ ♪♪ but I miss that girl yeah ♪♪ ♪♪ I still miss that girl ♪♪ ♪♪ well maybe some day soon ♪♪ ♪♪ someday ♪♪ ♪♪ oooh oooh ♪♪ ♪♪

[ applause ] and whereas we're pleased to showcase and support our local artists. Now therefore i, lee leffingwell, mayor of the live music capitol, do here BY PROCLAIM MARCH 22nd, 2012 As bobby whitlock day.

[ Cheers and applause ]

>> look at this.

>> Riley: And bobby, do you have a website where people can find your stuff?

>> It's bobby whitlock and I've got a couple of facebook sites, couple have got a facebook site. You can generally just hit bobby whitlock on any given search engine. I'm kind of omnipresent now. Everywhere.

>>

>> Riley: We already mentioned the cd, esoteric. I guess you can find it in record stores.

>> They can get it on itunes and cd baby, thank you, cocoa. There's cocoa over there. The light of my life. I tell you, the love of my life and the light unto this, I'm telling my gal cocoa.

>> Riley: And I want to mention one more time your regular gig at the saxon pub.

>> Tonight we'll be there at 00, going to be rocking and rolling. 00, we do the same thing. Some people call it their service. It moves me, I can tell you right now. But that's what it's supposed to do. It's rock-n-roll, ain't it?

>> Riley: That's right.

>> Thank you very much.

>> Riley: Thank you so much, bobby. Can we get a couple of photos?

[ Applause ]

>> this is kind of like the wizard of oz, you know? It really is. And this is very, very austin. You know, talking about the thing about keeping austin weird, hey, man, bobby whitlock day, it doesn't get more weirder than that, but a good weird! Good and weird, yeah, man!

[ Applause ]

>> Mayor Leffingwell: Okay, guys. When you take your pictures, why don't you stand back here with the rest of the guys. Let me say I want to welcome everybody here for this celebration. On march 29th, 1973, that would be 39 years ago next week, the last remaining members of the united states armed forces withdrew from south vietnam. In recognition of this historic day during the 81st legislative session, state senator juan hinojosa, who is also a vietnam veteran, passed senate bill 1903 which designated march 29th as vietnam veterans' day in the state of texas. Let's give him a hand for that.

[ Applause ] so since we don't have a council meeting next week on march 29th we're here today to honor this occasion. I'd like to take this opportunity to say thank you to honor and recognize the service and sacrifices of our vietnam veterans and their families. To all of our vietnam

veterans I want you to know that your service to our country is greatly appreciated and it will never be forgotten. We also honor the families and loved ones of those who served. And for the veterans still listed as missing in action in vietnam, we will never forget their commitment and the sacrifices of their families and we will never forget our commitment to them.

[ Applause ] to our vietnam era veterans, we dedicate this day to offer our continued praise and our thanks for your courage, your sacrifices and your patriotism and most importantly we say welcome home.

[ Applause ] accepting the vietnam veteran's day recognition proclamation is army veteran john miterko. John is the texas coalition of veterans organization legislative liaison and veterans' advocate. He was a captain in the army serving from vietnam from 1971 to 1972 as the chief of military intelligence operations and he was awarded the bronze star for his heroic actions while serving in combat. On so in his honor I have a proclamation to present to john. I'm going to read that now and then I'll let him say a couple of words. It reads be known that whereas american men and women during the period from 1959 to 1973 answered their country's call and served in the defense of freedom in the republic of south vietnam and whereas more than 58,000 americans, including 3,415 texans, made the supreme sacrifice, laying down their lives so others could live free. 107 Texans remain missing in action in vietnam. And whereas we ask all sit accepts to honor and remember the deeds of a group of veterans who served selflessly and fought as courageously as any in our history. And whereas we join the texas legislature in observing this special day and acknowledge a measure authorizing the construction of the capital vietnam war memorial. Now therefore i, lee leffingwell, mayor of the city of austin, texas do here by proclaim march 29th, 2012 as vietnam veterans day in austin, texas. Congratulations, john. Will you please accept this proclamation?

[ Applause ]

>> my eyes are perfect. My arms are too short. There. Mayor leffingwell, on behalf of all texas vietnam veterans both here tonight as well as the 3,415 that gave their lives for their country during the vietnam war, thank you. Representing your brother and sister vietnam veterans I give you our traditional greeting, welcome home. For those in these chambers who do not understand the greeting, it was because vietnam veterans coming home from the war were not welcomed by the public, nor the old-line veteran service organizations. Vietnam veterans have ensured that the succeeding generations of veterans were not abandoned and that the warrior was separated from the war. Today's warriors and veterans receive vocal and very public displays of gratitude for the commitment to our country, due in no small part to the work of vietnam veterans. Having this event in public recognition for our service and sacrifice has significant and symbolic meaning for all vietnam veterans. A second thanks for personally leading wait and setting the example to other major metropolitan areas by having one of the most robust and recognized city veteran programs in the country. Last and very briefly, vietnam veterans are working to memorialize our time in vietnam with a fitting monument on the grounds of the state capitol. Nearly five decades ago america sent hundreds of thousands of texans to war in vietnam and now texas will welcome them home with a permanent monument honoring them at the state capitol. The texas capitol veterans monument committees are excited to announce that we have reinvigorated our efforts to raise the funds we need to honor a half a million texans who served in the vietnam war on the

grounds of the state capitol. This effort includes a new interactive educational website where texas veterans can share their stories and the public can learn about the role of its states and its citizens in the vietnam war. This living monument that includes living interviews with texas combat veterans is now online on [www.billthemonument.org](http://www.billthemonument.org). The site also includes if you information about the monument and ways to make secure donations. Every state is now matched dollar by dollar by the state historic commission and you can give donations donations for an individual, a community or a branch of service. Please honor our texas heros by helping us build the monument. Again, mayor leffingwell, thank you for honoring all texas vietnam veterans this evening.

[ Applause ]

>> Mayor Leffingwell: Thank you all for coming down today. I tell you, until today i didn't know that we had 29,000 cooperatives in the united states today and they provide two milli jobs. Isn't that amazing? I know we've got a bunch here in austin, texas, because I know that my wife and I belong to at least two of them. That's a good start. So we want to recognize you today with this proclamation from the city of austin, and it reads that be it known that whereas more than 29,000 cooperatives operate in the united states generating two million jobs while austin is home to 50 cooperative businesses with hundreds of thousands of owners, and whereas a united nations general assembly resolution proclaims this year as the international year of the cooperatives with the theme cooperative enterprises build a better world. And whereas the u.n. Resolution recognizes that cooperatives promote the fullest participation in the economic and social development of all people and are becoming a major factor of economic and social development and are contributing to the eradication of poverty. And whereas the city of austin encourages all citizens to recognize and support the cooperative organizations in our community. Now therefore i, lee leffingwell, mayor of the city of austin, texas do here by proclaim the year 2012 as the international year of cooperatives in austin, texas. Congratulations to all of you. Give yourselves a big hand.

[ Applause ] and rosemary, do you want to come up and say a few words on behalf of all these folks? And I'll present this to you.

>> Thank you. I'm rosemary close and on behalf of the entire austin community and the community at large I want to thank mayor leffingwell for conferring this recognition. Austin has a long legacy of co-ops and a very exciting co-op scene today including the many people who are here this evening. Our cooperative heritage began during the depression era in the 1930's when students banded together to create affordable housing options using the cooperative model. And I'm personally grateful to have had access to co-op housing because that's really what enabled me to move to austin, a city that I fell in love with, and became a freshman at u.t. Today there are two large co-ops, the intercooperative council and college housing provide housing to over 700 people in the west campus area. Austin is also the proud home to black star co-op which is the first cooperatively owned and managed group hub, which is pretty awesome. This business was started up entirely by a community of people who believe in the vision and made it happen. And now today black star employs 17 people and provides good jobs with living ways and means and health insurance in a sector where this is rarely the norm. There are really too many co-ops in austin to mention individually, but hopefully you are already a member of at

least one of our many wonderful credit unions such as amplify, a plus federal credit union or uscu. We are home to wheatsville co-op, which is the only cooperatively owned grocery store in texas. We hope that will soon change. We actually have a vegan donut bakery in austin and we have a minority women-owned catering co-op which is called yo mamas, and it was featured in a pbs feature called fixing the future. It was about economic empowerment in these challenges times.

>>> As cooperative organizations our core values include self help, self responsibility, equity, social responsibility and caring for others. We believe in an economic system that at its core functions as a service to society. Co-ops are an important part of businesses in a model that's especially pertinent today as a viable, tried and tested solution for these economic times. Just as austin is in the eye of the nation for so many of our outstanding and innovative and wonderful endeavors, our co-op scene is actually attracting attention nationwide for the thriving co-op think tank and it's especially recognized as an innovative multisecretary collaboration, which is unique in this country. Over the coming year and beyond we're really looking forward to engaging with the city of austin, which is the austin office of economic growth and redevelopment to collaborate on solutions to provide dignified and fulfilling jobs for underemployed people in our community and on ways that the model can create affordable housing for so many people and it's such a desperately needed thing. As we all know. So let's start lots of co-ops for 2012. I want to let you know that there's a co-op bash celebration of our co-ops in AUSTIN ON MARCH 31st. It will be from eight p.m. Until midnight held at 5604 manor road. And you can find out more about us by looking for us on facebook. The actt, austin co-op think tank's page or email us. And mayor leffingwell, i would like to just present a small token of our appreciation. It's a co-op stronger together shirt.

