

City Council Work Session Transcript – 9/24/2013

Title: ATXN2

Channel: 6 - ATXN

Recorded On: 9/24/2013 6:00:00 AM

Original Air Date: 9/24/2013

Transcript Generated by SnapStream Enterprise TV Server

===== [03:49:17]

Mayor Leffingwell: Good morning, are we on? Good morning, I'm austin mayor lee leffingwell and we have a challenging agenda for today and a quorum is present, so I'll call this meeting of the austin city council work session to order. On tuesday, septem 24th, 2013. At -- at 9:02 a.M. We're meeting in the boards and commissions room, austin city hall 301 west second street, austin, texas. So if there's no objection, council, we have two briefings that are time sensitive. In other words, there are other things that have to happen within a certain time

[04:00:23]

frame that's important that we get those done today. So to ensure that they get done, there's no objection, we'll go ahead out of order with items d 1 and d 2 and i guess we'll go with d 1 first. >> Thank you, mayor. [Indiscernible] >> no microphone. >> There you go. There. >> Mayor, council, greg lazarus director of austin water here this morning, we want to provide you with briefing material for impact fees. If we could queue up the presentation. Other staff here, brian long as well as david ankers if there are other questions. At your october 17th meeting, you all take up impact fee revisions, there will be a public hearing as well as two council items for that. We wanted to provide you with a briefing on that today ahead of those discussions. By way of some background, impact fees apply to water and wastewater infrastructure. They are the fees that you pay at the time of connection. Our current collections for impact fees average about \$6 million a year annually. As a policy, the council collects less than the -- directs the staff to collect less than the maximum allowable. There's a series of discounted zones that we've implemented over the years. Really, recaptures through capital improvements for growth is a combination of both impact fees as well as rates, so it's a combination of those two, so the lower the impact fees, ultimately over the long run, the more you recapture from rates and vice versa. Impact fees are waived for all affordable housing projects and impact fees can be waived for any specific

project that the council would deem worthy. State law requires that impact fees be updated every five years. Our last full update was in '07. We have been in the update process for about a year, a

[04:02:23]

little behind schedule, consulting with legal we think that we're in good shape as long as we cross the finish line soon. We are required to go to an impact fee advisory committee that's prescribed by state law. But as you'll see, we've broadened that stakeholder input much, much more than that this time around and down really the state law is wrapped around how you calculate the maximum allowable impact fee and the amount to discount that fee or the collected fee amount is really council policy. Because calculation of the maximum allowable impact fee is critical, I just wanted to spend a couple of minutes on this slide to go over how it's done, I won't go into a lot of detail. But basically it's a pretty straightforward process that you determine your capital improvement plan required for growth, projects that you have done or will do in the planning horizon, you determine how much capacity is going to be used in your 10-year planning window for new growth. You have to account for new refuse views that come in from those customers. State law allows for two methods -- law allows for two methods. Method one standard 50% of the revenue from new customers helps to pay off growth. Also a second method which is a specific site calculation method. Historically Austin has done method one just to generalize 50% for this update, we have gone ahead and done method 2, which is a more detailed site specific update. That resulted in a lower revenue credit which means capital recovery fees maximum allowable fee would be higher. So we are recommending method 2 we believe is a more precise method for this update. But that is pushing up the maximum allowable a bit. Once you have all of that configured you kind of do the math and determine your maximum allowable. Our current calculations maximum allowable for water is 3307 that would rise to 5414 under this update. Maximum allowable for wastewater is 1852 currently, that would rise to 2284 with this update. And all this is required to

[04:04:25]

be reviewed by the impact fee advisory committee. This table just provides you the current fee structure that's been in place since '07. It's a heavily discounted structure. We have a series of seven different zones, drinking water protection zone, desired development zone, the core, the downtown district, inside city, outside city, the zones are discounted by various amounts. The minimum discount is 25% for the drinking water protection zone. The maximum discount is a full 80% for what we call -- 80% for what

we call the cure or the downtown area, water on one side, wastewater on the other side, have a little bullet there. Really the key policy question, updating this '07 information is how much, if any, to continue the discounting practice. The formula for calculating maximum allowable is just added to the formula, really the policy direction is how much, if any, to discount that. Again, I won't go into a lot of detail, but as we got stakeholder input, we crafted a series of options to consider, I have kind of rolled those up in a family of options here. Options 1 and 2 are status quo options. Really keep the current discount zones and the current discount percentages. The only difference between options 1 and 2 are this revenue credit method, do you do generalized 50% or the site specific, we're recommending the site specific, but options 1 and 2 you might consider status quo options. Options 3 a, 3 b, 3 c and 3 ci are options where we eliminate all of the discount zones and we simply discount the maximum allowable by a percentage, 15%, 20%, 25%. Wherever you see the letter i, the little letter i that's just an indication that we included a linkage back to the new imagine austin plan. That was one of the feedbacks we got along the way is to take the

[04:06:26]

opportunity this time around to provide a discount for high priority imagine austin zones and corridors and so that's the only difference between that. Options 4 and 4 I are again a little different flavor. We simplified the zones, but did not eliminate all of the zones. We really preserved two zones, the drinking water protection zone and the desired development zone. That was one of the core policy goals from many years ago for the couple was to make impact fees lower in the desired development zone and as opposed to the drinking water protection zone, sings ons 4 and 4 -- options 4 a 4 I preserve that zone quality. Option 5 is the maximized impact fee options. There's no zones and really this option is configured about collecting the maximum allowable fee for all areas of the city. So you might think of that as the opposite of options 1 and 2 in terms of protection, the status quo. I provide this for proportionality, I won't go through all of this, but it's in your packet for you to review in the future. We simply took each one of the options and combined the -- the amount we would collect under that option for water in blue, for wastewater in green, and the yellow is the difference between what we would collect and what you could collect up to the maximum allowable. So the bigger the stretch of yellow, the more or the less you collect fees, the more that you would have to make that up through rates. So it just gives you a sense of proportionality for the different options in some of the zones within the options as well as compared to the current system that we have. And I won't go through all of these, but it is there for your reference and then just continues that down through options 4 and 5 and you can see option 5 has hardly any yellow that shows we are collecting up to the maximum allowable. The next two tables are

[04:08:26]

again for contexts and reference. We took the various options and placed them in a table to compare them to other jurisdictions, water and wastewater impact fees. We did it in two ways. This first one is for, what you might think of our marketplace, central texas cities and all the way from dripping springs, leander, round rock, cedar park, compared to austin as well as some various options that we have. All the way from our current fees through the various representative zones and options that we developed. This chart is the same thing, except instead of our local central texas marketplace, it extends it out and looks at other large texas cities and you can see how our current fees as well as potential fees under various options would compare to other texas cities that we have up there, san antonio is up there, a few others. We did note in the text box there are many large cities that don't have impact fees, they just elected not to implement them. So, you know, there's no comparison in terms of that regard. This table provides a -- a projected revenue comparison. I caveat this. That impact fees depend on development, if development stops or slows down or speeds up. Other assumptions. How much affordable housing. There's a whole bunch of assumptions here. There is not a forecast for rate setting. Just a sense of scale of how much impact fees you would collect under the various options. All the way from our current system, if you kind of think about the next 10 years, where we would be roughly by 2024, how much we would collect under the current system, down through the various options, all the way through option 5, which is the maximum impact fee collection option and then some of the other columns, compare that to the current system and how much more impact fee revenue that you would collect and just remember that it's a balance

[04:10:27]

between impact fee and rates. That's kind of the interplay between the two. We have a whole bunch of stakeholder input. State law only requires us to work through the impact fee advisory committee which we are. But we've extended that significantly, actually this matter was first taken up by the joint financial committee last year. They had a recommendation which we'll remind you of way back well over a year ago. Water and wastewater commissioner has been heavily involved in this. We created a specific website just for impact fees, where we could receive input and pose questions and comments. We hosted a couple of open community meetings, sent out emails inviting bunches of people that wanted to come learn about impact fees, we reached out to some specific stakeholders, internal departments, planning and development, affordable housing, other, as well as external groups such as home builders, real estate, downtown austin alliance, chamber of commerce to name a few. When we

did our budget process we had impact fee of staff and tables available to discuss those that attended our recent budget public forums. This slide just generalized for you some of the feedback that we got from stakeholders and I will first say, as you might imagine, as you are used to, this is a very conflicted process. That how much fees you collect, there's different stakeholders that are kind of all over the board in materials of collect as much as you can versus don't collect a lot. So just kind of note that. But I would say in general, all stakeholders that we were interacting with, recognizing impact fees are going to be going up and that these discount zones are going to be heavily considered by the council, so I don't think that's a surprise to anyone that that's up for discussion. I will remind you of the joint financial subcommittee's recommendation, it was item 3.1 in their report that council accepted a few or back last year. They -- they really adopted and said by policy we should calculate the maximum allowable, which we did, we

[04:12:28]

switched to method two. Which we included. We should consider, council should consider eliminating the current zone discount. So just provides you that for their input. We heard conflicting input on whether or not we should continue to preserve a different pricing structure between the desired development zone and drinking water protection zone. A few stakeholders said that was still valued. Others said that's run its course and could be done away with. We did receive comment, particularly internally, from planning development review that we should take the opportunity to strengthen a linkage between impact fees and imagine austin. We heard a lot of feedback about keeping our impact fees competitive in our desired development zone, particularly relative to other local jurisdictions, i think some of the feedback that we've gotten really is impact fees is one of many considerations of developing an austin -- an austin that in general is a little more difficult market to develop in, typically a little more regulation, it takes more time, more effort to develop within austin as opposed to a smaller suburban community and impact fees is one of those considerations and those stakeholders advocated not raising the fees too much given some of these other head winds that they may have faced in investing in our market and that there is a value in investing in austin, that helps manage sprawl, less congestion to say investing in round rock, leander, cedar park and suburban areas where you may be exacerbate problems. From policy starting perspective, staff is recommending 4 a for the council to consider, this table provides a summary of 4 I combined water and wastewater fees in terms of currents versus 4 I some of the differences between the

[04:14:30]

two. Reminder, option 4 i [indiscernible] a lot of the zones but still preserves a difference between the desired development zone at the drinking water protection zone. Drinking water protection zone would be 85% of the maximum allowable under this option. The desired development zone would be 60% of the maximum allowable, and the -- and the image austin priority corridors and areas would be 50%. If there's some desirable qualities with this option, one it does -- increasingly impact the recovery, although not in option 5. But it generates an additional \$80 million over the ten year horizon compared to our current system. It does preserve a difference between the drinking water protection zone and the desired development zone and really that's a pure council call whether or not you want to continue that pricing differential. It keeps our impact fee his kind of in the central tendency in the desired development zone, compares well to other local jurisdictions. It does create imagine austin, the highest incentive in the imagine austin area, I think maybe a middle way pathway. It's a good step to take. Along the way, if you didn't want to take say too large of a policy leap all the way to the maximum allowable, this is hard to -- to really judge, but we think that it's a low risk of legislative involvement in the future. One of our concerns have been if we take a big leap towards maximum allowable, would that somehow trigger some legislative action at the next session. We think this option is low risk of that. It manages some volatility risks, that's run of the staff concerns, if we push too much collection in the

[03:16:04]

2nd Half.....

From a policy starting perspective, staff is recommending option 4 for the council to consider. This table provides a summary combining water and wastewater fees in terms of current versus 4 I and some of the differences between the two. Reminder, option 4 i [indiscernible] a lot of the zones but still preserves a difference between the desired development zone at the drinking water protection zone. Drinking water protection zone would be 85% of the maximum allowable under this option. The desired development zone would be 60% of the maximum allowable, and the -- and the image austin priority corridors and areas would be 50%. And if there's some desirable qualities with this option, one it does -- increasingly impact the recovery, although not in option 5. But it generates an additional \$80 million over the ten year horizon compared to our current system. It does preserve a difference between the drinking water protection zone and the desired development zone and really that's a pure council call whether or not you want to continue that pricing differential. It keeps our impact fee his kind of in the central tendency in the desired development zone, compares well to other local jurisdictions. It does create imagine austin, the highest incentive in the imagine austin area, I think maybe a middle way pathway. It's a good step to take. Along the way, if you didn't want to take say too large of a policy leap all the way to the maximum allowable, this is hard to -- to really judge, but we think that it's a low risk of legislative involvement in the future. One of our concerns have been if we take a big leap towards maximum allowable, would that somehow trigger some legislative action at the next session. We think

this option is low risk of that. It manages some volatility risks, that's run of the staff concerns, if we push too much collection in the

[03:18:04]

impact fees, that's a highly volatile [indiscernible] as we have experienced it can shut off very rapidly, you know, if there's some kind of economic upset you can go from a really healthy development market to little to no development very rapidly and -- and if we get out of balance there, that might raise volatility risks of the utility. Just note for the boards and commissioner action, the water and wastewater commissioner took this up extensively after last meeting, took a couple of actions, there are really two transactions associated with impact fee updates. One is the report that we've to do for state law, calculated your land use, c.I.P., Maximum allowable, follow the prescribed state law for that and the commission approved that transaction along with the staff recommendation that we did. The recommendation on whether or not to discount the collect fee options, again we recommended option 4. They took up the discussion, a lot of input from the public, ultimately recommended to the council option 5, chess eliminating all of the zones and -- which is eliminating all of the zones and seeking to capture maximum allowable fees for the entire marketplace. They did provide a detailed resolution for you on that and some of their thinking that's in your packets for consideration. We will be meeting with the committee next monday, i don't want to be presumption, but based on similar meetings it's likely that they will take a similar pathway that the water and wastewater did. Of course they haven't met yet. They are meeting monday. They will meet with you after they have their recommendations, that's our sense. By state law they are only required to approve the impact fee report that

[03:20:04]

calculates maximum allowable, but we do believe they will make a recommendation on the zones in addition to approving the report. So next steps, ahead of this update is of course as i just mentioned a meeting with impact fee advisory committee on monday. This is scheduled for council action on october 17th, REALLY THREE THINGS Will occur. Public hearing and public discussion, you'll have an rca to approve the impact fee report. The land use assumption c.I.P. And maximum allowable, assess the fee calculation and then the local ordinance to determine the collected fees and the -- any discounting that would go with that. We would recommend whatever council does approve would go into effect as the new fee structure on january 1st of 2014. And with that, I believe that concludes presentation and along

with staff I am available to answer any questions that you would have. >> Mayor Leffingwell: A couple of quick ones, I'm not sure that I understand what the I means. What's the difference between 4 and 4 i. I can't see any. >> Option 4 would not have any special treatment of imagine austin corridors or zone, the I just indicates that we took the imagine austin plan in the area that's been identified as high priority investment corridors and investment areas. There's a little higher discount for that. That's the only difference. >> Mayor Leffingwell: Okay. The second question is option 5 doesn't have any differential apparently be drinking water protection zone and the desired development zone and that was a mame goal, one of the major ways to encourage document in the desired development zone was this. Back when it was adopted. I guess that I would like to hear a little of the rationale from what the water and wastewater commission and the impact advisory commission on why they wanted to do away with that differential.

