

City Council Regular Meeting Transcript – 02/13/2014

Title: ATXN2

Channel: 6 - ATXN

Recorded On: 2/13/2014 6:00:00 AM

Original Air Date: 2/13/2014

Transcript Generated by SnapStream Enterprise TV Server

=====

[04:02:57]

>> Mayor Leffingwell: Good morning. I'm austin mayor lee leffingwell. We'll begin today with the invocation from dr. B.W. McKlemm monsignor from the st. James missionary baptist church. Please rise.

>> Eternal god our father how we bless your name and how we thank you for this time and this day.

What a beautiful day that your sun is shining on all of us to indicate your love on all of us, and your caring for all of us. We pray for this country. We pray for our president. We pray for our state, our governor, pray for our mayor, the city council, and we pray that you would give them wisdom as you deliberate with concern the future of the city. And may all of america remember that there is a higher power, his name is jesus the christ and may he be present in all deliberations that whatever is done or said will be for ultimately your glory and your kingdom. Thank you again for america, the greatest country in the history of the world that you give all of your people a chance to achieve if they work hard. So we thank you right now. Bless this day, bless every family, every home that's presented here. You can ask in the name of jesus, not black or white, not democrat or republican, not conservative or liberal. The name of jesus. In that name we pray and all of those who love the lord said thank the lord, amen.

>> Amen. Thank you, pastor, please be seated. I'll call this austin city council meeting to order on thursday, february 13, 2014. We're meeting in the council chambers, austin city hall, 301 west zest p second straet, austin, texas. The time is 10:05 a.M. We'll begin with the changes and corrections to today's agenda. On item number 7, add the phrase "january 14, 2014, approved by the austin airport advisory commission on a 301 vote with commissioner murphy recused due to a conflict of interest. On item 18, delete the amount, \$2,805,000 and insert the amount, \$1,860,000. On items 31, 32, 33, 34, and 36, add the phrase, "approved by the electric utility commission on a 7-0 vote." For item 57, add the phrase

-- related to item 89, for instance conduct a public hearing, close, to be held at 4:00 p.M. On item 83, insert the phrase, and it's 4:00 p.M. Time certain and a definite postponement of item number 83 will be requested. On item number 85 at the 4:00 p.M. Time certain, a postponement of item 85 until march 20, 2014 will be requested. On item 87, at its 4:00 p.M. Time certain, a postponement of item 87 till february 27, 2014 will be requested. On item

-- go back to item 18, also delete the number 170 in and insert the number 124. Time certain items for

today at 10:30, we'll have a briefing on the economic development annual report and an economic development department projects presentation. At 12:00 noon, we'll have our general citizens communication. At 2:00 p.M., We'll take up our zoning matters. At 3:00, we'll recess the meeting of the austin city council and call to order a meeting of the housing finance organization and reconvene the council meeting. At 4:00 p.M., The public hearing. At 5:30, live music and proclamations. The musician for today is sphinx. Consent agenda. 1 through 55 plus items 90, 91, and 92. With some items pulled off the consent agenda which I'll go through now. First, item number 42, which will remain on consent. I'll read on the record, these are appointments to our boards and commissions to the asian american quality of life advisory commission, richard yen is councilmember martinez's nominee, to the board of adjustment, ricardo decopps is councilmember martinez's nominee. And to the commission on seniors, monica sevedra is councilmember spelman's nominee. Following items were pulled off the consent agenda. Item 15 will be heard after executive session. Items 17 through 21 are pulled by councilmember riley to be heard concurrently with the austin housing finance corporation items. Items 24 and 25 pulled by councilmember spelman. Item 43 pulled by councilmember tovo. And items 90, 91, and 92 pulled by councilmember tovo. Item number 36 is pulled for speakers. I'll entertain a motion. Councilmember martinez moves approval. Second by councilmember spelman. Say aye. Opposed, no. Passes on a vote of 7-0. I neglected to allow our consent agenda speakers the opportunity to speak, so I'll go to that now. And we always have the opportunity to reconsider items that they're speaking about. First speaker is gus pena. I don't see gus. Second speaker, ross smith.

[04:10:08]

>> Good morning, mayor, council. I signed up to talk about the mopac sound wall which you are considering resending authority for. I used to live a block from mopac so I'm familiar with the sound issues there. From what I read about this wall, it seems to me that there's a lot of discussion and not a lot of facts. The nobody know if the wall would work. It would be really expensive. If it did go up, it would be impossible to take it down if it turned out to be a dud. Nobody would want to admit they made that big of a mistake. My suggestion to you is for a few hundred dollars' worth of paint, plywood, and cedar posts, you could build a full scale mock-up of this wall in place, leave it there for a couple of months. Get everybody get a sense of what it looks like and sounds like, take sound measurements to see if it works. After two or three months, take it down and make your decision. If it turns out there's a dud, there's no long term harm. If it works, then you request kgo back to the neighborhoods and have the discussion of whether it will work for them aesthetically. Take your time and get hard data to get your decision on it. Thank you.

>> Mayor Leffingwell: Thank you. That's all the speakers I have on the consent agenda. This relates to item 46. So we can go to the regular agenda and begin with -- item 24. Pulled by councilmember spelman. We have several speakers. You want to hear from speakers first. The first speaker is harris block. Harris block.

[04:12:48]

>> I'm harris block. I live in dallas, texas. My company eureka holdings is a real estate company since

2002. We have several properties and investments here in the city of Austin, including the Mt. Carmel village apartments on East 12th Street as well as the Oak Creek Village apartments in South -- in South Austin that the Council may be familiar with as we're redeveloping that property. We feel like the vote here needs to be postponed so the Council can review all of the proposals for the East 12th Street Urban Renewals Land. We feel like the land is begging for commercial development and not for more housing. Our proposal for the two tracks were commercial in nature. And the 1100 block we proposed a very nice mid-sized hotel property. We -- our firm controls the entire block except for the Bible's Believers Church. We don't feel like a five-story very dense housing project would work on a 13,000 square foot piece of land. Our firm controls the entire block, again, except for the Bible's Believers Church. This is the 1100 block at the corner of East 12th and Navasota. On the 1300 block, our proposal included a small office building with retail on the ground floor. Addressing the need for a grocery store. It's not very big. It's about 10,000 square feet. It has -- we've set aside room for lots of picnic tables, areas for food trucks, and to be very street escape friendly. Again, we don't feel like the proposal that was on the agenda by the Butler group to put 48 units on one half acre of land would be very beneficial. You can do the math, that's 80 units to the acre. That's a dense project. With all due respect, we ask that the vote be postponed so that Council can review all of the proposals and I'll take questions.

[04:15:28]

>> Spelman: Did you receive word from the urban renewal agency as to how your proposal was scored?
>> We never received any notice about how it was scored. I was not at the urban renewal board meeting. I'm told that they went behind closed doors to discuss them, came out, and voted. We -- I got to see what the bids were. There were not much difference. We bid more money than the other bid. We did not see any scoring, any -- it was in the RFP process was defined we would not be able to present our proposal. It would be scored and voted on. But no, we never received any feedback or was able to understand how the scoring was made.
>> Was it your understanding when you submitted the proposal that you would receive any information from the agency as to how well you scored, where you fell short, things like that?
>> I can't recall how the RFP read.
>> I understand there were no discussion in the board when they voted. The RFP was fine.
>> If you received information on how you scored and why it is Butler scored higher, would that be helpful to you in further submissions?
>> It would be very helpful to see how we compare to the other proposal. Our -- it's very interesting that on the 1100 block, we control almost an acre of land and they awarded it to put a five-story building on a very small piece of property. And as I said, on the 1300 block, 48 units on 26,000 feet equates to 80 units to the acre. I don't think that property is zoned for 80 units to the acre. Both of our proposals were well within the zoning of the NCCD plan.

[04:17:46]

>> I think if we can see how we were compared, it would be helpful.

>> Spelman: Thank you, sir.

>> Mayor Leffingwell: You're speaking on those combined?

>> Yes, combined.

>> Mayor Leffingwell: Councilmember tovo?

>> Tovo: Through the q mrnd a process, I asked a question along the lines of what this gentleman asked for, the criteria, if we have any feedback from the selection process. And I believe councilmember morrison also independently said in a similar question we both basically got back the response from staff that no information had been released by the urban renewal agency. And I wondered if someone could tell me why that is or if that's available or if that is privileged information?

>> That information is confidential at this time until the tract is closed because it was a competitive process. The urban renewal board actually owns the property and they had public meeting and they had public input on what should be considered in the process. Then they developed the matrix and voted on that in a public meeting. And then they requested that staff go out and use that as the criteria. And we actually received their solicitations and then we provided those to the board. We went to solicitation training. We provided that as well. And then they

-- they went into executive session to vote and then we came back to open session and voted.

>> Are the

-- would the winning developers, would the winning buyers be tied to the development as proposed?

[04:19:51]

>> Yes, they -- they're proposing a bond of 45,000 on each podful which will hold and they have to develop in a certain time frame and they have to develop the
-- with what they proposed.

>> Tovo: It's my understanding they have to develop both tracks within the city's ordinances and regulations?

>> That's correct. We did have staff check and make sure that the proposals were within the zoning.

>> So it's really the urban renewal board's prerogative to select the project they feel best fits -- fits. It's not the council, it's urban renewal board land. They're vested in the responsibility of selecting the process.

>> That is correct. And council approves their selection.

>> Thanks.

>> Mayor Leffingwell: Councilmember morrison?

>> Morrison: I think I heard that the matrix that they're using for the different criteria was established in open session.

>> Yes, ma'am, two different meetings.

>> Morrison: How is that information

--

>> the matrix says they used it and the guidelines is part of the rp. So every
-- th public makes it the right to see it.

>> Morrison: Can I access that on line?

>> Yes, ma'am orks I could get it to you.

>> Morrison: That would be helpful to get insight into what they were looking for.

>> Yes, ma'am.

>> Morrison: Thank you.

>> Spelman: I was going to wait for the rest of the speakers to say this. But here we are. On that copy of the matrix you sent it to me. I appreciate that. Who did the scoring? Was it the urban renewal board or was it the staff?

[04:22:00]

>> The urban renewal board. No staff had scoring ability. They were sent there to answer various types of questions.

>> Spelman: So this is the urban renewal board's view of how to get scores of each of the proposals they had. This is done in executive session in realtime at the meeting?

>> Yes, sir.

>> Spelman: Councilmember morrison. I'll ask some other questions. But I'm the guy. It's also true that other staff people in the room with them in the executive session while they were doing the scoring?

>> There were staff member there is to answer questions.

>> Spelman: Okay. So far as you know, is the scoring done by individual board members and then they added them up

-- the usual matrix rules we use for our own proposals?

>> That is correct. We had somebody there from rosies group that trained them and was there to advise them to make sure they stayed within the guidelines.

>> Spelman: Got you. Last question. I suspect there may be a controversy about this. But from your point of view, why was it necessary or even possible for them to go to the executive session to do this public business?

>> I would need law to answer that.

>> Mayor Leffingwell: City attorney?

>> Councilmember spelman, you may be aware that the urban renewal board is a separate entity. They are subject to the texas meeting act. I spoke with a lawyer in san antonio. He would not divulge his legal advice to his client, but he did point me to the provisions of the open meetings act that would allow a governmental body to go to executive session and deliberate on the sale of real property. So I can draw a conclusion from that that they believed they were deliberating on the property in which they were the appropriate governmental body to do that. Other than that, I can't give you much than that. That brief conversation that I did have with him about that.

[04:24:12]

>> Spelman: I won't ask your opinion, but do you have one on the subject.

>> Based upon my reading of the public

-- the texas readings act. It looks like that provision, I have it here, allows them to deliberate on the

purchase exchange lease or value of real property if that deliberation will have a detrimental effect on their position with a third party. So in this particular case, where they are the governmental body sitting in the position of trying to evaluate proposals on the sale of their property, I think that it looks like it may have been appropriate for them to do it because the third parties who had proposed on their property could have had advantage if they decided to do something else on their deliberation. It looks like it was appropriate to me. But this is really, really, you know, hindsight looking at it without a whole lot of information and just a brief conversation with their lawyer.

>> Spelman: Sounds like a gray area where you can call it either way. Given the proposal is submitted, they could hold the proposals to what it is they were going to do on the proposal. Not a lot of wiggle room for the negotiation, but there may have been some.

>> Yeah. The council is not sitting in the same shoes as the urban renewal agency. So given that that particular meeting is there, we don't want to negotiate our position by talking about these, evaluating these in a public meeting.

>> What is the legal authority in this matter. Yes, no. Take it back to the renewal board. What can we do here?

>> We can say yes or no. It will go back to them to decide what they're going to do. As always, you can tell them why if you say no, maybe you want information and then they get to determine whether or not they're going to give that to us or not. But I think those are the options. Yes, no. And if you want to give them some feedback on what maybe you need to make your decision, that's what I would recommend the council to do.

[04:26:37]

>> I have a question.

>> Mayor pro tem cole. Cole: It's my understanding that the renewal agency is a completely separate body under state authority, is that correct?

>> That's correct. Cole: We don't even have them made by the board. We get them to the lawyer, is that correct?

>> Tim williams can help us with that one as far as the appointment authority.

>> City attorney. The urban renewal agency was enabled by state law but the city had to take action to create it and it's actually a referendum where the voters approved it. That's how it got started, back IN THE '50s. >>. Cole: What I'm really trying to understand is it seems like there was some effort to put reasonable limitations on what council could or could not do especially when the agency decides to go to the executive session in a real estate matter but not related to this particular sint, because I don't want us to run afoul of their decision on their property. Can you help me understand the rationale underlying those rule s?

>> The urban renewal law itself? Cole: Well, I'm trying to understand

-- let me back up. Do they decide to go into executive session on real estate matters all the time? Or is that unusual.

>> I don't know the answer to that. Do you know?

>> Am I done or am I able to say anything else? Moim only if you're asking a question. Otherwise you're done.

>> I think there's nothing inappropriate with it.

[04:28:39]

>> They have been in executive session before on real estate matters. It's not the first time. Cole: That's what I was trying to

-- this is not unusual.

>> Okay.

>> I'll ask one question.

>> Mayor Leffingwell: Go to the next speaker. James McGee.

>> I'm encouraged by this on your topic today. That's terrific. I move there had with my wife in september. I've been attending the monthly neighborhood meetings and there's one on tuesday. And on tuesday, we learned that the urban renewal agency is making the recommendation to you that they are today. And there's probably about 35, 40 people in attendance at the neighborhood association, none of them knew of the recommendation. Everybody was surprised at the butler property, the butler company being awarded. And everybody was really shocked at the development. Five story units taking up all of the land, having a 40% reduction in parking, I don't know if you're aware of it or not, that will put a lot more cars on the streets. And the discussion to other bidders and we looked at the proposals that looked like to my eyes like better proposals that took into account the neighborhood wants and needs like a grocery store, a mix of homeownership, as opposed to very dense rentals. I ask you to delay a decision. I'm unsure on the last discussion if you're making a decision today or not. Delay it, open up the process. It doesn't seem open or transparent to the 30 or 40 people at the meeting tuesday night. If you had to make a decision, I would award the angelina property to the partners. Not speaking for the neighborhood association. But if you asked us our opinion and you took the time to get our views, you'd hear a pretty consistent view for what I'm giving you today. So my only question to you is would you take the time to listen to the people in the neighborhood and what they would like to have there. Thank you very much.

[04:31:10]

>> Mayor Leffingwell: Next speaker, alexandria jazinski. Alexandria is here. Okay.

>> We represent eureka holdings and we made a request for postponement. I'm present to reiterate that request. We feel there should be more public discussion about this matter. Thank you.

>> Mayor Leffingwell: That's all of the speakers we have signed up to speak on items 24 and 25. We will vote on 24 and 25 separately since they're separate items. Councilmember spelman.

>> Spelman: I'll defer to councilmember morrison if she's got a question. I'll ask the floor back when she's done, though.

>> Morrison: This is a question for scott. I wonder if you can tell me how many proposals there were and how many are qualified if eligible. Three proposals.

>> Morrison: On there

--

>> on one property and two on the other.

>> Morrison: Were they all deemed eligible or were any disqualified?

>> All deemed eligible.

>> Mayor Leffingwell: Excuse me, I'm sorry.

>> Morrison: I heard heard otherwise. It feels like there's a little mix-up in information.

>> Well, there's some other issues. We're looking at a violation of do not contact. So it looks like one of the bidders may be in violation of that.

>> Mayor Leffingwell: As a matter of standing, we as a body can't tell the urban renewal board who to pick, who they sell the property to. We can only say yes, no, or you ought to consider this or that. But we can't make that decision.

[04:33:24]

>> Morrison: Right, it appears to me that a lot of this

-- I understand that. A lot of this might have been made when the matrix was put together. I do have a question for mr. McGee if you don't mind coming back from here. Were you all aware of and part of the conversation in terms of defining the matrix that they adopted before the rfd? Because that threatens the criteria. I don't know what's in it. We want as many units as we can on this property, that would have steered it in that direction.

>> I'm probably the wrong person to ask. I've lived in the neighborhood since last september. The thing I will tell you that the neighborhood meetings I go to are smart people, knowledgeable people, people who care. Take a lot of pride in the neighborhood. And none of them know how the decisions were made and the process and it feels shut out. That's my message to you.

>> Morrison: All right, one more question. This might be for you. Thank you, mr. McGee. I'm trying to understand our relationship

-- I understand technically our relationship with the agency. But I'm trying to understand some sense of our responsibility, obviously, it's not just their decision. It's also our decision too since it comes to us. Can you fill in any fabric about what authority

-- I don't know what I'm asking. But you see what I'm getting to? Rubber stamping something obviously is never something that an elected official wants to do.

>> Let me tell you about the process of when we got here. Several meetings, public meetings in the renewal board to create the matrix. You may or may not rib last year we put out tracks 12 and 13. There was a request for proposal. That was an isp, am I correct? Correct, 12 and 13 were isd. That was agreed upon, the board approved of that. So tracks three and five which are the tracks before you today. It was decided that the urban review board wanted to do a request and proposal on those tracks. So there were several meetings that created the matrix. They wanted input on how those would be scored. There were several meetings so we could take into account all of the considerations of the folks that were there. So that's a very public process. In that, they agreed upon the matrix. It's compliant with the nccd and the urban renewal plan. That is their charge basically to oversee they are the keepers of the urban renewal plan and they ensure that we follow that plan and any amendments to that plan through the process there. That comes to you as well. That's a public process. We work with real estate services to put forth the rfp which in fact utilized the urban renewal board members as the scoring panel. They are the owners of the property. We do have a biparty relationship in the urban renewal board in that your

authority

-- that the authority before you today is to hopefully concur with their decision. But they are the owners of the property. So it felt most appropriate that they would be the individuals that would score the criteria based on the matrix that was put into them. As was explained, they were trained, they were all given the information. Staff was present in the room when they score the criteria. The staff was also there to make sure that everything was follow the process, the procedures that should be, had it been staff or urban renewal board. And then they came forward after that and came back to the public and got their recommendations and voted on that publicly. That's what you have before you today, its's their conclusion to that process. Gron that helms or

[04:37:17]

>> Morrison: It gives a little context. Under the rfp process, the no contact rule was in place. Does that apply to the urb or also to the council?

>> I'm going to defer

-- I believe

--

>> I believe both.

>> Urban liberal board members also helps that standard. They receive that training.

>> Morrison: And it's incumbent on the proposers not to contact the council as well?

>> That is correct. If I understand that rule, it's the

-- the onusen is on the proposer not to move that forward or to make contact.

>> Morrison: Thank you.

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: I don't know who the proposers were and who contacted who. That's less important than whether we have a sensible process for making decisions about this public land. I had a chance to take a look at the scoring criteria. I realize my colleagues probably have not had a chance to. I would very much welcome their judgment as to whether or not it's a sensible criteria. They appear to be sensible to me. In particular, there are 20 points given to project creativity and need, the ability for the project to meet the needs of the neighborhood, in particular, impact on making the commercial corridor more welcoming, and on increasing the availability of pedestrian retail goods and services. A grocery store would fit that. On the other hand, that's my judgment. I would like to have the judgment of my colleagues. Also, I would very much welcome knowing more about the judgment of the urban renewal board itself that did the scoring, when we evaluate a purchasing items, when you look at the results of the rfp in the city sense, we get the matrix back. We have a sense of how the differences were, where one of the bidders fell down. Where one of the bidders looked better. We don't have any of that information here. It seems to me that it would be a sensible for us to have that information before we made a decision to concur or disagree with the urban renewal board. So I would like to postpone action on this item for two weeks. I would like for the board to provide to us the scoring they gave to each of the five proposals.