[ Applause ] that's not all. We have a button celebrating 2012, international year of the co-op. And I know you mentioned that you are a member of a couple of co-ops in austin. If you're not already a member of wheatsville, here we are.

>> We are.

>> Excellent.

>> Thank you so much.

>> My wife goes there all the time.

[ Laughter ]

>> y'all ready to go on the next one? My name is chris riley from the austin city council and it's my pleasure to kick off a presentation of the 2012 grant for technology opportunities program. This is -- I'm going to ask my appointee on the austin community technology and telecommunications commission to say a little bit about the program and the awards that we'll be hearing about tonight. And then we'll go through a presentation of the awards.

>> Thank you, wanted to give a couple of highlights on the gtops program. It was started in 2001 to show the promise of benefitting our community. Some important goals from gtops are to support programs that provide public access to computers and information technology, especially among the underserved segments of our community. And support programs that provide information technology literacy, education and training. And also support the use of information and community technologies in innovative ways that serve austin. And provide seed funding for austin community and nonprofit organizations for the technology outreach efforts. In the past 11 years gtops has awarded one million \$150,000 in grants and grantees have raised more 4 million in matching funds, including 24,000 volunteer hours, one million in kind donations and 820,000 in cash match. The success rate averages 122% and more than 21,754 solids were served by a variety of programs including training in basic through advanced computer skills. Media production, internet accessibility and microenterprise management. Thank you and I'm now passing the presentation back to councilmember riley.

>> Riley: Thanks. Okay. We're ready for the awards. First award goes to the austin children's museum for the amount of \$25,305 and we have sadya here to accept the award. I want to say a little bit about the awards. Gtops support tech reach, a support program providing children from low income backgrounds with access to digital technology and high quality instruction on how to apply that technology.

[ Applause ] next up is austin film society in amountf \$16,000. With this grant gtops will provide funding to the austin film society film clubs, an after school program providing digital media workshops at 14 underresourced aisd schools. Accepting the award is kathy dials. Next up is austin free net in the amount of \$23,985. With this grant they will provide funding for the connecting worlds program to provide 200 hours of free computer literacy training, partnering with multicultural refugee coalition to refugees of war torn countries resettled in austin, texas. Accepting the award are sheena and juanita.

[ Applause ] next is the austin speech labs in the amount of \$26,100. With this grant g tops will provide funding for alternate communication, cognitive skills and verbal skills train through intensive speech language therapy using computers for underserved and uninsured stroke and brain injured survivors across different levels of severity. Accepting the award is shupa.

[ Applause ] next is girl start in the amount of \$15,280. this grant g tops will support need based scholarships to high need girl start summer camp attend s. They are a week long experience for girls in the third through 10th grade. Accepting the award is julie shannon.

[ Applause ] next is the literacy coalition of central texas in the amount of \$18,915. With this grant gtops will support the learner web project, a collaborative technology based project that provides low income, underserved adults in austin with free access to online, individually customized lesson plans that enhance job readiness skills. Accepting the award are meg and wendy.

[ Applause ] next is skill point alliance in the amount of \$27,000. With this grant gtops will support the mobile computer training center, expanding skill points' grade way and technology



training center to reach more participants throughout austin and ensure participants have the technology skills needed to succeed in the 21st century. Accepting the grant is lainey.

[ Applause ] next is texas folk life resources in the amount of \$22,415. With this grant g tops will support stories from deep in the heart, which is an educational collaboration with the austin independent school district and kut-fm in which students and teachers are trained to produce short documentaries about their own communities for public radio. Accepting the award are nancy and susan.

[ Applause ] I want to express gratitude on behalf of everybody involved in these wonderful efforts. This is really a tremendous program and it extends technology throughout the community. I really appreciate the effort of everyone involved. Thanks so much.

[ Applause ]

>> Tovo: Hi. I'm councilmember kathy tovo and at this time I would like to introduce keith bell and sandy nelson bell up to the podium. Thank you for joining me. keith bell is the founder and race director of the money box cap 2 k annual open water race and swim. And sandy nelson bell is the race coordinator. Welcome to city hall. Thank you for being here today. 100% -- This is a 2k race that takes place, it's an open water swim that takes place on lady bird lake from red bud aisle to the texas rowing center and it's a great event. 100% Of the money raised will be donated to fight prostate cancer. And to benefit the prostate cancer foundation and us too international foundation for prostate cancer research, education, awareness and support. It has been recognized as one of austin's top 10 recreational events. And also top -- one of the top 50 open water races in the united states. And it's a great opportunity to swim in lady bird lake, I'm told. There is still time to sign up for the race. And if you are not interested in swimming, there's a great view from the mopac medicine bridge, -- mopac pedestrian bridge, I'm told. Perhaps we'll hear more about that. It is a family friendly event. Local musicians will play during check-in. Bag pipers will lead the swimmers on the walk down to red bud isle for water entry. More local music will be provided on board the boat that accompanies the racers and so it should be a very fun and exciting event. Without further adieu i would like to read the be it known that whereas the money box cap2 k 10th annual open water race and swim a a fund-raiser benefitting the prostate cancer foundation and u 2 international for prostate cancer research and support, and whereas major sponsors include the money box, howdy honda and the urology team, while participants include everyone from olympians for those swimming for pledges and those who enjoy the opportunity to swim in lady bird lake and whereas the event has been rated one of austin's top 10 recreational events. The downhill swim starts east of red bud isel and extends 2,000-meters to the texas rowing center. And whereas spectators can line the route and cheer from the mopac pedestrian bridge and everyone is encouraged to wear blue in support of the fight against prostate cancer. Now therefore i, lee leffingwell, mayor of the city of austin, do hereby proclaim may 5th 2012 as the money box cap 2k race and pledge swim. Thank you.

[ Applause ] bell, would you like to say a few words?

>> Thank you, kathy. Thank you, mayor and thanks to the council. We're very excited about the event. It's not everyday you get to swim downhill, but we do this year, we'll go downhill from

red bud down to the this is our 10th annual race. And when I thought about doing this 10 years ago i got very excited about promoting open water swimming in austin, promoting clean water, promoting water conservation and celebrating the beauty of austin. By swimming in this lake that no one had swum in before. And that went right through the heart of this city. And while we'll do it we thought we would also raise money for charity. We started off by raising money for the deep eddy bathhouse rehabilitation project, and we were the main fund-raiser for that event. And it took us a few years, but we got it done. And deep eddy continues to be one of austin's real treasures. We also raised money after that for swimming lessons for disadvantaged children. Hope to save a lot of lives that way. This year we turned our attention to prostate cancer. I don't know if you know, but one in six men in their lifetime will be diagnosed with prostate cancer. More men are diagnosed with prostate cancer than women are with breast cancer. And we want to raise some money and find a cure and eliminate prostate cancer. So I'd like to introduce the race coordinator, my wife, sandy nielson bell, 1972 olympic triple gold medal lift, and I'll let her tell you about the race. Thank you.

>> Thank you. It's a pleasure to put on this race. It's a very unique and fun austin event. And thank you for the nice introduction, kathy. You pretty much told us all about the race. The swim in lady bird lake is just wonderful, going from red bud isle through the trees and down into town. It's a pleasure. And our swimmers really enjoy it. So if you're not swimming the race and you happen to be or you would like to come out and support it, please, we encourage you, we would love it if you would wear blue in honor of prostate cancer and raising awareness for that. Of course a race like this couldn't be put on without the support of a lot of people, and our partners for one, we really appreciate the partnership of many austin hometown businesses. And our volunteers, many of whom have been with us all 10 years, so it's a very cozy event. A lot of our volunteers know the swimmers and that makes it real nice. Of course our participants in the community, we appreciate the support for this event. All the information on the event, if you're interested, can be found at [www.cap2k.com](http://www.cap2k.com). And you'll find a button there by which to donate if you would like to do that. We really appreciate it. 100% Again of those funds go toward our charities. That's pretty much does it. Again, we thank you for the honor and to put on this event in austin, texas.

[ Applause ]

>> Martinez: All right. We have another proclamation that I'm honored to present. This proclamation is actually recognizing american diabetes association alert day. And councilmember morrison and I have an editorial that should be in the paper this weekend, I believe. Saturday or sunday. But joining us is matt valdez, michelle due, mary warner, and jane koble. Diabetes is, you know, a tremendous illness that affects so many of our community members and many of us have personal stories, and I'm not unlike those folks. My grandmother passed away from complications of diabetes and it was the hardest last few months living with her because she started with partial amputation of the foot and then a mid thigh amputation and progressively getting worse and worse until she could not handle the side effects and the illness. My mom is a type 2 diabetic now. I have an uncle and a cousin. So it's in your family, it's prevalent. It's something that can be prevented through diet, exercise, and so we are here to create some awareness. And I'm here to present a proclamation to these wonderful folks and let them speak to you a little bit more about american diabetes association alert day. So the

proclamation reads: Be it known that whereas american diabetes association alert day is an annual wake-up call for the american public to take the diabetes risk test to find out if they are at risk for developing type 2 diabetes. And whereas the new and improved test is available on facebook where people can ask questions, engage with community and share the test with friends and loved ones. The updated test provides more accurate scoring and enables the public to better assess their risk for type 2 diabetes. And whereas diabetes is a GROWING epidemic that affects nearly 26 million children and adults in the united states and a quarter of them do not even know they have it. An additional 79 million have prediabetes. Early diagnosis is critical to this successful treatment of and to delaying such complications as heart and kidney disease, blindness, stroke, death. Now therefore i, mayor leffingwell, mayor of the city of austin, texas, do hereby encourage everyone to take it, share it and proclaim march 27th, 2012 as the 24th annual american diabetes association alert day.