[03:22:05]

>> I think a few things. One, they felt that it had run its course. That -- that there isn't really a lot of development activity in the areas of the drinking water protection zone. Where austin is -- is -- has jurisdiction. That -- that the utility has made the bulk of its investments in terms of oversizing infrastructure, new transmission lines, collection systems, into the desired development zone and that that is an area that's infrastructure ready, that the drinking water protection zone by choice is not infrastructure ready, that this practice of having a difference between the two zones was -- had essentially run its course and that this fee structure was no longer really meaningful in terms of managing that investment in those zones. >> Mayor Leffingwell: I take it you disagree, staff disagrees a little bit with that. >> I think it is essentially a policy decision for the council. We recommended option 4 i, again as we think that it's kind of a balance amongst those risks. And a way to kind of implement a -- a middle way, evaluate these things, you know, the next five-year update, you could certainly make an additional determination that you want to go all the way up to maximum allowable or not. That's kind of one of the risks -- >> the differential was not a factor in your picking four over five? >> Somewhat. We didn't want to eliminate the zones, we didn't really think that was -- [indiscernible] I think the other thing that the water and wastewater commission determined or evaluated is that the cost to preserve differential between the drinking water protection zone and the desired development zone is fairly salty. I mean, it's millions and millions of dollars because obviously if you want to have a lower desired development zone fee your drinking water protection zone fee has to be higher, so you have to have a difference in that that

[03:24:05]

ultimately drives more cost into rate payers and they -- they said, you know, we are more risk averse with rate payers right now in their rates as opposed to drinking water protection zone. >> Also becomes as you pointed out a little bit uncompetitive with surrounding jurisdictions, option 5 does. >> Chris? >> I want to follow-up on that question about maintaining the differential. Obviously we would all rather see development in the desired development zone than in the drinking water protection zone. The question that I've heard raised is whether maintaining that differential is an effective way to steer development to -- one place or another. My own appointee provided a lengthy memo in which she asserts in the case of cities which are attractive for development and growth such as austin, the studies have pre-- the impact fees have no discernible affect on locational decisions. She points to cities like cedar park, san marcos, georgetown, significant impact fees higher than austin that continue to enjoy high growth. I have not reviewed the studies myself. Have you looked at studies that exam the effect of impacts fees on location decisions? Is it accurate to say that they have preponderantly shown that they have no effect on location decisions. >> Do you want to take a crack at that. >> Good morning, brian long with austin water. We did take a look at all of those studies in detail. We did find those studies seemed very accurate. We also talked with the planning development and review team about those studies as well, we agreed that they did not disagree with those studies. That impact fees alone

[03:26:05]

probably do not make a discernible difference. However, it is very hard to compare apples to apples and oranges to oranges when you are looking at different cities as y'all are well aware of in fees and structures and other things because there's so much much other information going on. One of the -- one of the different things in any of these comparisons, even the charts that we showed you, is what you get for your impact fee he is different in dripping springs, that's why it was so much higher than it is here in austin. When you start comparing those reports, which they did on cities in florida, their development practices are just different there in general. So to say that the -- there wasn't effective use of the fees in austin, is -- is something that we kind of looked at, do we go into a study, we started trying to determine if we should study that we realize there are a lot of other factors that environmental colorados going on at the same time, so what was attributed to the impact fees versus what was attributed to the other other environmental regulations that went on at the same time. We started trying to turn all of those dials, we realized it was a pretty complex process. We do think that the impact fee pricing structures for the 7 zones that went into effect in 1999 was one of the first things that happened for the differential between drinking water protection zone and the desired development zone. So we think it did have that effect of -- of getting out the message that there was a -- there was an incentive for council to -- to

develop in the desired development zone. The question that the impact fee advisory committee and the water and wastewater commission is -- posed and provided with the research is is that still an important one with all of the other development regulations that have come into fruition since then. And that is a great policy question. >> Further input from stakeholders on exactly what effect the differential has on location decisions. [One moment please for change in captioners]

[03:28:54]

in the amount of 15%, which to provide some cushion in the event that legal challenges are presented with respect to our impact fees. Is that accurate? Do you currently provide a 15% reduction for that purpose and is that part of the recommendation. >> The current system and the water protection zone is discounted 15% and in part that is a risk management tool. The utility has been hesitant to go all the way right up to the maximum allowable if we would have some legal challenges or somebody would go back and say the land use assumptions or the c.I.P. Is in here. Or you shouldn't have included that project that you would never have to reimburse a lot of money that would be a safe butter way from that maximum allowable. And so that is one of the consideration we've had and the commission has weighed in on that. I will say we're conservative by nature. So even in our c.I.P. And some of the assumptions that we make, if there's a judgment on whether or not the project should be to include or not to include, we typically say let's not include it if it's on the bubble. It's a manageable risk. If the council determined to go maximum allowable. >> Riley: I understand maintaining-- buffer. Folks I heard from haven't found any kind of city that provides a reduction like that. One expert said he's never seen this kind of discounting in his nationwide experience. Are you aware of any utilities that provide that? >> I am not. I am aware, my understanding from staff and some of the historians, that is council

[03:30:59]

started implementing these back IN '90s THAT AUSTIN IS TARGETED For legislative action, which we are. That may put a certain amount of risk in our heads saying we should step back from the maximum allowable because we might be more at risk for challenge than other texas cities. Anecdotal. But that's a lure that got us to that point. >> The last thing I want to ask about is the final bullet point on page 13 which notes the staff recommendation does not increase revenue volatility as much as higher fee options. I want to understand the risk of volatility. My understanding is we have ten years to spend each impact fee. Is that -- is that correct? That there's the ten-year cycle for spending the impact fees that we

collect? Is that accurate? >> I'm not sure about that. Do you want to take that one? >> Yes, the -- the report of the ten-year plan, but it's updated every five years. And that plan is updated every five years. Now those projects that we have in the plan this year will be updated in the next five years and go forward on each ten-year plan. But the impact fee maximum allowable is set on that ten-year plan. It is correct that that is a ten-year plan but it's updated every five years. This is our fourth update. We've incorporated the previous updates. When we get those numbers, we modify the numbers with the best cost. You have to provide the best capital improvement plan that we can. That's what we do. >> There's no requirement that we spend the fees collected immediately. >> When we collect the fees they need to be spent on the capital

[03:33:00]

program of which they are assessed. >> Riley: And that capital program is over a period of five to ten years? >> Correct. >> Which seems to be mitigating volatility if you're talking about the five-to-ten-year spending plan for the fees collected. >> The rates that go in go to pay off the capital plan. So if the capital spending was -- if we increase the impact fee dramatically and we have a lot more coming in and the development goes down, we might not have offset the rates to pay for that capital improvement and therefore you have some volatility because you expected the impact fee to cover more of the costs and because of the -- because it might be a greater number that the rate payers are going to have to increase to cover that. >> Riley: Got it. I see, thanks. >> Mayor Leffingwell: Mike? >> Martinez: I wanted to ask what kind of studies have gone on. If we've done studies on affordability. We adopted your recommendation or the other recommendations. The costs will be passed on to the home buyer and that speaks to the issue of affordability we're trying to add dress. We ended the budget to keep the taxes low. But we're going add a couple thousand dollars to the cost of a home. >> A couple of thoughts there, the council policies have never applied impact fees to affordable housing. If your development or your home sees affordable guidelines of the city, we don't assess impact fees in any area. So that we would still recommend that be the practice.

[03:35:02]

If your high-end homes are in the middle, you have to pay impact fees and presumably ultimately that would be passed down to the home buyer and they would purchase it. The offset to that would be we're covering more of the fees up front from the people living here. People here in the long period you're

likely to keep your rates lower. Particularly for those living here now, your rates are not likely to raise as quickly because you rebalance how much you cover from the up front fees instead of trying to do more of it through raises. >> Fees that aren't imposed on affordable housing projects, you're talking about single family homes that reach a certain price point for nfi? What programs are we talking about? City bond money. Do they have to be a part of neighborhood development corporation? You want to speak more to that? >> Yes. They work through the affordable housing department, they follow the smart housing and the ordinances that you set forth and any developments that fall into that category, whether it's single family and I believe there's quite a few builders and we're going through the process. Oh, yeah, I participate in that program and I go through there and I get the impact fees waived and there were other builders as greg said just chose not to be in that program and have decided to not do that program but are competing at that level. And they have concerns. One of the things that is increasing this is that we might increase participation in those programs. And talking with neighborhood housing, it's something that we thought would be a good benefit in having an increase in these areas. But there would be increase

[03:37:04]

participation. >> The other consideration for councilman is if there's any special project in the affordability project that didn't fit into a parameter, the council can always direct staff to have those fees waived. So that's another tool council would have to manage special case circumstances. >> Could a developer that's coming forward with a zoning case that's a large tract of land going to subdivide it and build a neighborhood -- in that zoning case, could they speak to the fee waiver as well. Is it a separate item. Will they waive the fees because there's building a desired element in that area. >> You can do a resolution directing the staff to waive the fees for that project. >> Would that be considered contract zoning? I think you do that but you want to do it outside of the zoning process. >> Mayor Leffingwell: Understood, thank you. Following up on that, normally it's done before the zoning process. That's done at the time of the service extension, is it not? Is that what we're talking about? >> The impact fees are collected at the time of the purchase of the building permit. That's when they are purchased. However, in talking with the developerings, they do include the cost of impact fees in the overall cost of the project. And the consideration of the project. That is considered but the average purchase. >> Mayor Leffingwell: Considered but not assessed until later point? >> Correct. >> Mayor Leffingwell: So the point is it would be at the time of consideration would be before

[03:39:04]

the zoning case, at the time it figures into the calculations, the financial planning calculations. >> The other thing to note here is the fee is based on the -- the assessed fee is based on the plat date. If they're not replatting, the fee would be associated with the date that the -- that -- >> Mayor Leffingwell: Yeah. >> That the plat date was set. If they didn't replat them, that's when they would get the new fee structure. >> Mayor Leffingwell: My only concern would be obviously the cost of reductions from option five, that's an impressive chart on page ten. It can get pretty significant, even for option four there in the range, \$100 million. So my -- on the one hand, it seems really good. It may be. I don't know what effect with regard to discouraging development vis-a-vis our surrounding communities of roundrock or wherever, everything except dripping springs. I would like to have some input on that. We're were those interests included in your stake holders? What did they have to say about that? >> The interest being like developers? >> Yes. We reached out to the home builder association, chamber of commerce. Downtown alliance, you know, many others that -- >> so -- >> so you -- option five was not a big consideration as far as the current -- >> they -- the representative that spoke at the waste water commission, representative rica? Recommended the support of the staff's recommendation for option 4-i, that's their input so far. >> That's a compliment. I'm trying to get an indication of the level of heart burn option five would be.

[03:41:09]

>> I think there will be some heart burn. >> Mayor Leffingwell: We'll have to have further discussions to find out what the level is. >> It comes or not. >> Mayor Leffingwell: Times or not. Okay. Cheryl. >> Cole: Thank you. You said the impact fees do not make a difference in the locations. So I'm trying to understand that the studies that councilman riley talked about. We talked about outside of the city, inside the city, getting rild of that. You said there were environmental matters at issue. What else? In terms of location decision s? >> . >> Cole: Yeah. >> I'm trying to pass on what they passed on. It's a more challenging marketplace to develop in that we have significant series of rules and regulations. Higher environmental standards, more process. More commissions, more time. All of that creates a certain amount of head winds to development and investment and that when you add in potentially very high impact fees, that, you know, it could be a tipping point that would drive more investment away from austin around pflugerville, roundrock, cedar park, where you have lower fees but not this additional overhead and it's the combination of those two, not just the fees alone, that are a consideration on how people make investment decisions. >> Option five adds to the cost of doing business and that will be passed on to the homeowners. And that would increase potentially the cost of the home? >> Yes.

[03:43:11]

And/or people might -- the developers say you are doing a development where you're building a large commercial building, you may not be able to get a loan at the higher fees. I'm not a developer. Sit add to the overhead. -- It adds to the overhead. And it -- I'm sure you'll hear some of this in public hearing from developers directly. That's some of the feedback I heard. You met with groups more than I did. >> They're very concerned. They're looking at it. A lot of times -- this is both sides -- a lot of times the market drives the price. So you look at, well, okay, if the market drives the price, then where is this extra fee increase going to be hit? You'll hear slides from Brian Rogers who's in the development community and provided good presentations to all of our communities and his point is it gets passed down to the land acquisition, things like that. The builders are saying I have to buy that meter and put that out and my margins are in because of all of the other things I have to pay for and the time it takes compared to going somewhere else to develop outside. Then you talk about well, what does that do to our city? You know? That means we're going to have more traffic if development is incurred if there is a perception and that would mean more traffic on our roads to get to work and downtown Austin. So there's a delicate balance of which we try to incorporate in the stakeholder input and make as transparent as possible and set up is a good policy discussion. >> I appreciate the balance and

[03:45:12]

I want to make sure that I'm clear on it. Because with that balance, the people that aren't paying for the home is spread through the rate payers throughout the city. >> Correct. >> Cole: So it's a question of a few homeowners versus sharing that throughout the city? >> Right. >> Morrison: You mentioned you provided the resolution to all of us. The first line of it caught my eye. I wanted to take a moment to read it. It says the impact fee advisory committee and staff of the Austin water utility are to be commended for the high level of professional skill and diligence in responding to the recommendations of the joint subcommittee. So I thought it would be nice to take a moment to -- >> I like that. >> Morrison: To show that the commission is -- took a moment to commend your work and the work of other folks. Thank you for that. So I do have questions. I think the issue of striking that balance is what this is all about. One thing we haven't talked about specifically is if we go with 4-i, I believe the numbers show that over the ten-year period, that's a difference as you mentioned of \$165 million, \$65 million from the risk management reduction and \$100 million for the geographic reductions. The \$165 million will need to be captured as Mayor Pro Tem said, from the rate payers. It's important to keep in mind that increasing

water rates, increasing everything is also a driver for driving people out of the city. It just becomes too expensive to live here. So it's not a simple decision at all.

[03:47:13]

Did you -- have you done any calculations that would show for the \$165 million what impact that has on the normal rate payer over -- over that ten-year period. Is there a way to tie that to some numbers so that we can see what that \$165 million does to our rates? >> Are you saying did we calculate the forecasted rates? >> Say the 165, we do that as opposed to -- so the rate payers pay for that, \$165 million. What's the difference in rates in the next ten years if they don't have to pay for that \$165 million. That is absorbed, let's say. We do go with option five. How much differential in their rates compared to if we go with 4-i? >> I don't believe we computed a specific number for that. I think we confer with our team and determine if we could give you some kind of feedback on that. It may be some sort of discussion. In general, I would say that typically the way impact fees work, you -- the rate impact is going to be greater in the future rather than in the first couple of years. The new fees were going into effect. The first year, you're not collecting as much as you would be in year eight or nine. So you'll see the rate impact likely higher in outer years, higher in terms of lower rates than they would have been versus the first few years. But let me confer with David Anders and our team about how we can maybe give you some feedback on that? >> Morrison: That's helpful, I think. That's the other side of the equation. We spread it out among a lot of people, among the -- with rates, or the new development pays for it. And so to get some sense of what that means to the individual

[03:49:13]

household for that -- >> you can kind of even use I suppose a rule of thumb in some ways. David wants to come here and help me with my thumb. But the utility right now, revenues are roughly \$550 million a year. So if you increased impact fees by \$10 million or \$20 million a year, which over ten years would be hundreds of millions, percentage-wise, it's not a lot. It would compound a little bit over time. But I don't want to give the impression it's 40%. >> Mayor Leffingwell: Like 2%. >> Yeah, 1% to 2% a year as you climb the years. Measure usual but not that the rates would go down 50% or something. >> Morrison: Right. One of the things we do our research. Craig does a good job of showing that of eight, there's eight that don't have the impact. We asked them why. That's one of the things that there's a lot of work to do, to put the impact fee on there. And the amount of dollars needed for the revenue was not coming in

from the new development. They chose not to. We put together a trend that the larger that your rate base, the smaller the impact fees. And the larger impact fees, the entity that would not have large rate customer bases. I think that goes to the point that there's not a huge amount, but there is an amount that you're having a lot of growth. And there's a lot of development that you need to be looking at. It's a trend. >> Morrison: It's going to be a small amount. For austin energy, we're not going to increase it more than 2% a year. We're talking about 2%, not that much. But 2% adds up a lot and other perspectives, from other perspectives, it is a lot.