[04:39:45]

>> Mayor Leffingwell: Proposal by council member spelman to postpone. Second by councilmember morrison.

>> Tovo: The criteria it looks like has been posted on the q&a as part of the council agenda. If you're here for this item and you're haven't had a chance to look at the criteria, if you go to the link on the city of austin website for today's meeting, there's a link for agenda, a link for question and answers. If you go to that link and follow it through, some questions were proposed by councilmembers by this item. And in the response, there's a string of attachments and the third one includes the criteria.

>> Spelman: Allow me to extrapolate from councilmember tovo. If we could post the criteria on-line when we backed it up, that would be easier for everybody to get to. Cole: I have a question.

>> Mayor Leffingwell: Mayor pro tem, cole. Cole: The question is directed at legal. You talked to the attorney and they said they considered this an executive session because it was a real estate matter. Asking for information from them that they considered confidential. How are we going to receive that or can we receive that in executive session or can we make in a confidential? I don't know.

>> Two different statutes at play. We have the open meetings act that allow the deliberations of certain items in public session. And we have the information act that relates to documents. So we need to talk -- we'll talk to staff about what documents they can or can't give to us. We need to work through that. That's a public information there. We'd need to find the executive session for this body to do that. I don't believe it could be the real estate section. Because we are sitting in the same shoes as selling the property. As far as the documents are concerned, if there is a transferable session, the open meetings act from the document, I want to look at that. I haven't heard anything in this discussion that may make the documents confidential. We have to talk to the lawyers and see what he says.

[04:42:29]

>> . Cole: We want to make it accessible and respect the procurement process. You understand that.

>> Yes.

>> Mayor Leffingwell: Okay?

>> So just a clarification. The contract management department staff was present in the evaluation training for the urban renewal agency. Staff during the scoring was the appropriate staff from the real estate office and the housing department.

>> Mayor Leffingwell: Those in favor of the motion to postpone to february 27, aye? Opposed? Say no. That passes on a vote of 7-0, item 25?

>> Spelman: Postpone with two weeks and direct staff to provide us with the same information for 24.

>> Mayor Leffingwell: Councilmember spel ann?

>> Spelman: While I have the floor, I would like to issue a strong

-- my strong belief that everything that can be public should be made public, including the average scores for these proposals.

>> Second.

>> Mayor Leffingwell: Second by councilmember morrison. This is postponing item 25 until february 27. In favor, aye. Aye. Opposed, no. Passes on a vote of 7-0. Now we'll go to our economic development annual report.

>> About a 30-minute presentation of myself and the austin chamber of commerce. So we'll focus on

our efforts for equity and poverty issues as well as the review of the incentive initiatives. Before we get started, I'd like to acknowledge our partners who are present, particularly our business associations and workforce organizations. The joint presentation will include michelle excelling who is here for the chamber. I would like to recognize mark madrid, the brand new president of the greater austin hispanic chamber of commerce. He's been on the job four days. Is that right, mark? Thank you very much for coming. In addition to the people listed here with capital idea. Ocalla decar saah and ms. Cortez is here. With the greater austin asian chamber of commerce, alec rital, rashida islam, and jim yetzu. These are our partners. Since we're focusing on economic development that takes people excuse me. I got distracted. Since we're going to focus on our efforts to address poverty and equity as well as going through the incentive program, these are the partners that are going to help us through that process. Over the next six months, we'll be working closely to discuss mechanisms and ways to do that as effectively as possible. This is the table of contents today. We'll speak about the economic development, challenges, opportunities, and solutions. Then go through everything that you wanted and didn't want to know about the incentives and end with the two new concepts we'll have at a later time for your consideration as well as the presentation from the chamber of commerce. So obviously -- let's see. Go back. Let's start with the goals since we're out o-- sequence here. The major goal is the imagine austin comprehensive plan which is how we grow as a community together, how we guarantee quality of life, how we develop housing, land use, transportation, our environment. In a critical part of that, of course, is how do we fund it and how do we make sure that equity is a key part of that. So our goals are, number one, to address inequity and poverty by creating jobs for the hard to employ. We think that has the greatest return on investment, but also critical to the city moving forward as prototype of how communities in the future grow. Secondly, the use of our cultural diversity as an economic strength both locally and internationally. It's understandable. We love the diversity of the city makes austin a little weird and gives us art and culture and and gives us a great sense of community. But the diversity will be a connection overseas and that will be important as we discuss the expanding role of the chambers of commerce. The third goal is to attract industrial companies and logistics companies for obvious reasons, fourth, to expand local businesses citywide as a revitalization and hiring strategy. These are the challenges to accomplishing the goals. The first has to do with beginning to quantify individuals and families in poverty. The second is to employ populations, how we recruit and expand and find jobs for that population. The underemployed is kind of a different area of the economy. So we're going to talk a little bit about that and how we would like to explore that. And then the rising costs of living in austin. So those are some of the challenges that we face. We're going to go to each one of those briefly. Over 19% of all residents in austin live in poverty. I hate to use just percentages because it's not as meaningful as when you realize that means there's 160,000 people in poverty. From 2000 to 2011, the austin metropolitan area recorded the nation's second fastest increase in the number of poor that are living in the suburbs. So we're the hole in the doughnut. We have our own poverty, but the metro area is also the second fastest growing area of poverty in the country. And all of the organizations here today are dealing with this on a region-wide basis as well as austin. Keeping that in mind. The rate of childhood poverty is reaching 27% by 2012. How do we move forward? Prevent unemployment before it happens. 60% of the public school system children rely on subsidized lunches, a clear indication of family, income, stress, and important factor in youth education. The hard to employ is a subset that we've talked about before that the economic development department, department and chamber of

commerce did an analysis and showed this is 10,000 people in austin, dropouts previously incarcerated with individuals with language barrier, the homeless. It is essentially the population that demands the social services. When they are found jobs, have the greatest return on investment both for the community as well as for the individuals. The underemployed. I'm going to talk about two numbers here -- in 2012, northeastern and drexler universities did a nationwide analysis and concluded 53% of undergrads under 25 years were underemployed or unemployed and the humanities majors were the least likely to find jobs appropriate to their education level. Most likely happen to be the cluster of industries we are attracting in austin. Health care with a new college, the education that the universities here accounting, the financial industry is growing computer science. You'll see other examples today with the

-- with the growth and the computer science area. And the second area is veterans, we have 800 veterans being released from Ft. Hood every month. So usually the first stop is here in austin. These are -- a lot of these are millennials who have a really good training, but they only have one year of salary left when they're released from the military. And so we have to factor in how many of those veterans we can find jobs for and what is our economic development strategy going to look like? Affordable blgt. 137,000 renters or families who earn less than \$20,000 a year. We have to find jobs for those people so they can own their own homes. So some of the opportunities really we just tried to take a snapshot of it. But I'm going to drill down and say we need a dramatic increase in the number of children and of individuals who are moving into our high-tech industry cluster. It means more stem, it means more recruitment that is targeted. We have an opportunity to do that. You can see in the second group under technology progress and adoption, that currently 7% of the stem workforce, science, technology, engineering, and math. Only 7% of that workforce is filled by hispanic population. And only 25% of women. So in order to move forward, we want to align our workforces, our workforce training with the high-tech companies that are either here or are being recruited. So we have four solutions that we're currently working on. We're focusing on very strongly. But we're going to expand in the next six months as we continue our analysis. Those are, one, to create a citywide commercial revitalization strategy, using the chamber of commerce, the austin independence alliance, our own spdt in order to find way to create jobs locally in harmony with the neighborhood plans that revitalized neighborhoods and become walkable communities. The second is educating a world class workforce through stem and interaction. Specifically with providers like capital idea and skill point alliance. Third is to expand small businesses through our family business loan program and other partnerships with the private sector. Also to improve the expansion of logistics industries. Logistics means distribution companies. Landing and expanding a distribution company might mean 500 jobs for forklift operators and truck drivers paying \$45,000 a year with benefits. So we want to make sure because we're on the quarter, because of the expansion of the panama canal and more flow and growth that we take advantage of this. The fourth area is to capitalize on the international relationships with trade and commerce, specifically with the chambers of commerce who have great connections with asia and mexico and other communities. We're going to build on our success which we'll see a little bit. Next month our first and foremost relationship is the sister city is more of a science city relationship. ? March, we'll do the same thing with a mexico city. In 2013, the economic development department international plan won the best award of any major city in the country. We're going to try to capitalize on that. You'll hear a presentation in a few minutes from michelle on opportunity austin 3.0 and the value of the carefully organized incentive program as a way

to channel the growth and organize the growth to fill the key needs that we have in different cluster industries, including the hard to employ. We like to touch base on an overall solution. That means that the businesses are using cloud computing and analytics to compare the bottom line. Most cities are trying to do the same thing. With the new analytic tool we developed with the sustainability placements model on the south shore and the urban rail system that showed that the net return on investment of new taxes was \$107 million a year when fully built, and that the community that surrounded urban rail system that disposable income was \$296 million more than before. And those dollars are spent on the business community. Those kind of analyses will help Austin's decision makers, will help the community make better decisions or improve decision making as we go forward. The economic development department does a lot. We primarily talked about the first column that has to do with global business and recruitment and expansion. Cultural arts division is doing a fantastic job

-- 250 cultural organizations funded a number of very exciting things, the art and public places project was recognized in Washington, D.C. This week. The Harvard Ash Award for government and this past year won the International Economic Development Award for a local business. The redevelopment division two years ago won the top public private partnership in the world for a major city for a second street. And the music entertainment division is working incredibly well in getting a lot of very positive feedback on the relationship with Toronto. So now going to switch gears to our agreement, the year-end snapshot. We have ten agreements. Over the ten-year period, these agreements, you can see it includes Athena Health, the net benefit if it goes as planned will be \$43 million in the ten-year period. And the net new jobs that will be generated will be 7,700. In addition to leveraging private investment, the important but prudent investments by the city in incentives generates a state incentive match 2.2-1 of \$173 million. So we're matching

-- raising the limits on the private investment. December 31, 2012, I hope the mayor and council know this, but maybe not the people in the audience. >>... We also want to talk just briefly about the fact that the companies are not just money machines. And job factories, but they are really fantastic leaders around the world. And you know that because you hear about their charitable work and you hear about their work in STEM. So we just selected two companies, the advisory board and Samsung and just did a brief analysis of some of the wonderful work that they're doing in the Austin community. But we could show that for all 10 of the companies. Incentives discontinued in

-- in 2013. All companies have the right to discontinue their

-- their incentives. And these three companies are still operating, they are doing great, they're expanding. But they chose not to continue with their incentives for the city of Austin. So

-- so in one way we're benefiting because we're not paying the incentives and the companies are still here. In the last slide has to do with the incentive program moving forward. This has to do with the new rules, the new initiatives that you all have initiated. And so basically I wanted to share with you our goals for moving forward. First, we will focus on development in logistics, technology, manufacturing, food -- the creative sectors which were the two studies that you initiated by John Hockenjos, we wanted to take advantage of that, as well as focusing on opportunities for hard to employ, working poor. With our partners who are here today, we are sure to accomplish an awful lot. Our economic development projects will continue to monitor how recent changes affect the potential projects. So we're asking a lot more from companies and we're going to measure that and see how that affects their ability to expand. Third, our department will dive deeper into local industry needs to align new jobs with workforce

organizations. As you have seen by the three organizations, the workforce organizations here who are very motivated to dive in and for the technology companies that are here, we feel pretty strongly that we can make major inroads. Increased transparency efforts. The economic development department in 2013 received 100% transparency rating by a watch dog organization that does incentives. So we have -- we are making the grade, but we're going to do better. The economic development department will deliver additional web based documents and in fact as of this week, we have posted on our web portal new compliance information and new documentation, so it's easier for the public to see how our efforts are moving forward. And we're also asking everybody to increase the level of communication between the companies, the economic development department, our small business, small and minority business division and local civic organizations, keep the lines of communication open so that the things we do have greater impact. So our last, my last point is that we are ... Well, let's see. That we are going to bring forth to mayor and city council two recommendations for you to consider and that one will be to -- how to accelerate the use of stem in working with the companies, the high tech companies here. We would like to virtually create an einstein project. I use the example of national instruments which committed to provide stem to a thousand kids a year in training and mentoring and -- and in every single thing that they could think of, 10,000 kids they will help with stem over a 10 year period. So imagine if we had 20 companies doing that. Or 100 companies. We could virtually have 100,000 kids of color in austin that would create the pipeline to the future for all of the high tech companies in our -- and our reputation as the city of human capital I think would be realized. Second and last, in order to support the growth of the film and television industry, we have looked back over the study by john hockenjos and are going to come to a recommendation with some idea to share with you about how to grow film production and television production. So that's kind of a snapshot of our economic blueprint of how we're going to address poverty and equity issues and I'm going to turn it over for a few minutes to the -- to the chamber of commerce, michelle skelding who is going to talk about opportunity austin, some of their initiatives. Then, of course, all of us are available for any questions. After that, we will go forward with the discussion on the two incentive proposals. So michelle?

[05:05:14]

>> Hi, good morning. My name is michelle skelding, senior vice president of global technology and innovation at the austin chamber of commerce. Good morning, mayor leffingwell, city council members, I'm privileged and honored to be here and excited to address the questions on the opportunity austin and city of austin partnership update. So this is the beginning of our 11th year. To diversify the economic base and create good paying jobs. And we'd like to thank you, as austin chamber of commerce, for the partnership over the past 10 years. And I would like to show you a bit in these slides the overview of what's happened and where we look for the future. On slide 2, this is a great snapshot, over the past 10 years, if we look at non-farm payroll jobs, essentially looking in 2000 when we had the great tech bust. You can look at austin msa in the red dots and how quickly and most sharply we dove at the time of the recession, we were the first down and the last to recover in comparison to the united states. Blue line that you can see and had a massive impact on our economic base here in austin. So as

we began to diversify, the portfolio, and you have to remember at that time back in 2000 we were -- you know, we have a strong technology base in austin. We were very semiconductor focused, software and it. But that was the form and development of our jobs at the time. If you then look at the downturn and the great recession of 2008 you can now see the dramatic difference. So if you look at the austin msa now, we were the last to go into the recession and the first to recover. And so this says a -- this is a strong indicator of the diversification efforts of of the portfolio of austin. The opportunity austin budget from the past 10 years for the 2004 to 2013 shows where we're applying the priorities and the funds. If you look at the large majority, 41% is allocated towards the economic diversification or the portfolio and continuing to do so. Also what's important to note, the business retention and expansion efforts, about 15%. Of note, 75% of all jobs are going to come from companies that are already here. And so it's important to reach out to the companies and find their challenges and make sure they are getting the needs that they can continue to be prosperous here, also 18% going towards education, talent, attraction efforts as well. This is a quick snapshot of the target industries. We use at a chamber something called market street strategies, what this kind of shows is how do we align and know over the time frame where are their target sectors, what is right for our market and we're continually looking to align and be competitive for jobs of the future. So now we're looking at 2014. You can see that we're focusing on a different area as well in advanced manufacturing. We actually have over 250 manufacturing companies here in austin. We're I think surprised to know that we have such a strong base here. Also as you look at creative and digital media, it's become very strong. Clean tech, of course, and headquarters, companies we look to move and bring here and then of course for life sciences surrounding the innovation district zone. We look to recruit and retain an anchor tenant in the life sciences area. Quickly looking at the opportunity austin relocations, this is a quick snapshot, too, of the diversification efforts. So as we prioritized we can see that we were not just strictly in semiconductor and software and hard it, but have a nice, broad portfolio. Opportunity austin 2.0 in the second sector of the five-year period, there's a lot of numbers on here, but basically what's important to know for relocations, if you look at 2009 in the lower left-hand corner, we still have 17 companies that were moving here in the worst of times in the recession, still bringing 547 jobs. They were companies that were in high cost areas that were still looking for more friendly business environments and places that they can get their talent. So this -- if we look at the summary results over the past 10 years, thankfully to the partnership that we've had, we look at a total of 206,000 new jobs, a payroll increase representing over 10.5 billion, corporate relocation announcements of 307, and of note we are the number one job producing metro in the u.s. Among the top 50 metros. And for the last 10 years, which is very impressive. Prior to our partnerships in the 10 years previous, we WERE 24th. So the partnership is working and the results are evident. I'm sorry. Just of note, it says on there the prospect visits, 1300 and regional retention visits. What we found at the chamber has been the most successful on our prospect visits we go to -- out to different cities and we have peer-to-peer relationships, so our opportunity austin lead investors join us and we go and meet with c.E.O.S and decision makers and hearing from peer-to-peer that we bring along aside with the chamber is the most impactful for their decisions about the city. And then again our target industry stackers again showcasing for 2014 to 2018 just quickly reviewing again, I think that I have already mentioned it, but the life science/biotech anchor attempt that will help speed up the development of that life cycle and define life sciences in terms of research and product development

will be crucial as we add to the medical school development. For opportunity austin goals, what do we look to do? Now beyond just diversification efforts, we also have to hit many areas in terms of private employment and so this slide maybe shows, break it down so it has prospective, what do we hope to hit in the first line, projected tend, obviously things will happen even without efforts, but then what's the differential that our efforts make with the opportunity austin 3.0 and improvement. We looked at over 200,000 jobs in the next five year time frame, improve our annual wage over \$3,500 per capita income, 2400, then we have to impact poverty and child poverty rate as an important priority. Of course we have to look to the educational attainment to have the right education for the right jobs as the economy grows and address commuters who drive alone to impact that congestion index. I'll move over quickly to the innovation side. So recently under the branding element of opportunity austin, we launched innovate austin, which is focusing on innovation and entrepreneurship. The reason this is important because innovation and focus on that is the key driver of our business and economic success, so we can continue to have regional prosperity for the future. At the time when our market is so hot and so interesting and we think that we're fulfilled and sustained, it's actually the time that we can't be complacent and we have to have thoughtful strategies and so innovation and focusing on entrepreneurs is one of the most important aspects to support and promote. The vision to put out for austin is to make austin the in be one region to start and grow in innovation and technology based business. I say innovation, why we expanded that at the chamber is because although we've had a very strong tech background, as we look to diversify and as we look to be inclusive and unify our community, innovation represents a u message. Innovation happens within all areas, not just within individuals, within companies and across the board in supporting those efforts on the wide basis is a great unifier. The strategy then is to focus on four key areas. Talent, when I say talent it's not just the talent to support companies through their growth with the right jobs at the right time, but also talent meaning the innovators and entrepreneurs. Capital as a focus. I will have slides that come up and show you the snapshot of capital in our market. We only in austin have 1.3% of the venture capital dollars compared to the national numbers. So we need more capital at the right time for our companies as they are growing to support their efforts here. The innovation ecosystem, also the community, we're known to be so effusively friendly in our communities and what makes us strong, we have to then also bring that to our innovation community as well, important to focus and support those efforts. And, fourth, the strategy supporting the dell medical school and innovation zone. As we look at austin as a brand to nuevo laredo forward, the great game changer these efforts have and your support of them is crucial for the way we look forward for austin. Just quickly highlights for the innovation. So we launched the innovate austin platform. Put together our vision list and strategy. I kind of break it down into three things that are important. I have to increase relevant the three d's, relevant reach, distribution, our deals and dollars. So I have to make sure and reach out to all of our innovators, our tech and ecosystem players, get them involved, engaged in government and decisions that are made and be part of our changing and wonderful city that we have. Deals in terms of start-ups and number of start-ups in supporting them and then the funding dollars that they need to continue in their success. Some are results

-- I've got 2356 year to date that reach out for my innovation newsletter, I hope to increase that by 6,000 by year end. We do vc system and attract trips, from the valley, boston, I.A., New york, our teams, what this helps me validate my vision, mission statement, make sure we can make those connection

points and draw the right capital and the right innovators here. Austin a-list and the state of innovation is a large project that we will be focusing on this year. It's in its third year. I can go over that in the next slide. Let me tell you about

-- I'm sorry. Let me tell you about funding really quick. So just to give you some of the numbers for why we focus on deals and dollars. If you look at 2012 and 2013, the number at the top, 132 and 129 represent deals. I'm sorry, yeah, represent deals. Deals meaning, you know, each time that a company receives capital for an initial launch. Then the dallas represented 642 million in 2012 and 595 million in 2013. It's down about 6%, we're trending that way. Again, although we capture about 6% of the venture capital dollars for texas here in austin, it reflects the activity that we have, it's still only represents that 1.2% of the national fee state dollars, so we're still just a blip on the radar nationally. What sectors are we invested in in 39% of our dollars internet, 15% mobile and telecommunications, 9% into health care, which I assume will increase, and it spreads out the rest. Back to the a-list. We had our first one in november, we opened it up to nominations, part of the a list is to seek the most innovative, scalable start-ups in our region. As we do that, we take their nominations in. Part of the issue is too how do we know where the start-ups are, how can we support them? What this helps me do, start gathering a database of who is out there, what category they are in, what their needs are. We put them in a vetting committee, partner with south-by-southwest, then we launch a party afterwards to celebrate their success.