[ Applause ]

>> hello. My name is matt valdez and I'm a board member, volunteer and co-chair of the advocacy committee for a.d.a. Let me first thank the mayor, the councilmembers, councilmember martinez and councilmember morrison in particular for their consideration of this proclamation. I don't want to repeat some statistics in there, but with this disease I think that it bears a little bit repeating of the statistics that were earlier mentioned. Real quick, again, we're here to bring awareness to diabetes and type 2 diabetes with the american diabetes association alert day. This alert day falls on the fourth tuesday of every march and we've been doing it now for 24 consecutive years. Tuesday, march 27th will be diabetes association alert day. And we ask everybody to -- as councilmember martinez suggested, to go to facebook, go to our website, which is diabetes.org. And take this test. This is an example of the test. It's both in english and in spanish. And it is a very simple way to assess your risk for type 2 diabetes. I got involved with diabetes very much the same way as some of my other board members who have been affected. Either their family or friends. But what you find out when you get involved with the board is you find out some of these statistics that make you realize the epidemic proportions of diabetes as a whole. And a few that made a lasting impression on me again were the estimated 79 million people, that's one in three american adults, who have prediabetes. Diabetes strikes nearly 26 million children and adults in the u.s. And according to the american diabetes association, estimates that diabetes contributes to more deaths a year. And then to bring that a little bit more local, it's estimated that more than 6 million adult texans, that's almost 10% of the state's adult population, have been diagnosed with diabetes and more than half of the adult texans, including many here in central texas, are at risk of developing the disease due to being overweight and/or physically inactive. Again, those statistics are thrown around a lot, but it goes -- it bears to repeat them because those are startling statistics. So again, we would like to thank y'all. Austin is a well-known for our healthy environment and this proclamation continues to show our city's dedication to the health of our residents by bringing more awareness to a rapidly growing disease. And it's these partnerships that allow us to take tremendous steps forward in reducing the staggering growth of this disease and getting closer to beating the disease. In addition to the alert day, we'll also have the tour de cure, which is coming up on may fifth and we are continuously looking for riders and teams of riders to participate in that event. Again, all of this can be found at diabetes.org. So again, we appreciate the proclamation and thank you for bringing more attention to the efforts.

[ Applause ]

>> Spelman: April is autism awareness month. Autism is an epidemic. There is no known cause, there is no known cure. Every 15 minutes another parent somewhere in the united states is told that their child has autism. Autism is already overwhelming our schools. Over 70% of those diagnosed are under the age of 18. Many of these children will eventually require constant care as adults. Increasing costs for cities, states and nations all over the world. In 2007 the united nations adopted a resolution to make APRIL 2nd, AUTISM Awareness day. Autism speaks created light it up blue to increase awareness for the entire month of april. People all over the world will change lights to blue, eat blue, dress blue and some of them, not me, but some will paint their fingernails blue to kick off the awareness month on april second. This is the first year the greater austin area will be turning blue. Numerous local buildings, schools, neighborhood associations and organizations will be joining the over 1800 iconic landmarks from last year, including niagra falls, rockefeller center, the new york stock exchange, the cairo tower in egypt, the hungarian parliament and the sydney opera house. Events will flood the greater austin area like the blue bash, blue martinis and manicures, blue bingo and burger bash. A blue easter egg hunt and many more. Congratulations to austin speaks and to you in advance of what I know will be a successful tick off on april second. Accepting the proclamation on behalf of autism speaks we have tracy and max whitney.

[ Applause ]

>> thank you, councilmember spelman. We appreciate the opportunity to come and speak with you today. This is my son max, and max has autism.

>> Yeah!

>> Max is six years old and is a twin. He has a neuro typical twin named ripley. And what you said, councilmember, is right, the importance of autism awareness is not just for families like ours that are struggling with an autism diagnosis. If you think that autism is not affecting you, you are wrong. Autism is affecting you. My son takes a full-time paraprofessional to attend school with him. That paraprofessional is paid for by the school district. And so that takes resources away from the neuro typical kids that are trying to function in his classroom as well. As school districts lose funding, they have to find places to make cuts, but also have to find ways to support the population of children who have autism that are in the schools, like max. Max was born and was our front runner. He roled over first, he crawled first, he walked first and he talked first. And at the age of one year he just turned off on us. He stopped talking. He stopped making eye contact. And he stopped recognizing his name. But through intensive therapy and a lot of efforts on behalf of a lot of people, we now have this really amazing kid that loves tornados, which is what he's doing now. Would you like to say anything?

>> Yeah.

>> What would you like to say?

>> Ladies and gentlemen, my name is max.

>> And do you have autism?

>> Yes.

>> And are you proud of yourself?

>> Yes.

>> Yes. So thank you for supporting autism awareness. Like I said, it's important to all of us, not just our families. And we appreciate all of you staying around and talking to us.

>> And I have blonde hair.

>> Yes, you do. Thank you very much.

[ Applause ]

>> Mayor Leffingwell: The next speaker is Carey Zarapin. Ken Zarapin. Ken is not here. So we'll go to Leland Butler. Leland Butler. Fred Credibles. Jose Nieto. Jose Nieto. Tom Mandestand. Tom signed up neutral. And you have three minutes.

>> My name is Tom, I'm a pastor of a [ inaudible ]. I'm a leader with Austin Interfaith. On Sunday morning a young man I haven't seen in two years showed up at church. He was raised in Austin, graduated from an Austin college, but he left two years ago because he couldn't find a job. On Sunday he told me he's moving back to Austin because he heard Apple may expand here and he's hoping he can get one of those new well paying Apple jobs in his hometown. Hopefully the Apple deal will translate into good news for him and for many middle class working people like him. Austin Interfaith is pleased to hear that several thousand people may benefit from good wages and safe working conditions as Apple employees and Apple's new Austin campus, but we're also committed to ensuring that the construction workers who build the new Apple campus will benefit from good wages and safe working conditions. So we're asking you to look at this deal comprehensively to see it not only as a source of good jobs for Austin citizens who may eventually work in the new Apple campus, but to see it as well as a source of good jobs for Austin citizens who will actually construct the new Apple campus. It's a documented fact that being a construction worker in Texas is more dangerous than working construction in any other state. In part because too many workers don't receive basic safety training and equipment. And it's documented that many construction workers in Austin, almost half, earn wages below the poverty level. Even if you mandate prevailing wages for many nonunion or so-called unskilled workers, their pay still amounts to poverty wages. Because of these disturbing realities, the city must consider the needs and protect the interests of the construction workers when pursuing this deal with Apple. There's no question whether Apple, one of the wealthiest corporations on the face of the earth, has the means to ensure safe working conditions and fair wages for every worker having anything to do with Apple. They do have the means. The question is will they? That's why we're asking you, our city council, to use your power to ensure that Apple does respect our city's working people, including our construction workers, by ensuring their safety and paying them fairly. We believe the best way to ensure safety and fairness for our construction workers is for

apple to enter a partnership with the workers defense project by becoming a premier community builder. This will guarantee that every worker receive safety training and equipment and that a wage floor is set so no worker earns a poverty wage.

[ Buzzer sounds ] in short we want you to be sure that --

>> Mayor Leffingwell: Tom, your time has expired. Thank you.

>> Thank you.

>> Mayor Leffingwell: Laura houston. Richard heyman? Fernando adami. Fernando adami. Gregori. You're gregori. Donating time to you is paige menking, who is here. You will have six minutes.

>> I won't take too much of your name. I am just a small part of the workers defense project. I won't talk too long because so many of our worker members came out today, working people who may not be going to their second jobs or took off work early to come and share their stories with you. What's really important about this deal in particular with apple is that apple is touting all the great jobs that it's making and inside of its offices. But we think that it's also a great opportunity for apple to create great jobs in the construction of those buildings. With the recent accidents at formula one and thefts on construction sites in aunt area, it's led us to critically reevaluate what it means to be a sustainable city. I know that apple is considering a leed rating for its building, but it led us to ask questions is a building really sustainable if workers are unnecessarily putting their lives at risk in the construction of that building. Or is a wage really sustainable if workers can't make ends meet. Those are numbers that we aren't calculating for our socialist yet when we're considering these deals with city staff. So what our ask really is that apple step up to the plate on its construction jobs just like it has for its jobs in its office buildings. This is a great opportunity and we really support this deal as long as construction workers are included. It's often times these people who work so hard for us building our buildings that are the first ones we forget, so today we hope that apple and the city council see us and hear us and include construction workers. Thank you so much.

[ Applause ]

>> Tovo: Mayor?