[03:51:13]

So I think that's going to be important to wrestle over. Let's see. Councilmember martinez brought up the issue of affordability and that our -- the -- our developments that are in that program are the impact fees are waived. I wonder if we can get -- I'm grappling a little bit with what it takes to qualify automatically under that. There are a lot of different programs. I was wondering if we could get the director to give a more detailed description of what the automatic waiver program is. >> We'll follow up on that. >> Morrison: Great. And the impact fee advisory committee, you said you didn't want to speak for them. But they may well be leaning towards the option five. Can you -- how many -- can you tell us who's represented on that? Is that a good broad section of the community? The stake holders? >> Yes. The membership is prescribed by the state law. You have to have certain membership and you have to have a certain amount of the development community on it. Can you speak to the details on that? I don't recall the details. >> You have to have real estate and developer interest and you have to have one etj member. Because if you have -- if you're going to charge impact fees in the etj, you have to have an etj number. And we do have that committee is fully invested in this and has been with us through this last year of the update. And they have taken a look at that. The committee has several people who have been on it for years. And bring a lot of experience and in the calculation and been very helpful for us. And we also have some of the more -- the new committee members who have been very cordial on the policy side. They've gone through and kind of learned to be updated and

[03:53:14]

setting the maximum liable and had more of the direction of hey, let's get involved in talking about where we want to see growth go. And so, we did at the last meeting, we're close to coming up with a recommendation. However, they do want that final report to come out and have one more meeting

prior to the october 17 public hearing. So we have that that next monday. But in that discussion, that's why we said the advocacy was similar to the waste water commission. There's a discussion about going ahead and maximizing the pay for itself concepts. Sounds like they have food discussions and all. They're going to have a report? Or do they come out with a recommendation. >> By their own requirement for state law is to approve the thick report that we've seen in you all that has the calculations. We are expecting they'll have a resolution for the discounting? >> They'll send the council the letter about the report. And then this year it's something that's been new and discussed at the advisory committee and that's what we're talking about a recommendation as well with the letter. So the recommendation on the policy as well as the letter for the report itself. Great. Because I know that you mentioned some presentations that have been made and all that. I think we're probably going to have more discussion and so some of that background would be helpful. I don't know if you could ask them if they could compile some, you know, some attachments to their resolution that sort of may be support or help them come to some of their decisions, it would be helpful for me. Or I could call them up. But it might be nice if we have the same information upon which

[03:55:14]

they've based their recommendations. >> We'll do that. We have the website we created, a lot of the presentations we've done. Others have done. Brian has an interesting presentation he'll come and have a public hearing, I'm assuming. Any comments that we received along the way, we'll send the link out to you and your staff so if you want to peruse that, that's a way to familiarize yourself with some of this. >> It sounds like we are set to have the public hearing and take action on the same day. Is that correct? So this is a big decision. So I think some -- if we are, in fact, going to do that, some studying ahead of time would be important. Having that background would be important. >> Yes. >> Thanks. >> Mayor Leffingwell: We have one more briefing this morning. Last count, 14 preselected items on the agenda by council. I did get word that bill would probably be here around 10:15, 10:30. So kathy? >> Tovo: Can I make a quick comment. I pulled item 18 regarding the convention center contract. I do see some folks in my audience. My understanding that the questions I have will need to be asked in the executive session. We have people here who are attending who may otherwise be here for a long time and the discussion I have, the questions I have are legal ones that can't take place in this room. I want to make them aware of that. >> Mayor Leffingwell: You want to let them go home? >> Tovo: It's their choice. But I did want to make sure that you got that message. There may be some of my colleagues, customs for them. >> Mayor Leffingwell: You have gotten the information? >> Morrison: I do have some questions. >> Mayor Leffingwell: And laura apparently does have questions for you that don't require executive session. So we consider that -- that

[03:57:16]

matter discussed. So -- >> Riley: Are we -- >> are we -- >> Mayor Leffingwell: Yes, you're finished. We'll take the next briefing on repeat offender and rental registration. >> Good morning, mr. Mayor, councilmembers. We thank you for the opportunity to come and provide the briefing this morning on the repeat offenders' program and the rental registration programs, both in response to resolutions that we received from council. Starting with the repeat offender program, this one defines repeat offenders, someone who has received at least two notices of violation in a 12-month period that did not timely make the corrections or received two citations within the 12-month period, or received five or more separate notices of violations, whether they corrected them or not. They would be identified as repeat offenders. And the violations are basically health and safety-type violations. The properties would remain on the list for a couple of years. They would require a local contact and there would be periodic inspections done every year for the repeat offender. To -- to let you know how we presently enforce and how both of these ordinances with the -- would be impacted in enforcement process, we've added this slide. Basically a code process

[03:59:16]

starting with a complacent system. The complaint goes to the inspector and the inspector goes out and makes a site visit, concludes if the complaint is a violation or not. If it is, the official warning or violation, we go to the yellow -- from the blue to the yellow. And notice the violation would require the property owner comply within a specified period of time. If they complied in that period of time, the notice of violation, the case is closed again. If not, we go on. The inspector has some choices. You get to the red, which is noncompliance. You can either go left with the municipal court which is a criminal process, or you can go right with the purple into billing and standards commission, a civil process. Let's look at billing and standards. Billing and standards has the power to hear -- hold a public hearing, and decide if the property is in violation and issue an order -- an order requiring the property owner to make repairs to -- to demolish, secure, vacate, relocate the building commission has that power. And they have the power to assess civil penalties that after a specified period of time for compliance, if they do assess civil penalties, those penalties can continue to run until the property is brought into compliance. If the property fails to comply still, you have the option of it going to district court. Going back to the red, noncompliance, another option, particularly for nuisances, the department can abate those nuisances. We can cut the high grass and bill the owner for the lien on the property. We can put up the building. We can demolish. With can take some actions that would clear up the violations

[04:01:16]

immediately. Illegal dump sites or cleaned up this way through the abatement process. Going to the left with the tan -- the tan slots there. That's the criminal process there where a citation is issued. If a citation is issued, that's initiating the municipal court process. Then the respondent has an opportunity to pay a window fine or report to court and plead not guilty -- plead guilty or not guilty and ask for a deferral more time to correct the problem, and take care of it that way. Now, the down side of municipal court is -- is -- doesn't necessarily guarantee compliance. Municipal court certainly can impose fines, but not necessarily cause the property to broaden -- to be brought into compliance. And in some cases, it may be necessary as you can see the top ten slides there shows that it can go -- the case could go to district court. If we haven't gotten in compliance. So a little bit of that process. If it's a repeat violator, it will be handled through this process. Or if it's a rental registration, any complaints coming in will be handled through this process. Also, if we're doing periodic inspections and we find violations, they'll be plugged into this process and we'll see more enforcement happen as a result. Just a little bit of statistics on the repeat offender -- looking back over the last five years, we found that we've got a total of 411 potential repeat violators, meaning that properties with two or more notices of violation or two or more citations. So it's not a large number. We look at the five-year total average -- averaging a little less than 100 per year. But there are a number of

[04:03:18]

potentially repeat violators in our city and in our neighborhoods. Looking briefly at the pilot rental registration program in the ordinance highlights, it creates a pilot program in three areas north, south, and central always tin. It includes all multifamily properties, three and above, plus single family and duplexes if they are identified as repeat violators. It requires a listing of the tenants from the property owner, but we did hear concerns about privacy. And so the -- we crafted the ordinance such that the list remains with the property, with the property manager, with the owner. And so we only access the list in the case of emergency. If the property had to be vacated and people relocated, we would need that list, then the city would not need to and co-compliance would not access that list of tenant names. We would require local contacts, someone with the authority to deal and report with the emergencies within two hours. In any 24-hour period. If you have an emergency, there's a local person to respond and take care of that. We would have the contact information for that local person. We would require periodic inspections every two years. One thing we heard from the industry is they do not want random

inspections. We did not include random inspections. But periodic inspections every two years. We would also look at doing a self-inspection checklist that would allow property owners and property managers to do -- to inspect their property themselves and maybe identify any problems before a co-compliance even shows up on this site. Also it is incentive for compliance if the property is maintained and compliance, they

[04:05:19]

can do third party inspections as an alternative to having co-compliance come out and do the inspections. That's an incentive for property owners to maintain their properties and compliance. Also we put an exemption in if the properties were built in the last five years, they would not be include in the program for five years. Assuming that they pass all of the building inspections and trade inspections and property should be in good shape. Just a little bit about step -- we heard a lot about this in the stake holder process. And the question was of the rental pilot rental registration program affects them, and the answer is yes. It does to a certain degree. If registration would be required if there's three or more of these properties contiguous to each other. That's one of the things that we heard. A lot of times you'll have property owners by several properties connected to each other, put a -- a housing property for students on each of those that would be overoccupied. And so if it's three or more, we'll capture it under the rental registration program. If not, if it becomes a problem there, violation of the health and safety code, we would deal with it that way, because they would have two or more notices of violation and they become a repeat offender. And either ordinance would pick them up such that we could require them to be registered and require they maintain the property and the compliance with the code. Additionally, if they're required to register, they're required to do a tenant list. And that would discourage, hopefully, overoccupancy. If you have to do a tenant list and identify who's living in each of those units, hopefully

[04:07:19]

that will do that. And lastly, not on the slide, but co-compliance was certainly committed to working with neighborhoods, working with the task force, and working with other departments to look closer at this issue. I think it's going to require more attention and more effort to find solutions to -- to this particular problem. And we'll certainly continue to work on that beyond these ordinances. Looking at the pilot areas and the violation versus citywide, one statistic here shows that the pilot areas, those

areas comprise 18% of the population and 32% of the multifamily properties are in those pilot areas and a similar percentage of code violations are found in those areas too. We think it will be important for us to track and bring the information back to the council after the pilot program is over. After that one-year period of time. You want to know how many properties will be able to register and what percentage of the properties in the area we were able to register. How many received periodic inspections and what did we find? Did we find no violations or violations on those properties? What were those compliance rates. Did folks comply with our notices? And what percentage of compliance did we get? Additionally, we'll be

[04:09:20]

monitoring the rental market. There is concern the ordinances will have an effect on the rental market and we'll monitor the real estate trends on the rental market. Additionally, we'll stay in touch with our stake holders. We'll maintain good communication and we'll bring back feedback on how we think the program really worked, whether it was effective or not. This slide speaks for itself. You said involve stake holders, get community input. We did that. We held a number of meetings. So we tried to make sure that we were driving the process and not -- not allow the process to stagnate or take too long to get through. We had 90 days to get these ordinances done. And in the meantime, make sure that we get, you know, the input from the stake holders, so we went to a number of groups, had a number of meetings. Our building commission decided to do it on their own. The community and development commission as you suggested, as you directed us to, they held a couple of meetings specifically to hear about these ordinances and to make their recommendation. So we've got a lot of input even from the university from the Ibj school, they did a report. This summarizes the input from the community. They had concerns about proactive and strong code enforcement. As I said before, there's been a shift from the co-compliance side to the code enforcement

[04:11:21]

side. The code compliance being work with you, trying to get compliance without going to legal actions and the community seems to want more of the code enforcement and stronger code enforcement and proactive code enforcement. Again an issue in that area. Education and training, making sure that the landlords and the tenants know what the code requires. And knows when they got violations on their property so that they can make those calls. The 311. But also knowing how -- knowing the process --

who to call and how they can get a response from the city from code compliance if there are problems. The industry thinks it's important to make sure we have incentives. And we crafted the ordinance to devise the incentives here as i mentioned earlier. Incentives to allow the third party inspections. Incentives if they're built in five years to have periodic inspections, incentives to do self-inspections in some cases and keep them in compliance. Make sure code compliance has good strong performance measures. And my response has been that we do is but obviously isn't communicating those well. There's performance measures we have. We outline those in our business plan and in our five-year forecast. I guess we need to get those out the the community and what those performance measures are, how we're doing, how they're performing.

[04:13:25]

We're sensitive to that, emergency response plan, we drafted it. We're working with the community to refine it and bringing that back to council. So that we have a former -- formally recognized emergency tenant response plan. But I can tell you now that we are prepared. We're prepared, whether an interdepartmental task force that will respond if for any reason tenants are displaced. If it happened today, would we have -- we have the infrastructure in place to respond and take care of those issues. We learned a lot in that recent -- in that recent incident with the -- with the apartment complex and the south where people were displaced and we learned we have to be ready to respond in those cases. And if the owner fails to take care of the problem, then we are prepared as a city to step in and take care of that problem. Transparency and resources, we see that folks in the community want more transparency. They want to be able to see more data. To see more information from code compliance. And we found - - we found that very interesting. We are looking at it a couple of things, one, how do we get that data out to the public. What data can we allow to be disbursed to the public. Some cases, legal will tell us if you have pending legal action, you've got to be careful on what data that you share until that case is resolved, until the judge has made a decision on that case, you got to be careful. But there's a lot of information that we can. Folks want to know if I call in a complaint, what's the status of that complaint. Has it been inspected, notice issued, citation issued? Is it going to court, the building and standards commission? We can certainly make that information available. They would like to see publication of a repeat offenders' list.

[04:15:25]

If we have a list, who are they? Let the public know who are they are and where their properties are located. So we are certainly looking at that as well as being able to allowing the public to be able to check on-line to see the status of their code compliance complaints and their cases. This summarizes the commission feedback. We've got feedback very valuable feedback from both of the commissions. We thank you for the -- the direction that you gave us to meet with both of these commissions on these ordinances. And we incorporated a number of thing, particularly from the buildings and standards commission. They spoke directly to -- to sections of the ordinances. The community development commission decided the first time they did not, the second time they met, they decided to support both ordinances. So that was made -- a motion was made and documented at the community commission. But they followed it up with some additional recommendationings. So we've lillesed those recommendation -- we've listed some of those recommendations here. District court actions, more district court actions looking at the permitting process of people who do have code violations and other things there. Very valuable feedback. We looked at best practices. Number of best practices here in the state of texas that have rental registration programs, and also looking beyond texas around the country at the number of best practices also. We incorporated some of the information that we learned. Other information we're -- we're taking in abeyance so we'll be watchful on whether or not incorporating more of that information, more of those -- those characteristics from those programs into our program might be suitable at a later date.

[04:17:30]

We looked at cost here in implementing the programs. We think we can implement these programs with the -- with staff, with seven, six inspectors and one program specialist, which is the support position to handle registration. We'll look at six inspectors that would actually do the -- do the inspections in the pilot program. The repeat offender, we can incorporate into current staffing. And actually realizing that we just completed the budget and we are talking with the budget office now. We could -- we could reassign the inspectors to handle the pilot program also. And so we can do it this year, a one-year program -- without any additional costs. Now, if we do that, of course, we've got consequences, of course, we will -- we will pull them from other areas. But certainly we're not adding costs at this particular year. You can see that it's what it would cost in order to keep both programs. Finally, our staff recommendation, both of these ordinances is -- when it first started out, it may have looked as if these were competing ordinances -- competing resolutions. We find that both of these ordinances would enhance our enforcement abilities. One, is there -- is there a repeat offender, identifies repeat offenders and requires them to register. It's a reactive program. As you're doing your regular duties and you identify repeat violators, they go to a special section where they would get periodic inspections and get

[04:19:30]

more attention. The other one is a pilot program to require everyone in those three areas to register all of the multifamily. The question was asked, well, what would that do for you? Well, it creates a level playing field. All -- all of the -- all of them would do the same thing. And it would certainly allow us to identify that the bad versus the good. Those who are not good first we would have problem with getting them to register, and secondly, we would have problems probably and they would have the code problems on their property. And so we would give them the attention that they deserve. So we think both ordinances are complementary, both ordinances would enhance our enforcement abilities. And we would continue to realize that these two ordinances even together are not the panacea of the code enforcement in the city of austin, that there are other actions we can take to enhance and bring it forward to you. Looking at additional resources and programs that would go along with these ordinances and continuing to collaborate with other departments and neighborhood groups and volunteers in our stake holders to address the issue of step and occupancy issues in the city of austin. So with that, we would recommend that the council consider adopting both ordinances and thank you. We'll allow now for questions and discussion, mr. Mayor? >> Mayor Leffingwell: We've got votes, code enforcement be bigger in apd, or still smaller? >> We're still fairly small, mr. Mayor. >> Mayor Leffingwell: Okay. Any questions? We still have a bunch of items to cover, preselected.