[05:18:00]

[Laughter]. So the results for

-- for the fall 2013 list, we had 159, I didn't know quite know what to expect, I think 30 was my benchmark, was overwhelmed with 159 start-up nominations, 788 unique website impressions to the website, 497 rsvps to come to the celebration announcement, 518% increase from the summer before. Five primary media and relevant social media. What this told me there's a definite need out there and our entrepreneurs want us to be engaged and help in their programming. So we had our winners. I think that you have heard from one, you know, [indiscernible] jason lawrence came and spoke. Early emerging stage, folks that raised a million or less, growth stable is one to 10 million, late stage is 10 and above. So starting to segment that helps identify needs, we then can see in our market as we go out and visit each company, who they are, why they've come here, really intimately get to know them and their support. As I go out and visit our vc's in other market, they are actually looking at this as a deal flow source and can help as a cadence to communication of what's happening in our market. The other part of beyond the entrepreneurs, because we are not as sophisticated in raising capital, we have to do education series. So we'll have a 2014 entrepreneur education series just kicked off, we just kicked off the first one here at norton rose, brought in some fantastic speakers here in our ecosystem, getting them more prepared for capital. When I bring the capital here and we can help attract them, they know exactly what they need to do to make sure and be prepared for it. And I believe that's it. I just want to conclude with thanking you again for the 10 year partnership with the austin chamber of commerce. And the city of austin, al lining the diversification efforts of the portfolio. I look forward to the amazing future that we have together. And I know that

-- I'm speaking off

-- I know there are so many things we can accomplish and I look forward to your questions, anything that I can help answer.

[05:20:12]

>> Mayor Leffingwell: Okay, michelle. Questions?

>> Yes, mayor.

>> Mayor Leffingwell: Councilmember martinez?

>> Martinez: Michelle, thank you. I'll start with you since you're already up here and just go over some points that I thought kind of stood out to me. But first of all, I want to thank the chamber for your continued efforts and partnership. As you know, over the last 18 months we have been revisiting the whole economic incentive policy. I think it came out to be a product that was a blend of a lot of interests and it couldn't have been done without the chamber and as we're going to see in a minute, two companies are coming in under that new economic development policy creating good jobs, but also meeting not only the spirit and intent, but meeting to the letter of the law. The values of austin as it relates to that policy. The one

-- I really appreciate the 3.0, opportunity austin 3.0 goals and the way you have them broken down, specifically as it relates to the poverty rate and child poverty rate. I guess what I want to ask is what are you using to achieve that measurement of a reduction in that rate by 6.2 and 7% respectively?

>> That's a great question, thank you for that question. I'll do my best to answer and I'll ask if mike rawlings wants to step in and clarify anything. My indication is as our focus on manufacturing jobs and jobs if you give people the opportunity to have the right education, talent and then the jobs for -- for giving their individual prosperity, then that would be how that we hope to address the child poverty as well as poverty rates, so give fish to help -- to help them is what I'm trying to

--

>> Martinez: I guess what comes to mind is when I look back on your previous slides, of historically opportunity austin, opportunity austin 2.0, we see the 10 year trend where we're pointing out

-- not trend by the 10 year results. But yet we start out and mr. John started out by saying, you know, we are at 26% poverty rate for youth. So during that 10 years, what

-- what were we doing either

-- I don't want to say what were we doing wrong, but what weren't we doing to try

--

[05:22:37]

>> that's a great question. I think that I will have mike address that.

>> Martinez: Thank you. I think it's a difficult question, mike. I realize that. I just want to know, I appreciate that we're now putting it in as a measurement, but where was it between 2004 and 2012?

>> Thank you, councilmember martinez, mayor, mayor pro tem, councilmembers. That is a new measurement. New goal that we have added to opportunity austin. To focus on. And I think the way we will be focusing on it is really around two things. More education attainment and skills to match the jobs

that we have in the community. Skills that match the jobs is going to be a key outcome for us. We still have, even though our low unemployment compared to the rest of the united states, somewhere around 45,000 in our msa unemployed. 20% of those are college graduates, by the way, holding a degree. So what we're trying to focus on is there are a lot of adult workforce now, not possessing the skills that match the job openings currently, in our msa. So we're going to work with partnerships, workforce solutions to make sure that we have real-time information and can offer the certificates and the skills to the existing workforce out there. Part of the challenge is going to be changing the conversation of why people can't participate in those job trainings, skills, because they have too many jobs now, so we need to change that conversation and say what do we need to do to eliminate that barrier so they can come in and get the skills to hold a

-- a lifetime career opportunity job.

>> Martinez: One of the things that I've seen applied in similar situations where we're trying to get folks trained to a higher level so that

-- trained to a higher level so they can have access to better opportunities yet they are working 16 hours a day just to make ends meet. What we incorporated was a stipend so they literally didn't have to work two jobs. They could work one job and in the evening come to that training but be compensated via a stipend so it doesn't affect their bottom line.

[05:24:41]

>> Absolutely, councilmember. That's the conversation that we need to change is why it can happen, how do we make it happen. I agree with you.

>> Martinez: The other on that exact same slide, the 3.0 goals, commuters who drive alone. I found that interesting that

-- and 2.9 while it may seem like not much, it is obviously in the right direction. Do you incorporate -- is this with the assumption of an urban rail project in austin?

>> Well, what we are working off of is that

-- there is a

-- there is a tti, texas transportation institute, has worked with us and

-- and capital metro two and our npo and have looked at what we call the five wedges that we need to implement at one time in order to better manage the congestion, peak traffic time. It does include more roads, it does include urban rail, light rail, passenger rail. It includes other transit and it includes increasing the work from home telecommuting. And

-- and we need to move all five of those forward. So correct.

>> Martinez: Thank you, mike, I just have a couple of questions for kevin.

>> Thank you.

>> Kevin, thanks for the presentation, I really do appreciate kind of the refocusing, if you will. I don't think

-- I don't think it's because of lack of focus, but I think that we see that

-- that we're kind of missing some opportunities that are out there as it relates to programs like stem. So

-- starting with that your recommendation is going to be that we amend the economic development

policy. For two reasons. One, to try to encourage more private investments in stem programs. But in the

second one that you mentioned was about the film industry. And how the current policy isn't established to where the film industry can apply for incentives because of the way we have it designed.

>> That's correct. So we're looking at best practices and we think that we have come up with a couple of ideas. In the next few weeks, I think that we'll have a presentation to begin to brainstorm with you in writing.

[05:26:49]

>> Martinez: And so -- as it relates to that

-- to the amendment to qualifying the film industry, do you foresee any changes to the existing policy as it relates to things like living wage and prevailing wage? Because as you mentioned in your presentation, the film industry is substantially different from recruiting a long-term company. It is a very

-- very short investment but with a high dollar amount.

>> I think that you have put your finger on the reason that we have to come up with a new concept. Because the film industry really doesn't fit film productions, film companies, film studios, they don't fit with a 380 type of agreement. We are

-- we are looking at some best practices and I think we'll come up with something that you will be pleased with, but we're open to discussion on how that might emerge, but I think it's critical from what we have seen in austin trying to capitalize on a great opportunity for our activity. We haven't gotten there yet, but it will not be an amendment to the 380 agreement policy. I think that we have to kind of invent a bit of a new animal.

>> Martinez: So this will be just a strait separate standalone film industry incentive type of program.

>> I think so. That's what we're trying to figure out. We're getting closer, I'm pretty optimistic, we're meeting with the film industry, we've met with the state of texas. As you know the state of texas got a nice boost in the film industry in order to compete with new orleans and hollywood and miami and other areas. And so we would like to somehow connect the two. If we can do that, then we can together I think have a great impact. Of course, you will recall that the robert rodriguez studios and their effort is starting to bear fruit finally. So keeping these things in mind, we're going to come back to you with I think take pretty good concept but we are open to best practices as well.

[05:28:51]

>> Martinez: Thank you. I will say for my part, the existing policy is something that we spent a lot of time working on and even if we're coming back with a separate stand-alone policy, I'm going to be looking to see how well it reflects those values in our 380 agreements as it relates to domestic partnerships, prevailing wage, living wage, because I think it's important. I know it's a different scenario, but those are the things that I will be looking for. Then lastly the film industry is a

-- is an industry that is very union-based in terms of the crew that works on those films. So I would hope that in our stakeholder process in building this new policy that we reach out to those unions as well as the studio operators, you mentioned mr. Rodriguez, to get that well-rounded perspective of what truly are those best practices out there.

>> Yes, exactly. And we'll be working with the

-- with the film society and other stakeholders to make sure that we have the pretty good game plan of what makes sense and then we can vet out how to make that work so that we could leverage some of this great, great talent that we've got into national tv shows and films and movies.

>> Martinez: Great, thank you. [One moment please for change in captioners] puyana,

[05:31:34]

>> she heard from the chamber, we are going to focus on some recruitment for manufacturing and logistics to also tackle that problem, because you have 5 or 600 jobs over a period of time, over the period of five years, we can make a real big dent on how we can move forward. Austin technology council has shared with us they think this is going to be 9,000 jobs created in the next three years and that they have to go out of state in order to find that talent. So we are kind of perplexed right now of what to do because we don't want to recruit the talent. We'd rather take 1,000 hispanic kids from east austin and turn them into the kids that are going to work in robotics or at dropbox. Dropbox is the most used colleges and cyber security, we know there are issues out there and so we want hundreds of austin companies to be comfortable and organized in some meaningful way to do the same thing that national instruments did when they committed to work with 10,000 kids, so we don't have a game plan yet on how we are going to work with that group, the austin technology council, but we will do a follow up.

>> Martinez: And we may not have the exact specific game plan but at least we have the direction we know we need to have so I look forward to working on this, also.

>> We were advocating for taking our kids and make sure we prevent them from being unemployed in the first place. We are absolutely committed to that.

>> Martinez: Thank you. Thanks, mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: Thank you, mayor. I have a couple of questions of michelle, if I could. First, I want to give you two compliments in an odd way. My son is a java ninja at hewlett packard. It says in his business card, java ninja. That's his official job title.

[05:33:45]

[Laughter]. And he tells me the word in the industry he's in is you will make a little bit more money in san jose but you will have a whole lot better time in austin, texas and it was reflected in your presentation, they will have a much better time in austin, texas and I also like the fact you are focusing on the differential and how much money you would make. You are trying to whittle that down so you will both make more money and have a good time in austin, texas. I think it's a good way to spin it. Second, I thought briefly if I had a bottle of beer with me, I would have take a slug of beer every time you said the word "diversification" and that would have made me drunk and I like that happy, because every time I hear the chairman use the word "diversification," it makes me feel good. I think historically one of the big problems our economy has had is that we are the second most volatile economy in any of the united states, the most volatile being our big brother in california, that being worse than we are. But evening out, the boom and bust cycle will make our jobs easier and make your job easier, too, apropos, which, I would like to ask you about the target industries.

>> Sure.

>> Spelman: Looking at the evolution of the chamber's industry in 2004, it looks like the chamber learned a lot on where the national company is going and what is going to work in Austin. Software shows up in '04-'06 and it is looking different with more different kinds of software and the distribution of logistics shows up in '04 and drops out. Explain to me, how is it that you come up with this set of target industries every couple of years?

>> Sure. May I? Or do you want to? I will defer to Mike just so he can give me the most -- give you the most comprehensive and thank you for the compliments. I was nervous speaking for my first time, I appreciate that and just to get it clear, I will have Mike address that question, thank you.

[05:35:55]

>> Spelman: I don't think I will have as good a time listening to Mike listening to it but that's okay.

[Laughter]

>> Thank you. Thank you for the question. We did work with Market Street Services, beginning in 2004. It includes a fairly deep dive into

-- with the strengths of your community and the talent of your existing workforce, and then trying to look ahead and predict where some of these industries will be traveling, it was used as an example, the software. It was pretty broad in 2004 and as we move forward in the program, we got to where we knew where we had greater strength and where that new age workforce would be going and so that's how we adjusted that.

>> Spelman: Okay. I noticed the distribution and logistics has dropped out as of ten years ago but it still appears to be the city of Austin's short list of target industries. Why is the short list something the chamber is not going after?

>> When it is initially put in there 2004, we worked it hard for a couple of years and not having much success at it and so we refocused some of the resources around the industries that we could have more success in. What we have noticed over the last trend, over the last two or three years, probably closer to three, is a general manufacturing, which is a pretty large sector in itself is becoming more interested in not only coming back to the United States but looking at Texas and we have had a larger increase in general manufacturing interested in central Texas, so we got it back in. Of course we focused on advanced manufacturing which is a high end in that.

>> Spelman: More money than that, it is probably where a lot of the industries will be going.

>> Absolutely.

>> Spelman: That's the competitive advantage, the value added to that.

>> Absolutely.

>> Spelman: I also want to generally compliment you on the fact that advanced manufacturing as defined it, created digital media, that seems like bite sized chunks and specific so I can get a sense of whether a particular company is inside or outside or whether they are bring to bear on all of this stuff and it looks very different from the 2004 and 2006 list which were bigger, broader and probably a lot harder to work.

[05:38:12]

>> Thank you.

>> Spelman: It also looks like it's also diversifying our company. I will take another slug of beer young. The next question is you have 27 different relocations over the last ten years which is a great number. And there are a wide variety of industries. It occurs to me we have issued nearly 307 incentives and I don't think we have issued nearly 307 incentive deals. How are you getting all of these relocations and the guys aren't asking for money?

>> Well, when the economic development policy was first created by city council, I think it was 204, it may have been 203, the intent on that was only to look at where there are game changing opportunities to help us diversify our economy and create vertical mass where there is synergy to grow and I think the city has been a very good job and judicious in taking that into account, the direction that city council had set. My memory is there probably has been maybe 15 incentive agreements that have been heard before this body over that last ten years.

>> Those would presumably be where they are creating a critical mass or creating another opportunity for synergy we otherwise wouldn't be able to get.

>> Yes, and the extraordinary opportunities for creating one of those directions.

>> Spelman: I noticed on your next slide

-- you may not have an answer to this question, but if you do, it would be interesting. In 2013, about one fourth, a little more than one fourth of all of the relocations were in other, not target industries. I want to know if that should feedback in the target industries for the next go around as to whether there seems to be a pattern in that big clump of other industries.

>> Well, I think we always welcome opportunities for creating jobs here in our austin area and so when we work with companies, we try to be very transparent and hear our areas. If they come in here, we put them there. Otherwise we categorize them, could be customer call centers or general manufacturing at that point and those would make up the other.

[05:40:22]

>> Spelman: Sure. So it

-- there is a lot of things going on there, but it is something which you are able to keep track of?

>> Yes, absolutely. Yes, sir.

>> Spelman: I am a little

-- I remembered the story when you were talking about the causation issue, when we were talking about the work that the chamber is doing in opportunity 3.0 and the effect that's having on our economy reminded me of the old story, george bush, the elder who according to story was born on third base and believed he hit a triple. I am thinking, okay, there is a lot of things austin has going for it, one is the chamber and the opportunity 3.0 and all of the work you guys are doing. I am prepared the believe a lot of the reason our economy is doing well because you and the economic development department know what they are doing and pursuing the right kind of a track. On the other hand, there is a lot of activity going on in here, and only some of that, I suspect, can be attributed to the work that you guys are doing. Some of it the site guys, we happen to be at the right place at the right time. Is there a way of determining the extent to which you guys are directly affecting our economy?

>> Well, as you probably saw in a slide that michelle presented on 3.0, we put what could be a normal trajectory of the economy and then with our efforts on top of it, it would do this to enhance it. So the one thing that we can only do is look back over past history and see what the economy was doing here without the opportunity austin partnership with the city of austin, and quite candidly, you can see from the early 2000, during the tech bust, we fell first and farthest as any of it large metros in the ice and I point out during 2008-2,009 period, because of the recession that happened between the years between the tech bust and the great recession, we were the last to fall as a large metro area and the first to come back out. So I would say there's not -- there is a lot of credit to be shared around in it and I think some of it has been attractiveness of the state of texas has played into it, too. I also will tell you that because the state of texas and the city of austin have created during that period of time economic development incentive programs it drew a lot of attention to our state. As you've just mentioned, we only did maybe 15 agreements over that period of time, but it was used as an add traction for companies to come and look and some of them decided they would like to come here without an economic development incentive agreement.

[05:43:04]

>> Spelman: It is clear whatever is causing that massive amount of relocations, it is not predominantly our incentive policy that is doing it. That's fine with me. If we -- given we've got so many relocations as we have, if we were to just completely eliminate our incentive program, what effect do you think that would have on your ability to get the relocations to happen? >> I think it would have an impact on it. I think one of the most important impacts of having it available is on the marketing side and being able to tell in a real sense that austin is welcoming business here and willing to consider incentive agreement if you fit the local austin values and criterias set out by the city council. That is unmistakably the largest marketing tool for businesses to take a look at austin. Then if you did not have that agreement opportunity in place, we believe that we will be missing out some of the game changing opportunities that will help us set the next generation workforce and jobs for the central texas area.

>> Spelman: So it sounds like one of those, you may have already won lottery ticket opportunities, only 5% of those relocating industries actually win the lottery and get the incentive, maybe 95% of them don't care one way or another. They don't even apply for it but it's kind of a pig and a poke but you are saying at 5% chance it's really a good marketing tool?

>> Absolutely, it is. It causes a lot of companies to look at the austin area because they have heard about it.

>> Spelman: Again, the last, a technical question on our -- on the vc market and feel free to answer or anybody else who can answer will be fine. I am looking at the slide that looks at circumstancetors invested in austin, the -- vectored invested in austin, vcis have done and I am not -- like what this goes in austin, is this the same pie chart we would get in boston or san jose or is it significantly different?

[05:45:11]

>> No, we can create it through anyplace in the united states, it is through one single source, phoebe insights used by venture firms to track what is going on in the united states. It is going out monthly and it is realtime, you can get it daily and you can track what is going on in communities.

>> Spelman: I love data but don't need to pick this up daily. If we compare to what venture capital is doing in austin versus what it is doing in the united states, will that tell us anything useful about where we ought to be putting our targeting efforts?

>> Well, for our purposes, we track it mainly out of the tech hub centers out of the united states which would be boston, san jose, and a few others to that so we benchmark what we are doing against them and what the industry sectors that seem to be getting a lot of the funding and where is that going.

>> Spelman: So we are tracking that and we found there is a sector which is attracting a lot of capital and will bring it up on the radar screen and perhaps put it on our target list?

>> Absolutely.

>> Spelman: Great. I have a couple of questions, too, if kevin, if I could. Actually, this is the flip side of the question I just asked mike. If the chamber has a target list which it does not include distribution and logistics but we have a target list that does, it seems like maybe we ought to compare notes and decide whether logistic is a good idea or bad idea or what. Maybe we ought to be on the same page with that? What do you think?