>> Mayor Leffingwell: Hey, guys, you will have to hold it down. We have to maintain decorum high. You can clap, but no vocal stuff, okay? I'd appreciate it. Councilmember tovo.

>> Tovo: Tow I had a few questions for you. Hi. I know that you met with or had an opportunity to speak with some of the apple representatives. I wonder if you would tell us a little bit about the outcome of those discussions. And if you have any specific recommendations for terms that you might suggest being considered within this agreement.

>> So after speaking with representatives at apple, we came to no particular agreement. They listened to our experiences here in austin. The local conditions and how we've seen rampant

abuse of workers as far as wages and safety. So we explained some of our points. They listen and they said that they would be amenable talking about these different -- each of our separate concerns, which are safety, wages and local training and local hiring. To give people a career path to move up in construction. And so those are the points where we would really like to come to terms with apple on those three points. So if you would like to go a little bit further on safety, we would propose that there be community representatives and community involvement on the construction site. Often times our federal safety laws are good, but they aren't enforced. So it takes community representation, people who are bilingual, to talk to workers and see what's really going on on the site and who can also check to make sure our workers are covered by compensation insurance along with having the proper safety equipment and proper safety training. Then as far as wages, we want to set some sort of minimum wage floor so that workers can make ends meet and not live below the poverty line. And also some living wage jobs in construction that workers can move up into if they're trained and work hard. So we want to set some sort of target goal for workers to be able to move up, workers who have graduated from local certified training facilities in Austin, can be hired on to good jobs at the Apple facility. These would be people who are often stuck in dead end construction jobs, women, recent immigrant, African-American workers who are willing to put in time to learn construction skills and get a good career out of this building that's going to be built by Apple.

>> Tovo: So safety, training, wages.

>> Exactly. Those three main points.

>> Tovo: Okay. Thank you. Billy Yates. Donating time is Laney Brown, Kendra Bones, Charles Lockwood, John Smith. John Smith and Charles Lockwood are not in the chamber, so you have nine minutes.

>> I'm not going to need that. Thank you, though. My name is Billy Yates. I am a student representative from United Students Against Sweatshops and our local chapter at U.T. I'm also coming here after spending five months in Hong Kong where I did migrant labor research and also in Hong Kong where I met the investigators for the Apple factory. What I've learned is what we've been told in sweatshops, the blatant disrespect for workers. What's interesting when I come back to Texas, one block from where I live is where three workers died building the Texas 23 Rio. There's a race about it in China and I saw it in China. What I don't think we realize is that we have the same thing going on in our communities and something that we can actually do about it. So I come here with a message of concern and the concern is that these workers are not being outreached to and there's no way of involving them in the process. But I'm also a student. I came here to learn and there are some things I wanted to learn from coming to this meeting. I wanted to learn that the city council will step up for the people that it represents, the people that elected them in here, give them space in the democratic process that they are looking out for the people who are in this room and who are in this community and who are building the buildings like the one we're in right now. I wanted to know that Apple will be a responsible company that they can take steps forward. I've seen it probably at its worst and I want to know that it can make a commitment to human rights and worker rights right here in our city, right here in our backyard. I want to know that community support is taken in full terms and that nonprofits and other organizations and unions are listened to and that they have a fair say in how the city is run. And I

want to learn -- i also wanted to say that i think this is a huge opportunity for the city of austin, for apple, for the community organizations here to really establish something great, but furthermore I would like to move away from opportunity and into obligation and the obligation that the city council and their responsibility that has is very great. And so I want to hopefully leave here with y'all's support and saying no more wage theft, no more death on we can actually do something about it. And by signing on with the workers defense project and their codes of contact that will help establish that i think we can enter into a great partnership with businesses, communities and the organizations can all take place. I'm done.

[ Applause ]

>> Mayor Leffingwell: Thank you, andy martinez.

[One moment, please, for change in captioners] well done. I'm andy martinez and I'm the president of the third largest chamber of commerce in central texas. The greater hispanic chamber of commerce. Apple is not a member of our chamber of commerce. However I'm here to support the creation of an economic development program with apple. We hope that our presence today will encourage apple to have a dialogue with us hispanic business leadership. As you know, hispanics represent 42% of the city of the austin population, and account for 65% of the demographic growth in austin over the past ten years. I believe that apple will help grow our overall economy and build our members' wealth -- our members, by the way -- our members number over a that you in strength, and contribute to the high tech community that we know as austin. In addition we should know that apple and other high-tech companies have not had leadership that reflect the division of our community. Visit with us to see how we can add to the diverse and inclusive community. Thank you for your time. thank you. Brad parsons. Brad is signed up against and you have three minutes.

>> Thank you. Mayor, council members, first I want to say that i think apple is an admirable company and I buy their products, but having said that I remember when this type of a preferential tax give away in the city of AUSTIN BEGAN IN THE 1990s Began under a more dire economy, never in my wildest imagination of responsible governance did I expect the city of austin would continue trying to pick commercial winners and losers with corporate welfare unabated for more than 20 years. This is a fundamentally unbalanced type of fiscal policy development that does effectively shift a company's cost to your infrastructure to other small property owners often of fixed means. There are new infrastructure costs that will be created by this new facility but not covered by apple because their property taxes on this would be rebated for ten years. If taxes are to be cut, it should be across the board, not to individual companies, especially when it is not evident that the company is seriously evaluating any more than one site to expand upon. It is entirely evident from reporting out of phoenix that there is no other location in phoenix or anywhere else that is as seriously being evaluated as this in north austin. In particular, the referenced phoenix site is owned by the state of arizona and is not even zoned for a commercial development. The reason why apple is not truly pursuing it. Regarding the site in far north austin I know you, the mayor, and council know that this location is in round and literally only a few blocks of distance from the williamson travis county line, the point being that those workers hired there will just as likely to be paying taxes and spending mon in williamson county as in austin. These are not high paying manufacturing or fabrication jobs. These are



mostly modestly paid staff jobs with a third expected to be contracted. Further, austin already has -- further, apple already has about as many staff in austin as they are proposing in this expansion. This is not a totally new relocation. Apple already knows what the benefits of expanding in austin are or not. There is much more that could be said about the disconnect of the unreasonableness for the unnecessary and ineffective corporate welfare proposed before you, but I would just close with the point that is one of the wealthiest companies in the world with more cash on hand at any points in the past year than even the federal government. Some of those accrued earnings apple will be dividending to shareholders. Apple earns in a few seconds what you all are offering. This is not a true incentive. Apple does not need nor deserve these proposed tax give-aways over ten years in order to decide whether to expand their footprint also in alls. Thank you, council, and i look forward to seeing some of you on the campaign trail. Christ christ hertado.

[Applause] signed up neutral and you have three minutes.

>> Well, I want to say -- i can give my spot to jose. He wasn't here when you called him.

>> Yes, that's okay.

>> Okay. Thank you, sir.

[Applause] tell us your name.

>> My name is jose tana

[inaudible] and I'm here to talk about my experience on the construction work. I was working on construction here in austin and I had an accident. I was working for -- in downtown. I was working because -- for a week for 12 hours, just an hour for lunch and no breaks, and I was getting paid 8 an hour, no overtime or nothing, and while working on -- I was working on demolition, and I had an accident. A mirror broke on my arm. It cut around my arm like -- around, and I had surgery cut the muscle and tendons and everything, and my thumb ended up messed up, so they did a transfer from my ring finger tendon to my thumb, and I don't know -- I got no workers' compensation, and i don't know how I'm going to pay for the medical bills or anything or support my family. I got an 8-month-old daughter and I don't know how I'm going to provide for her and pay all the medical bills I've been assigned, over \$30,000 in medical bills, and I don't know -- i had my second surgery, i don't know what they'll charge me for it. What I'm here basically to say that you get apple to work with the -- the workers -- sorry, I forgot. I'm just here to make agreement with apple with the defense project, and I'm basically here because nobody has to go through what I've gone through and no family should suffer what I'm going through with my family and not being able to provide for their family as I am being right now. And my hand is not going to get its strength back. I just lost a finger and i don't know how I'm going to do later on in life. Thank you, and I hope you'll understand and try to fix things, because it is in your power to prevent things like this from happening to other people. Thank you. thank you.

[Applause] jimmy flanagan. Jimmy flanagan is signed up for. You've got three minutes.

>> Mayor leffingwell, mayor pro tem cole, council members, that is a tough act to follow. Well done. Well said. As I was preparing my remarks tonight I read through the ordinance and i found it to be an incredibly fascinating document, and while I question my sanity for feeling that way, I do think it was amazing the level of detail and the requirements that are placed on as he will for - and em for this tax abatement. The two things that jump out for me and I represent the austin game [inaudible] chamber of commerce and I've been a small business owner for 15 years, and the two things that jump out another at me from the ordinance is the requirements for recruitment and supplier diversity. Two things that are often overlooked and watching -- reading in the ordinance how it's required for apple to reach out to all the different demographics, not just in the people they're employing, which cross all demographic lines, but also in the suppliers that they use, for all of the vendors that they'll hire. I think it's a fantastic thing and a fantastic thing to be included in this ordinance. Ultimately I think there's a confusion among many on the difference between corporate welfare and a tax rebate. The city, as you know, will not be spending any current dollars to make this happen. All of the dollars being spent come from apple, so there is no -- nobody is losing money in going for this process. When you add up the economic benefits there's 282 million in property and equipment and over 600 million in new payroll attributed to the city over the course of ten years, and for all of that benefit the city receives an additional 14 million-plus in tax revenues. And I think this is a fantastic deal for the city and the game chamber asks you to support this unanimously. Thank you. thank you. Dan graham? Dan graham? Brian jones? Brian jones. Harvey frye? Harvey frye. Luis rodriguez? Luis rodriguez? Luis? Signed up neutral and you have three minutes.