[04:21:31]

And an executive session. >> Morrison: Thank you very much for your work. >> Sure. >> Morrison: Can you regarding the recommendations from the commission, you said that you had incorporated or you thought they w good recommendations. Can you tell us which ones were incorporated in the draft ordinances if any? >> If we would look at the slide 11, in the building commission, add language regarding the level of authority for the local contract, we want to make sure that we said basically the local contact would have the authority to handle emergency situations on the property. >> Morrison: Okay. >> So it's not just a maintenance person that they would identify as a local contact. But someone who really has the authority to take action if necessary. Reduce the size of a local contact signage. We had a large sign -- we require signage on the property, multifamily property, advising them who the local contact person is so that the tenants know who to call. And also advising them that they have 311, how to contact code compliance on that sign. But we realized that the commission advised us to reduce the sites of the single family properties because it's a big sign for the single family home. That made a lot of sense to us. We did make that change already. They advised us to have signs in english and spanish. We

have application fees and registration fees. We talked about too and inspection fees. They said that's too many. We need to roll it in to one. We took that advice. We did that. Clare -- and they wanted us to clarify in order to identify repeat violations, make sure that if it's notice of issue of citations issued, they're on different days.

[04:23:32]

But that -- that made a lot of sense. We clarified that in the ordinance. That was our intent, but we needed to specify it in writing. They recommend adoption of both ordinances. They recommended additional programs and actions that our department can take in order to enhance our enforcement. So we're taking those into consideration. >> Morrison: They're still in work. The cdc. Recommendations? >> We did look at it. They did have a stronger program for chapter 54 lawsuits. And they do more of them. I don't think we necessarily need to do as many, but we certainly -- that is a tool that we can take advantage of and certainly a tool that we can look at as far as receiverships, if the owner fails to take care of property, don't have the funds to do whatever, receiverships might be a -- >> Morrison: And that brings up an issue that was raised to me by some of the stake holders, and that is they were advocating for a stronger, more focussed unit in the law department to work with code compliance and i wonder if that's been given any consideration. >> We work closely with code compliance right now. And whatever the council's policy direction is, we will continue to do that? >> Morrison: Do we have dedicated folks in the law department to work with code compliance on this issue? >> We have several dedicated sources. The current system, we have one prosecutor who does what's called the environmental docket,

[04:25:32]

one judge and they're all going to municipal court. We also have two lawyers who do administrative work with code compliance all in advising them on whatever their issues may be. We also have some affirmative litigation folks. We don't have the dallas model. Those prosecutors are housed out in the community. That's not currently our code enforcement model. We do have dedicated staff assigned to code enforcement, yes >> Morrison: Okay, it's interesting because it's not clear that's understood in the discussion. So we'll have to do a better job of that. And then one last question -- I'm not clear how this might impact the ability to enforce occupancy. Do you think this will -- how will you be looking at occupancy? Or when you're at -- under the purview of pdr? >> I -- I think it's important -- it's -- it's incumbent on us to enforce occupancy. Now, in the issue of the dorms, you can certainly -- pdr gets a

chance to look at it when the plans come in for review. You know, one of the characteristics of that is that they come in as a single family looking like a single family, but they've got more than the usual number of bedrooms is the clue. Some of those things are picked up. But we're the ones that are responsible for enforcement in the field. I think it will help -- this is a step in the right direction, causing properties to register and have a periodic inspection. We get a chance to look at the properties closer and more often requiring a list of tenants is a

[04:27:33]

reminder they need to have a list of how many tenants they have living in a particular unit. If there was an emergency, co-compliance or maybe fire and police department may be looking at that list to see who are the tenants in those particular properties. So it's a step in the right direction. But it really doesn't -- it still more that we can do. So there's more work to do to identify with what the solutions are. >> I have to suggest on the information that you all provide to people about what the requirements are, that would be an opportunity to list out with occupancy and limits are when you say list out your tenants. Do you know at this point what the consequences would be -- what would be reassigned so we know what the consequences would be. What they're not going to be doing. You allocated to codes for this fiscal year. Option one for us is to take those multifamily inspectors and assign them to these particular programs. The impact of that -- the consequences of that is that they're not out there taken all of the other problems around the city. We take up the slack on other parts of the city to make sure

[04:29:33]

that the complaints on the multifamily properties are taken care of. The inspectors, some of those to help handle the complaints for multifamilies. We've got a couple of options. >> This is focusing the efforts on code compliance to residential noncompliance. That's a good thing. I do agree with your assessment, it's the same conclusion I came to when we were wrestling with the resolutions in the first place. That is they're not competing, they're when the property is required to register, how often do they need to update the tenant list. >> Annually. But if the information changings in the year, they have a certain amount of time to update the information. >> Riley: So in the area you're likely to see some change with every school year? >> That's right. Every semester maybe. >> Riley: We expect the properties to bring a new list every semester, every year? >> Assistant city attorney, the ordinance requires the person who holds the registration to make sure it's updated every 48 hours after a change

in tendency. -- Tenant si. So remember the ordinance requires them to maintain that list, so it's them updating their own list so if code has to

[04:31:33]

come in and take and deal with it, if there's a problem, they have to relocate tenants, that that information is required to be updated when code comes. The only way is if they haven't updated the list. As a tenant comes in, they have to make copies. They move out, the new tenant is. So it's a matter of constantly maintaining a listing of who lives in your property. As you rent the property out, add to the list, change to the list. But you maintain the list as was said. The property manager, the owner, they keep the list. They don't turn it over to us >> Riley: Is that list public information? >> No, sir, it's not. It's only public information if we're thinking right now. If they turn it over to code compliance. And we're not asking that they turn it over to code compliance and the only time we want to see it is if there's an emergency where we need to know who lives in that particular >> Riley: When they update that list, who gets that information? It stays with the property. It's up to them to maintain it. >> Riley: We're saying in 24 hours, landlord has to update their own list. >> That's correct. >> Riley: How often do they submit that? Only upon request? They never have to submit that

[04:33:33]

to -- >> they don't have to submit it at all. It just has to be available to us in case of emergency. Let's say a fire happened or a collapse happened at the property and we have to vacate a building. For example, we'll go to the property manager or owner, we need to see that list. Who are your tenants in this building to make sure that one, they vacate and also make sure that the landlord, the property manager makes arrangements to relocate the tenants, the tenants that are on this list. These are the ones they're responsible for. >> Riley: No mechanism for the city to routinely access that list or verify it? >> Right. That's kind of the compromise. People are concerned about privacy. If we took the list, then it becomes public information. People could do a pr request and get access to it. We thought about that, we don't need to have those lists. We need the property managers to keep the list. >> Riley: I wonder about the list. The tenant list would encourage occupancy limits. If the landlord is keeping their own lists, not sure how effective that is in encouraging anything. >> Well, yeah. It's only effective that it reminds the property owners that there are limits. Councilman morris knowles only six unrelated persons are allowed to live in this property. It reminds them there is a limit. And also they're on the honor system to

make sure that they're complying with that particular section of the code. >> Riley: Okay. And properties -- those -- no single family property is worth talking about in the affected areas that are subject to -- they're required to register. It should have three or more adjacent properties by one

[04:35:34]

person, requires them to register. Does that mean they're subject to inspection every ten years? >> Yes. >> Riley: That's what I wanted to ask about next is the expectation we would be looking at the registered properties in ten years. You've seen other programs that have less frequent inspections. Ft. Worth and boston has been run. Contemplates inspections every five years. Part of the rationale is that since we're talking about registration of all properties, we want to make sure that we minimize the costs. The more frequent your inspections, the higher your costs are going to be. If the program is close to paying for itself, then your fees are going to have to be commiserate with the frequency of your inspections. Correct. >> Two years of the the high costs and the city and the affected properties. Did y'all think that through and consider whether it might -- it might be more cost effective to -- to have inspections spaced out at greater intervals for those properties that have not been found to be problematic. At this point, it's almost irrelevant to the program because it's a one-year pilot. And so we are certain we can handle the pilot area and get those properties inspected every

[04:37:34]

two years. After one year, we'll be coming back for council for council to decide, do we continue this program or not? And certainly I think that's one of the issues that need to be looked at is the frequency of the periodic inspections. They may want to change it from 2 to 5. Seattle, I think, is now doing five, they're looking at ten years. Ft. Worth, two years. Every two years, they're doing the inspection. But you're right, the frequency does affect costs and costs affect rates. So it's certainly something to look at. But really a decision that you don't have to make necessarily now. I mean you could give us direction and we could make those changes. Or you could do that after we come back evaluating that one-year pilot program >> Riley: They didn't say we'll require inspections every two years, we'll be extending the pilot beyond a year. It seems like we might want to think through and how we expect that how we are timing the inspections going forward. On a long-term basis. In light of the cost. For that program, we're talking about just for the affected areas, we're talking about costs of \$700,000 per year. And if the expectation is that this type of registration program could conceivably be scaled up to cover the entire

city, then that raises some concerns about the -- the cost of the program for both the city and the affected landlords. >> We'll go back and take a look at that. Good point. >> Mayor Leffingwell: Quick follow-up on the tenant list. >> Yes, sir. >> Mayor Leffingwell: Obviously available on demand. You knock on the door, they have to show it to you. >> Right. >> Mayor Leffingwell: Do you have any follow-up procedures, how do you verify that's an accurate list? Are you able to do that? Inspector in the room, for example? >> We'll do it to the best of our ability.

[04:39:37]

When an emergency happens -- >> Mayor Leffingwell: Routine, we'll just walk -- doing a routine check. And the other part is what other information besides the names is on that list? >> I think right now the main thing is requiring -- the names of each of the tenants that are living in each of particular -- >> Mayor Leffingwell: The relationship, etc.? >> We've not asked for that. >> Mayor Leffingwell: Name and phone number? >> No, we don't ask for age or gender or those types of things. Any relationships. We want to know who is living in that particular unit. >> Mayor Leffingwell: Name and phone numbers, okay. Kathy, were you next? Then bill? >> Tovo: I have a couple of questions. I want to get back to that idea. Part of the hope here is the better address occupancy. That is one reason we raised it before the resolution was considered by council. In section nine where it talks about the tenant registry, right now the circumstances under which code compliance could look at that list are only defined as those of an emergency. What did you consider having in there also a clause that says in cases of an emergency or in -- in suspected cases, you know, where there's good evidence to suggest there's a violation of the occupancy limits? Rather than taking possession -- I agree, we don't want to take possession as a city of that tenant list. Because of the privacy concerns and that becomes an open records document?

[04:41:38]

>> Mayor Leffingwell: Right. >>. >> Tovo: But did you give any consideration having two in which code compliance could look at that list. One being a code emergency, two, there being substantial evidence that there's a violation of occupancy limits. If you don't want to answer on the spot and you want to think about it on thursday, that's fine. >> We want to give that more thought. We considered that and again tried to weigh that in connection with the privacy issue. If we've got a specific complaint on a specific property that that property is overoccupied, then we're going to be knocking on doors, we'll be talking to the property manager, talking to the property owner, talking to tenants, if possible, in order to

see if we can verify whether that property is overoccupied or not. Certainly, the list would be -- would come in handy. It would be good to have it. We're just trying to balance that with the whole privacy issue. >> Tovo: I understand that. Again, I'm not suggesting that you take possession of the list and trigger those privacy concerns. I'm just saying -- >> access to it. >> Tovo: That we -- that one contemplation would be to come up with another -- to provide language that allows you another circumstance on which you can look at that list because of the reason that we have concerns about occupancy and occupancy limits and the health and safety for that. You have people living in rooms that were designed to be clotz sets. >> We'll consider that, thank you. >> Tovo: I saw lots that talked about say a five-year periodic inspection and did -- did have a variable like two years for -- two years for repeat offenders, five years for others. It seemed to me, too, I may be wrong about this, but those are programs that were less a scheduled inspection than a

[04:43:38]

random inspection. Maybe you can speak to that. And it seems to me if you have an ability as a property owner to schedule your inspection, five years is a long period of time to potentially go without a review of your property. So that -- is that part of the tradeoff too? Random versus periodic? You said you got some feedback from the industry that they were not -- that they were not in support of random inspection. >> Right. Yeah, the industry -- >> Tovo: It's a balance. Random versus periodic. The time affects whether or not it's going to be a two years or five years. I would throw that out to councilmember riley and others if we're going to look at a longer period of time, we probably want to offer less certainty of when that inspection is going to happen. Otherwise it's the same position where -- not the very same, but we have the advanced obligation. >> We're considering thinking about. We were trying to find that balance. We listened to the industry. They don't want random. If you don't want random. Certainly maybe two years might be a reasonable compromise. But they are -- they are, you know, consequences, of course, of costs and the rates that you have to look at staffing that you need for the two years. And two years would not be -- two years would be like a minimum. At least every two years, an inspector could come in. If for any reason the city wanted to raise that, then certainly you could do that by ordinance amendment. So it's something to consider. >> Tovo: Did the community -- you know, we talked about the time period. And I believe one amendment i might introduce on thursday -- i should say thank you very much. We have done a good job on both of these resolutions, taking the resolutions and crafting the ordinances and looking at the best practices around the country. Thank you for that work and coming one the best practices and coming up with two

[04:45:40]

ordinances that I think will work well together for austin. >> Thank you. >> Tovo: I want to say there are two amendments and one is to extend it to 18 months. I throw that out. A longer period of time will allow us to assess that in a little more realistic manner. You talk about the education piece for landlords. Have you talked at all about the -- what education code compliance might do with regard to the tenant population? >> One thing would be a packet of information. We're looking at possibly similar to the ft. Worth model and some of the other models around the country. They use a -- they put together a tenant handbook. And so we think that's probably a good idea for austin to have austin tenant handbook that would identify code -- code violations, let them know -- identify the code process, let them know how to make complaints. Maybe some tenant rights. As far as -- and as well as landlord rights too. So a combination of the two. Again, that information is out there. Proactively providing some classes for landlords and tenants who would like to take classes and learn more about how to maintain their property properly. And enhance the quality of life on their particular property as well as maybe doing some mandatory classes for repeat violators as a -- as a condition of their court maybe in the condition of their penalty that at municipal court or bsc -- maybe mandatory classes for landlords? >> Tovo: Okay. Thanks. The community development commission, I want to clarify one thing. There's language in the bullet points that sounded like they may have recommended a longer period of time for the pilot program. Is that correct? Did they recommend 18 months? >> Yes, they did. Not 18 months but longer period of time. They're thinking one year may not be enough. >> Tovo: Okay.