>> Yes, your question is about where we have an analysis and we want to compare notes to make sure that it's recruited or that we come to some kind of an agreement.

>> Spelman: Yes.

>> As you know, the governor convened inland port committee statewide and began to develop for the first time a cargo plan for the state to take advantage of the seaports', air cargo and distribution system statewide and we sit on the nafta corridor and so we did have discussions, as long as two years ago, with the chamber who had, as mike had indicated, tried to recruit in that area and they weren't having a lot of success. So we worked with texas a&m, their global supply chain management institute, and had an analysis done to see if this was a valid emerging market for austin. And they concluded that, in fact, it was, that it had a great potential to attract both distribution companies and manufacturing to austin. And so we have shared that with the chamber. Over the last year and a half particularly, we have made, I think, come to a better understanding of what our opportunities are there, and so the chamber is pursuing a triple freeport, for example. We are working with the nasco organization for the i-35 corridor. We are working with the seaport cities. So we are trying to take advantage of the knowledge we have learned. Even if we can only attract one or two distribution companies every year or so, they generally will hire 900 to 1,000 people, so we have -- even if we do a boutique version of what dallas has with legacy or with some of the other big cities, even if we do a small piece of that, I think we can still be enormously effective and so I am really glad that the chamber is on board with keeping that option open.

[05:48:49]

>> Spelman: Certainly keeping that option open but it's not one of their target industries. You have been talking with them about, you know, what your

-- your reading of the market is. They have been looking at their reading of the market. It makes sense for us to be on the same page.

>> Well, I think we are on the same page. The ups facilities, for example, that are locating in the metro area are not necessarily locating in austin. They are locating in areas where there is very inexpensive land, where there is a larger labor force, again, with the poverty issues in the suburbs, so we want to keep that up front. There is 3500-acres of industrial land that is in the

-- south of the airport that we think has great potential. In addition, when you go in the rundberg area and metropolis, there are still big tracks available. The companies want to move closer to their populations, so, again, we are

-- we are still keeping that option open and we still want the chamber to help us keep an eye open for opportunities for distribution companies. A walgreens distribution company, a costco, any of those would be a great opportunity, even if we only got one or two of them and it became a boutique version of the manufacturing.

>> Spelman: So I am not sure if there is a difference of opinion so much there is a difference of emphasis. Your emphasis is we have all of this land, we are close to a major airport. We think we will see opportunities but it doesn't look like opportunity from 3.0's point of view they won't spend a lot of time targeting, it will happen or not happen.

>> If the items what they included, including technology and manufacturing, which is the closest you can get to distribution, because in technology and manufacturing, you are not only manufacturing but assembling and distributing, so we are going to have continued conversations on it and I don't see that it's their major thrust but we certainly know if we can get a distribution company here, then for the hard to employ population, that could be 900 to 1,000 jobs, so it is

-- it is a different kind of priority for us.

[05:51:12]

>> Spelman: When the chamber goes through

-- hires market street and goes through its work of identifying what the targets are going to be over the next couple of years, do we participate in that? Do we have a role there?

>> We do. Market street is based in atlanta, made up of georgia tech city planners so unfortunately

--

>> Spelman: So we do participate formally in that?

>> Yes, we do.

>> Spelman: I know

-- I really liked the way that market street or the chamber, whoever is responsible for that breakdown did it. It seems to me their breakdown of advanced manufacturing created the digital data management, no longer data centers but data management which is considerably broader, that kind of a breakdown provides more direction for their staff to identify what is in, what is out, what are they really targeting, and that level of breakdown I think will probably provide our staff with additional direction and might be a good idea for us to drill down a little bit further. You are saying we are attracting high-tech industrial companies which is a very, have been broad brush of sectors. We are talking about a more sensitive -- not pinpointed but a smaller scaled brush and it seems to me that level of specificity would do us

good.

>> Yes, absolutely. And in the texas a&m supply chain management analysis, it also did identify which of the technology manufacturing and the manufacturing

-- the manufacturing niche markets we had a good fit with, so we did share that with the chamber as well. So I think we are communicating in a good way to try and break it down to

-- to a strategy that benefits both our mutual goals.

>> Spelman: Well, our mutual goals ought to be

-- I can see where our objectives may differ slightly. They want

-- economic activity, focusing more on jobs, particularly for the hard to employ.

[05:53:16]

>> Yes.

>> Spelman: They care about jobs for hard to employ, we care about economic activity. They aren't exactly the same thing but it seems to to me the greater extent we can target the same industry to our mutual benefit, the easier thing the whole thing is going to go?

>> Yes, that's very true.

>> Spelman: I have a bunch of little questions but I will hold on to them and ask you later. Thank you.

>> Thank you.

>> Mayor Leffingwell: I would like to do a follow up. I am glad council member spelman brought up the fact that our economic incentive agreement is only involved about 5% of the jobs over the past ten years or so, but I would like to point out that it wasn't just any 5%. It was a carefully targeted and selected 5% that probably had a big influence in bringing the rest of those 95% into the fold without any kind of

-- and we are talking about big names like ebay and facebook and apple and so on and so forth. Not just any 5%, but a very

-- a 5% that had an effect on the rest of it. The other comment I wanted to make is obviously we have been talking more and moreover the last few months about how do we begin to attract companies that would come to austin that would serve people

-- the under

-- serve the underserved population right now, people who are low skilled, may have problematic backgrounds and so forth. I think if great challenge for us is that with the economic incentive matrix that was recently adopted by council in which I opposed, basically for this reason, is that a lot of these jobs are going to be, for example, jobs where the stallries aren't that high

-- where the salaries aren't that high, initially, at least. In addition to that, these are

-- when you talk about distribution centers and large, empty tracks of land by the airport, you are also going to be talking about a very big

-- I want to say massive construction projects

-- which the incentive matrix recently adopted by the council is really going to put a damper, I believe, on those kinds of projects. The kind of work, if you are moving into existing facility and maybe moving around a few walls and renovating the interiors, but big construction projects, we have seen

-- we have seen demonstrated here in the last year, that is very problematic with regard to our new economic incentive matrix that was adopted, which, again, I voted against. Council member tovo.

[05:55:50]

>> Tovo: Thanks, I know we are right on the lunch hour

-- or right on the citizens communication hour so I will not talk extensively about the value of the humanities and the response to the comment you had here about the lack of employment, just simply to say that the humanities are great preparation for all kinds of jobs including serving on city council but I wanted to thank you all, really the chamber of commerce for their great work and attracting companies here and the economic development for your work on all of these issues but I want to especially say I appreciate the context in which you placed today's discussion because focusing on some of the numbers that you have presented us with, such as the numbers of children in poverty, you know, we

-- council member morrison and I serve on the community advancement network and so we are very often looking at these numbers and the fact we have one out

-- more than one out of every four children in this community living in poverty is just a tremendous, tremendous issue and challenge that we need to always have before us, and I will say, for me, it also gets to the heart at

-- at some of the complexities of the discussions about how we spend our general fund moneys, because some of the very programs that help those children in poverty are funded through general fund moneys, and we also fund our economic development incentives through our general fund moneys and these priorities are, I wouldn't say competing, but they always need to be held in balance. Clearly when we bring in companies that add to our tax base and generate sales tax and property tax, that leads to good results for our coughers, but we need to find more money, for programs like summer recreation program which provides a free program for the children in our community and others. So let me just ask you a few quick questions. In looking at the kinds of chapter 380 agreements that have been entered into the last few years. In 2005, there was one

-- I am struggling to find a page. In 2010, I think there were two this year, we've already had three come forward. I know you made a comment when we were revising the economic incentives matrix that there were ten already that would be grandfathered in because they had by october 2013 completed the -- completed the application or whatever would be required. Can you give us a sense of how that compares to previous years? Whether t has been anis alation. It appears there is escalation that has been going with council approval.

[05:58:34]

>> That is a very good question. I think of course during the recession, there were none, and coming out of the recession, we had, I believe, two the first year, and then it accelerated and then last year, there was only one, I think there was only one last year, and so I think it's a cycle. I think the chamber of commerce has shown that

-- that the focus on trying to do anchor tenants headquarters are companies that diversified the tech economy or in the case of manufacturing or if we get lucky and do a distribution company, that if we see those, we want to go out and get them. The list of potential projects has always been very great. My

intersection is over the last four years the number of prospects was about 50 or 60 companies every year and so from that, there is, then, distilled down who really we have to give incentives to, who do we not have to give incentives too and which of the ones fill a valuable niche in the market. So it is true that we have had some great interest in austin. Athena is a pretty exciting company and I think you will hear in the presentations later today that the global leader in cyber security is probably a good fit with the university's interest in creating a cyber security institute, and each one of these has their own merits and that's why I think we bring them

-- we map them out carefully and bring them to you but I don't know how many will come forward of the ten. Already a couple have fallen off. I hope that helps a little bit.

>> Tovo: It does. So of the 50 or 60 that are contenders for moving through the process, there is a smaller universe that actually gets to the point where they filed an application as the ten did and then you say a few of those have fallen off but it sounds like there are still some of those 10 who are in the pipe line for consideration?

[06:00:46]

>> Yes, exactly.

>> Tovo: So have you given any thought as you repurpose the program and think about introducing a film

-- a film component and certainly I think this is the

-- the chamber has talked agent targeted industries. We have talked a lot about manufacturing here today. Do you see it in the future of the city of austin to really narrow those incentives, at least for a time, to where they are only focused on, say, the hard to employ? And I just want to say I appreciate the mayor's point that sometimes picking key

-- key companies in other industries that will, you know, bring a lot of others along with it seems to make sense but I wonder if you can envision a time where we might have so many great applicants moving through the process that it makes sense to really target our incentive dollars strictly on that component, again, hearkening back to the alarming statistics you presented us with about the number of children in poverty and the number of adults in poverty, should we really be focusing more narrowly at any point?

>> Of course, you heard our focus is on attacking poverty and the hard to employ, because there is a great demand of social service delivery, and if we give people jobs, they can be self-sustaining and it does a lot for family stabilities and neighborhoods. At the same time, the economy is ever changing, and so what is a popular or a real promising technology, it branches off and new platforms arise, and so I think that the chamber's strategy is very smart to revise opportunity 1.0 to opportunity 2.0 and to 3.0 and to really stay abreast of all of the changes, because you will see very popular companies will all of a sudden go bankrupt and we don't want another bust, so our focus as the economic development department is a little bit different but I think we are aware as economic development officials, we have to be mindful of austin growing in a global marketplace. How do we compete, how do we lent of the partnership

-- the talent of the hispanic population make end roads here or make inroads into china. And I am sure you will keep us balanced but certainly a focus on both is prudent.

[06:03:21]

>> Tovo: Thank you. Thanks again for your work and, really, dimensionality of this presentation. I think it has been very helpful.

>> Thanks.

>> Mayor Leffingwell: Okay. Thank you. It's time for us to go to citizens communication. I assume we are through with this briefing, and we will

-- council member morrison, if you have more questions, we will bring it back.

>> Morrison: I do.

>> Mayor Leffingwell: We will continue this after citizens communication in executive session. That will probably be several hours. We will try to do the best we can

-- the first speaker is kunda wicce, 1,000-megawatt gas-fired plant proposal.

>> Good afternoon, my name is kunda wicce. In a fact sheet on children at risk, produced by if clean airport task force

-- produced by the clean air task force

-- can we wait until the noise is settled?

>> Cole: Please quiet down as you exit out. We have already started citizens communication.

>> According from a fact sheet from the clean air task force on children at risk, climate change is about the 6 million people in texas who live within 30-miles of a coal-fired power plant. 1.5 million of these people are children. Almost 100,000 of these children have asthma. Reading from the nacp's 2013 5,000 page report on just energy policies, approximately 68 pears of african-americans live within 30-miles of a coal-fired power plant. African-americans near energy proficient facilities are more than likely to suffer the negative health impacts of prolonged exposure to something, lead, mercury, arsenic, sulphur, et cetera, an african-american child is twice as likely to die from asthma as a white child. African-americans are less likely to smoke, they are more likely to die of lung disease than white americans. And while african-americans spend \$41 billion on energy in a recent year, they only held 1.1% of the energy jobs. The solution to pollution and of huge social injustices is to move as quickly as possible to clean energy sources, to provide ourselves a abundance of local clean energy of training and locally employing our low income and underemployed citizens. We can put one cent one penny local carbon tax on ourselves for every kilowatt hour we use from gas and coal. We can rebate that tax back to the struggling to pay their energy bills. We can move quickly to pay off our stay at scrubber debt and use local carbon tax to set up local training and certification programs and to employ our low income and underemployed citizens to install community solar systems across austin. I very much look forward to a local and just carbon tax and to be able to invest personally in these community projects. Thank you.

[06:07:15]

>> Cole: Thank you, kunda. I appreciate your african-american statistics that you gave.

>> It is stunning.

>> Cole: It is stunning. Homero urbina, homelessness. Robert mcdonald. Paul robbins.

>> Good afternoon. Let's talk about water treatment plant 4, shall we? Remember the half billion dollar

plant by lake travis that is driving rate increases? Council, I want to show you something. This chart is a little busy, but I will explain it. These numbers are extrapolated from the latest peak demand forecast generated by the austin water utility which was only created last month. Now, the first ten years are the -- the first ten years in the blue line are the utility's own numbers, and I extrapolated out based on the average compounded growth rate in that ten-year period. So the blue line shows predicted peak demand over time. The bottom red line shows our actual peak demand last year. So you can see the utility's estimate exceeds peak demand by a third, but the blue line is what I will use for my argument because it's more conservative. The top line is the capacity austin will have with the plant, 335 million-gallons a day. Now, using a 9% margin for reserves in emergencies, that means that by the utility's own numbers, we will not exceed

-- we will not need the plant until 2031, 17 years from now. And this assumes their own numbers. Now, in 2011, austin had the highest water rates of the top ten texas cities. And so I bring up three points for your consideration. First, your utility told you last fall that they wanted you to meet in secret -- that is in executive session, to discuss emergency water purchases. Given austin has very high rates already, and the city has an expensive contract with the lcra to provide water, the potential to raise already exorbitant water costs needs to be viewed with extreme caution, viewed in public, and, if necessary, and if absolutely necessary, competitively. Second, given the -- exorbitantly bid. Second, given the numbers on the water treatment plant, the need for supplies needs to be viewed with at least a tad amount of skepticism, this is, after all, the facility that sold the half million dollar plant that it wouldn't need for 17 years and finally, third, instead of spending \$56,000 on a brochure blaming rice farmers for our problems.

[06:10:56]

[Buzzer alarming] fix austin conservation programs. You've known about these problems three years.

>> Cole: Thank you Mr. Robbins. Mark McHaves common. Alejandro Puyana.

>> Helling Low, Council, my name is Alejandro Puyana, I am a neighbor and homeowner in Hyde Park. On January 6, I had a sewage back up in my home, wastewater came up from my toilet on my tub. I immediately called the plumbers who came to my house, and after 3 hours of work and running about 135 feet of cable, they told me they couldn't fix my issue because somehow my sewage line was not connected to the city main line. Obviously I called the city. They sent a crew that night and then again the next morning. After they had resolved the issue, one of the technicians came to me and told me that the city had done some repair work before but they had neglected to reconnect me back to the sewerage line. Obviously I put in a claim to the city for a refund for my plumbing costs which were above \$1,100. Just a few days later, I got a rejection letter from the city, denying my claim, citing ordinance 040805-02 that states in some words that the city is not liable for financial losses from a negligent or nonnegligent act of the city. Obviously I was outraged. I spent something to my neighborhood association and got useful feedback from the neighbors including a reporter from KXAN who decided to do a story on my issue. They got in touch with the city and they came to my house to film the segment for KXAN. Not five minutes after the KXAN crew left my house, I got a call from the city's law department. They had received word from the reporter and wanted to take a second look at my claim, at my issue. A few days past, I received news yesterday that the city was going to repay me for

-- for my

-- for my claim. Now, I understand that the city needs to protect itself from frivolous litigation, but there has to be an efficient and fair review process that identifies commonsense claims and separates them from the frivolous and bogus claims. I don't think that review process exists right now. Citizens should not have to get on tv to get justice done. And just like all of us, the city has to be held accountable for their actions, and it has to be held responsible. Thank you.

[06:14:08]

>> Cole: Thank you for coming and making your comments. We certainly agree with you, that citizens should not have to be on tv, so I am glad your case is not to address the claim.

>> Spelman: Mayor pro tem.

>> Martinez: Council member spelman.

>> Spelman: There is a city attorney on the dais. I wonder if you can direct us to somebody in the city attorney's office to go through us what process we use to evaluate claims that were made like this young man's here? Here she is.

>> I have some information on the inspector that I got my claim and I also have been in talks with megan riley, who

--

>> Spelman: There she is.

>> Right here.

>> Good morning, megan wyllie, division chief of litigation, also oversee the claims process. In answer to your question, council member spelman, we have a claims process, a claim filed with the city, identified on the city's website. The process is individual. Individual individuals need to submit a claim with as much specificity as they can get about the incident, nature of the claim, if they have documentation to support that. That's obviously done. The typical process as individuals get it, acknowledgment letter that we received the claim and from there the claim is examined by claims adjustors. Sensitive to people's expectations, we try to get an answer to that initial claim within 30 days, some are obviously more complex. We certainly welcome within that process any communications from citizens if they have questions or if additional information comes in, and so if that occurs, we are always willing to review or get additional information.

>> Spelman: Megan, are you familiar with this particular claim?

>> Yes, I am.

>> Spelman: So what happened here?

>> So, I don't have the exact dates in front of me, but mr. Puyana initially submitted a claim for what is called a sewer

-- what I would characterize as a sewer backup claim. When we do a claims' review, we typically use state law as a guideline for what we as a governmental entity are authorized by the legislature to pay and what we are not. His claim on initial submission fell into the sewer backup claim which is generally something the city doesn't pay for. I learned of the additional information that he had after the claim denial letter went out. I believe it went out january 16, some time after that date. I learned about the additional information through mr. Puyana, took a look at the file got additional information from him

and the claim does not come from the sewage backup claim and from there we did an analysis and did it.

[06:17:05]

>> Spelman: Is it since we disconnected and failed to reconnect, it is really our fault? For the failure to reconnect him and that was the thinking you were going through?

>> The general answer is yes, we should pay this claim. There is additional details, but yes.

>> Spelman: Of course. When you send out that first letter, particularly the letter says we aren't going to pay this claim. Is there a paragraph that says if you have any further information or wish to dispute this, please contact me at such and such a place?

>> I believe so, and if it's not, it is a good suggestion. We do have contact information on how to file a claim form to contact our office.

>> Spelman: It might be worth the trouble to avoid incidents in the future to make sure that the request is to get as specific information as complete information as possible so we will get it right the first time around.

>> I agree.

>> Spelman: Thank you, ma'am.

>> Mayor Leffingwell: Council member Morrison. Hold on, there might be a question for you here.

>> Morrison: Well, maybe more of a comment because I had been generally aware of this situation, because I had been reading some of the back and forth on some of the neighborhood lists and so it did seem sort of extraordinary, and so when I saw you all

-- the citizens signing up for citizens communication yesterday, I raised it to

-- to some of our staff's attention. And for me, the problem is not just that we need to make sure the people know to send in specific information. I think there is a more general issue of should we be paying these claims or not. So I want to

-- because it seems like once there was more interest shown, that only then did we get action. That's what it looks like from my side. So if we really need to recraft the policies for when the law department is willing to accept the claims, I think we might really be looking at that and not just making sure people know to send in more information.

[06:19:11]

>> Mayor Leffingwell: Council member Tovo.

>> Tovo: I get I would request, too, you and I had a chance to meet to talk about this issue of claims and liability because we have gotten several, I think lately over the last several weeks. I wonder if it might be helpful to get a memo from the staff about the state law and the exclusions that state law has. I think you said for city actions done in the course of city business along those lines, helping us to understand when some of the decisions coming out of the law department, I think that might be a useful context.

>> We can follow up with you.

>> Tovo: Thanks.

>> Mayor Leffingwell: Okay. Next is Kim Bernson. Damage to water pipes due to the city of Austin water

department.

>> [Indiscernible - no mic].

>> Mayor Leffingwell: Pass the copies to the clerk.