>> [Speaking in spanish]

>> my name is luis rodriguez

[speaking in spanish]

>> I'm also here to support my friends and coworkers. I'm here in particular so that workers' compensation insurance can cover us all. As you can see, my finger had to be amputated and i have not been able to receive any benefits. Thank you. thank you.

[Applause] jose perez? Jose perez? Are you jose? So you're signed up neutral and you have three minutes.

>> Thank you, sir.

[Speaking in spanish]

>> good afternoon, ladies and gentlemen of the city council. My name is jose perez. I am the father of three children and I've lived in austin, texas for 13 years and I am a construction worker.

>> [Speaking in spanish]

>> I am here today because the construction workers play a very important role in the work of construction.

>> [Speaking in spanish]

>> right now I am working at a construction project that is at the corner of i-35 and oltorf.

>> [Speaking in spanish]

>> where we've been able to achieve safe working conditions, good conditions, that are free of unsafe and dangerous conditions.

>> [Speaking in spanish]

>> and thank you to workers defense project to be able to achieve fair jobs that are safe with fair wages.

>> [Speaking in spanish]

>> and we as construction workers would like for this project of apple to go through and to ensure that there are safe working conditions.

>> [Speaking in spanish]

>> and that's all for my part. I hope that these words do not go lost and that you -- words do not go lost and that you take them into consideration and thank you so much for your time. Good afternoon. thank you.

[Applause] herby hightower? Herby hightower? craig McDonald is signed up against, and you have three minutes.

>> Thank you, thank you mayor, mayor pro tem and members of the council. I'm director of texans for public justice. We're a nonprofit advocacy group that researches corporate accountability and we urge you to oppose this package. We're generally skeptical of the wisdom in providing government subsidies to private businesses. They often don't deliver. We think they discriminate. They engage us into a race to the bottom, as many economists would say, and governments don't do a very good job in choosing economic winners and losers in what should be a free enterprise economy. Most of our research around jobs and job creation and government subsidies has been based on statewide jobs programs. The texas enterprise fund in particular. The job creation results of which have been wildly exaggerated by the governor. He spent \$450 million with little to show for it. That corporate welfare program has really delivered more promises than it delivers actual paychecks. Earlier today I heard a representative of the chamber outline three criteria for its economic development deal. Surprisingly I guess I was alarmed that need wasn't mentioned as one of the three criteria. Apple's problems that have been in the news in the last couple of weeks is that it's got too much cash. It doesn't know what to do with it. It has \$100 billion in cash reserves, 64 billion sent offshore so taxpayers can't get ahold of it. Seems to

me it's the height of hootspa for apple representatives to come to taxpayers and ask us to \$30 million. In the first quarter alone in this year apple is earning at the rate and profit of \$1 billion every week. Every six hours around the clock it's earning enough to pay for the \$30 million it's asking from texas taxpayers. How can we ask our small business owners, our property payers to pay their fair share when we're saying apple doesn't have to pay its fair share. There's some absurdity there. Where is jonathan swift when we need him? I think we wrote a letter to apple ceo tim cox today suggesting that if he merely rejects these subsidies he'd be doing his corporation a favor, we'd solve some of his cash accumulation problems, and he'd be doing texas taxpayers a favor. Tack pair money should be used to attract apple and other corporations. We should spend our taxpayer money on building a strong education system, on good transportation, on delivering cultural opportunities and delivering a clean and healthy environment. We should not be giving corporations welfare checks. That way we can attract apple and we can probably jowd bit phoenix by the -- outbid phoenix by the quality of our community any week. Thank you.

[Applause] philip lawtmon. Philip lawtmon? Andy martinez? Is this the same andy martinez? Okay. You don't get to speak again. Paul biewry, paul biewry, signed up for. Alexander ford. Is alexander ford here? Those are all the speakers that I have signed up. I called a lot of names earlier that were not here. I just have a note that laura houston is here, would like to speak. Without objection, council, houston to speak. I believe you're signed up against and you have three minutes.

>> Thank you so much, mayor, and members of the council. I went around the block to kind of walk the stale air off and you all started on time, so I apologize. I wear two hats here tonight. The first hat is as a citizen of this city, and while I listened to all the benefits that the county and the state and the round rock independent school district would get, I'm not sure i heard anything about the benefits to the citizens of austin. It feels like we are paying a lot of taxes, both our electricity rates are going up, our water rates are going up, our gas rates are going up and our property taxes are going up, and I'm not sure where the tipping point is when we have these large subsidies for corporations, for the citizens. When does that start balancing out so that I see less going up and more coming down? So that's my first hat. When will this great adventure that we're on pay for itself? The second hat that I wear is I'm very intimately familiar with the imagine austin, and yes, we talk about jobs there. We talk about jobs. We talk about transportation. We talk about housing that's affordable. I don't hear in any of the negotiations anything about the jobs that -- at the low end, \$36,000. People will not be able to afford a house in the city, and so as I wrote to you all in emails today, they're going to be living outside the city, like most people do now. They'll be living in hays and williamson and bastrop elgin. They'll be living outside, so when you say you'll get this back I'm not sure that's accurate or true, because most people -- most city employees -- some city employees don't live in the city, because it's just too expensive. Yes, we want the jobs. My community and the hispanic and then poor white folks, 14, 12% unemployment. And so we've got to look for them, but transportation, how do they get to west parmer lane? There's no bus that rains out of there from -- runs out of there from far east austin. So even if they qualify for a job what are the mechanisms in place? What are the infrastructures in place to get them to the job? And my really big issue here is housing that's affordable. On \$36,000 what is it? What can they buy, where can they rent? And where is that going to be? Could we perhaps put in our discussion that when we start building up around the

apple plant, that there is mandated housing that is affordable for those people that make that \$36,000, not the 56, but the \$36,000. I would like apple to be a good neighbor. Yes, we have given subsidies and apple has more money than god, but we would like to have them be good neighbors, and that's all i ask. Thank you so much.

[Applause] fernan fernan do adame? I called your name earlier. You went here. So without objection you can have three minutes.

>> [Speaking in spanish]

>> good afternoon, my name is fernando adame. I'm a construction worker.

>> [Speaking in spanish]

>> as a member of workers defense project and monitor of construction sites, we see that there are a lot of problems in the construction industry.

>> [Speaking in spanish]

>> regarding safety and wages.

>> [Speaking in spanish]

>> and we believe that if apple is thinking about investing in the city --

>> [speaking in spanish]

>> -- and we believe that if apple agrees to work with us, that it would be a small step for apple but a huge leap and huge meaning for us as construction workers.

>> [Speaking in spanish]

>> we feel that it's -- the working people feel that it's very important for apple to invest in safety trainings and in fair wages.

>> [Speaking in spanish]

>> and as we as construction workers here in austin, we would be very appreciative and thankful to the city council to urge apple to partner with us.

>> [Speaking in spanish]

>> and I want to thank apple and you all for ensuring that we won't only have work here for the next couple months but a couple years, and not only for a few hundred workers but thousands of workers.

>> [Speaking in spanish]

>> and I put my hand over my heart and I want to appreciate apple that we can work together to have good working conditions.

>> [Speaking in spanish]

>> and thank you to all the workers. thank you.

[Applause] those are all the speakers that i have signed up wishing to speak. So, council, discussion? Motion on item 89. thank you, mayor. council member martinez. yeah, let's go ahead and get right into it. In my opinion, I think it's -- overall it's a good deal, but we've heard some compelling testimony and i think there's a few ways that we can make it better, so I just want to ask some of the apple representatives a few questions and then based on the response to those questions I may have an amendment that hopefully is agreeable. mayor, madam mayor pro tem and council members. I direct our state and local affairs at apple out of could you please teeno. I have glen golder our site director here in austin. We wanted to make sure you had senior people here to answer any questions you have. I'm delighted to be here and excited about this project. thank you so much. I wanted to ask you just real briefly if you can share with the council your experience working with labor organizations in california and the history that you've had in terms of those relationships.

>> Yeah, we have a very strong relationship. In fact, it's interesting, we are building -- as well as this campus here in austin, which will be our first ground-up campus outside of california in the world, so you guys are going to be one of two campus locations. We're also building a new campus in california, and we've built a billion-dollar data center in north carolina, and in all of those cases we have a very strong relationship with labor, for a lot of the reasons that some of the people who testified said. Our reputation is so paramount at apple that we make sure that everyone who works for us, whether it's contractor, subcontractor, adheres to the highest standards, both I think the legal standards, obviously, but also making sure that, you know, for the kind of parades of horrible of things we've heard here in austin do not happen on our sites. We work very quickly. We're always behind on real estate projects because the company is moving at, you know, the pace of technology, but we make sure that we have that partnership. I had a nice conversation with mr. casar. We had a conversation with the facility folks yesterday. The issues they brought forward are things we think we can work collaboratively with. The city, with his organization, with our facilities folks, but also bring in whoever the contractor and architects are going to be on the project, but in reality the subcontractors are the folks we're talking about -- subcontractors are the folks we need to have at the table. We went over briefly some of the things he talked about with our real estate team and I think are committed to continue to work to figure out something that when it comes to you all for approval it's something you're going to be very proud of and it will be a project that meets a lot of the strongholds of basic justice. since you mentioned that meeting, i know that part of your discussion was the premier community builder certification that workers defense project is referring to, and it -- basically the casar talked about that deals with setting a floor on wages, safety conditions and then it also creates access points for groups like workers defense to be able to communicate with those employees to just ensure that whatever agreement we come up with

and whatever we negotiate as an operating condition is being adhered to moving forward. How do you feel about their proposal for achieving that certification and/or agreeing to something similar to that?