[04:47:41]

Great. I think that's all I've got for right now. I might think of other questions as my colleagues are talking. But I want to thank you for acknowledging that there are other pieces to this puzzle in terms of making sure that our multifamily and other rental housing in austin possible and that's one strategy and I think it's an important strategy, but it's not the whole piece of the puzzle we need to work on stiffer penalties, more enforcement actions, and some other tools. And I think most of my colleagues have gotten this -- i think all of us have forgotten this. Some of you have referred to it and probably read it carefully. So this report that came out has a lot of good policy consideration for us and I do plan to introduce some of those in the form of a resolution. So I hope to have support from some of you in working on those and bringing them forward. Thanks. >> Thank you, lee. This is not going to be particularly in the right order. But it's easier to go slide-to-slide. Let me ask you about slide two. Thank you for doing that. And first bullet is talking ABOUT TWO OR MORE SEPARATE NLVs In 12 months and not timely corrected. Let me be sure I understand how this works. You get a complaint. You get an inspector. The inspector does the inspection and verifies or doesn't verify on the found of the

complaints and identifies the conditions. You understand what's going on. And as I understand it, there's perhaps an informal policy, perhaps a formal policy, of separating conditions that are at variance from our codes into three groups. Given the danger that triggers evacuation of the unit and relocation of the residence, basically the structure is falling down. Dangerous conditions which have to be fixed quickly within I'd

[04:49:42]

guess two or three days. But fixed immediately. And then everything else is a violation. You get more time to do that. You'll hide the high weed calls, things like that. >> Sure. >> That's roughly how you do it? >> That's roughly how we do it. >> Is this a formal policy or an informal understanding among the inspectors? >> We have standard operating procedures, s.O.P., That outlines it. The inspector has some - some flexibility. But they go out there and put their eyes on the problem and they're talking with the property owner, you know, sometimes they can have some flexibility and using good judgment as well as experience. >>. >> Riley: It's defined pretty strictly in the property code? >> Sure. >> Riley: Dangerous conditions are going to differ from one circumstance to the next if i understand you? >> Sure. >> Riley: What percentage of the -- issued are not timely correct? Do we know that? >> What percentage are not timely corrected? >> Riley: You have three days to correct this dangerous condition. What's the likelihood they get it done in three days. Do we know? >> Not exactly. We could get that percentage for you. But most of the time, you know, folks will comply. >> Riley: I understand. >> Folks will comply. A lot of time they will need a little bit extra time. I need -- I need the weekend to correct this problem. I need a few more days to correct this problem. And they can informally ask for extensions of time and sometimes they can write -- do a written request to the director of staff asking for additional time. And so if they're making progress, then -- then -- and or if they have clear hardships, then we'll certainly try to work with them to get that compliance. >> Riley: And my guess is that you'd be more reluctant to give an extension if the situation

[04:51:44]

were dangerous than otherwise? >> Yes, sir, absolutely. >> Riley: A couple of weeks to take the weeds; but if the structure is falling down, you have to deal with it right now. >> That's correct. >> Riley: If there's a way of nailing down -- most of the time, folks will comply. I completely agree with that. But is there a way to figure out what is the percentage of the people who comply in a timely manner with

dangerous conditions and as opposed to less dangerous conditions. That would help people to understand the context to put the stuff in. >> Put that to you. >> Riley: Thank you for laying out this beautiful process. The process looks like, I'm going to pull this out. This is how it works. There's a lot here. Is there a way of identifying the number of cases that get to different boxes. Is that something which you've got lying around, which is easy to dig up. >> I think we can pretty much come up with that. How many citations, how many those citations versus going the building and standards condition? That's your question. >> Riley: I've seen some of that already. >> We've got a lot of that data that we can make available to council to mayor and council. >> Riley: With the impression i got with the relative or limited data I did see, I think trish showed me a few days ago, was the vast majority of cases are cured at the level and only a small percentage of cases go to the court of commissions. Is that accurate? >> That's accurate. A lot of them are taken care of through abatement. High grass and weeds cases through a large number of cases won't go either way. They won't go to the municipal court. If the property owner fails to take care of it, we'll go in and take care of it and bill the property owner for that cost, takes it lien on the property and collection of that money. >> Riley: The best bet would be

[04:53:44]

a limited set of conditions that you could directly abate, though? You can't fix a structural failure by yourself. You have to have someone to do that. Broken glass -- if you have a broken window, could you do that? >> We don't do rehab. We'll refer them. High grass and weeds, illegal dump sites, illegal signs on the right of way, a lot of those things we take care of ourselves and the case is closed. >> Most will require the landlord or doing themselves s? >> That's correct. >> Riley: You get a sense for how those are, it would be helpful. It cures at the nlv level. I thought I understood the difference between random and scheduled inspections. What does it mean to do periodic inspections scheduled every two years? >> It would be a -- it would be scheduled. It would be co-compliance contact with the land lord, property managers saying we're coming to inspection your complex. >> Riley: Okay. >> We would need to inspect the entire exterior, all of the common areas, inspect vacant units, that kind of thing, and any occupied units that the tenants want us to come in and take a look at. >> Riley: Okay. >> A regularly scheduled periodic inspection and we would try to make it a full inspection and we would determine if the property was in compliance or not. >> Riley: Okay. >> A random would be just that. Show up, here I am. >> Yeah. >> We just show up. We're here, we want to see how you're doing as far as complying. The industry was concerned that

[04:55:47]

might happen any old time and maybe disruptive if you will to the operation they have. And we kind agree with that. Now, what we would still have the ability to do complaint inspections. We got a call from the tenant, the resident of the property, they can come out. We could take a look. And do the courtesy of letting the property manager know, we're responding to that complaint. It's not a periodic inspection. >> Spelman: How much advanced notice do they get that the number is up and you're doing a scheduled inspection. >> There's a requirement in the code. I forget exactly. I think they like three days i believe that the landlord has to let the tenants know and we have to let the land lord know. So two or three days would be appropriate. >>. >> Spelman: Okay. >> I would have to check the language to see the exact language. >> Spelman: I think the concern was -- this ameliorates my concerns a lot. If I know you're going to be inspecting properties every two years and I noel in advance you're going to be showing up, then that means that I can let my property know because I know you're not coming until october. Here comes cement,-- september. I have to clean it up. That means my tenants are going through hell because I don't have to show up. If you give them three days' notice, they can't play that game. It's going to not be enough time to do any of the cleanup stuff, much less the structural stuff. Three-days' notice is a random inspection from the point of view from enforcement even though you're giving adequate notice to the landlords and the tenants when they're showing up so they can work around the schedule. I'm much more worried about people gaming the three-day notice inspection. It would be a six-month notice inspection. >> Right. Right. >> Spelman: There's randomness involve in this stuff too.

[04:57:47]

If you're giving three days' notice, you can pull things out of a hat or find some other random process to identify which of these units or these properties are going to be inspecting at particular times. >> I guess the other part i didn't mention is we would have to come up with a specific schedule. How do you decide which complex and which time to inspect. And we come up with a formula that looks at three different areas -- looks at the area where -- what quadrant of the area the complex is located in. We also look at the age of the property. And then the pilot program. We want to make sure that we've got a diversity of property that we look at. And there is a big diversity as far as age. A lot of properties are built -- before 1950 even and some property -- a lot of property is BUILT IN THE EARLY '70s, A SPIKE In construction. IN THE EARLY '80s, ANOTHER SPIKE In construction. And given that diversity in age and location, and also given the diversity in-- size of the properties. You have a lot of properties that are three, four units. Then another property that are large with 100 plus. So getting that diversity is i think something we've got to do to make sure that we're not being selective, we're being -- we're making sure we get the diversity of properties. >> Spelman: At any given time, you want a diversity. Every january, you get a diversity. Every february, diversity. But ultimately, every property is going to be inspected

every two years, five years, whatever we decide on? >> That's correct. We will go back and look at that two-year requirement too if we -- that we said we would do. >> >> Spelman: AND THE Inspection -- so I'm clear on this, would not be every unit of every property. >> That's correct. >> Spelman: It would be unoccupied units, occupied units at the request of the tenant. >> Correct. >> Spelman: And public areas and open spaces. >> That's correct.

[04:59:48]

All exteriors. >> Spelman: If random inspection means you're going to inspect every single unit every two years or five years, that's a whole lot more inspections and scheduling to be done with tenants than if you're just doing it on an as-needed basis with tenants and doing the public areas? >> Yes, sir. >> You are referring to the neighborhood program, up guess that's single family houses? >> No, it's actually splitting up the city geographically in the 32 different areas and having an inspector assigned to each of the areas to take care of all kinds of problems, code -- any kind of code problems primarily in that particular area, except for those problems that are handled by specialty inspectors and so when I say neighborhood code inspectors, that's what I am

[05:01:49]

talking about. >> I see. So if I've got -- my rental property puts in a complaint and the next door neighbor gets a complaint, the same inspector is likely to look at those two complaints? >> Correct. >> Got it. We have 32 inspectors to cover 32 areas and some of them are devoted to a pilot project to making up the 7 f.T.E.S you are looking for. >> That is certainly one option of doing that. The option number one is probably taking -- you've allocated 8 multifamily inspectors, taken those 8 and using those 8 to help make sure we handle these pilot areas as well as any complaints and then the neighborhood code officers will help to make up the difference in handling complaints, complaints on multifamily properties outside the pilot area. >> You have 8 multifamily inspectors in the entire city and you need 7 multifamily inspectors to cover this program but something like half of all of complaints in multifamily in the entire city are in this area. Is that right? >> About -- yes, about a third. >> Oh, about a third. Okay. I've got an idea. I will do the math and try to see what I can come up with. I want to see what will be the reduction and service levels, given other multifamily tenants in other areas, and from the neighborhood program, as a result of this reassignment? Can you give me a rough estimate of how many more days to have somebody inspect my property or -- >> I can try to come up with a rough estimate for you. I don't have

that right now but I can find that for you. I can assure you we can handle any and all complaints but the reduction in service would be the

[05:03:50]

response time, and, also, the probably additional time they will spend looking on the property to have other problems other than the ones identified in the complaint, if you will. >> Two other questions. One of them is -- I am guessing that every time you go to building commission and every time we went to district court, that would be a drain on your resources to some extent. You would have to -- the inspector would have to prepare a case basically? >> Yes. >> How much time and trouble does it take to prepare a case for being in court for the standards commission? >> It takes a good bit of time. All of the paperwork is involved. As well as the reinspections to make sure they are identified, what has been corrected and what has not been corrected so that when they testify in court, that they -- they are letting the judge know exactly what they have seen on the property. What violation -- if corrected, what violations are still outstanding. They will have an hour of time -- meg or mathew? >> It depends a lot on the case. >> It depends a lot on the case. This would be a great amount of work. >> Yes. >> And one thing to try to take care of at the nlv leffingwell because it saves time and then work for the next case and then what would have been time to preparing for the next case and using the stick? >> Yes, and compliance, to have compliance without having to go to, fine, let's do that, as long as it is within a reasonable period of time. It is definitely important. Also, it goes to district court, you can have other time constraints. You can have depositions. You can have mediations. It could take quite a bit of the time. >> On realtime, it might be six months or two years before we finally get the

[05:05:51]

conditions corrected and there could be faster ways of getting it done than going to district court? >> That's correct. >> I like the idea of the landlord handbook. Giving the inspection forms here, you will self-inspect the units and you have an idea of what to expect when the inspector goes by and clean stuff up, a lovely idea and I love the idea of a defensive landlord program and I want a spot in the comedy defensive landlord program. [Laughter]. >> Mayor. >> Yes, that's a thought, yes, sir. >> Mayor Leffingwell: Can i suggest, we are going to have another bite of this apple in two days, that we submit questions in writing and get answers, because we do need -- at council member tovo's request, to go into executive session so that we don't have to do that on thursday. Is there something else? >> Tovo: I

want to -- yes, and mayor, just so you know, I am happy to do executive session at the end so if we don't get to it, I can take up the questions of legal staff at the end of the meeting but I think it might be of interest to if group but I want to ask by thursday maybe you can help us better understand the numbers because I am remembering we just added some staff. I am not sure how this -- i really can't make sense of the numbers I am talking about here, because are we really talking about reduction of services if we just added nine inspectors and we talked about needing 6 and we already have existing staff who are dealing with these issues and this -- in these areas and so there is some -- you get where I am going with that? So maybe you can help us understand that, on thursday. Thanks. >> Be glad to. >> But the bottom line, it sounds like that we would not need to do a budget amendment to pass either one of these ordinances. They would not necessarily need a fiscal note. We could choose to allocate additional resources to this but with the budget we

[05:07:51]

passed, we have the existing resources to -- to move forward with those ordinances. >> That's correct. >> Thank you. >> Mayor Leffingwell: Okay. Pursuant to section 551.07 of the goth code, council will consult with legal counsel with item 18, discuss legal issues related to the austin convention center and visitors bureau, government code cathode -- and if there is no objection to going into the executive session -- >> Morrison: I object. >> Mayor Leffingwell: To the item announced, and you are objecting? >> Morrison: I do ask, since we have convention center folks that I ask questions and we take up council member tovo's to do it at the end if there is time. >> Mayor Leffingwell: I guess my concern is that we don't have to go into executive session on this item on thursday. >> Morrison: I think what i heard council member tovo say is that even if we don't get to it today, we could got -- she could get her questions answered if -- >> Mayor Leffingwell: Are you ready to go into executive session. >> Tovo: If I must, if time remains at the end, I want to say -- >> Mayor Leffingwell: There is not going to be time remaining at the end. The. >> Tovo: I do have questions. I would like them answered and up think it is of best interest during questions of the budget process but if nobody else in the group is interested about hearing about it on thursday, I can certainly answer my questions outside of the meeting. >> Mayor Leffingwell: Okay. So we will go through preselected items from council then. The first is items 11 and 12 we can take up together as a natural follow up to this one. These are the compliance items. These are pulled by council member spelman. >> Spelman: I have a chance to ask my questions answered so I don't have any further questions. >> Mayor Leffingwell: Anybody else have any questions?

[05:09:52]

Item 18, convention center. Pulled by council member tovo. Council member tovo. >> Tovo: I am willing to yield to my colleague, council member morrison, who has indicated she does have questions for the council -- for the convention center folks. >> Mayor Leffingwell: Go ahead. >> Morrison: Thank you. I really appreciate the folks showing up. Hello, mr. Landers, thank you for coming. I want to take this opportunity to ask a couple of questions and to say how much I appreciate your work and you guys have obviously been doing a bang-up job with the visitors bureau and convention -- bringing in conventions and all, and this is an opportunity that we have to approve your budget and your marketing plan and one of the things that you and I have talked about in the past that you have worked on is working to connect our visitors and our -- our visitors with our local businesses which is such a great partnership and I saw something recently that reflected a survey that showed that, you know, this thing that people liked most, like 59% when they come to a town is getting to visit local businesses because that's one of the ways to appreciate the character of the town. And when I was looking at the marketing plan and the budget, I noticed a couple of things. One is, it looks like your budget is going up this year, so congratulations on that. There must be more revenue coming in from all of the sources that you generate. I wonder if you can talk a little bit about that, what those -- what the extra revenue is going to be dedicated to and what you are doing in terms of promoting local business and if that's going to be an increase in the effort this year. >> Right. Bob lander, president of the austin convention and visitors bureau. Good morning, mayor and council. Thanks. We did research not too long ago, research that was qualitative and quantitative and you do qualitative research and you get in your

[05:11:52]

own community and you know things are strong but you -- when you get some ah-has out of it and one of the -- two of the ah-has we get out of it that really we are reflecting this year as it comes forward is, a, how strong that small business attachment is to visitors when they get here, how much they appreciate it, so we really -- we've readily made an extra effort to feature them in everything we do and this just came out and a visitor guide, which we present 22 million of those a year and print them out and it is amazing how many of them show up in people's bags when they get here. We separated them through the neighborhoods and locals because they all said they wanted to ask a local, so it's really an enteral part of what we are intromoting, 220,000 -- and the thing thing is to get the right people, we fill the right rooms and the austin convention center is our number one task so as we are moving forward next year and we do have a little bit more of a budget opportunity and we had -- have had some demand on staff, with reinventory coming on board, we have about 3500 rooms right now which would be for us a 10% overall increase in inventory. The demands on our staff have become fairly significant as far as volume goes. We have resisted at all costs trying to increase that but we have kind of attorney has redeploy. With our budget, we've also taken -- looked at ways which we could partner and we now, with a little

extra marketing -- marketing dollars where we actually didn't really spend that much in advertising compared to our competition at all, we have decided to do is kind of look at the future in ways that we can partnership. We can obviously going to some partnerships.