>> I will try to make a shorter story. Mine is very similar. What I saw here is when I saw it on the listserv from hyde park but mine had been going on since september. I live directly across from (indiscernible). I could throw a rock at it on 46th street. In the process, they actually started working on that in 2012 and so we have endured tremendous amount of construction. They are doing the right things, and it is a beautiful property and they are a great neighbor, by the way, but our street was dug up over and over and over again. On september 14

-- I mean 18, when it was dug, they took

-- this is a subcontract with the city. They dug up our right-of-way or y'all's right-of-way and didn't know there was a sprinkler system in there and there are pictures that show

-- it was just gnarly, so lived with that for quite a long time. And started calling as of september 18 about the destruction and the pipes, and we had, during this period, three weeks

-- three separate weeks, sewer, the sprinkler system in the front.

[06:21:48]

>> Mayor Leffingwell: One and a half minutes left.

>> Okay. So basically it has been

-- it is a very long story, tremendous amount of phone calls. As you can see, 75 phone calls, 7 of them to 311 to come out. They have come out. I don't have records of how many times they have come out. My neighbor to the west of me, the neighbor to the right of me both had sewer backups and neighbor on the right of me now has his floors are destroyed and he had five pipes burst in january. And the neighbor to the left had her sewer back up. It's still not repaired, the yard. And in you can see

-- if you can see

-- if you will go on

-- you will be left with this powerpoint. You can see the yard before and you can see our house. You can see this what they dug up, how they left it. This is what we got left with. We have sense done repairs to make it look prettier, but this

-- and if you go on to the next slide, there is the water meter and if that will click on that

-- you can see

-- I am sorry, it

-- okay. It's on the flash drive. It's showing the three and a half gallons per minute that went over for over a month and never had a city worker or anyone. They all

-- they went across, in and out eating there and never knocked on doors and said, you know, you've got an issue here. 3 and a half gallons per minute. [Buzzer alarming] anyway, turned it into legal but that was only after it was the same day that he had kxan out. I got new information.

>> Mayor Leffingwell: That was your time. So please wrap up.

>> All right. Any questions? Thank you. Carlos leon. Numerous topic, repent, follow the lord, stop the enemy, stop chem trailing us, toss poisoning us, and truth hammers lies.

[06:23:57]

>> Amen, mayor, leffingwell, I am carlos leon. I am here in austin, texas, february 13, 2014 to speak what is right. First and foremost, I allow god for allowing me to speak today. Second, for at least the last month or so, city hall security staff have had to share the only security wand between two guarded building entrances. According to my conversation with the security supervisor here, he placed a next day order more security wands as soon as he found out about the shortage, perhaps a month ago or so. Perhaps city council could expedite the ordering program so your security detail gets as soon as possible the needed tools to best protect you and your building colleagues. Third, realtime unscripted script from obama needs more fresh scrutiny on obama's alleged presidency, that is to whether or not he is constitutionally eligible to actually be president of the united states. Please put it on the screen, fellows. According to the realtime media pool report, when obama a few days ago made a brief unexpected detour for the french leader, obama said, quote, that's a good thing as a president I can do what I want. By saying "as a president," he is appear to implying as an actor, he is playing a role of the president without being the president. Now, if obama was actually born in kenya, which many people in documents have claimed, then he is constitutionally ineligible to be president, meaning his entire presidency has been a fraud and everything he has done as president is illegal and must be undone and he must be removed from power immediately. Now, his off the cuff remark apparently caused such concern that his quote was quickly re-worded and inserted into story after story all over the net. Again, look at the screen. It is now being said that he said, that's the good thing about being president, I can do what I want. You can check the web and the stories for yourself. That's not a quote. It's being changed everywhere now. Apparently his handlers got scared about what he actually said not being on a teleprompter. I bring all of this up, because I read from the word and it says right here in proverbs, 11, verse versus 6, righteousness of up right shall deliver them and transgressors shall be taken in their own naughtiness. People need to get back to god's word. God's word is the supreme word.

[06:27:02]

[Buzzer alarming]. We have to do what is right so we can rebuild our country in a healthy way that actually fears good.

>> Mayor Leffingwell: Time is up.

>> Thank you, in jesus name I pray, amen.

>> Mayor Leffingwell: Next speaker is mike johnson. Topic is item 30253 award of the domain district cooling plant.

>> Thank you, mayor, thank you, city council. I apologize, I actually signed up to speak on agenda item 36 and I am signed up to speak at a later time so I don't think I will take up the city council twice. I defer. Do you have any idea when that will take place?

>> Mayor Leffingwell: Probably be three hours or so. You are free to speak on any topic in citizens communication.

>> Okay. Well.

>> Mayor Leffingwell: I am not sure exactly when it will come up. It is hard to tell exactly when it will come up. Sometime between, say, 2:30 and 10:00 o'clock tonight. [Laughter]

>> okay, well, I am signed up to speak on that topic.

>> Mayor Leffingwell: You are welcome to speak on it now.

>> Okay. Well, I won't have much time but I will speak on it now. I

-- when y'all get around to item 36, which is the domain chiller plant, I am sure you have

-- I know you have a copy of this matrix of the evaluation of the bid because I saw this on the website, so what is disturbing to me is that if I was handed this piece of paper, I would approve it. I would look at it and say, yes, one bidder, it was graded at 98.6 and the next closest bidder I awarded 94.7 and it appears there was a matrix and there was an elf early childhood. I am mechanical engineer and have been in the construction business for 30 years in Austin, Texas. This is my area of expertise. I bid dozens of jobs every week and look at plans and specifications. I looked at these specifications prior to bid. I did notify the officer that there were proprietary specifications. I asked questions that were not directly addressed and the job was a bid as it stood and there is an appearance that

-- that there was a fair evaluation, but there was not. It's very obvious to someone who does this for a living that this was not a fair evaluation. I will go into that in more detail when we have time to speak later. So the one question I leave you with is why was this handled so much differently than other construction bids, and why were there so few bidders and how did the analysis get to actually where price actually had almost no matter in this

-- in this award? So thank you for your time and I will stick around until this afternoon.

[06:30:03]

>> Mayor Leffingwell: Thank you. Is Ronnie Reefersed. Ronnie Reefersed is not here. Those are all of the speakers, I have signed up to speak who wish to speak so we will go into city council now taking up two items, knowing 60-61 are withdrawn, pursuant to section 551.071 of the government code, the council will consult with legal council regarding following items, item 62 legal issues related to the July 26, 2013 officer involved shooting, and 61, discuss legal issues regarding the transition of electing council from single district families. We will go so now. Wh. We will also go into executive session with 63, approve second/third readings of an ordinance amending city code chapter 25-2 by rezoning property locally known as 920 East 53rd Street. ,

[08:54:25]

>> Mayor Leffingwell: We're out of closed session. We took up and discussed legal issues related to items 62 and 86. Noting that items 60 and 61 were withdrawn. So on the advice of legal counsel, item number 15, if there's no objection, will be withdrawn. Mayor pro tem Cole.

>> Cole: The death of Larry Jackson was a very tragic incident faced by our community and I believe that the settlement of this case involving his minor children would have been in order. In

-- in meeting with legal counsel, I have learned that we have never settled a case prior to a grand jury investigation and that

-- believe that we should wait until after that event has occurred. Because we have pending litigation, civil and criminal, I will not be making any further comments regarding this matter. Thank you.

>> Mayor Leffingwell: So item number 15 is withdrawn from our agenda. Next we will take up our

zoning consent items only and then go back to our briefings that we discontinued this morning. So mr. Guernsey, are you ready?

>> Thank you, mayor and council. Greg guernsey, planning and development review. I'll walk through the consent items. The first item is item number 63, case c 14-2013-133, 920 east 53rd street to approve second and third reading of an ordinance zoning the property single-family residence, small lot, neighborhood plan. That's ready for second and third reading. Item number 64, case 14-2013-138. 1401 west sixth street, to zone to community commercial conditional overlay, and this is ready for consent approval on second and third reading. Item number 65, 814-88-0001.10 for the property located at 800 north capital of texas highway, to zone to planned unit development district zoning to change a condition of zoning. Staff would offer this only for second reading only. We would bring back third READING ON THE 27th. The related restrictive covenant where the public hearing is still open, item number 6 814-88-001rca, 800 north capital of texas highway, we would bring that back on the 27th and staff would request postponement of that item. Continuing on with those items under the public hearings, item number 67, 2013-005.02, this is the montopolis neighborhood planning area to change a future land use map at 2801 montopolis drive. This is ready for consent approval on all three readings. Item number 68, case c 14-2013-0141 for the property located at 2801 montopolis drive, zone the property to public neighborhood plan district zoning. The planning commission recommendation was grand the zoning and this is ready for consent on all three readings. Item 69, npa-2013-0010.01, in the holly neighborhood planning area to change the land use map for 2416 east sixth street. The planning commission recommendation was grant and this is ready on all three readings. Item 70, this is for property located at 2416 east sixth street to zone to general commercial services, vertical mixed use, building conditional overlay, combined district zoning, the planning commission recommendation was to grant the cs-v-co-np and this is ready for consent approval only on first reading. That's only on first reading on item number 70. Item number 71, case npa-2013-0011.02, this is in the north loop neighborhood planning area. Change theap to mixed land use for the property located at 4914 bennett avenue. Recommendation was to grant readings. Item 72, the related zoning case, c 14-2013-0021 for the property located at 4914 bennett avenue, this is to zone to community property mixed use neighborhood plan combined district zoning. The planning commission recommendation was to grant community commercial, conditional overlay or gr-co and np. The neighborhood and applicant have come to an agreement however on this case, have agreed to limit the building height to 32 feet or two stories in height, which would be added to the conditional overlay, and also to modify the zoning request to be different from what the planning commission recommended to do gr-mu-co-np. Staff would offer that as a consent approval if you wish to go forward. I understand the parties have agreed on that and would not object if you move forward with that today, otherwise we'll have a discussion item. Item number 73

--

[09:00:48]

>> Mayor Leffingwell: I've got it marked down as consent on all three.

>> With those changes, item number 73, c 14-2013-0107, 600 kemp street, there's an agreement to postpone this case by both the neighborhood and the applicant. There's a disagreement on the days so

mayor, I don't know if you want to have

-- go through the consent and discuss the date of the p so I'll skip that for now. Item 74, c 14-2013-01134, staff is requesting a postponement of this item to your april 10th agenda. Item number 75, case c 14-2013-0136, 3215, exposition boulevard, staff is requesting postponement to your march 6th agenda. Item 76, case c 14-2013-0146 for the property at 11901 anderson mill rode to zone to community commercial or gr district zoning for travis county 2 and commercial liquor sales for tract 2. The zoning and platting commission recommendation was grant community commercial conditional overlay for tract 1 and commercial liquor says, conditional overlay for tract 2. Staff would offer one amendment to the ordinance. The commission did not consider and that would be that if a traffic impact analysis is submitted and approved by the director of planning of development and review in lieu of doing the t.I.A., The applicant is working on its site plan and they are not quite sure and just to cover if there is a t.I.A. Required they will have to meet all the recommendations that would be done by my staff in order to go forward. It would be doing either t.I.A. Or not exceeding the 2,000 trips and staff would offer that for consent approval on all three readings. Item 77, c 14-2013-0148 will be a discussion item at well as item 78 for that same property. Item 79, case c 14-2013-0150 for the property at 9908-10010 anderson mill road, zoning and platting commission recommendation was to grant limited office conditional overlay or lo-co. Staff would offer this for consent approval on first reading only. That's first reading only on item 79. Item 80, c 14-2013-0151 for the property at 2410 cedar bend drive to zone to general offing conditional overlay combined district zoning, the recommendation was to grant the go-co and this is ready for all three readings. Item 81, 1201 town creek drive, to zone from planned unit development combining district zoning to change to conditional zoning, the recommendation was to grant the pud amendment adding additional site development regulations for townhouse use for areas and that's ready for con sent approval on all three readings. That concludes what I can offer for consent.

[09:04:40]

>> The consent agenda is approve items 63 and 64 on second and third readings, to approve item 65 on the second reading only. To postpone item 66 until FEBRUARY 27th. To approve -- to close the public hearing and approve on all three readings item 67, 68, 69. To close the public hearing and approve on first reading only item 70. To close the public hearing and approve on all three readings items 71 and 72. 72 WITH THE ADDITIONAL COs Of a height limit of 32 feet or two stories and the zoning category to gr-mu-co mp. And postpone item 74 until APRIL 10th. Postpone item 75 until MARCH 6th. And close the public hearing and approve item 76 on all three readings with the changed condition of the option of a traffic impact analysis or the 2000 trip limitation. And to close the public hearing and approve on first reading only item 79. Close the public hearing and approve on all three readings items 80 and 81. Councilmember morrison moves approval seconded by councilmember morrison.

>> Mayor, did include that slight change on 76, correct? Regarding the t.I.A.?

>> Mayor Leffingwell: I meticulously read it all out.

>> Thank you, mayor. I just wanted to be sure.

>> Mayor Leffingwell: Discussion? All in favor say aye. That's approved on 6-0, mayor pro tem off the dais. We'll go back and take up with our first briefing on the economic development department. And I

believe we were in the q and a session and councilmember morrison had requested the floor.

[09:06:59]

>> Morrison: Thank you, mayor. I think if we

-- with some of the chamber folks and staff that were here, I have a few questions. Mr. Rollins, I can start with you. I wanted to thank you for this chart in particular. I know that you introduced it last year. It's the one that has the goals and you really expanded the goals to have sort of a broad community look as opposed to direct number of jobs only direct number of jobs and things like that. So I think that we saw this last year and I'm wondering if anything has changed. Are there any numbers that you have introduced here that are different from last year or is there a way that we can see are we progressing toward where we wanted to get to or if we're on track.

>> Thank you, councilmember morrison. You saw that in mid-december last year. We're launching for this year 2014. So we'll be using those as our

-- our metrics as we move forward over the next five years and reporting against them annually.

>> Morrison: Okay, so I am misremembering. I thought we saw more than last december. 2014 through 2018 is the time period for those.

>> Morrison: And we didn't have one for 2013 to 2017. Great. That helps me. I appreciate that. And I don't know if michelle is still here, but I wanted to compliment her

--

>> she's not here.

>> Morrison: I know we're going to be visiting and she's coming to our emerging technology committee on wednesday and we'll have a chance to delve in a little bit more, but I love sort of the new perspective on focusing, because you know, we have had the tech partnership that I got to participate in with the chamber that the chamber organized and I think the idea of focusing this

-- broadening the perspective to innovation is really a good step in the right direction. Because we didn't have that in this community before. She certainly identified

-- you all have certainly identified a new framework for us to work in in terms of having some organization. Obviously we have innovation, but in terms of really bringing that network to the fore is great.

[09:09:21]

>> Thank you.

>> Morrison: So I also wanted to ask you about

-- and this is for mr. Johns also, I am totally on board with, you know, working with the hard to employ and getting jobs for people that are having trouble getting jobs and then at the same time making sure that we're investing in stem so that our pipeline gets filled with people that will be prepared for the jobs that we think will be here. That makes a lot of sense and I think mr. Johns, you said that it's the

-- set best way to leverage some of our resources and invest in that. So one of the

-- from my perspective, the best return on investment that you can get in terms of human capital is investing in early childhood. And if we really want to prepare that pipeline with future generations, I

believe we need to be doing that. And I wonder if you have had a conversation about broadening to beyond, you know, trying to go after poverty, beyond trying to make sure that we're investing in stem, if from the business perspective we've thought about and, you know, our overall economy we've thought about how we can promote investing in early childhood.

>> Kevin Johns, director of economic development. I haven't had that discussion with Mike. We have had that discussion with National Instruments and with Skill Point Alliance. And we're looking for opportunities to involve kids at an early childhood, as early as possible. And kids getting involved at that age are very impressionable, so if we can capture their imagination, then it helps carry on in a way that is replicated throughout their life.

>> Morrison: Let me just jump in, and I'm not just talking about getting kids supposed to and access to science, technology, engineering and math at a young age, I'm just talking about, you know, viable early childhood programs that for kids that are not going to have the resources, if we can -- some of these programs where, you know, they are pretty much inexpensive, but it will get a kid whose in a demographic that might be three years behind by the time they hit kindergarten, might bring them up to speed, and then you have primed that person to be able to be part of the stem work that you are talking about.

[09:11:54]

>> I think that's a very good point. I don't know if our representatives are here from workforce still, but I'm on the board of workforce solutions, of course 60% of their funding goes to early childhood education and to everything that surrounds that. And the other 40% goes to the adult education and stem. And so we have regular conversations about that. I don't think we've got our arms totally wrapped around it that if you have suggestions or other people do. Not to be off the subject, but in Florida, there was a statewide meeting held called economic development for children. And really what it was, it was an analysis of early childhood education done by the National Reserve Bank of Minneapolis where they did a study for 10 years of kids who received early childhood education when they were in poverty, and the end result was that it magnified their success exponentially. So it does work and we do need to find a way to explore and make that happen.

>> Morrison: And I know there's

-- among the companies in town, there's some real leaders in supporting early childhood. Samsung jumps out as one that they get it, but it just seems to me that it would really make sense for us to try and get that element of education and social service basically into our

-- integrated into the fabric of our discussion about economic development and making sure that we have a

--

>> I agree.

>> Morrison: Mr. Rollins, I don't know if you have had a chance to address that as part of it. Obviously the chamber does a lot for education and financial aid and all that kind of stuff.

>> Thank you. I think everyone is aware of the highly successful six by six program. You mentioned Samsung who gave significant resources to that program. I think that's the focus that a lot of businesses in this community are involved in. And there are other organizations dealing with early childhood

challenges and I think us, we're more focused on, as you know, trying to grow the [inaudible] part of the community through austin gibbs program which you have been knowledgeable on and we have over 200 businesses signed up giving money to our 5013-c organizations to help those causes.

[09:14:30]

>> Morrison: I guess maybe we can have further conversation because I know that we see that stem education, we understand that that's critical to the success and it's part of our framework. I'd love to see if there's a way to get

-- and you are absolutely right, mr. Rollins, the success by six has helped bring a framework around it, but to have it front and center and acknowledge that it's part of economic development. So I look forward to that. Let's see, I also wanted to mention that I appreciate the partnerships that are developed between

-- I know that the technology council

-- do we actually have a contract in plays with them now and we're working on a new one or

-- for our partnership? [One moment, please, for change in captioners] clear I know that we have

-- I was thinking of the similarity. Some of what they needed in terms of building their own infrastructure, and I think that our support of that is important, just like we're talking about with regard to the austin gay and lesbian chamber, in terms of trying to

-- now that they've gotten their feet under them, really helping to promote them enter the big league, so to speak.

[09:16:49]

>> We certainly appreciate the austin technology council, and they represent 200 high tech companies. We're not promoting new programs for the next six months, we're trying to get a game plan of what we can do. But if there is an initiative to do something with them, we'd be happy to take advantage of it.

>> Morrison: Right. And then just the last topic, the eternal topic on the economic incentives programs, I think it's been very interesting over the pass couple weeks because really the conversation has been about people trying to understand, you know, from my perspective, now that we have such a great -- such great economic momentum, why are we doing them? And I know there was conversation and input from you, mr. Rollins, last week, or two weeks ago, when we did the athena health, and we had what he termed the corny analogy from the mayor that when you're flying at 35,000 feet, you don't want to cut off the gas, or something to that effect. But I heard another comment from you, mr. Rollins, I wonder if you could talk a little bit more about, and that is that another reason that you find it beneficial is because it makes

-- it portrays austin as welcoming to these businesses. And so I guess that's a little striking to me because I would imagine

-- well, I guess my question is, what else do we do, what else can businesses

-- can businesses see in austin that allows them to know that we are welcoming to them, that we are welcoming new businesses to the city?

>> Well, I think there's a number of things that we do, and we do well, and a number of things I think we

could do better. And in portraying as a community that is business-friendly, as far as welcoming new investment and new jobs, one of the most important things for businesses is predictability. I think a business that can predict what it's going to need to do over a period of time feels much more secure and stable in its environment. We only have to look up to a few states west of us about the unpredictability. And as you know over the last several years, we've had a number of companies relocating to Austin from California. A lot of it's been about the unpredictability of costs, what are the, if you will, the rules of operating within the city, and if those are changing rapidly or frequently, it creates an unsecure feeling among businesses. I think we've come a long ways from in the last ten years. We're concerned always about things changing too rapidly, without sufficient time to have more input from the business community.