>> Yeah, again, this just came up yesterday so obviously it's -- at your request, you know, it was -- we wanted to make sure we had all the right apple people at the table. I think that the spirit of what they're looking for is something that we can work on, again, with the folks here in austin who would be working on the project. I think we don't want to -- we want to wait until we have a project, till we have -- you know, we have land, we have an actual design, we have something that we can kind of put our arms around and we know who the people who are going to be actually working on-site are, because they have to buy off on this too. It has to be a multi- -- a multilevel discussion. But again, I think -- i think you will find, especially when you're building a world-class center that is going to be, again, if you've seen the -- you know, the apple stores and other things that apple builds, we -- we care a lot about the products that we create and that includes our facilities that are owned by us, and I think that, you know, we can have a very, I think, exciting talk about things we can do, innovative things on the workers' side, on the environmental side, on a whole variety of things, and again, that will all take place before any project is approved by you all, so in the end you have the final

[inaudible] but I would hope it's something you're going to be all excited about and I think that the organizations represented here are going to be excited about it. so what I'm hearing is that you're willing to bring any agreement back to this council for consideration before construction begins?

>> I think we'd -- I think the idea would be that we would want to have the things that were mentioned here ironed out, again, some we may not be able to do, some we may be able to do significantly. I think it's all part of the negotiations and we certainly -- we want to make sure that anyone who's working on an apple project, that we have none of the issues of wages, issues of workers' compensation, issues of overtime not being paid, any of those things that were mentioned, and it's something that we actually do a lot of policing ourselves, so i think that as we have the discussion and as the project moves forward, you know, there will be a lot of good stories we can talk about just how we operate on a project, just independently of requirements. And again, I think getting to that place where the city, apple, whoever is actually doing the construction and the fair labor folks can all kind of coalesce. I don't want to put words in your mouth but I want to ask you a question and you can answer yes or no. So do we have a commitment for you to work with council, stakeholders, workers defense project and other stakeholders, in these conversations about safety conditions, working conditions, rest breaks, things that are of value to austin in terms of wages and access to the work site, just for information purposes? Do we have your assurances and commitment that you will continue working with us moving forward?

>> Yes.

>> Martinez: thank you. Mayor -- and I really do appreciate that, and I trust you, and I will take your word, but I'm going to add an amendment that hopefully you will find friendly, and I believe it's -- it's something that's been discussed with you. So in the proposed agreement we

would insert -- and everyone has a copy of this, I believe shirley does as well, it's in the third 01, the amendment -- we would add a third paragraph that simply states, "in the execution of the contracts for phase 1 and phase 2, apple will comply with all applicable state and federal laws relating to construction, including laws related to labor, equal employment opportunity, safety and minimum wage. Apple agrees to make commercially reasonable efforts to work with the workers' defense project in an effort to meet this " is that something you can --

>> we're fine with that amendment. I will move to add that as an amendment to the agreement, mayor, and so council member martinez moves to approve the amended ordinance for the agreement, close the public hearing, and it would be on all three readings. Is there a second to that? Second, council member spelman. Further discussion? Council member tovo. I do have some additional questions. I guess the first might be for -- well, I guess it's for the apple representative. You had spoken -- and i appreciate your commitment too to worker safety and fair labor practices. Can you help us understand how that might -- how we might have an ongoing dialogue about that? You did mention the project as it's under construction. You have an approved site plan right now; is that correct? Or are in the approval process, the administrative approval process for the site plan?

>> We have -- the zone is site planned for the 200 -- the phase 1 is site planned for 200,000 square feet. That's all we have today, and that's why we want to move forward on what he was talking about, about the facilities and the drawings and all that stuff. We haven't gone to the next level during this process. I know that rusthoven and guernsey are around here somewhere. Maybe they can come answer this question, but I don't think -- as you move forward in it -- at what stage do you contemplate coming back to council to talk about the project? It would be just if you needed a zoning change, i think.

>> I think we can do that, yes. I mean, you want us to come back and give a -- just some -- to come back and give an update on the overall project once it's all laid out and drawings and all that? Is that what you're asking? and I think in particular I would be interested in what -- in the progress that you've made with the workers defense -- with the workers defense project.

>> Absolutely. -- and what kinds of agreements you've come up with, as I see this, and my colleagues may jump in here, we're in effect asking them to comply with the applicable state and federal laws but not necessarily some of the things that I've heard the workers defense project talk about in terms of setting a floor for wages, setting some particular goals in terms of worker safety and monitoring. Council member, maybe I'll turn to you here for a minute. Is that basically the gist of the amendment?

>> Martinez: mayor? council member martinez.

>> Martinez: thanks, mayor. It is, and I completely appreciate the fact that it's very hard to commit to things when you don't know that you're going to have a project, and so I appreciate those concerns, and what I'm doing is basically laying out a premise with the commitment from apple that these items that were discussed and things that we're sharing with them are going to be in that negotiated process. I'm taking their word for it.



>> And I don't think I would want to appear here before you all without having a report on that, so I think that whatever the next step is when we come before you, and I know there will be several in this process, you know, we'll be continually updating you. And again, I think that at first blush I think there's a lot of things we can do. We would want to be a leader on a project. We just need to make sure that we are doing it with the business partners that are coming in, and we're not kind of sandbagging them before we actually have a project. yeah, that -- i understand that perspective. I do have some questions to follow up on some of the formal questions that we submitted. I know the staff had given us some information, which was very helpful, and i think they have deferred some of the questions to you. So I'll just run through those rather quickly and see if -- if you've got some additional information. I still have -- am trying to reconcile the number of contract workers on your -- among your existing employees, and in the contemplated expansion.

>> Currently our contract labor force is less than 25% of the -- about 3500 people today. Actually when we submitted this application we were at 3100 employees, and now we're at 3500. So yes, it's less than 25% and in the proposal that was laid out here we plan to continue to grow and keep below that 25% rate, and that's in the contract. right, and that's an explicit commitment in the contract to have that be no more than 25% of the total applicant pool. Thank you for that clarification. So there has been some discussion about -- in some of the questions and answers, and I know that the city has provided some information about this issue, but as you know, some of the members of our community have raised questions about what apple has done in light of some of the national news we've heard about suppliers in china, and I know that apple -- I know from my own research that apple has a standard of conduct that it requires of its suppliers in other countries and that you have increased the number of audits of those suppliers. And I wondered if you could just speak to the extent to which apple will -- what kinds of actions will apple take in the future if those accounts -- if those suppliers are failing their audits in some manner with regard to worker safety, wage issues over time, environmental concerns.

>> Yeah, and I think, obviously, you've seen our web site, and we really, you know, we've been doing audits for -- every since apple has been -- or had contract manufacturers overseas and supplies overseas. This is nothing new for the company. We need to redouble our efforts to make sure that they're pushing towards the minimum possible in our industry for any type of, you know, even minor violations but also increasing those audits and bring in third parties who are doing audits to really make sure that, you know, we are leading the class for any technology company, and that's what we're doing now. Again, we still haven't seen the results of all that efforts, and I think you'll see the company will do whatever it takes to make sure, again, that workers who work on any apple product anywhere in the world are protected and the laws are strictly adhered to, because that's just the -- you know, the corporate sense from our management all the way down to the company. great, and i appreciate that perspective and that philosophy, and so suppliers that are not -- that are failing their audits or are in violation in some way I assume would be -- would have -- I think the language on the web site talked about working to correct those noncompliance issues up to and including termination of a relationship.

>> Yeah, and we have done all that -- in the latest report you'll see that we've had to terminate folks who have not met our standards.

>> Tovo: thanks. That's -- so I think that my next question is probably for city staff from economic

[inaudible] development. And thank you very much to the apple representatives for your candor and the information you provided.

>> Kevin Johns, director of economic growth.

>> Tovo: thank you. Johns, one of the questions that I submitted talked about the decision matrix that's used for chapter 380 agreements, and in particular -- and we've had several speakers here today ask this question, does the matrix measure whether a company actually needs the incentive to be economically viable in their operations?

>> The matrix evaluates value added to the city. That is the number of jobs that are created, the return on investment, in this case the 14 million. We -- we look at it exclusively in that area, so that -- in fact, we would -- we would try and attract strong companies rather than companies that had a need. Usually they wouldn't create as much jobs, so it is value added rather than need oriented.