[05:13:54]

I will be partnering with brand usa with a promotion starting november, and uk is a part of it, and and we have a lot of europe. Luckily we have laid the groundwork of it so that's part of it. Another ah-ha that we have in this layer this week that you will see, is the great things about our destination is people really like visiting our neighbors, so we have embraced our neighbors, so will be another partnership. You will see them represent here in paid advertising. We've also started a strategic alliance department where we are actually attracting major corporations and local companies to our brand and we've also -- we've had some short-term success in that area, though it is just getting off the ground. We -- we need more vehicles to be able to show people austin, you know. It's kind of a stress on the budget so we actually formed a partnership with covert shave lay, they supplied us with vehicles and they are good people to work and name attached to ours and we have been approached by nyc company which is probably the foremost marketing organization and they call us the second coolest city in the usa and new york, and they want to do a partnership with us and we also have a partnership underway with seattle. We think we work well together with them. And then brand usa is the big bring happening right now which is marketing the united states for the first time ever in the last three years through the department of commerce, to travel to the united states and our -- we have had presentations by the booking -- bookings institute twice. The first time it came up, i found it curious they showed secondary markets advancing their numbers significantly,

[05:15:54]

vis-a-vis international travelers and it showed austin round rock. The first time I thought it was interesting. When I saw it the second time, I started to dig into it. They used us as examples. Across the board, international visitation has gone up about 22% on average. That's from 2010 to 2011, so we see that growing, so there is a few of the areas. We also are in final negotiations with the city of austin to move our visitor center and we are probably as successful, maybe with the exception of charleston, having one of the most more profitable business centers in our business and we do about \$900,000 in revenue, basically in chosky's in tours there but it is a very popular thing and we've outgrown it.

[Laughter] so we are moving that to the convention center garage. We also think we will be a positive influence on the recount startup there and -- the retail startup and start the retail strip there behind the convention center next to moon shine. >> When you say convention center garage, you mean the retail space on the ground floor? >> Correct. Correct. [Laughter] >> we are not taking -- in fact, we are -- the market is not giving us any parking space. >> Okay. [Laughter] >> that is really interesting. The brand usa, I wasn't aware of that, so we will be part of a national -- a national effort? >> I believe that works is the cities -- the country -- there are 36 countries that have visa waivers where they can travel to the ice without going through the visa process. We have been working very hard with the government in trying to expand that, so those kind -- those countries, every five years, the folks that have visas will get charged a 14-dollar fee. That fee goes through the department of commerce to brand usa. Only if they get matching

[05:17:57]

corporate dollars, undernamed dollars in the first year and they look for ways to partner with destinations. We had our first successful partnership with them last november. We couldn't do much but they liked what we did and we probably had three times our dollar on what we did, a little promotion we did in london that extended itself for almost 6 months. >> Morrison: Great. And then back to the local business effort, so you are saying that some of them -- some small business -- well, local businesses are in the area -- shopping areas and things are included in there? >> Right. I neglected to say what we have done -- we work with miles publishing which is the biggest in the business in destination guides. They work with chicago. They work with brand usa and with florida and big states. San francisco. We are probably the third smallest destination they do, but we ask them to do something different, really based on the conversations we had about small business and that is that we asked one of our staff members to be in charge of the advertising in here around which has become, more than just an ad salesperson, should become really an ambassador to small businesses and the community. Her name is susan richardson and in just a year, she has been announced in the job. If you look around here, you will see a lot of businesses heretofore. We give them entry level ways to get to the visitor and that's important and we are using, also, some of the extra funds we have, we are going to be working with the african-american cultural district. We are going to be doing all of the collateral for them, as much as we can. Lisa byrd asked us for this much. We will try to do get done as much as we can. We are also completely redoing all of our historic walking tour, offerings. The brochures have gotten kind of old so we are putting them all in one in one place. >> The historical walking tours, have you partnered with preservation austin at

[05:19:58]

all? Because I think they have done apa that is are historic walking tours? >> We are in conversation with preservation office, landmark commission, obviously and we give them editorial rights on what we put together, and so -- >> Morrison: Great. I appreciate that. And I appreciate your recognition that the local businesses are so much of what makes our experience enjoyable so anyway we can help promote them is a win win. >> It is. It is. Thank you. >> Morrison: Thank you. >> Spelman: Mayor. >> Mayor Leffingwell: Yes. >> Spelman: Obviously we were the second coolest city in the united states, who is cooler than us? >> Nyc. >> Spelman: Oh, okay. >> We tell them, they are okay, too. I will tell you they have significantly changed the model for how you do business in our world and they run extremely high rates. They run extremely high occupancy and the salespeople there, you know, have to, as I have talked about with council member morrison have to learn the art of saying no properly so we have a lot in common in the way we think. We are a lot smaller. They have 200 people on their staff but we like the fact that they like what we do and they do, so -- >> Spelman: Thank you, sir. >> Mayor Leffingwell: Kathie. >> Tovo: I do have a question for you. Thanks for the information you provided today. Do you have a formal relationship with any of the other arts and cultural center hearsay in austin? For example, does doh the materials you produce refer our visitors to the dickenson house, the-hannah hew semifinalists? Are you doing marketing work for those arts and cultural facilities? >> Actually, I made for the roof on the susanna dicke nson house. Not me personally but i wrote a check. >> Tovo: Thank you. >> And particularly here you

[05:21:58]

will see the ransom center is in here and we worked closely with the bullock and all of those historic, you know, attractions are a part of -- we get them here. We've got to deliver some of the goods. It is very kind of different -- it depends on who you are talking to, the circumstances, because I was walking down sixth street from with a guy from copenhagen and there was a guy from denmark and I am sayings in this and that and we both started laughing at the same time because this is just yesterday, so -- so, yes, we do -- we are engaged because we try to -- we try to work with all of them and we are happy to. >> Tovo: Thanks. I guess to be clear, I am really talking about the city-owned facilities. You refer to this the susanna dickenson house which clearly is one. I am also thinking about mexican american cultural center, the asian american resource center, to what extent are you involved with some of those facilities? I love the bullock museum and ransom center and we want to direct the visitors to those facilities but we also want to be sure, especially since, you know, we are talking about the relationship with the austin convention center, that we are directing folks to our city-owned facilities as well. >> Right. That's -- that's a different story and we have a great working relationship with sarah hensley in the

parks department. However, we have been basically told that -- for instance, the mexican american cultural center, we tried to put the concierge christmas party in there and we were flatly told no. That would be the perfect people to have there to recommend as a venue. However, we were told that is a venue for locals. We are also regularly try to put, you know, small things on lady bird lake of 50 or

[05:23:59]

100 people as part of a small meeting, we are told flatly, no. Even for a cause, the people who are doing that are willing to pay, give money to parks, give money to however, and they are flatly told no. When -- that's when we get a call returned. >> Tovo: Okay. So maybe you and I can talk off line about that. >> Right. >> Tovo: But it is a goal and it is something we talked about during the budget process and I won't talk anymore about it because it is a subject of legal memo we got yesterday but I want to see closer connection between city owned art and cultural cities and the great work you are doing in the convention center as well. >> We would love to have access to it. Our convention center department runs great buildings and I would suggest perhaps with access that we could do a lot more and help out a lot more. >> Tovo: Thank you. Sixty- sixty- four, bill. >> Spelman: Mayor, 64, 65, 66, 67, I pulled mostly because this is the last council meeting of the fiscal year and this is \$90 million of mostly computer equipment and software we will be purchasing all in one go before the last possible is second before the money -- before the fiscal year runs out. I don't have any specific questions, byron, of you because you have already given the raw material i needed in the form of this -- which I just got when I sat down here this morning. And I won't ask you questions about this, because I happen to have a chance -- I have to have a chance to internalize it first. I may ask you a couple of questions off line on thursday. I don't want to take the time out. >> Yes, we will be glad to anything you do. We normally schedule this because think these are -- the budget past now, so this is for the upcoming year. We have the data for the last five years where we continued this program and put this into place so we are glad to answer anything. >> Spelman: Let me ask you a screaming question, why is

[05:25:59]

this happening the last meeting of the fiscal year? >> The answer is we don't put it on until you've passed this budget so then we have an approved budget to do it but ctm will tell you this is something they worked throughout the year on, to do this. When do we have to pass it? On the 26? No, because before we spend money next fiscal year we will have to pass it. So we target these for the last agenda so

when you are ready and ctm will work with hi staff to start everybody processing the governance council, everything the next fiscal year without losing any time. >> Spelman: So this is money which we authorized a few weeks ago in the '14 budget. This is not the '13 budget. >> This is a correct statement. No '13 money is part of this at all. >> So now you have the budget, this is the money you want to spend all along. This is not spending the last of the '13 money before it runs out? >> No, sir. >> Spelman: That helps my concerns quite a bit. I will say my mother was the veterans reserves and i remember the last few days they were spending it like water because otherwise they would not be able to do it otherwise. [Laughter] >> Mayor Leffingwell: I have stories like that, too, which I will save for another time. Seventy-six was pulled by me, just for a couple of quick questions. Basically -- did you have something? >> Morrison: No. Basica basica lly this item amends the generation plan and to specify a certain portion of the solar, 200 my ga watts and I believe it calls out 60-megawatts and as you out in your resolution, we are scheduled to reconsider the generation plan next year,

[05:28:00]

when it can be -- my thought is I thought it should considered in context. I am just wondering if there is some need to do it now as opposed to waiting until we do the generation plan because we are not anywhere close to it anyway. Go ahead. >> Riley: If I may -- it is a fair question because there is a lot of expectation about the need to revisit the generation plan, especially now that we know that we are going to be reaching out 35% goal ahead of schedule. What we have heard from stakeholders is that this is a very dynamic time in this solar industry and that representatives from all aspects of the industry feel strongly that it's very important for austin to step up and single that it continues to embrace solar and -- and that -- and that will be expected to be -- we expect local solar to be an important part of our program going forward, and that there will be very -- there would be very significant value in our conveying that -- that interest this year, and while -- while not -- you will notice that at this time we are not recommending we revisit the overall goal of 200-megawatts, even though there is a lot of expectation that we ought to be increasing that. That is appropriately held off until -- until we get into the whole generation plan, but if we are going to have -- if we know we are going to have at least 200-megawatts, the question is, well, how much of that is going to be local? Is that all the going to be west texas solar? Or is it going to be local solar? And the ramifications of that question have very -- have a lot of significance for various parts of the solar industry in terms of their investment decisions. A lot of our considerations on this issue have related to the -- to the local solar economy, and the need to

[05:30:02]

embrace solar to make sure that -- that it continues to be a thriving part of our economy and so this resolution is meant to respond to that need and to confirm that we do expect that the local solar industry will have an important role in our economy going forward. And I see ms. Kimberly here from austin energy and so if it's okay with y'all, i would just like to get input from -- from the utility. We did have presentations, recently, about the utility and their expectation and they did expect that the local solar would be an important part of our program and I just want to -- it would be helpful if we could get some confirmation from the utility, but this would be a manageable goal and will not be overly disruptive and not threaten our achievement of our affordability goals. >> Mayor Leffingwell: So when you are answering that, because -- I have -- I have heard -- I don't have it from an authoritative source but this is the most expensive part of our portfolio, local solar. I take it we are talking about rebates, right? >> You are talking about rebates. >> Mayor Leffingwell: In large part, which I assume were -- it's -- I believe it's been recommended by the solar advisory commission that we begin the phase out of solar rebates. >> That is correct. >> Mayor Leffingwell: So it begs the question how this is going to get done. I am not saying it can be done or shouldn't be done. It should be done, I agree with that but I think it needs to be considered in the total context. We've always known 200 mega whites solar goal was going to be the -- megawatts -- was going to be the heart et cetera part of generation to plan and we are still up in the air whether we can do that or not.

[05:32:02]

We can meet the overall goal. I don't think there is any question about that, to be within the affordability constraints and I think this is taking on a little much. I don't have any objection to sit setting the goal because if you can't do it within cost constraints, it won't be done. It is only a goal, not a mandate, but go a. >> Thank you, mr. Mayor and council member. I am debbie kimberly, vice president of distributive services of austin energy. Everything you just stated, mr. Mayor and that you stated, council member riley, is correct. We have, at austin energy, have engaged discussions with stakeholders and recently presented to council member morrison's subcommittee on emerging technologies and tell communications, and weapon met with the commissions last week and met with stakeholders and in the course of the discussions and in the reviews that are being conducted by consultants, we have said that we would like to see a local component carved out of our solar goal which is 200-megawatts. We also stated we would like to visit that within the context 2014 generation plan so we can look at it wholistly and better define what is in the local goal. Does that include, for example, a subscription based offering to customers who can't take advantage of rooftop or ground mounted solar, so that was the preference certainly to pursue it in that context. When general manager larry weis, presented to your subcommittee a month ago, he noted the goal that was based on the current trajectory and I will note it

has tilted up -- wrong hand -- rather sharply of late because of the addition of the value of solar credit about a year ago, coupled with declining prices in solar and our rebates which

[05:34:04]

we have just recently lowered. We are seeing huge, huge pressures on our rebate program right now. Everything that's in the pipeline, to gives you a status in terms of where we stand, about 19-megawatts of solar for our residential and commercial customers, including schools and municipalities and that represents about the last 9, 10 years of activity. We are looking forward to year of 2020, another 7 year of activity, so getting from 20 to 60 will be an ambitious goal. Is it something that is doable? Technically, yes. The question really becomes one of affordability, just as you've stated. So while our preference is to pursue this in the context of our generation plan in the fall of 2014, it is a goal that I think needs to be accommodated with the affordability target. >> Mayor Leffingwell: I guess my -- my main concern is if we use up all of our affordability capacity for this one goal, then we don't have room for other considerations, such as maybe -- there has been a lot of interest shown on council and community programs to help people who can't pay their bills and so forth. That costs money. If they squeeze out other opportunities -- we could squeeze out other opportunities we might have within the affordability constraints. >> You are right. We have an 800 megawatt energy efficiency goal we want to try to spread around to as many -- >> Mayor Leffingwell: There is a lot of different things. And we, I think, the fact that we are already virtually there as far as our total component of renewable energy, a lot of that has to do -- it is kind of windfall, to use a pun, you might say.