[09:19:51]

>> Morrison: I wonder what they think about code next coming around the corner.

>> I'm sorry?

>> Morrison: I wonder what they think about code next coming around the corner? Is that going to be of concern to them? People looking at the city?

>> I'm sure it'll be of interest.

>> Morrison: So I think that, you know, for me, I'm trying to

-- it was easy to understand when we had higher unemployment, looking at what do we do to pull jobs here. And one of the things I was looking at, I think Councilman Tovo might have brought this up, seems like we're doing a lot more of them out or poised to do a lot more 380 agreements this year than we have in the past, so that's a big concern to me. But I wanted to know if maybe you, Mr. Johns, could help me by preparing a chart. I started to do one, but I am not licensed on charts in Excel like Council Member Spelman is. But when I look at

-- pardon me?

>> Lucky for you.

>> Morrison: Yeah. But when I look at the relationship between the unemployment rate and the number of jobs, the number of economic incentives we've offered over the years, it looks like it made a lot of sense. There were none in those first few years, but then when the economic

-- when the unemployment rate was quite high, we were able to

-- we actually did five of them, and

-- in that year. They didn't all come, but we did consider five of them. Then of course the unemployment rate goes down, and the number goes down, and, you know, I have a certain level of comfort with that.

But now the unemployment rate is continuing to go down, and it's shooting up higher. We've never had

-- we've never had more than five, and this year we're talking about potentially five or seven or ten. And so I

-- well, I guess the number

-- Council Member Tovo mentioned was

-- maybe she had heard 10. I thought I had heard seven, in the pipeline when we were talking last fall.

But if you could help me prepare that I would really appreciate that, and get all the data on the unemployment rate, because I know it

-- you know, obviously, it goes up and down. But I think the conversation I hear and what I'm struggling with is, it's really hard to find a direct relationship between doing the 380 agreements and anything else. It's hard to actually look at causation, cause and effect. Do you have any comment on that?

[09:22:37]

>> I do. We published the report on unemployment, underemployed and people who have given up, because the official unemployment rate, which is very lockers as you've indicated, has been coming down, but it's over a period of time where so many people have dropped off the radar screen, and they can't find jobs, or they're underemployed. So the presentation earlier today was so much a databased information that we wanted to share in terms of the population that is still out there that does need help. And so as we slowly begin to make changes in our policy of trying to attract jobs for the hard to employee, for poverty-based solutions, I think we also are looking at how the economy is shifting. So we'll be happy to develop a report for you, but I would just emphasize that it's not just the official unemployment rate because if you look at that, then in december the hiring dropped off to 782000 people nationwide, one-third of what it was the month before. And in january it was still only 120,000 people hired nationally through the whole united states, also dropped off 25%. So there's a lot of indicators that sometimes don't tell the true status of what we need to go. So that's why I felt like it was important for a discussion about poverty and equity, and chamber is totally on board with trying to begin to shift into that field.

>> Morrison: That's great. And you know, for me, I want to keep an open mind about the -- about the projects that are brought forward, but knowing that we're targeting, and I'm completely behind this, trying to target working -- work for the 10,000 that are hard to employ, for instance, if there was a project that came forward that said this project is going to hire a thousand of those people, that would have a very -- I would have a very different response to that one. And I don't know what's in the offing, but it would sure be nice if some of the ones that come up soon were to do that. Thank you very much.

[09:25:03]

>> Other questions? Okay. Thank you. We'll go now to our presentation regarding proposal to create economic development programs for websense and for dropbox. We'll hear both at the same time. Not exactly at the same time, but the same item.

>> Good afternoon, mayor and council. My name is david colagan. I'm with the economic department with the city of san antonio city of austin. We help companies to recognize their markets while we help position austin as a creative and competitive location for doing business. We're responsible for greeting and evaluating companies that are interested in doing business here locally in austin. So today we would like to present you with two different projects we have evaluated, using requirements for the economic development incentives policy. Our team has prepared the following details on potential projects, and the proposed agreements for websense and dropbox. We will, of course, be available for any questions that you have after the presentation.

>> Great. For the purpose of today's briefing is to present an overview of the two economic

professionals and also provide with you a review of the summary of the economic development matrix scores and analyses. Real also review the anticipated benefits and expectations established for each of these agreements, while also providing you with proposed timelines for future council actions. We'll begin with a quick review of the evaluation tools used for each of the different programs to evaluate the projects here within our division. The economic development matrix is a scoring tool that helps our team to assess attributes of the company and project which you all have set as standards for incentive applicants. The matrix will assess the overall economic and physical impact, linkages to the local economy, the local impact on infrastructure, the character of jobs, and labor force practices, as well as the quality of life and culture vitality of the project. Our division also used the web loci analysis to measure anticipated costs and benefits of each potential project in the city of austin. This allows our team to be able to calculate a necessary benefit or net loss for each potential project. Both of these projects were able to benefit for locating in the city of austin. Both projects we will present today applied for the incentive program before october 24th, 2013, and as a result, we've evaluated these potential projects based on the economic incentive policy prior to october 24th. Our first potential project is with websense. Websense is a network security firm that offers comprehensive security solutions for web, e-mail, mobile interfaces, as well as data loss prevention services. The products designed and engineered by websense allows organizations to safely use the web and e-mail to their fullest potential, while protecting sensitive data, increasing productivity, and meeting compliance standards. The company has been in operation for 19 years. They have 28 global locations and 1600 employees. They provide solutions to customers in over 150 companies. The company has developed an international reputation for an expertise in cyber security and they have been honored for four consecutive years in the information 500, which is an annual ranking for the most innovative companies employing information technology within hire business. Websense currently close four individuals that have home offices here in the austin, texas, area, but they are exploring a potential for relocating their corporate headquarters from san diego, california, to the city of austin. Websense come truly unique time for the city of austin. The university of texas is moving forward with developments of three institutes that specialize or look at the potential for increasing graduate waits -- graduate rates and artificial intelligence, digital media development and cyber security. Collaboration between the two entities could catalyze austin to the top of this growing sector. The potential relocation of websense, relocation of their corporate headquarters to austin, scored 85 points out of a possible 100 on the economic development matrix. The score takes into account 470 new full-time jobs being created in austin over a ten-year period of time that have an average annual wage of \$82,000. It takes into account an investment of 2.6 million in leasehold improvements and 7.3 million in business personal property. The matrix also takes into account that all employees will be offered a comprehensive health insurance plan, and those benefits would also be extended to same-sex domestic partners. The company also provides job and career path training, as well as tuition reimbursement, and a retirement plan which the employer matches. The company also provides a commuter expense program in which they pay \$125 per month to each one of their employees to be able to use alternative transportation. They provide gym discounts to encourage health and fitness and enriching the lives of each of their employees. Websense gives back to the community through charitable activities that range from school and food drives to planting days for planting fields and growing local crops. You may be one of the 175 million users in over 200 countries that utilize the service of our next company, and that's dropbox.

Dropbox is a software service company that allows users to easily access and share files from anywhere in the world. The company is privately owned and headquartered in San Francisco, California, with 350 employees. Dropbox was founded by two MIT students and over the past seven years the company has become one of the most highly recognized entrepreneurial start-ups in the community. The company has received the most innovative tech company of the year award in 2013 and received titles of best overall start-up and best cloud service in 2012. In 2013, Dropbox announced an expansion for the Austin market with a small office of 30 individuals. At that time the company also opened their first international office in Dublin, Ireland. The potential expansion of Dropbox Austin scored 70 out of a possible 100 points on the economic development matrix. This takes into account 170 new full-time jobs being created over a ten-year period of time, that would average an annual \$59,000 annual wage. It also takes into account four million dollars in leasehold improvement and 1.5 million in business personal property. The matrix takes into account that in all

-- all employees be provided a comprehensive insurance package, and these benefits would also be extended to same-sex domestic partners. The company also provides their employees with job and career path training, 401(k), and other programs that would better the quality of life for each of their employees here in Austin. Dropbox empowers their employees to make stronger contributions to the community by offering each employee the ability to sponsor one non-profit of their choice to receive 50 free Dropbox licenses while also maintaining a directory of volunteer opportunities within the community for employees to participate. The company also is

-- sponsors activities and initiatives related to women's participation and growth within the technology industry. Now that you know more about the companies and their potential projects for Austin, we'd like to take you through a few of the details regarding each proposal. The table included in this slide shows the total estimated costs and benefits for locating each of these potential projects in the city of Austin. The proposed ten-year performance based incentive is figured into the costs that are projected into our web loci analysis. Our team has been able to appoint the estimated net benefit associated with each of these projects. Again, these figures take into account the jobs created and retained in each project, as well as each company in the city of Austin. As indicated in this table, the city of Austin would like to capture an estimated benefit of 2.35 million over a ten-year period of time. In terms of the agreement for each of the potential projects, the table included in this slide lists the contractual deliverables that would be monitored annually for compliance within the city's performance-based process. We have already covered job creation and benefits and the investment figures for each of the projects, so we would like to point out a few additional details. Both of these projects were grandfathered into the economic development incentive policy before October 1st. Each was made aware of the new policy and each considered the requirements for construction related interest. Each has contractually agreed to constructional requirements that would fall within the project. As you see here, both Websense and Dropbox have agreed to paying both of higher prevailing wage, or \$11. They will be looking to provide workers' compensation and OSHA 10 training. Each company is committed to WBE and providing the information needed on a monthly basis to participate and comply with annual goals set for the WBE supplier diversity goals. Websense and Dropbox have both agreed to working with the minority chambers here in Austin, as well as the occupational placement offices for organizations such as Milge and Darge. In terms of the contractual obligations for the city of Austin, the city would like to provide a ten-year performance based economic development grant which would be payable upon an annual

basis. And as in all agreements, the city is not obligated to make any payments in any year in which the city determines the company has failed to fulfill their obligations set within the agreement. In conclusion, the approval of both of these grants would generate 640 jobs here within the city of austin that average between 59,000 and 82,000 in annual salaries. We'd be able to capture 15 million in investment for leasehold improvements and business personal property, which are all eligible for the mbe wbe development process. The city would capture estimated benefit of 2.35 million that is estimated for a period of time, and the city, as well as the people of austin, would benefit from the employee enrichment programs that will promote corporate citizenship and participation within our community. In terms of next steps for the process, we requested a special called meeting for february 20th. Today we would look to set a public hearing for february 20th so that we can start to allow the public to comment on the agreements between the city of austin, as well as websense and dropbox. On february 17th, we would like to transmit these comments to city council, and on february 20th, we will have a public hearing followed by city council vote. As we mentioned earlier, our team for economic development is here to answer any questions that you have regarding the review process for these two projects. We also have company officials who are here in the audience today. Thank you.

[09:36:49]

>> Mayor Leffingwell: We have a number of speakers. Can we go ahead and go to the speakers, and then questions from

--

>> okay. Thank you.

>> Mayor Leffingwell: David king.

>> Thank you, mayor. Mayor pro tem and council members, my name is david king and I live in the zilker neighborhood. There's no doubt many experts agree that the economic impact of economic incentives is unclear, it's uncertain, it's hard to measure. But if we look at a couple of facts in austin, maybe we can get an idea of what impact they have had. Austin has given companies over \$42 million in economic development incentives over the past ten years. During that time, income and equity in austin was worsened and incomes for low and middle income families have become stagnant. So if you look at the impact from those two measures, it's not been a good impact for those groups. It has not helped those groups. A january report in the business journal

-- journals noted that austin ranks 33rd highest in income and equity in 102 major u.S. Markets. It also indicated that the top 20% of households in austin earn 49.9% of all household income in austin. So who are

-- who benefits from these economic incentives? It appears that the incentives have not helped increase in connection of low and middle income families in austin. Samsung was used as an example of a successful economic development project. In 2012, samsung sued travis county appraisal district to reduce its property tax appraisal from 2.7 billion to 1.4 billion. As a result, travis county school districts -- travis county school districts and the city of austin lost \$11 million in property taxes. That same year, austin gave samsung over \$7 million in incentives. So my question is, we heard earlier that a justification for these economic development incentives was the property, the property value is going to go up, so we'll get more property taxes. Well, we lost property taxes there. Was that factored into the economic

development analysis for the samsung incentive package, that they would be able to do legally, they're allowed to do this? The equity lawsuits, but it reduced their property taxes. Is that factored into our economic development model? The city economic development policy should specifically -- should specifically target income and equity and stagnant incomes for low and middle income families. If we're going to continue to give incentives to companies, we should be -- if we're going to continue to give incentives to companies, we should match every dollar incentives with two dollars in property tax reduction for low income seniors, two dollars rent subsidies for low income families and two dollars discount on utility bills for low and middle income families. Please consider creating a then advisory board to create strategies to address income and equity and affordability and the cost burden on low and income families in austin. We have piecemeal strategies here and there, but if this is a serious problem, we should convene an advisory board to help solve that problem. Thank you.

[09:40:18]

>> Mayor, quick question. Earlier in your address, talked about how we are ranked in a particular way with respect to income and equity among metropolitan areas in the united states. What was that source of that again?

>> It's the business journals. It's called the business journals.

>> Business journals. Okay. I'll look it up. Thank you, sir.

>> Mayor Leffingwell: Dave porter.

>> I'm going to defer my time to mike rollins, president of the chamber. But thank you for considering this. Thank you.

>> Mayor Leffingwell: Okay. Thomas dodd. Thomas dodd. Philip lawhorn. Philip lawhorn. Paul robbins.

>> Good evening. This morning, we were told that if the city of austin and chamber of commerce were allowed to continue unencumbered, they would reduce the poverty rate by 15% in just four years. I suggest that one of the reasons for this decrease is that we will literally drive poor people out of austin. Austin has the highest new housing price cost and rent costs in texas, which is, in main, driven before I out of control growth. Taxes continue to increase because of growth, including benefits given to these very companies. Austin's water rates are increasing, in part due to infrastructure needed to accommodate growth, including a water treatment plant that, as I pointed out this morning, will not be needed for 17 years. We have virtually no capital recovery fee for our electric utility. Therefore, we subsidize growth through our electric rates, including growth outside of our city limits. Traffic here would provide enough material for a situation comedy. We were told that economic development incentives were needed to prevent austin from another bust, the depression that occurred in the 1980s. I happened to live here during that time, and I observed one of the causes of the bust, one of the main causes, to be uncontrolled growth. The bottom line is that the one-sided presentation you were given this morning only mentioned the winners, not the many people that lose. A rising tide does not lived all boats. In this case it sinks most of them, unless you happen to be a yacht.

[09:43:30]

>> Mayor Leffingwell: Mike rollins.

>> Thank you, mayor, mayor pro tem, members of city council, I'm mike rollins, president of greater austin chamber of commerce. I'll speak collectively to the two and happy to answer any questions. Earlier, there were comments from the council members why it appears that there are a lot coming forward. As you may have noticed in the presentation on these two outstanding companies, they've been waiting six months and five months from the submittal of the application, and I'd also like to point out that on

-- these companies have voluntarily gone ahead and agreed with the new rules or economic development criteria that council had voted on in december on that, so they have met the criteria. We also earlier today talked about game changes, the intent when the city council passed the economic development agreements, 380 back in 2004. These two are game changer. Let me talk a little bit about it. You saw on the targeted list, headquarters, headquarters are critically important to our community. They offer a variety of range of jobs from entry level to skilled and executives. We, just two weeks ago, I think it was announced we lost one of our headquarters acquired by an international firm. This obviously is good timing, \$350 million, at least last reported, would be a mid cap company which we don't have very many of, and they contribute greatly to our community. And as was said earlier, these helpful the our community here. As well as technology, we talked about that earlier. Dropbox is one of the recognized leaders in cloud, and I think this is where we have an opportunity in austin to grow a more critical mass in it, and they also will be providing a wide change of compensation from entry level jobs to experienced jobs. I remind you that our latest number show there are 45,000 unemployed. Our unemployment level might be considered low nationally, but there are still 45,000 citizens here looking for jobs, not

-- that's not counting, obviously, any underemployed. 20% of those are holding bachelor degrees, so it's not just people who don't have education attainment. And lastly, I mentioned that there were headquarters that was acquired about two weeks ago, or at least pending. There's been rumors for weeks now that there could be thousands of employees laid off at one of our flagship companies here. We don't know if that's true or not, but as we talked about in previous meetings, it is a very dynamic economy. You're going to have companies come and go, acquired, moved, and we need to continue to make sure we have the funds for austin austinites, and I think they have the criteria set forth for economic agreements and I urge your support of these economic agreements.

[09:46:49]

>> Mayor Leffingwell: You have a donation of time from dave porter if you need it.

>> I think I've made the comments that I need and am happy to answer questions.

>> Mayor Leffingwell: All right. Could you go could you go.

>> Riley: Mr. Rollins, you've heard some of the comments that we've heard today voicing concerns about those that aren't directly involved in these agreements, but that may ex consequences in and in particular, what we've heard is that there are many less fortunate folks in austin who aren't fairing so well, and they have

-- they may face

-- the fear is that they might only face some negative consequences as we continue to enter deals like

this. Then there's a related concern that we're seeing an increase in income inequality at the same time that some corporations seem to be doing well, others are not doing so well. Can you speak to those concerns and give us any sense from the chamber's perspective as to how our involvement in these agreements might be of value that goes beyond those that are directly involved, the companies and their employees? Speak to it from the perspective of folks at various parts of the economic spectrum who may just be concerned that they're being left out of this and may, in fact, be hurt by our entering into these agreements.

>> Thank you council member riley. Yes, as we all now, one of the criteria set up by city council was to use the web loci as the economic impact analysis. It does not take into consideration any jobs that are created throughout the economy by these jobs coming in here. So these companies will, with the amount. Payroll that it will have in the community, new payroll in the community, therefore, it will create other jobs that are in retail and other types of services to the local residents and businesses. But one of the things that I really wanted to mention is that there's efforts underway right now in training some of our unemployed workforce in creating the skills around it, including java. There are currently people enrolled in a certified course in acc, and 300 more people came at a recent orientation to enroll in that. We're working and focusing on somewhere near the \$17 million a year that comes into this community for workforce training of skills and making sure that's being directed to the individuals who could create a good quality life pathway by learning some of those skills. So I think this is going to have the economic impact to filter through the community in current jobs, obviously construction jobs will be added in for build-out of these places.

[09:49:50]

>> Okay. So as we heard before, through opportunity austin 2.0 and other efforts, the chamber and its partners are committed to continuing to focus on those 20% of the unemployed -- well, actually the 45,000 in austin who are unemployed, to ensure that they have access to some of the benefits that these companies might offer. Then in addition to that, there are some indirect benefits of retail and other companies that benefit, as companies like this come to austin.

>> Absolutely. Yes, sir.

>> Okay. Thanks.

>> Mayor Leffingwell: Any other comments? Apparent cole.

>> Cole: Mr. Rollins, I know that the chamber works within a five-county region, and I often sometimes hear that, well, if this company does not come to austin, they're going to come to another city close to austin. Can you speak to us about that and that type of interplay or competition?

>> Mayor pro tem, I'm not quite sure I understood the question.

>> Cole: Well, I'm wondering, sometimes I have heard that we are in competition with other locations, and usually one of our peer cities. But if we're not talking about a peer city, and if we did not approve these agreements, would you perhaps think that these companies would want to go to round rock or another neighboring city? Do we run into those type of situations?

>> Thank you for the question. First of all, all of these companies look at sites across the country. They don't just rely on one site to be the only site that they can't locate in. They do have preferences, and that's when they have chosen austin as a finalist. When they look at austin, initially, they look at more

than just the city limits of austin. And so before they can move forward with an economic development agreement, they have to identify where they would most likely locate if they were to come to an agreement on a 380 or economic development agreement. So, yes, these companies are looking at other states and other cities in other states, so it is very competitive. And in the austin area, quite candidly, austin has been very fortunate over the past number, few years ago it has office product that some of our outlying communities do not have, so there's a limitation on it, unless there's a company that has the opportunity and the time to build from ground up.