>> Tovo: okay, thank you. And then I guess the second part of that question is whether or not -- to what extent do you assess and then document the competition that might exist to bring a particular company to an area? I understand from your answers on the q and a that apple has stated in their business information plan that it's considering other locations, but is there evidence beyond that that you as staff assessed in making that determination of whether or not there actually is a viable, you know, active competition for that business?

>> That is a good question. We do ask the companies if there are competing -- if there are other areas that are competing. Some respond yes, some respond no. As a director of economic development, if another city asks me, I wouldn't tell them. The chambers of commerce of other cities will not respond either for fear that then they would know what we were doing, that we were actually in competition with them. So as you know, we do not compete with any city in Texas. It's just not part of -- it's not allowed. Once you get beyond the state, it is still a competition. For example, in this case the unemployment -- the people on unemployment compensation in Austin is about 26,000 people, and we have a very low unemployment rate, but if you go to Phoenix they have a higher unemployment rate and a larger number of unemployed people. If you go to Chicago they have a larger number. So we know that if we were able to successfully compete and get Apple to move here and they create 3,600 jobs, well, that could be a down payment on as much as 14% of our unemployment. But if you're going to a Phoenix or you're going to a Chicago, they probably have greater need than us, so they wouldn't volunteer information. I hope that helps a little bit. We do ask, but we very seldom could confirm it with other cities. They just -- it's just not -- it's not done where they would tell us if they were competing with us how much incentives they were getting. I think perhaps Apple could tell you -- they've been very tight-lipped about what they can tell you, but I think they've had experience in other cities and can share that with you as well. So it sounds like you really have to rely on the information that's provided by the particular company because it's very difficult to verify, and when that information is forthcoming it's very difficult to verify because of the nature of --

>> that's true, and that's why we also -- we focus on the profitability to the city of austin. That's why we use this unique -- or this loca analysis to show how many incentive not to give, and then we look at the specific niche markets that it might bring to our community and how much money it brings, that we have to rely on that that, I think because we do not know what the competition is doing. In this case because there's so many parts of america that are still in recession and we know that there's something like 34 million people that are in poverty in america. In austin there are eight census tracks where poverty is over 25%, one with over 50%. The unemployed black working force is at 16%, and we have a great economy considering other places. So we know the competition is out there. Sometimes we don't know exactly where it is unless it's volunteered by the company, though.

>> Tovo: I see. Thanks. And just on kind of a more microlevel point, it's my understanding from reading the agreement that if apple chooses not to build on this site, they are -- the agreement specifies that any other site must be within the desired development zone. Is that a hard-and-fast rule?

>> Yes. Yes, it is.

>> Tovo: okay. So I believe that's my last question. Thanks.

>> They were good questions. Thank you. and I just want to say, you know, this is a decision I have really struggled with a bit because I think anytime we're looking at using public money and this much public money, I think we need to ask ourselves some really hard questions about the value we're getting from it, and, you know, we are challenged in so many areas of our budget in looking through some potential cuts, for example, to our parks program, I was really distressed to see how some of our summer camp programs might be impact and so on. So while this is a relatively small economic incentive package, it is -- you know, it goes far in other places. That being said, I think this is really a very good -- a very good company. I think it does bring many good-paying jobs to austin. It does provide domestic partner benefits and meets some of the other city values that we have of creating career paths for individuals, and so while i do have some concerns about providing an economic incentive package to a company that is -- has, as we all know based on the news of the last week, \$97 billion worth of cash, i do think that it will represent a good thing for austin and certainly we look forward to welcoming you in your new and expanded capacity. I would say looking forward, we might, as a council, have a discussion about whether some of those items I've mentioned ought to be part of the decision-making matrix in terms of the company's actual need, and to whatever extent we can assessing the competition element of it. But again, thank you, and thanks to the apple representatives and to you and your staff for all of your hard work on this. council member spelman. a couple questions, I suspect of the apple representatives if i could. You stated a few minutes ago that no more than 25% of the total people employed as part of this project would be contract workers and 75% or more would actually be full-time employees of apple. Did I hear you correctly? Now, I understand that the contract workers you're talking about are actually going to be contracted -- well, at least in the beginning, with one company. Is that right? What's the company?

>> Today we use volt services.

>> Spelman: okay. Why do you use volt services? Why not hire more full-time employees?

>> A lot of it has to do with the seasonality of our business. Obviously our q 1, which is our christmas quarter, is the biggest quarter. And so we have to bring in additional staff to handle the peak, similar to like a retail store would bring in additional staff for those kinds of peaks. And then we're in an unfortunate situation in the summertime, the education push in august, we also bring in a peak there, but we usually bring it in for the back to school sales with our institutions, k-12 and higher. And so that's why we maintain a percentage of temporary contract-type jobs for that flow. it's because you wouldn't have very much for them to do during those troughs in your regular business cycle.

>> Correct. Correct. tell me if you could, we had a breakdown of your average wages and that 10th percentile wage. It's very important to us, we want to ensure if we give a 380 chapter agreement to a company that all the people you're hiring will be able to make it in town without public assistance, without having to do to the public hospitals, things like that, and I was very much encouraged by the fact that that 10th percent I'll was \$36,000 a year. It's exactly the right point. It's not so high that people have to be imported from elsewhere. We have more than enough people who are qualified to handle a \$36,000 a year job, the kind you're talking about, I expect, but it is a living wage easily in the city of austin right now. Tell me, does that include contract workers or does that only include the apple employees?

>> Those wages in the agreement are just the apple employees. can you tell me something about the kind of wages the volt employees are going to be getting?

>> Today in our contracts with volt we only have the -- what we call the bill rate that we now -- in the contract, we're not being able to see the pay rate, something we need to go back and look at. But we think it's within the same ranges as which we have in the schedule, meaning we have - - I would think most of the entry-level people are making about that same wage, but then we also bring in specialist-type roles, I'll give you an example, we use sap a lot, so if we need someone to do a lot of sap-type work on a project, those type of jobs are 100, \$130,000 jobs, right? We do one project we may hire ten of them. So that kind of sways the average. I think the average is probably in the, you know, 46,000 range for the contractors.

>> Spelman: okay. And by average you're referring now to about the median, about the 50th percentile, half or below 46.

>> I'd say the entry level jobs, which makes it about 70%, 75% of the contract jobs, are in that 35,000 change that you talked about.

>> Spelman: okay. So more or less this is a mirror for the apple employees' wage ranges?

>> Correct. when -- now, you're telling me quite properly, since you're only getting the bill rate and not the wage rate, that this is a little bit provisional. When could I reasonably expect to have a little more information on what that wage rate actually looks like.

>> The actual -- what we call the pay rate? the pay rate, right.

>> Right now, I just checked on this again today, and the -- in the contract that's not supposed to be given to us but that's something we need to go look at.

>> Spelman: okay. And that's something you'll be able to look at and report back to us?

>> We hope so, yes.

>> Spelman: okay.

>> I can add anecdotally because we also use volt at our headquarters in cupertino california, often we bring people in through volt because it's a much faster way of on boarding people because we're growing so quickly and those positioning will turn to permanent positions. We see people coming in -- I've had my people coming co-in from a contract basis to an apple employee basis and there hasn't been a dramatic difference in terms of the job sets and the pay rates. So that's anecdotal but at least we haven't seen that from my perspective. do you at least some of the time hire the volt contract workers as full-time employees at apple?

>> That's the case, yeah, often we do that. Often -- basically because we can say we need somebody with this skill set. They can bring them in right away, then they basically kind of work in that job and if they seem a good fit for the company, often -- one, it benefits us to make them a permanent employee.

>> Spelman: I understand. That makes sense.

>> Yeah, we've already put the training -- because we usually have about a three-week training program for most of the roles, so we've already invested that. Then we're usually on a

[inaudible] year contract on a contractors, and then, yes, when jobs open, they're absolutely -- they absolutely can bid on those jobs. We post every job internally and externally. If you go to our site they're all there. If you click on austin you can see our -- we have over about 200 jobs listed today. But all those contractors can bid and interview for those jobs. they would certainly know enough about the company and the job to get an inside track, they'd be exactly the right people to hire.

>> Absolutely. And learning the system we use they obviously have an edge in those jobs.

>> Spelman: sure. One of the many attractive characteristics of this particular agreement is the benefits that apple pays. I wondered if you could speak to the benefits that volt pays to the contract employees. Or makes available.

>> Yeah, I mean, they're roughly identical. I mean, there's not -- you know, in terms of dental and medical and the rest, i don't think they participate in our 401(k) program, but in terms of just -- in terms of your kind of normal benefits that you would have, they're not disadvantaged. And again, from our perspective, you know, we don't want people working side by side, apple employees, who are not, you know, having the same basic coverage. so we can reasonably expect they're going to have health insurance, they're going to have dental insurance --

>> right, so they have paid holidays, dental, health insurance, life insurance and disability. so these are --

>> and employee training, referral bonuses, recognition rewards, tenure programs and credit union.

[Laughter] I need to think of something else to ask you guys.

[Laughter] okay. So the benefits paid by apple are going to be very similar to the benefits paid by volt, and the minimum problem we sometimes have in other circumstances, not with you guys, is that some people are going to take home cash in a pay envelope but they're not going to have access to insurance, not going to have access to a 401(k), they won't have access to any kind of benefits and if they get sick we're going to see them at the public hospital and that's not going to happen with volt or with you guys?