[05:36:04]

[Laughter]. We weren't really expecting that, but ... We weren't expecting the windfall. [Laughter] so I just wanted to bring up those ideas. My personal preference would be to revisit it when we consider the entire plan, consider it in context, so that being said, I think it is something that we should pursue and find out if we can do it and set a goal that is reasonable and attainable. >> Cole: Mayor. >> Mayor Leffingwell: Sheryl. >> Cole: Council member Riley you aren't precluding the fact we don't reconsider this when we consider the whole entire generation plan? >> Riley: We will have an entire robust conversation about the generation plan and the affordability in the course of the coming year and this obviously would be on the table along with everything else. >> Mayor Leffingwell: But i think it is true. Once it's on the table -- the reason for putting it on the table is to put it out there and it's -- it would be -

- once that's part of the generation plan, it would be much more difficult to scale it back than it would be to same it up in the first place. But that's, you know, a public relations thing. Bill. >> Spelman: Do we have in the generation plan now a pull out for the amount of solar that would be generated by local distributed products? >> We do not. >> Spelman: So 200-megawatts, we haven't determined how much would be utility level and how much of that would be local level? >> That's correct. Although we have endeavored internally a dialogue with stakeholders to commit to a -- a local definition as part of the fy '14 -- the 2014 plan process. >> Spelman: It seems to me, mayor, another way of thinking about it is since we have not tried to distinguish between utility level and local level before, what this does -- pick 60, the number -- the numbers go up and down from one generation find to the next, from one strategic plan to the next, but this

[05:38:05]

is the first one where we have actually tried to pull out from the 200 megawatts or whatever it turns out to be, that some of this is going to be local and i think that's a good precedent for us to set. I think the numbers may be around in 2014 but the thing that won't move around is there will be some amount that will be set aside for local distribution sort of products. I think it's a good idea. >> Mayor Leffingwell: I do, too, but I don't know if 60 is the right number or not and I don't know where that number came from. I assume there is some kind of science behind it, that it came from some kind of -- some kind of source, but, you know, if it comes from people who are interested in stalling local -- without other -- installing local solar without other input from other people, it might reduce its value a little bit, as far as I am concerned. Go ahead. >> Riley: Mayor, as you know we did assemble a committee in the last year to guide the council on local solar issues and this number is in line with the recommendations of our local solar advisory committee which -- which was a unanimous set of recommendations from a group of s recommending -- representing all aspects of the industry. >> Mayor Leffingwell: All aspects? >> Yes. >> Spelman: It is a goal, not a bonded contract. >> Mayor Leffingwell: That is certainly true. >> Morrison: Mayor. >> Mayor Leffingwell: Lauren. >> Morrison: I just wanted to comment, the -- group, the committee was really quite broad and the -- it was just so interesting that they were able to come to a unanimous decision and had great support from staff and making decision and as i understand it, now, you all are continuing to work with the folks that were on the committee to really try to lay out -- understand the assumptions in their review, understand -- and make sure the assumptions are lined up so the report back from

[05:40:10]

staff will be very digestible and clearly valid, how is that going? Can I suggest that work? >> I think it is going along the last few weeks. We have had conversations with members of the local solar advisory committee and had good discussions we engaged on that and I agree on a number of issues, the issues that present the biggest challenges are that the committee report did not assume that the federal taxes change any time over the course of the projections so it would stay over 30%, but they are scheduled to drop to 10% at the end of the 2016, and the other key variable is the market price of energy that you measure the solar investment against and i believe that was discussed at some length in the subcommittee meeting and the rmc last week and so those are two key variables on looking at the issues of affordability relative to the customers. >> And that's going to be critical in laying out those assumptions and then we had others from a quick report from staff, that there were assumptions in there and for us to have a real dialogue about it, we all need to get this on the table and I have heard -- >> it is important to address in multiple discussions during the generation planning processes. It is not just a single meeting but staff is looking to develop a schedule that will engage throughout the process the public. >> Morrison: Great. Thank you. >> Mayor Leffingwell: And i just want to say, also, that austin energy has not been a slouch in its commitment to renewable energy or to solar specifically in that we already have more solar capacity than all the rest of the utilities in texas combined, and that was brought out at our last meeting, so we are doing

[05:42:12]

very well. 60 represents more than what we are doing right now. We are doing a little over 50, I think. Okay. Any other questions on this item? Go to 77. Council member tovo. >> Tovo: Thanks. I know that we will have a goods discussion about this on thursday and I want to ask the staff if they can clarify a few points for me -- we are all receiving lots of email from -- both from neighbors, talking about their interest in having a park and we are also receiving emails from parents of children who are enrolled in sports activities, and I have -- and I have some -- people who is participate in sports and I've received some from pard and others but i thought it would be interesting to hear from my colleagues, one of the developments appears there is another group playing on the site and they have their own leagues and some of who we have been hearing from in the last day or two are not actually the university optimist can club. They are the parents of -- maybe I will let ms. Mcneilly explain and when we looked at the numbers from optimis and pard, the numbers were not jiving and I want to know how many city of austin youth play in the sports a the sports field and part of the issue was the numbers weren't lining up but I see where that is but I want to publically

[05:44:13]

think kimberly mcneilly and her staff because you have done a good job of providing information to our staff and I appreciate it. >> Kim mcneilly, parks and recreation staff, council member tovo is absolutely correct. In our effort to understand exactly the number of city of austin residents that are participating and asking for those numbers, we found out there is another entity that is also using that space and they go by rbi, rbi is also a not for profit entity, and by definition of how an ordinance works, they will also be eligible by submitting an application or letting us know that they are interested in partnering with us as a youth sports organization to provide sports. However, it looks like what happened is rbi has been approaching individual use sports organizations and saying, hey, we would love to be your partner and offer this program, an individual use sports organizations have been considering that opportunity. They have been considering that opportunity, however, in conflict with what their youth sports organization agreement says which is that they are not allowed to sublet those space and now we have become aware of that, we are aware of two incidences where we are a partner, we brought it together and how r, bi can work in this space and not be -- this one we were aware of when we were researching the information of council member tovo's office as to the number of austin residents and in response to that, we have requested a meeting with rvi to say hey as landowners the city of austin would like to talk about your needs and see what we can do to make sure

[05:46:13]

we are good stewards of the land and make sure we are serving all residents of austin, regardless of which sports organizations are doing that. To answer the specific question of the number of individuals we believe are being served the -- exclusively by the university hills neighborhood -- sorry, university hills optimus club, our best estimation is approximately 400 and 6 individuals that would have -- that they would be serving and that's a grand total. Of that, approximately 300 and 14 of those individuals are residents of austin. That's our best estimate and that's taking out the numbers that are rvi specific numbers. I want to make it clear, it is our intention to engage rbi and to engage the youths. We don't feel it is the appropriate way to do that, is the subletting of a particular field and I don't know if this is the best field that rbi can use but without having a chance to look at our -- the overall picture, I don't have a good answer for that, at this moment. >> Tovo: Thanks. It sounds like we don't have overall picture of rbi's number and how those breakdown in terms of city of austin residents versus noncity of austin residents and further, it is a goal -- it is a goal of -- of libraries of our other recreation centers and various other parks and recreation departments to also serve the community and ms. Nclb mcneilly has

also been working on giving us zip code numbers to find out how many participants are in the surrounding area and are they best served at that site versus another right site because we have a youth sports program throughout the city but we don't have a

[05:48:13]

good sense of the rbi numbers but I wanted to bring it to the council's attention because in the resolution we talk about the city having leased the site for the exclusive use of the university hills optimus has, which it has but when we get numbers about 800 youth plus that are participating, some of them are this other group that in effect have subletted outside of the city of austin process, so it's just -- it is -- this resolution is not exactly accurate but here's -- >> if I might add, we do have zip code numbers but in light of discovering this -- this partnership with rbi, i was not comfortable sending you the exact information but I am still working on it and hope to have you the final numbers as long as possible but finding out about rbi just kind of threw a wrench in it that we weren't prepared. >> Tovo: Thank you. I hope that helps answer. Eighty eighty -two, also by council member tovo. >> Tovo: At this time, i think I will just save this for thursday. I know others have questions but if I could, instead, make a very, very brief comment about 86. Eighty eighty -five is next and I have to go so -- >> Tovo: I was trying to swap out 82 for 86, because 82 I can put on the council member agenda but 86 I don't want to. >> Mayor Leffingwell: We will take up 86 after 85. >> Tovo: That means we won't take it up at all. >> Mayor Leffingwell: I don't think 85 will take long at all. >> Spelman: It won't. I will make sure you have the time you need. I just want to be sure i understand what this ordinance would do. It just repeals two ordinances. These were the ordinances that would allow people to bicycle on the hike and bike trails after 10:00 o'clock

[05:50:16]

at night. Is that correct? >> Yes. >> And the legal status is somebody who wants to hike on the hike and bike trail after 10:00 o'clock. 10:00 o'clock. >> Which is. >> Mayor Leffingwell: That it would not be legal and there would . >> That would be -- >> Mayor Leffingwell: I think there are police officers who can answer the question. >> Spelman: Here is one of them now. >> Good morning. Assistant chief of the police department. If we did repeal the two ordinances, then the curfew that was in place prior would go back into effect and that would be a curfew from 10:00 p.M. To 5:00 a.M. So individuals that would be -- they would be in violation of the curfew and they would receive a citation for a curfew violation. >>

Spelman: How much is the citation fine? >> I would have to check with municipal court but it is a class c violation. >> Spelman: It is under \$500, we know that. >> Yes, sir. >> Mayor Leffingwell: The reason I put this on here is because we went through this discussion during budget and basically the funding to cover the trails was removed from the budget so there is no funding for it now so that means it's my understanding that apd is going to cover it and in plan that's on the table right now, as I understand it, you can confirm this, if I am correct is pull nine drs, one dr around district around town to provide that safety coverage from the trail. >> Yes, mr. Mayor. That is the plan right now. We are working through how we will realign the area with each area but each of the area the city, there are nine of them will stand to lose one dr so we can put together a team of officers and continue provide safety and security during the oversight hours. >> Mayor Leffingwell: So it is not an option to provide that security and you have considered this as the best option that you have available to you? >> Correct. When we went through the

[05:52:17]

budget process if you remember we submitted some answers to questions. We did look throughout the department for how we would best place the trails. Based on our analysis, this is the unit we would pull from to provide this security. >> Mayor Leffingwell: The reason I put it on here is because it's basically a choice, do we want the nine drs, or do we want the trails open, and not to make a big point out of it but i believe the surveys showed there were ten cyclists per night. And I don't have any reason other than that to not open -- not keep the trails open. It's just a matter of that choice that we have left open to us now as a result of the defunding in the budget process. It's do you want the 9drs or do you want the trails open. >> Spelman: Mayor, if we've got 9 cyclists per night that we are protecting with nine drs -- ten cyclists and nine drs, I can imagine a lot of scenarios where everybody gets their own private police officer has a bodyguard. It doesn't seem that you have in mind. It seems enormous expenditure of police effort for a very moderate gain in public safety, certainly compared to what the drs are at least capable of doing out in the community. It seems to me we are getting a lot more bang for the buck with the drs in the community, going to neighborhood meetings and working on problem solving and crime prevention programs, so why wouldn't we do this? >> Leffingwell: I have to jump in here because it is not the number of people on the trails. It is the fact that you have to provide the safety net for the trails. I would even argue if there were 1,000 bikers out there, that they would be more safe than just having an occasional biker. >> Spelman: No question, they will be a lot safer than ten. >> Mayor Leffingwell: So it is not really the number that is in concern. It is the amount of territory that has cob covered, whether anybody

[05:54:17]

comes through there or not. >> Spelman: Well, we have many, many -- I don't know how many linear miles of street; the vast majority of which are not covered by police officers at any given time. The argument for preventive patrol is that we could cover any of these segments of street at any given time and that's supposed to provide a deterrent effect. It seems so me you could provide an adequate deterrent effect if occasionally or maybe more than occasionally you have patrol officers go down the trails to see what is going on. That wouldn't necessarily require a dedication of nine patrol officers on a full-time basis. >> Council member, it may that we disagree on the issue. We do believe we need to put resources down there, dedicated resources if we are going to leave the trails open and send a message that we believe the trails are safe during the evening, that we need to do more than just what officers that have duties throughout the city, throughout the parks can provide. That's why we feel the need to dedicate nine officers to this. >> Spelman: Okay. Let me ask you background questions because I think I understand where you are coming from but I need you to understand where I am coming from. Are we getting more value for the 9drs in the neighborhood than we would be getting to put them down on the trail? >> If you are asking how the community will value that. I know the community values their drs very highly. The drs are the frontline for us in community policing efforts. They do a lot in neighborhood associations, business associations, resident safety surveys and so they play a very valuable role. However, if we are going to leave these trails open, we do not believe that we can do so and just provide the level of random patrol that would be able to do so with officers' time. We talked to you before about the challenges we had with uncommitted time over the past three years going

[05:56:18]

all the way down to 15%, so it would be -- to a rate of 15%, so I don't believe we would be providing the level of service that we feel we need to provide. >> Spelman: One of the -- of the things which we have to have a longer conversation about and I want to give council member tovo back some time so I will leave it at this. If we are comparing neighborhood demands for drs versus police institutional requirements for level of service for preventative patrol, we are always going to be making decisions like this. If theres a way, however, of costing them out on a common metric so we know how many crimes we are preventing through preventative patrol and also how many we are preventing by working with neighborhoods and business owners to make their businesses am homes more safe and more came free, if we can put them -- more crime free, I think if we put them on common metric, we will have basis of the decision of whether the dr officer is better off on the trail or in the town but my gut is these would be better off in the neighborhood acting as trs but I what an you are saying. >> Thank you. >> Mayor Leffingwell: You know, my -- it is really -- it is a tactical decision. It is not a policy decision for us to make

that. Apd is charged with this mission in making those kinds of decisions. That's a decision that has been made. You can argue back and forth about which is the best thing to do but I think the things that being done and will be done is those officers will be pulled off the dr and put on the trail. >> Morrison: Briefly, as far as I understand it,s in your recommendation if we are going to have them -- have the trails open so it is our decision as to where we want to direct our resources. I don't think I really need any numbers. For me, I am pretty comfortable saying we have 9 drs in the neighborhood but I want to quickly ask -- they will still be patrolled

[05:58:20]

for curfew, whatever that means. I would like you to describe what it used to be like before we had the trails open and it was subject to curfew. >> Certainly. So that would be the officers assigned to the parks division patrol up through the midnight hour and then through the overnight hours, the patrol officers handling 9-1-1 calls for service on the north side and south side, just taking lay by bird lake as the example, they would be responsible as timal blued to go on -- as time allowed to go on the trails and provide random patrol. With the trails being closed, they are not -- the indication has not been given that it's safe to be down there or you should be down there during those hours so we would be more comfortable during that scenario going with not dedicated resources but with the officers using some of their time away from a 9-1-1 calms for service. >> Morrison: Great. Thank you. >> Mayor Leffingwell: Mayor pro tem, will you take over I have to ... >> Cole: Council member tovo. >> Tovo: I will say something about this and move on to the next item and that is several times during the budget process, as i proposed this and made the option and motion, I had a discussion about what should happen next as a separate discussion of the financing and that was my intent in cosponsoring the resolution so I could yet again have this discussion and consider whether we could take any action. So the other thing I wanted to say about 86 -- this is unusual item and I didn't want to pull it on thursday to explain what it is but we did get a request from the texas book festival. They have authors coming there through our airport and they have volunteers going to pick them up. They had requested we could provide fee waivers for those parking fees, and because of the restrictions for the airport revenues we can't. However, we can transfer real money from an office

[06:00:20]

budget account to cover that expense, which is what i have proposed doing. It seemed to me appropriate to vote on it as a council because it is public dollars and we typically vote on fee waivers but at this point the way the resolution is crafted, it would take \$450 from my office budget balance but I would welcome participation from others who have remaining moneys in their office funds because unlike our other fee waivers, this would actually require a real expenditure from our budgets but, again, I just wanted to explain what this item is, but I do think it is a value for us to do it because it is -- you know, the texas book festival raises tens of thousands of dollars around the state and does other great work in terms of promoting literacy, not to mention bringing lots of visitors to austin for that weekend and many benefits -- >> Cole: I would like to add that the texas book festival is a wonderful organization and we uncovered issues during the budget process and I would like to know other council members have taken money from individual budget and allocated to an individual organization. I think we need to talk about that as a policy matter. Council member. >> Riley: This is the expectation that each driver will be driven by an otherwise -- by private vehicle the to the appropriate can carrying -- one author at a time from the airport? I take it that's where the 450 number come from? As a board member of capital metro? I do have to note -- [laughter] that capital metro does provide frequent and regular and convenient bus service on the hour and half hour from our airport to our downtown. I would also note that our city is the host of many events, a growing number of events involving thousands