[09:52:22]

>> Cole: Okay. Thank you, mayor.

>> Mayor Leffingwell: Okay. Thank you. So we'll go on with our agenda. Council member tovo, I understand that you had pulled items 90, 91, and 92, but now have resolved your questions? Is that correct?

>> Tovo: No, I have not resolved my questions, but I have a few questions for staff if that concludes our speakers.

>> Mayor Leffingwell: That concludes our speakers, yes.

>> Tovo: Thank you. I have a few questions for our staff, probably for our staff. Can you help me understand how you

-- well, for the purpose of the applicants who have come forward, for the companies who have come forward before we passed the revised policy, with dropbox's project summary, it indicates that they applied, that they submitted a project

-- what is the term?

>> Business information form?

>> Tovo: Thank you, a business information form application. With websense, it talks about them having begun working with the department. So what is

-- what needs to have been submitted before we passed the revised policy?

>> The revision form is our matrix there, and we included the dates that we received both, before the october deadline within the presentation. So, yes, the business information form is that key area.

>> Tovo: And that was submitted for both before

-- okay. So this project summary didn't just include that information on it, but I did see that in your

-- I believe I saw that in your presentation. I'm not sure. But I know the project summary didn't say

-- okay. Thank you. But as you said, both of the companies have agreed with the policies regarding construction workers?

>> They have, yes. We received confirmation this morning that websense would look to include that information within their agreement.

>> Tovo: Great. That's great and very much appreciated. I want to thank both companies for doing so. Are there any other differences in terms of the benefits? I know with health, there were in terms of the benefits that they were able to qualify from the old systems and the new one.

[09:54:38]

>> Well, of course, we did use our former matrix in being able to look at this project, and I know that your office requested some information on the new matrix? Is that more of what you're requesting, as to some of those different items

--

>> Tovo: No, I mean I have the new matrix, but what we are

-- last time when we looked at athena health, there were some differences in what their

-- in what they would be able to qualify in terms of a benefit. Are there any differences now? I believe natalie answered that question for us last time. She may be able to answer it for us this time, as well.

>> Good afternoon, council natalie bets with the economic development department. In case of athena health, we proposed the incentive amounts \$250 per job, the per cap per job incentive, was it \$200?

Both of these companies are under

--

>> Tovo: Thank you for that clarification. I appreciate it. There was a letter that was included, I believe it was with websense's application, there was a letter, a communication back and forth with websense, and I believe they made some revisions to their application as a result. And I don't know if this is a question for you and/or the company representative, but one of the concerns that it looks like economic development raised with the company is that they had begun to recruit for jobs here in austin. And so I would like to ask you a little bit more about that.

>> Sure.

>> Tovo: And also maybe to follow up in looking at some of those job applications, a few of those job descriptions included language like, we anticipate tremendous growth from our new austin location. And so I would like

-- I would like to know what your conversations have been like with websense, particularly in regard to that issue.

>> Sure. When we began the process in going through the business information form, the company may have misinterpreted our line of questioning. And they did not include four positions that currently exist that work out of home offices. It may have been a little bit of confusion as related to the texas enterprise fund application. It states their question a little differently. And they have to look at employees existing within the state of texas. There was a little confusion. So we weren't aware of those four positions that already exist within austin at the time. When we did see some of these job postings, we acquired more from the company. The company then responded saying that they were testing the market to see what type of output they could capture here in terms of entry level employees, since that tends to be a concern at times, and also some of maybe their other management levels of executives.

[09:57:26]

>> Tovo: So how do you factor that into your staff analysis when we have an innocence ever incentives program that's designed to encourage companies to move here, but you have a company that is

-- has job postings out there, trying to recruit for the company, how does that weigh into your process of

--

>> sure. Well, it caused pause within the process where we had to ask the company what their intentions were. Since this is a competitive nature of a project looking at this location, as well as

locations across the country, they then confirmed that this is what their intentions were, and making those posts online. And we had to continue on within the process. After they submitted in writing that this was a competitive process, they were evaluating additional locations.

>> Tovo: And that was the letter that they submitted on January 9th?

>> Correct.

>> Tovo: Okay. And I guess I'd like to give the company representative an opportunity to respond, too, if he'd like to.

>> Sure.

>> Jim, CFO at Websense. As David described, we had a misinterpretation of your application on the jobs in Austin. We disclosed fully in the state application that we had four individuals that work here in the city. We interpreted the question to mean, do we have folks in an office. We do not have offices here, so we answered that, we have zero.

>> Tovo: Right.

>> We also had a misunderstanding of testing the market as soon as David informed us of potential locations, we have not looked for folks here, so we're working to comply with you on every aspect of the process.

>> Tovo: It looked like there was still some live out there, but are you saying you're no longer recruiting for those positions?

>> If there's anything out there, it's cashed from the web and we actively reached out to folks that have taken our jobs and said please remove those. They're not under our control.

[09:59:29]

>> Tovo: All right. Thank you. I appreciate that. So the description or the line in your job description about experiencing

-- you anticipate experiencing tremendous growth in the Austin market, was just

-- you were trying to see what sort of talent was available here?

>> We were trying to source to understand what we could do, but there was

-- that was not something that should have been in the wording, anyway. Miscommunication of a 1600-person company.

>> Tovo: Thanks. Thanks very much. I appreciate your being here today to answer questions.

>> Mayor Leffingwell: And after refreshing, I see we have Pete Winstead still on the speaker list.

>> Mayor and council members, I'm Pete Winstead. I unfortunately am the new vice chair of economic development at the Austin Chamber of Commerce. I'm succeeding Gary Farmer in that job. As you'll note, I'm not nearly as big as Gary Farmer and not nearly as funny either. But I share his passion for job creation. As you heard this morning, Austin is number one in the nation in terms of job creation over the last ten years. I would say it's in large part because of the incentives that have gone on in the city of Austin and programs put in place by the Austin City Council and the Austin Chamber of Commerce. We've done great job. I want it to continue. Part of my job as chair of Opportunity Austin 3.0 is raising another 25 million to continue what we've been doing here. If any of you have five or six million on you today, I could really use it. Seriously, we're working awfully hard to fill this project up and get on about the jobs. And let me say to council members, I listened to your questions this morning, and one of our key goals is

poverty reduction, not just children but people in general in austin. And as chairman of opportunity austin, I take seriously the comments I heard on jobs at all levels. And I think the two companies that we're talking about today are going to produce that. Let me also say, I'm very excited about these head quarter opportunities. I like it because that's where the checkbook is kept and that's where we see a lot of community involvement and efforts by these companies, so headquarters is probably the name of the game. So I'm very excited about that. I also want to say thank you to the city of austin and to kevin and reasonable degree any and

[10:01:55]

-- androdney and people who make it happen at the chamber. They do an excellent job and take the lead. We at the chamber try to support their efforts. And I want to thank the city of austin for your participation in 3.0 and 2.0, we could not do it without you all. I think these companies are both in the sweet spot of what austin is doing. The cyber security issue, I don't know about you, but I cut up my target card and I do not have a neiman's card. In any event, this is a very niche area of specialization that austin needs, and I think it'll generate a lot of new activity in austin. Same for dropbox, and their world global reputation for what they do. So thank you very much. I look forward to working with the council and city staff, all of 2014, if I survive.

>> Mayor Leffingwell: Thank you. Did you get a new card?

>> Yes.

>> Okay. Good. I did did.

>> Mayor Leffingwell: That's all the speakers that we have. If there are no more questions, council member martinez. Member.

>> Martinez: Just a quick comment, I can't thank you all enough for taking a look at the new economic incentive policy. I'm really thinking long and hard about it because I believe it demonstrates that we still are that attractive of a city that these companies coming in that don't have to comply with the new policy are taking a look at it and seeing that austin is so competitive that they are willing to agree to our new economic incentive policies and move their headquarters here anyway, and their companies here. So I really do appreciate the efforts of the chamber, our staff, and of course websense and dropbox, and I look forward to having you come to austin and working with you while you're here. So thank you.

>> Mayor Leffingwell: I think it's a little too early to draw that conclusion. I think the jury is out. I think we need a lot more data before we conclude this is all acceptable in a general way. So let's go on to the next item, which

-- number 36 is pulled for speakers. Michael johnson. I michael johnson here? Apparently not.

[10:04:23]

>> I have some handouts.

>> Mayor Leffingwell: Harry huff will be the next speaker.

>> Thank you for your time, mayor and city council. Again, my name is mike johnson. I work work for trane air conditioning company in austin, texas. How much time do I have?

>> Mayor Leffingwell: Three minutes.

>> I'll make it quick then. The specifications and evaluation were, in my opinion, intentionally written to limit competition. There was very few bidders on this. The company that was the apparent winner, based on evaluation, had a bid out of about 1 point \$8 million that the other bidders had to use this their bid and I don't think that showed up in any of your documentation. So while it appears that there was a competitive bid situation, 1.8 million was sole-sourced. I did notify the purchasing office of that prior to the bid and asked them to open up the specifications, and I was told we could bid as an alternate. So we did throw ut a voluntary proposal to a couple of the contractors. It was hard no evaluate. Only one turned in an alternate. The evaluation form was biased. It was intentionally vague, with the appearance it was designed to ensure award to jci and mislead city council. There's a popular way to do sole-source, if that is the intent, that process can be followed, and you can knowingly approve a sole-source purchase. That is what should have happened, if that's what austin energy wished to do. I keep seeing the words throughout their documentation of industrial grade chiller. I want to make sure that you understand there's not one person who has industrial grade chiller, and we do not. I have 32 of these units running at samsung, 10 of which have been running non-stop since 1995. I did a quick economic analysis, which I included in the packet to you. Our particular bid was about 8% more efficient. If you look at the bid analysis, you cannot really tell who the low bidder was. You cannot tell which bidder had the most efficient equipment, from the analysis. In fact, the low bid was scored the same as the first bid, and the bid that was most efficient actually got the worst performance. When you rate an air conditioning unit in performance, you rate it in how much cooling does it do, and in this case it's how much chilled water will it produce, and how much energy does it take to do that. Those are the two big criteria, yet we scored substantially worse in the analysis. Now, I asked up front, what is considered in performance data, and received no answer. So it said we were going to consider performance, but we won't tell you what the performance is. So in summary, I guess what I'm trying to get to is, this whole transaction is not transparent government, this is not appropriate use of taxpayer money.

[10:07:45]

>> Mayor Leffingwell: Thank you. Harry huff?

>> Good afternoon. My name is harry huff, vice president for mechanical process systems and I do have a few concerns regarding this agenda item. This is a mechanical contractor that submitted two proposals for this rfp, one using an approved alternate, which was trane. Jci's equipment was used as a basis of design, so we informed mts it would also be bidding the process against mps, we were quite surprised. In the public arena, it's not common to compete with its vendors, but jpi informed them it was due to the request of austin energy. The competition to control the equipment pricing it was given, which was approximately 75% of the total proposal. In order to ensure a fair pricing, mps elected to submit an alternate proposal utilizing trane equipment. How else can mps be assured they are receiving a fair price on equipment? In regards to this item in evaluation process, it is disconcerting to know in the alternate proposals, they were both awarded 30 out of 30 points for price, although mps's proposal was approximately \$330,000 less. This would render all pricing on the project as irrelevant. Although mps's office is actually in round rock, 90% of the revenue over the pass ten years has been generated over the city limits of austin. Mps had to rely on subcontractors to gain any points in this category, but mps did not receive the same amount of points in both proposals. Mps was awarded six points in the alternate

proposal but zero in the base proposal. Why wasn't mps awarded the same amount of points in both evaluations given the fact that jci does have local business presence? Coupling the fact that mps was not awarded the six points nor local business presence despite jci's chiller, with the fact jci was awarded maximum points nor pricing, even though mps was 330,000 lower on its alternate proposal, would suggest the evaluation team was either overzealous or careless in their review. This probably should be reviewed further. Thank you.

[10:10:26]

>> Mayor Leffingwell: That's all the speakers we have. We'll entertain a motion on item 36.

>> I'd like to ask a couple questions, mayor, if I could.

>> Mayor Leffingwell: Okay.

>> Maybe somebody from aeu could discuss this?

>> Hi. I'm yolanda miller, deputy purchasing officer.

>> You've heard are what mps has been saying. Do you have a response to that? You've been hearing what the fellows have been saying.

>> Yes, sir.

>> Do you have any responses?

>> The only response I have is when you talk about the price, because mps gave an alternative bid, that particular proposal had to be looked at in terms of price by itself, because the price could not be compared to the other proposals that were all apples to apples.

>> In what way was the alternative proposal not apples to apples with the first two?

>> Only the price was for a different proposal or configuration, and I can have austin energy give more information, but we wanted to be fair, and so we looked at all the proposals that were for the same configuration as apples to apples, and then we looked at the second proposal, which was an alternative proposal as a separate one.

>> I think I'll probably need more information and details on that configuration issue.

>> Okay.

>> If you don't mind.

>> Is that you?

>> Hello. I'm jim collins, director for the chilled water program. Our staff on this project worked with the consulting firm to produce a specification that we believe was open and is open to competition, to the three major manufacturers of this type of equipment. We consciously selected the request as a proposal methodology, as opposed to the invitation for bid because we wanted to encourage alternate solutions for this, because this was a purchase and install. We received six proposals. Any proposer could have submitted on any type of equipment or any type of alternate solution that would meet the needs, the cooling needs of the domain chiller plant. Both the trane company and mechanical and process systems are valued suppliers to the chilled water program and to the city of austin. We use the trane company chillers exclusively out at the miller energy center. Austin energy uses the equipment at sand hill from what I've seen and the purchasing records, the city, other departments recognize the value in the equipment. Mechanical process and systems company is also a valued supplier for our chilled water system. They are currently under contract to do all the piping work in our customer

buildings as we make connections to new customers. So we don't have a problem with either of these vendors. The fact is that for this solicitation, the evaluation team of our subject matter experts scored the johnson controls proposal higher, and ultimately as the best overall solution for this project.

[10:14:08]

>> I'm looking at the matrix right now. And one of the questions, let me ask just a couple of specific questions that I heard the mps guys talking about. One of them is that they -- the chiller performance on their alternate proposal, which is the one that included the trane system, not the jci system. Is that right?

>> Yes, sir.

>> And that chill performance was scored as 3.4 out of 10, but the jci systems were scored as 10. On the other hand, you did invite

-- sorry

-- you did invite proposals that included the trane system. Is that right?

>> Again, we had an open specification

--

>> right.

>>

-- That would have allowed for submittal on trane

--

>> but trane is not on a list, you could just swap in whatever system you thought would do as good a job.

>> I'm not sure I understand what you're saying, sir.

>> I'm bidding on this job, and I'm not comfortable with the jci equipment for whatever reason, I think trane is actually a better deal, for whatever reason. I could put in trane, I could put in anybody else who offers a

-- offers chill equipment, which in my opinion, can do as good a job.

>> Okay.

>> And there was not a list of approved chilling equipment that they were to choose from, they were just free to come up with whatever they felt was the right idea.

>> Correct.

>> Okay. So in your opinion, the trane system just wasn't going to work as well as the jci system?

>> In the opinion of the evaluation team, which I was not a part of

--

>> I'm sorry.

>>

-- The johnson system or the equipment provided a better concept and solution, or actually, you're asking

-- I'm sorry

--

>> chiller performance.

>> You're asking about chiller performance so when we look at those scores and you say it's 3.4 versus 10

--

>> uh-huh.

>>

-- There was a difference in the perceived value of that chiller performance to the team. It's been stated that the trane unit is more efficient, and it is, because of the refrigerant that it uses. It's about 5% more efficient as far as energy consumption. Hours it gets that performance by using an ozone-depleting refrigerant, r-123, it's hfc, it's earmarked by the montreal protocol. That's one example of other aspects under chiller performance other than efficiency.

[10:16:44]

>> Okay. So performance involves not just HOW MANY BTUs PER

-- I DON'T Know the proper terminology, but how much chilled water can produce per unit of electricity. It's also, how is it actually going to go about doing that, and in your case, you're discussing how it's going to be in violation of the montreal protocols in the future.

>> I've given you one example of other attributes that would be considered in that area.

>> Okay. Tell me about local business presence. Round rock isn't local?

>> I'm going to defer to yolanda miller on that question.

>> Okay.

>> Your question was

--

>> mps was scored as zero on local business presence, but they reported headquarters in round rock.

>> That is correct. They need

-- the local business presence is for those businesses that are located in austin city limits.

>> I see. I didn't realize that. Okay. So if they move their office three miles south inside the austin limits, they would have gotten a 10, but by being in round rock, they got a zero.

>> Well, they may not have gotten 10 then. If they were using subcontractors and some of those subcontractors were outside of the city limits, it may have been a partial point.

>> I see. Have we ever given a consideration to local meeting within the metropolitan area rather than within the city limits?

>> Well, currently our rules are that we go within the city limits of austin.

>> Uh-huh.

>> And I don't know if there were

-- if there were considerations, if like a greater or metropolitan area used. So currently, though, reuse the

-- we use the city, and say you're not in the city, but you're utilizing some contractors that are in the city of austin, then you will get partial points for the use of those subcontractors.

[10:18:44]

>> Okay. Two more questions, very briefly. There is a concordance matrix listed on the evaluation, scoring made ridiculous, which I haven't seen before. I wonder if you could very briefly describe for me, what is what does concordance mean in this context? Concordance with what?

>> That would be in concordance with the specifications.

>> Okay.

>> That I said were open, and also in concordance with the drawings and as provided to the proposers.

>> Okay. So there was

-- in what way was the alternate proposal of mps not in concordance with the drawings?

>> Sir, I don't have that specific information.

>> Okay.

>> It might be that they failed to provide how they were going to lay out the equipment, given that trane equipment has a much larger footprint than the johnson controls quilt, than the new york equipment. It may be that they failed to indicate how they were going to lay that out. They may have failed to provide some indication of how that piping arrangement, that alternate piping arrangement would come into play, into an existing plan.

>> Okay. Several possibilities, but that's the kind of thing we're talking about here.

>> Yes, sir.

>> Last question: Johnson control scored a 10 and demonstrated applicable experience, and mps, although valued contractor in other ways, scored only 2.8 or 3. Describe that for me. Why would that happen?

>> When we talk about demonstrated applicable experience, that's for an installation of this type, this is a large chiller going into a chiller plant.

>> Okay.

>> Okay? Mps did not demonstrate the breadth of experience that johnson controls and york did in that application. They have a lot of experience running pipe, they have a lot of experience running pipe in mechanical rooms and other things. They have, I believe, experience at installing smaller chillers. This is a relatively large chiller. It's nominally 2500-tons. This building is roughly 400-tons.

[10:21:01]

>> Okay. The matrix references a 2500-ton water-cooled chiller. You're obviously talking about a large chiller, and the experience you had in mind was working with chillers of this size and larger, and they had not demonstrated they had been able to do that before.

>> Yes, sir. Installations of a like type.

>> Thank you, sir. Mayor, I move approval.

>> Mayor Leffingwell: Council member spelman moves approval of 36. Second by council member martinez. Discussion, say aye, opposed, no. Passed by 7 to 0. Item number 433, I believe pulled by council member tovo, we have one speaker. David king. David is apparently not here, so council member martinez moves approval of item 43. Is there a second? Is there a second? Second by apparent cole.

>> I have in questions, mayor. Thank you. I want to first extend my thanks to to south by southwest for providing some really good information about the economic development impact of south by

southwest. I certainly agree that it has very good

-- very positive impact on our community, on lots of the small businesses that benefit when south by southwest is here. I do want to talk with the staff, I had submitted a question about whether or not we could reimburse some of the fees from our economic development reserves fund. And so I hope we have some staff here who might speak to that. And here are my thoughts. Probably

-- is that mr.

-- Maybe I'll invite him to come talk for a minute or two, if he's willing. You know, as I understand the fees that are associated with the austin police department charges, these are largely a result of barricades and closures that the city has requested over the years of south by southwest, and they serve to keep save lots of

-- lots of austinites and lots of visitors coming down, not just for official south by southwest events, but lots of others, so these are really fees associated with something that we, as a city, need to do to keep good faith in our city. Would you like to comment a little bit on what your experience has been?