>> No, everyone is going to be, you know, covered, a again I think we -- you know, apple is a family, and even with our retail employees we have the best benefits of any retailer that we know of. So again, I think we really try to -- our company is very flat and we don't like to have kind of tiered systems on anyone who works there. I think also, it's just the commitment from the company. We really value our employees and really try to develop them. I think you've already seen this in austin and hopefully you'll see this with this new americas center, that people with like skills can often come over and work for us and, you know, frankly, we pay a little bit better because we -- we're a tech company, we're competing with tech talent and we understand what it takes to get good talent and keep good talent. And I think the fact that we've over the last ten years hired an average of about one person in austin a day, you know, just shows testament to the fact that there are really good people here and once they come work for us, there's a lot of people on our campus now where glen works that have been there, you know, many, many years. thank you very much. I appreciate your help. council member riley. I want to thank you for your willingness to discuss all these issues. There's one other issue that I wanted to touch on, since a speaker tonight raised some questions about transportation, specifically she was asking about how would workers get to the site, if they didn't have a car, given that it's not currently located right on on a bus line. We discussed this previously and I understand that you all do currently operate shuttles to take workers from your current site over to a nearby -- either a park and ride or a bus stop, about a mile away. And then when we were meeting I saw it on an internal web site at apple, you also offer some programs to help your employees with other transportation options. Is that right?

>> Correct. So the first question on the bus. So the bus stop is a metro. It's about a little over a mile. 2 miles from the campus. What we do is we have two buses that run all day long through the morning, to pick up people and bring them to the site. So -- and then we also use those buses during the lunchtime to move between the sites for lunch breaks and things like that. And then on the commute alternative -- so on our web site, I believe I showed that to you, it's kind of -- when apple tries to do something we usually go all out, and so it's a really cool system. One thing on it is there's a live map, so if you were to go in and say, I live here, I can drive or I can only ride, here's my address, here's, you know, the times of my work, and you can see a live map of who's in your neighborhood that wants to co-share rides, right? That's one thing. Two, we offer an

incentive to ride metro, right, basically. So there's a \$200 incentive for you each month to ride an alternate means. Third, we also have what we call our emergency ride home. So the main thing the employees are concerned about is, hey, what if my kid gets sick, you know, how am I going to get there to pick up my kid. So what we do is call it an emergency ride home voucher. You get a cab or whatever you need to get there and we pay for it, we pick it up. We don't want people to get stuck somewhere. And the fourth thing is we encourage biking to work also. We provide showers at two of the locations and then we also have bike racks, and that's also all on the map on the commute web site. you would expect to continue all those programs at the new building?

>> Absolutely.

>> Riley: great. Well, thanks, thanks again for all your work on this. mayor pro tem cole. I think I have these questions of kevin, and then I'll ask the apple representatives a couple of questions. The key question when we're looking at any type of incentive deal is are we getting more than we give, and I really heard the speaker who sits on the comprehensive plan and have heard consistently the question of when is growth going to pay for itself. And the idea every time we do an incentive deal and the concern in the public is that we're bringing somebody here, they're actually going to cost us more than we're getting from them, and 57600 well.

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>> there's two ways to look at it. Of course, those people who are unemployed now are using government services and social services at a higher rate. We're not calculating that. But we know if there's another 3,000 of hundred people or even a thousand people who are not availing themselves of the social service delivery system, there's a significant savings. But in just a pure basic direct analysis of the loci computer assessment, what we're looking at is the return on investment. That's a net return on investment. In this case it's 14.6 million over that term.

>> Cole: Let me stop you there because when you talk about a net return on investment, if I was a taxpayer, I would say what does that mean about police? What does that mean about infrastructure? What does that mean about potential cost to the city of austin from an incentive deal? Is any of that coming in to play or is it included in the web loci analysis?

>> I'm going to let bryan or eve give you a little bit, break down a little bit more meat of the loci analysis. I think it does and it will answer your question in several categories.

>> Cole: Okay.

>> Good evening, mayor and council. Bryan gillday. We want to look at not just the benefits, but what are the true costs. When we measure those we're looking at in this case the cost of an incentive. We're also looking at the cost for recreation, for libraries, general government, health services, social welfare, public safety and water, wastewater costs along with electric costs as well. So we're trying to get an idea of not just what we'll gain, but what will it cost us from having additional residence here to make it a bottom line that will make sense for everyone.

>> Cole: So we're looking at the tax revenue that people are going to bring, property taxes and sales taxes, and we're also looking at the cost that they will bring by being residents of austin, is that correct?

>> That's correct.

>> Cole: And when we look at the tax revenue, are we only looking at property taxes?

>> No, when we look at the revenues we're looking at sales taxes, property taxes both from the company and from residential property tax growth. We're also looking at franchise fees, alcohol before language tax revenues, revenues from fines, from permits, miscellaneous fees, water revenues, wastewater revenues and electric revenues.

>>> So you just mentioned electric revenue, water revenue, and we talked earlier about property taxes and sales taxes, which are all potential revenues to the city. And we know that we have all spent a lot of time and are concerned about austin energy and the potential rate increase. So the question is does this deal in any way increase those potential costs without generating the revenue to match that?

>> We look at all those and make sure that they are cash positive.

>> Cole: Cash positive. Okay. I have a question for the apple representatives. We heard a little bit earlier about your charitable contributions policy. And I'm assuming that that is done at the corporate level, is that correct?

>> Yes, ma'am.

>> Cole: And it's rather recent that you went to matching employee contributions. Is that true?

>> That's true, yes.

>> Cole: How long ago was that?

>> It's been about a year, i think.



>> Cole: Okay. Well, we talked a little bit last time about wanting to make sure that you are a good corporate citizens and contributes like many of our other corporate citizens. And have you given that any thought?

>> Yeah. Our philosophy is two things. One is we want to empower employees because we believe that that our employees should be giving back both in their time and resources. And we've seen that over four million dollars just in this past year that we've matched. But I also think at apple we tend to think different as you know. In austin we've always looked at least in the 12 years I've been at the company, for unique things that we can do in community that others can't do at least as well as we can. Things that excite our employees, often things around education because that's in our dna. And we've done all sorts of great partnerships in the city. One thing we don't like to do is get a lot of credit for it. We actually tell people they can't use our logo, we don't want a recognition if we're doing it. If it's true charity we don't want to get a lot of fanfare on it. For us that smacks of marketing, not of charity. So -- or community involvement. So I think with this campus and with really the number of employees, as you know, 3600 jobs is our floor. That's what we have to meet at a minimum. Depending on how the company goes, who knows how many people will be in austin. But it will give us a lot more flexibility to do programs that, frankly, that we can do on scales that we can't do when we don't have enough employees because again, a lot of companies can write checks. We like to be more involved at a kind of organic way in the community and both when we were at our former location and in our current location we've always done that. Again, very quietly and really with our employees helping lead the decision making.

>> Cole: Well, I certainly respect the idea that I like to make those contributions to the community and not take a lot of credit for them or make a lot of fanfare. And the really important thing is that you do them and you are committed to do them. And so I just encourage you to continue to do that and to also explore -- there's numerous, five or six companies in town that actually operate an employee contribution system, and to continue to do that because usually that increases the amount of giving. And that is also done anonymously. And we do that at the city of austin through various providers. Last time you talked about the other ancillary businesses that could result from this expansion. And you mentioned catering and, quote, other small businesses. And I'm wondering if you've given any additional thought to what other small businesses might result from your expansion? and again, I'll let glen chime in if I don't hit something. But we've seen, for example, in cooper teen know, california, where we've grown in one city similar -- obviously a much smaller city than austin, but you see from restaurants and food services to dry cleaners and hotel rooms. Our city is now building a lot more hotels because we have a lot of people coming in and out. In fact, we've joked that we need more -- if this project goes forward we need more flights to the bay area from austin because right now if you go if there it's all apple people. But also I think the fact is our people work hard at the company. They tend to spend a lot of their time looking for goods and services near where they work. And as mentioned, we really pride ourselves on having a great transit program, so we get people out of their cars. That also means they'll be doing a lot of things locally. So we've seen everything from the bagel shop on the corner to, you know, the brewery down the street after work perhaps that -- they do see a marked increase in sales tax revenue and in revenue in general because of our employees. And also, the other thing that we talked about earlier today with some folks from the city is we have employees from every age bracket, but a lot of our employees like being in an exciting, urban

area. We have a lot of people who live in san francisco even though they work in cupertino, which is over an hour's distance. I do think you will see a lot of our younger single employees being very excited by the housing opportunities there are here in downtown. And again, I think that that's --

>> Cole: They think it's affordable, right?

[ Laughter ]

>> if you looked at the papers in the bay area, they say that there are a few companies that are keeping the rates of real estate, you know, solid, and we're one of those companies. So again, I think we want to make sure that our folks are compensated so they can live and prosper here. And again, you know, knock on wood, if the company can initially do well, hopefully the benefits of the company also benefit the employees that are here in town.

>> Cole: Thank you.

>> Mayor Leffingwell: All in favor of the motion say aye? Opposed say no? Passes on a vote of six to zero.

[ Applause ]

>> Cole: Welcome.

>> Thank you very much.

>> Mayor Leffingwell: Without objection, we're adjourned at 8:12 p.m.