[06:02:21]

of people coming to our city and as we think about how we deal with all of those -- welcoming all of those viz torress, I hope we bear in mind some options other than escorting every individual in a car separately, and i totally value the fact what the texas book festival brings to our city. I would be glad to look into the possibility of making transit passes available to anyone who wants to use them if that -- if there were any interest on the part of the book festival or anyone else and I hope as we think about the future of transportation to and from our airport, we are increasingly thinking in terms of alternatives to private vehicles. >> Cole: Any other comments? Okay. Council member, spelman, you pulled item 144? >> Spelman: Only to mention that I suspect that there will be amendments to the fcr ordinance we will be consideration on thursday. And I know council member riley has been working on amendments with his office. I don't know whether we have time to discuss them now. Council member morrison had some time. Do you want to briefly talk about what you had in mind -- >> Cole: Go ahead, council member riley. >> Mayor Leffingwell: We >> Riley: We talked about a couple of options, first we talked about allowing for short term rentals and multifamily developments and talked about technical parents that would allow partial units to be rented if the owner is generally present, and partially should include access to a bathroom it is on so that if you -- if you own a -- a condo then just as an owner

[06:04:23]

of home is allowed to rent part of a unit, then owner would be allowed to do that and that would apply in homestead multi-family family as well as nonhomestead; and we increase the cap from commercial zoning to some higher percentage than 3% and that relates to the basic -- one of the objections we have to short term rentals is that is a commercial use and it is inappropriate for a residential area and that raises the question for, what if we are talking about commercial area, then does that same objection still apply? I have heard from many folks who feel that in a commercial area, they ought to be allowed to -- to do short-term rentals. I also heard from other folks who have some concerns about multifamily properties and commercial areas becoming hotels when -- when we really would like to have long-term resident there is and so I don't know what the right answer to that is. I understand that there were some fha underwriting guidelines that currently put a cap of 50% on the amount of short-term rentals that would be allowed. That number may be too high but I suspect there would be a fair number somewhere between 3% and 50%. I recently heard from someone at the rail yard suggesting maybe 20% and i don't know what the number -- what the appropriate number would be, but I think -- I am open to further input on that but we do recognize that there are different considerations in a commercial area and some -- some number higher than 3% is likely appropriate, although maybe not as high as 50%. We talked about creating grandfathering period, similar to how single families, short-term rentals were handled, where there is already operating that can get licenses to continue operating without being subject to the caps. We also talked about

[06:06:24]

removing the denial of a license if the short-term rental is advertised with -- without a license. Because as we've discussed before, there are situations where someone advertises for -- for a short-term rental, but does not actually -- does not actually engage in a short-term rental. Just sort of by way of testing the market. The question is whether they should be automatically denied the license just because they've done that advertising and based on discussions for -- with staff, we've -- we have recommendation that we should not deny a license just because someone has done that sort of fishing, and lastly, we have talked about removing the inspection requirement for -- for multifamily rental -- short-term rentals. Council member spelman, are there other -- >> Spelman: That covers all of the things I have been thinking of as well. Particularly the first -- most of what it is you were talking about, most of my office was talking about is extending what it is we are already allowing for single family houses to people who own their own property, own their own unit but do not live in single family houses, people who are in

buildings or own a unit there or are in condos. It seems like if you own the unit, you should be able to have the same rights to own the unit as a single family house. We shouldn't have a certain premises of having a standalone structure. I think the issue of removing that provision which would deny someone a license if they just advertise is particularly an egregious overstepping. If you advertise and then you -- somebody takes you up on the advertisement, then it is a requirement to get with the program, register and do all the other things that you have to do but i don't think we should be punishing people for testing the market. I think there is probably a lot of people out there who haven't got a clue as to what their unit is worth, whether there would be takers.

[06:08:24]

They advertise on speculation and that's perfectly okay. That seems to me a reasonable thing for people to be doing. >> Cole: Council member spelman and riley, let me see if you have copy of the amendments with you. Because we can pass them out now and have them -- we have them for thursday. >> Spelman: I handed to you my version of -- from pointing out from -- as pointed out from your staff yesterday. >> Cole: Is that the answer? >> Spelman: I had my annotated version with the -- [multiple voices] >> Riley: This is the list that i. I don't have copies at the moment. >> Cole: Vanessa said she would make a copy of it real quick so why don't we do that. >> Riley: Great. >> Cole: That we we can have it. Do you want to finish the discussion? >> Spelman: That's all i have to say. >> Morrison: You don't have your list. >> Cole: Council member morrison. >> Morrison: Great. I wasn't quite clear -- thanks for listing these out. Are all of them just related to the n type three except for the removal of license? Is everything related to mf, so removing inspections -- >> (indiscernible). >> The -- there are portions -- what council member riley spoke of that would apply that were added by the legal staff that were not part of the council resolution. This ordinance, this oranges before you on thursday is in response to the resolution that council passed end of february of this year. Denial, as the license for the advertising, that was something that was not a part of the resolution and was added by the staff. The inspection was also something that was not a part of the council resolution that was added by the new staff after the fact. The other thing that council member riley spoke of were related -- are related to multifamily. >> Morrison: Okay. So the removal of an inspection for a homesteaded

[06:10:27]

str, is what you are talking about. >> They added a provision of title 13 to the city code which, roughly speaking, is the section that regulates boarding houses, rooming houses, bed and breakfast and hotels and we did borrow from a section of the title when we were talking about bad actor clause, we did borrow bad actor clause as a section of the ordinance. We were using that in the existing ordinance. However, as it is proposed by -- the code compliance or the law department to add the -- entirety of title 13 to add the word short term rental to all of the sections of the title so they would add -- not talking about inspection now. To get the license, that would remain, but rather that section talks about the random inspection that may occur at any time, just as we currently are for a hotel or a rooming house, so that would be new addition to any type of short-term rental, an owner occupied or nonowner occupied, multifamily et cetera. >> Morrison: So what was the removing inspection comment from council member riley? Did I misunderstand that? The last -- the last one that you threw out? Removed in section requirements. >> I believe council member riley was talking about removing this section of the proposed ordinance, where we get rid of the random inspections for short-term rentals. Leave in the inspection to receive a license at the start of the process but it would take away the proposal to add a random inspection at any time while you hold a license. >> Morrison: Okay. So right now the code does not allow for a random inspection or it does? >> Mayor Leffingwell: R. >> Short term rental, it does not. >> Morrison: Right now it does not, so why are we suggesting removing it? If it doesn't -- I am

[06:12:28]

confused. >> The code compliance department and law department have -- >> Morrison: Have suggested we add it, you are suggesting that we not. >> Riley: And we have been involved in a lengthy stakeholders and the list you see is a very cursory summary of what we are doing and so I would be glad to provide a more detailed and accurate list of -- on thursday and this list is -- is accurate but I can see how some might be misled, as we say removing inspection requirement, I mean, removing that as it has resolved through the process but retaining inspection requirement, obviously, for first time short rentals. >> Morrison: So removing the random -- >> Riley: Yes, and we will be glad to make that as part of it as we redistribute it on thursday. >> Morrison: And i understand your point of ftrs and commercial areas and maybe allowing for a different kind of consideration there, but i do think we need to keep in mind that, you know, there is a lot of pressure to densify and to build builds on our corridors and all, and that's important for increasing the number of living units for all the people that are moving here, so I am very concerned about anything that has a 0 on it in terms of the percentages, that you are suggesting up to 50%, I would think that would be extraordinary to consider that we would even take 10% of our housing units off the market in terms of where we are trying to do that, so that's my initial reaction. Rack. >> Riley: One thing I notice is that many multifamily developments, short term are

[06:14:28]

not permitted at all because either from the condominium association or rules of a particular complex so -- either the condo association or the rules of particular complex so this won't dictate how many units become short-term rentals in a given complex. >> Sure, absolutely. I would imagine that a lot of rental apartments would -- their leases would disallow frs so that's why considering putting in 50 -- I know you aren't suggesting that we do that -- >> Riley: No, part of the expectation is the same limits in place now will continue to apply because -- most -- most austinites live in complexes where their ability to sublet units for short-term purposes would be very constrained by the lease so I don't see bigger numbers as leading to a dramatic changing in a picture of the make-up of the multifamily population, multifamily units. >> Morrison: So my question would be if it's not going to be -- if the bigger numbers aren't really attained, why are we putting them in there? >> Riley: As I mentioned, i am open to that, I am not sure what the right number is on that. >> Morrison: I know we have been hearing, for instance, from a lot of owners or maybe it is the same owner over and over from one particular complex saying we want to be able to do this. Does the str ordinance as it stands now, it has limits within one complex as well as overall. Is that correct? >> Yes, the proposal on thursday would cap it at no more than 3% for either a building or a complex. We have heard from a at love folks of cbd, marley one complex in a cbd of possibly having that cap not apply to them or possibly a lower cap in the range, I heard bantered

[06:16:30]

about is 25%. >> Riley: What amount? >> Twenty-five, 25%, for projects -- two different things we are assessing and one is cbd and mu and the other where projects like hotels would be allowed like gr and mu and I heard from folks downtown that they feel 3% cap is too tight but would like to see some caps so the complexes would not totally change over to all single family and the preferred number I heard is 25. Anecdotal. >> Cole: What about changing the complex to a bigger number but maintaining the overall -- it seems like -- >> Morrison: It seems like overall the number will be small but the problem will be some complexes are going to be more -- >> as it is proposed right now for multifamily there will not be a larger track. It would -- it would simply apply to every complex and every building and all we had to say was building and we are saying complex to make it clear, so capped at 3% and so the cap is no more than 3%, on a tract at all if it is conducted over 3%. >> Morrison: Right and i guess there is a question of - would -- is it -- i assume you guys would be able to know how many are in a census track? How many units total? >> We could if we wanted to do an overall. However, as council member riley said, when we are talking about single family, the concerns is about neighborhoods, a neighborhood having too many

within the neighborhood. Whereas when we are addressing multifamily, the concerns seem to be, at least from our end as a staff, was council member riley alluded to which is try to make sure that these are not the fact of hotels that exist in multifamily zoning when they wouldn't

[06:18:30]

otherwise be allowed. That's why the staff in a memo a while back before the resolution was passed, doing a cap, we borrowed 3% from the census and type twos and are applying it at a smaller scale to make sure complex doesn't totally convert to multifamilies or a complex doesn't take a building and convert it to short term rentals because I think it would be difficult to address the hotel argument. >> Morrison: And I do also think we need to keep in mind that we want people to be able to live downtown so we should keep that overall concern in line, even though it's different because it's a commercial area and interesting, I had some conversation with some hotel and lodging folks and asked them where they were on this, especially now that -- I mean, it's good that we are putting regulations in effect for mf, right now there are no regulations. I heard generally, they are fine with all of this, as long as these folks have to comply with the same regulations that a hotel would have to comply with and I don't think actually they do but that's another story. >> Cole: That is another story. >> Morrison: I think that council member spelman has a comment. >> Cole: Council member spelman. >> Spelman: I want to make sure I have a sense of scale. The apartment complex you were talking about that was interested in a higher cap, and it is located in the central business district in a commercial zone. Is that right? >> Yes. It is in the cbd zoning across the street from the hilton. >> Spelman: We all know what it is, you don't have to mention it. How many units in the apartment complex? >> I don't know, I will have to check. >> Spelman: About 100? >> I think so, yes. >> Mayor Leffingwell: So cap of that, would be 25 units, 25 units in the grand scheme of things talking about the number of holmes we have downtown is extremely small and the effect that any short-term rental -- any effect that this particular complex or any other complex can have on the hotel market

[06:20:31]

is trivial compared to the next hotel to come up, given how many hotel rooms we have online and given how many hotel rooms will be built the next few years, so it seems to me that although, it sounds fair on the face to episure the requirements for short term rentals as you have for hotels and boarding houses right now. If there is a reason for them to be different, it won't hurt the hotels the slightest bit. It

doesn't seem like it will hurt them very much. >> Kathleen buchanan, assistant city attorney. If I may, I want to clarify a couple of issues that have been mentioned by mr. Rusthoven and council has observed here. First with reference to the proposed new 25-2-791f, which relates to advertisement -- >> can you say that section again, because we don't have it in front of you? >> Sorry, mayor pro tem. It is proposed 25-2-791f. This is the section that specifies that it may be of grounds for denial, suspension or revocation of a license, promoting short-term rental property in violation of city code, for instance. I just wanted to give you a couple of additional pieces of information for your reference. First, again, it is a potential ground denial -- denial or suspension of a license. And then item -- 213 and also the reason blind that was to support.

[06:22:32]

Council's direction to support the compliance in the enforcement of the short term rental regulations, part of the challenge of this provision is to address situations, where, for instance, you may have a property owner with a single dwelling unit in an area that has an occupancy limit of more than 600 related adults that might be renting out or promoting the property during sxsw for up to 20 occupants or something like that, something that's clearly inconsistent with city code or perfect for live music events or something like that, so it doesn't require it again so it sets up a basis for the code official potentially to suspend or to deny an application because oftentimes, what we have situations where the property isn't licensed and that's why we had a denial in there as well. That was missing from the prior section so we didn't really have a basis to address this type of scenario in that. There is another provision of codes and council member spelman, I see you have a follow-up question on this. But there is another provision that makes it -- in a sense, to advertise unlicensed str and that's another provision. There is a section that we put in that creates an affirmative defense, if the advertisement discloses that there is a pending palomino and we could also add apalternative basis for that affirmative defense which -- an alternative basis for the affirmative defense which is it is not currently licensed or something like that but basically that provision is intended to address

[06:24:33]

situations where you potentially have a unit that could be in competition with a licensed hotel in the city that is paying hotel occupancy taxes to the city but it's also a consumer protection mechanism because if we have folks from lyndon comes in from f -- from london, for f1 and they are making reservations and

relying on this and then if the license is denied for whatever reason, they don't qualify. It is in Travis Heights and there is too many there or what have you, we have a situation where consumer is sort of the victim here needlessly, where if there is a disclosure provision, that may help address that. I want to give you that information about this particular issue. Now with reference to the inspections, and I think this kind of a -- one that -- as Mr. Rusthoven mentioned, that law did recommend, and that is because we regulate lodging establishments. Council member previously chose to make the short term rental a licensed use and a new zoning classification, and to regulate those, and typically if the city is charging the fee for a regulated use, we provide a service and so the question becomes what service is the city providing. [One moment, please, for change in captioners]

[06:26:54]

>> so it could be that the inspection cycle is once every five years or once every ten years or within a certain time within receiving a complaint or some other inspection cycle is established. But it is something that's pursuant to the code official's authority to regulate these lodging establishments. I think that for laws -- perspective on this, the additional reason to have some type of inspection requirement is that uniquely to short-term rentals there is no front-end inspection that occurs. So hotels, motels, rooming houses, boarding licenses, code official has set foot inside that structure to examine it for code compliance. Short-term rental, it's possible that they can operate without a code official designee having conducted an interior inspection. And so in short, or long perhaps, those are sort of the reasons why we recommended including those particular provisions to support the compliance of the ordinance. >> Cole: Okay, thank you very much. It is 12:30. I can stay a few more minutes if there's follow-up questions. But council member Morrison has to leave, so -- do you want to follow up? That's okay? Go ahead council member Riley. >> Riley: If I may, I'm glad to get the additional input from the law department and I will be glad to continue working with council member Spelman on additional refinements for the proposal to respond to concerns that have been raised. I certainly don't want people advertising units that -- that would be illegal and we do want to make sure we have adequate consumer protections in place and so on. And so I'll see what we can do to address all those concerns that have been

[06:28:55]

ralesed by Thursday. >> Cole: And you'll bring those Thursday? >> Riley: We'll bring those Thursday. >> Cole: Without objection, this work session is adjourned. . (Cofa9-27-12.Ecl)