[10:23:45]

>> Sure. So the barricades and the apd officers, the majority of the apd costs are to staff the barricades for the streets that are closed. And those streets are closed in a very similar manner to how sixth street is closed every friday and saturday night during the year. These closures came about to really just formalize these apd safety closures which, during south by southwest, we didn't have street closures in a formal sense for about 15 years, and apd would just roll up a safety closure and close the streets the same way they would on a friday or saturday night. And those

-- it became problematic because at times, people were spilling into open lanes of traffic before the streets were closed, and then when the streets were closed, because people were able to park on the street during the day, they wouldn't move their cars, and so a lot of the humans that were working on the sidewalks would get kind of trapped between the vehicles that were in the parking lanes and the store fronts. So for a number of reasons, the city wanted to kind of formalize this, close the streets and do it that way. And I think the important thing to remember about the south-by closures is that this is for all of the businesses downtown. Everyone kind of benefits from these closures. There's venues that are affiliated with south by southwest, there's venues in restaurants and bars that are not, but everyone benefits from the public safety that these closures provide.

>> Thank you. I know we've all been getting lots of e-mail about the waivers fee waivers so I appreciate you being here to talk about that issue in particular because that is one that has raised concern. Can you address the hard portion of the fees? You and I had an opportunity to visit about it, and I believe you said that south by southwest is

-- does pay fees to other city facilities, but there's a particular reason why you're requesting fee waivers on republic square park and some of the other sites that are listed in our backup.

[10:25:57]

>> Yes. We do pay for the austin convention center and a number of other city facilities to the tune of hundreds of thousands of dollars per year. The fee waivers that are listed are only

-- the only park facilities that relook for fee waivers for are park facilities where we're doing free and open to the public programming. And all of these butler square
-- butler park, which we've done auditorium shores for a number of years but it's under construction, so this year we're doing butler park, and we are the vanguard of trying to see how to use butler park, and a number of events are going to be going in there over the next year. So we're doing butler park shows, around 20,000 capacity. The carver center where we do a bunch of community programming, and republic square park where we do free and open to the public, light based installations. So all of those are co-sponsored by the parks department with south by southwest, and those parks where we do this free and open to the public program will go the only ones that are listed for fee waivers.

>> Tovo: Thanks very much. I have a couple of questions as I mentioned for our staff. Before I call them up, if anybody has a question. Okay. Thanks very much. So in my question and answer I had submitted, I had submitted the

-- well, just to back up, several months ago, we passed a resolution, this council passed a resolution asking for staff to compile costs
-- costs that the city incurs for events of all scales, small and large, and also the revenue that we take in through fees so that we can get a sense, as a community, of how that measures out. Are we covering our costs with the revenues that we take in for special events, is there a deficit that we need to address? The resolution also asked for a consideration of whether events of a large scale should be more properly funded through our economic development program. And so, one, I'm very glad to hear from the staff that we're going to be getting that analysis of costs soon. Mr. Durer, do you want to

--

[10:28:29]

>> we're currently working to compile that information. We gave you some information, summary information in that report, but we're still working with some of the event organizers about their studies that they've done about the economic impact.

>> I really appreciate that. Thanks for the information you provided and for your willingness to put that all together in a coherent report. I think that's been a longstanding interest of many community members and certainly one

-- an interest of mine, and I think it's very relevant to some of the budget discussions we had last year. Mr. Johns, could you speak to the answer about whether

-- whether we could reimburse

-- and I'm looking at the part fees in particular, because we've had some

-- we've heard discussion about the austin police department fees are primarily for safety containment and other things that we do on halloween or other very

-- nights where lots of people go downtown, but it does seem to me appropriate to consider reimbursing part for those fees they're incurring or waiving as part of south by southwest.

>> I'm kevin johns, director of economic development. The fund was set up for a property-based investment and for permanent jobs, so it's not really a fit for fee waivers.

>> Tovo: How much do we have in that reserve fund?

>> The fund currently, of course, is scheduled over a ten-year period, so we have commitments for

-- through 2024. And so the fund goes negative in 2024 by, I think, \$438,000.

>> Tovo: But right now I would assume we have a healthy balance, we have to meet. Beyond the commitments that are already

-- that have been made, how much is there, what is the balance remaining?

[10:30:31]

>> We have committed to all of the funds over the ten-year period. If you're asking me how much we have in the account today, I can find that out for you. But it would make us further cash negative. [One moment please for change in Tovo: From the same budget line?

>> If you recall at the last budget, there was additional funds put into the account. It was reduced by \$333,000.

>> We're looking at being cash negative.

>> Tovo: Is we're looking at the agreement, is this the budget line.

>> Could you repeat that, please?

>> Tovo: When we enter into new chapter 3

-- we have commitments for the six, extending to the next ten years, if we enter into additional ones, does the funding come from that budget line, from the same fund?

>> Again, the mayor and city council authorized that to be the additional incentives.

>> Tovo: So next year, we just appeared to athena health. So next year there would be an increase in that fund to pay for this commitment.

[10:32:37]

>> Just like there's been an increase every year that it's been used.

>> Tovo: If we enter into the additional chapter 3 agreements today, we would have to increase that fund accordingly to be able to meet that commitment next year?

>> That's correct. Any time a

-- the economic incentive program is used within the overall reserve fund, that is not kwluzing tax dollars, that is using cash assigned to the program by the mayor and city council. So there's a commitment to fund that over the ten-year period.

>>

>> Tovo: BUT THE FUNDING OF That, just to be really clear, the funding of that comes from the general fund, which is probably tax and sales tax. They are public dollars. It ships them into that fund. So I'm trying to figure out why

-- I understand what you're saying, we don't typically use the fee waivers, we don't use them for south-by-southwest. We agreed as a council that this is a economic development opportunity that we want to continue to invest in as we have for the previous several years, at least, there aren't legal restrictions to keep us from doing that?

>> A minor clarification.

>> Tovo: Thanks.

>> Executive director for the city's economic development department. There are two funds we use for

the economic incentives. So the larger fund is called the economic incentives reserve fund. Those are for the property tax-based economic incentives that we have, like samsung and like with apple. Because our payments are one-year behind, they are performance-based. What the finance department does is they collect that property tax revenue in the general fund, but then it's moved over to the economic incentives reserve fund. That's why you see a significant balance in that fund is because it is literally reserving that property tax that is going to be paid in the following year. And the finance department set that up back in fiscal year '08. That way you wouldn't see in the general fund and then potentially spend it only to have to pay that money next year. Also within the economics incentives reserve fund is a smaller program called the economic incentives program. And council approved that three years ago. The first fiscal year, \$1 million was put into that fund. It came from three equal parts. The general fund, austin energy, and austin water utility. It's funded at \$1 million for two fiscal years with the exception of this current fiscal year where the city council decided not to fund the general fund part. So this fiscal year, its's funded from austin energy in austin water utility in the amount of \$666,666. So I just wanted to add that clarification that that special program isn't necessarily funded completely from the general fund, especially within this year.

[10:35:43]

>> Tovo: Thanks for the reminder, I knew there were two funds but it was confusing how they were separate. But I think

-- I guess I'm still not understanding. I mean, if we are

-- if we have the ability as a council to entertain chapter 380 agreements and obligate money from the reserve fund for those for future years, it's

-- it doesn't seem to me to be an impediment for doing so for other kinds of economic development opportunities such as south-by-southwest. It may not be

-- it may not be what we've the unin the past, but we've heard from this morning's discussion that you're also considering developing a film

-- a film program. So you may not get there today, but I want to say our resolution speaks to this to treating some of the large-scale events where we have large scale investments, whether it's through

foregone revenue as this one is today or through real actual costs that we put in for the large scale investments and special events, we should treat them like an economic development opportunity. And

we should regard them as such and consider whether the return on the investment is going to

-- it's going to

-- is going to be worth that initial up front. And again whether it's foregone revenue or real actual dollars and staff time.

>> I would offer up the intense for that smaller economic incentives program which is for the business expansion and relocations to occur that we bring forward for the direct job creation and for the business investment. So I would just offer up the intent of the creation of that fund. I think what you're offering is that council, of course, could make a determination on using that fund for another purpose.

>> Tovo: Can you help me? Councilmember morrison raised a question on item 35 which we approved this morning, the marketing budget for the british airways nonstoppage service. And the question asked -- the funding came from the aviation department and the economic development department

economic incentives reserve fund, which wouldn't
-- this doesn't fit the pattern you described of being for jobs. So
--

[10:37:58]

>> we actually have a -- an economic impact analysis that was performed for that international flight. I don't have it offhand. We can send it to council. There's direct job creation and direct business investment from british airways for that flight. I can't remember offhand, but I think the economic impact was a total of \$75 million. We can certainly afford that to council.

>> Tovo: So that's why it was an appropriate expense to come out of the economic incentives reserve fund?

>> Yes.

>> Tovo: What measure do we have to take to invest that fund. I was told the budget amendment in we would have to have a budget amendment?

>> Yes, the airport asked about using that fund and we looked at the purpose, which was for the job creation and for the business investment. And we offered that through their program that they could use that fund, however it would have to be affected through a budget amendment

>> Tovo: Is that what we did this morning? Did we have a budget amendment?

>> Maybe not a budget amendment. But using that fund, my apologies, is when there's a charge for that expense that they get to charge to that specific account.

>> Tovo: Using the reserve fund, there would be a different process. For one, you could put it in to the agenda as is. We could approve it. But for the other, it would require a different process?

>> No, no, not at all. With regard to the card fees and south-by-southwest. All I'm saying is we haven't been involved in is the information with regard to the direct jobs being created from south-by-southwest or the business investment. These are special events that are more tourism based. And so usually the indicator is coming tourists into your community. How many visitors do you get. What is the economic impact as a result of that? Our focus is more from the economic job development of business investment.

[10:40:12]

>> Tovo: I would say the information that south-by-southwest has provided shows there's many jobs that are created as a result of south-by-southwest. So again I would say it is
-- it fits a lot of our goals for the economic development program. And I don't think we're going to get to the bought tochl why we got two different processes going but I would just call your attention to the answer that I got that this could not be affected that what I'm proposing could not be affected except through baunlgt amendment process which we didn't take to use the same fund for a different purpose this morning. Unless ms. Heart?

>> I can clarify that. This morning you approved a contract for advertising. When we cut this purchase order, we'll have one from the aviation, one from the economic incentives fund. So there was no current appropriation we had available in the economic incentives fund to use. In this case you would use the

economic incentives funds to repay those fees. There's a transfer made from the economic incentives to the department from our revenues to the general fund to cover the costs of disservices they're performing.

>> Tovo: Thank you very much. That's helpful. That's something that we could do if we wanted.

>> A separate council action, yes. I like that clarification. I'm supportive of providing these -- of supporting the few waivers today. I would say that I look forward to the information that's coming back from staff about costs and fees and revenues and all of the things that we've been talking about a lot. And I would say that if we continue to support some of these events that brings so much tourism and bring economic development to austin, we should consider that within the framework, the same framework we used for our other economic development opportunities.

[10:42:25]

>> Mayor Leffingwell: Aye, if opposed, say no. That passes on 7-0. Before we talk about the morning agenda, let's do the 4:00 postponements.

>> Mayor, council. I could offer several postponements to you on your 4:00 agenda. Item number 83. This is relating to the title 25 allowing staging of equipment from municipal and utility projects on noncity property and staff offers that an indefinite postponement. We'll renotify when we bring that back. Item number 85 is an item regarding public hearing and consider an ordinance amending title 25 allowing breweries to sell economic beverages for on site consumption. Staff is asking postponement of that item for the march 20 agenda. Item 87, conduct a public hearing, an ordinance regarding title 25 for the placement of ramps and yards and bring up a few meetings before we bring that back. We'll bring that back on the 27th. That's item number 87.

>> Mayor Leffingwell: Postpone 83 indefinitely. Item 85 until march 20, and item 87 until february 27?

>>. Cole: So moved.

>> Mayor Leffingwell: Seconded by council member spelman. In favor, aye. Opposed, no. Passes on a vote of 7-0. Back to item 56. Public hearing is closed. Maintain a motion. Councilmember morrison?

[10:44:32]

>> Morrison: Request in for staff. This was postponed last time because there was going to be discussion with stake holders. And I wonder what the topics of those discussions were. And what the outcome was.

>> Councilmember, the last I had, the stake holders were gone. The housing staff wasn't present at the time. I don't think all of the parties were in total agreement. I think that could explain on the city's side. I'm not sure we might also address the stake holders' side. But I think there's a little disagreement left on this one.

>> Morrison: So basically what we're considering is the same as last time. So nothing's changed since then?

>> We're not recommending changes to the ordinance.

>> Okay. Thank you.

>> Riley: Mayor?

>> Mayor Leffingwell: Councilmember riley?

>> Riley: I have a question. There's been some discussion about the possibility of setting a separate fee for those existing units that want to opt-in to the new structure. And I understand that staff has -- is not recommending that. And could you explain why?

>> Yes, sir. Director of neighborhood housing. Our biggest concern or question regarding having any separate rent allowed for properties that was opted in. So what was proposed are the properties that would opt in have a higher rent than the ordinance before you. Any newer properties would have a lower one for the units. But what's proposed for the stake holders this third option to opt-in would have a higher rent. We're not in agreement with that. The biggest concern with that is -- I know the argument presented is that for the current rents are about \$950. With the new ordinance, the rents would drop to \$712. So the stake holders are asking for a different -- \$780, I apologize, to opt in. They presented that there would be a loss. There is a loss. 950 down to \$712 is less. My concern is what is not been presented is the opportunity for increased revenue. So let me try to explain it the best I can from what I know. Currently right now, there are 8700 bedrooms. In the existing uno stock. So the requirements allow for a required 10% of the units be affordable. So there's the potential for 870 bedrooms of the existing stock that will be affordable. Currently there are 1300 one-bedroom units. The vast majority of the current students are efficiency, studios, or one bedroom. There's a potential if they opt in all of those current one-bedrooms can be absorbed by the two, three, four, five, six bedroom units. The rents that are currently at \$950 for the one bedrooms. It's my understanding that the average rent would be about \$1500. So while there might be a perceived loss, there's the potential for revenue gain. And what I'm not able to get a clear understand that the loss could exceed the gain. The gain could exceed the loss. I support a different program. I'm not convinced there is a tremendous revenue loss. I appreciate the intent for additional units. We all want additional units. I don't believe it's been demonstrated that the loss is significant enough.

[10:48:48]

>> Riley: I know there's been a lot of discussion about this. There are strong feelings on the inside, give an opportunity to the representative and the stake holders to speak to this and explain to us why you think that some higher fee would be appropriate for opting in. Not higher fee, but higher rate.

>> I'm Stuart Harry Hirsch. I've been in this stakeholder process for four years. This is very simple to us. The new ordinance without an opt-in language that the applicants have filed subsequent to the effective date of the new ordinance. We thought there was an opportunity with roughly 4,000 uno units that are grandfathered, and roughly 8700 bedrooms that are grandfathered, that instead of getting 400 students served, we could get north of 800 students served. But in order to do that, we had to charge lower rents than what new construction with a different bedroom mix will have. Because the economics by which people started doing uno development in 2004 was based on the assumption that the affordable units were going to be smaller efficiency and one-bedroom units. We walked through to see where the sweet spot was. We performed the staff that our numbers in terms of what that sweet spot is to serve 800 students a year instead of 400 students a year in the grandfathered units was somewhere around \$70 -- \$75 more than what they would want us to charge based on what the new construction standards is. If we don't create the ordinance today to create that opt-in option that at least 400 students a year that could have access to affordable housing and excess of the 400 who will won't be served. Our

understanding that ms. Path doesn't believe that's true and people will opt-in at the higher rate. We don't have a single property owner in west campus who tells us that they will at this point. And we have several who tell us that they will if we ask you to allow the ordinance on second reading, allow the opt-ins, tie that to the Texas department of housing and community standard for the sweet spot and make it possible for next year more than 800 students in west campus to be served instead of 400 to be served. That's something from somebody who doesn't own or rent in the area, just looking at the data.

[10:52:17]

>> The separate rate for opting in is based on all of the discussions for the stake holders, including the effect to providing that separate rate for opting in, would be in your judgment, 400 more units that would be

--

>> not 400 more units, 400 more students served. Because the

--

>> more bedrooms.

>> Because the change in the new ordinance is going from 10% of the units to 10% of the bedrooms. More than double that. That's the way we serve more students in west campus at double rents.

>> The opportunity to respond?

>> The potential is there for 400 additional units. Currently the 445 units. When we go to the buy the bedroom process for the units. They will have the ability to opt in. They have the opportunity to opt in rather than the lower or the higher rent. It's additional income. As of right now all of the units are the small, single, the one bedroom efficiencies or studios, I have been told there is a premium for those units. There are a lot of folks that they have the ability and want to pay \$1500 to live alone, students who want to live alone. Put the students in the multiple unit bedrooms and they'll increase revenue through the increased rent on the one bedrooms. The actual opportunity to increase the number is there no matter what.

[10:54:27]

>> Riley: Right. Back to you, stu. So if I have a complex in west campus, you're welcome to chime in on this as well. If I have an existing complex in west campus. Under the original ordinance that spoke to units, not bedrooms, all of the units will currently be one-bedroom units. It will be affordable one. So I have the opportunity now to opt in and thereby go to the affordability in bedrooms and in -- in units that have multiple bedrooms. Freeing up those single bedroom and efficiency apartments for rent at a higher rate. So it seems like there is something to be gained by opting in. Why would that increase the opting in?

>> I'm a spokesperson for the task force. We have a task force made up of everyone in the neighborhood including the property owners, the student, the student ut

-- folks as well. What I have is the current market surveys on-line for the area. The ratio the staff talks about is not true. We also have the projects that are built in from 2005 to 2013 now. And most of them do not have that ratio of one bedrooms. For example. 2800 nueces has 23 studio units. The same time,

152 two bedroom, two bath. 21 rio has a mix of they go all the way from 13 one bedrooms to 25 two bedroom, two baths, two bedroom

-- about 60 two bedroom, two baths. So we have this different ratio that exists. So the object here is to create a dollar neutral pro forma. We have sandegal management which operates all of the quarters projects, american campus communities, which you have an e-mail from. The texan properties which you have an e-mail from. 21st and pearl, you have an e-mail from. All of these groups say we have run the economic analysis, to meet our pro forma that we committed to under the old program, we need to have a rate that is between 7:00

-- around 7:00, 7:88. That's the number we picked off of the chart that was provided by staff that we can put in the ordinance language that said this is the 60% high

-- high home rent that is published every year. So what we're trying to do is create the incentive for the existing projects to opt in. You know the rules it's easy to make a 7:12 works. You need to be able to be revenue neutral and this is the number that everyone agreed to that would be the number to work. We urge you to do that. Put in place rules that would make it work. So everyone will have a predictability and be willing to go forward and give up the grandfathering rights and buy the bedroom, by the unit. The whole goal of it used to be as many units, in many bedrooms served as you could.

[10:58:35]

>> The process, the housing providers or are there

-- there are others on that work group as well.

>> We've had all of the co-ops, we have student government representative, one of which is in the audience today working with us from the beginning. We had management companies, owners, neighborhood association people. So mr. Hirsch has been with us. We have a long history of trying to serve students and we believe this is a unique program and has a little difference in that. It's just internally. There's no outside moneys from the state, from the city, from the government, and all we're asking is we've done the work, we know the numbers. Trust

-- let us put these numbers in place. Because there are no people who oversee this like other smart housing programs that we have rules in place to give us guidance and predictability of how the program will be administered.

>> The benefit of having the properties opt in is to have a greater number of bedrooms available to students, is that right? We're talking about the units that will actually be afford able where they were 80% where there was a threshold.

>>> It dropped to 60%.

>> The duration goes from 15 years to 40 years.

>> That's only for new. We had random analysis and the existing projects cannot extend their time frame.

>> Riley: So the same 15-year time frame?

>> Same as when they got their initial seal. If I could, councilmember tovo about three years ago called me and said I have the student whose to parent said they're aging out of foster care. She wanted to know about the smart housing unit. I said, they're \$900. She said, she can't afford that. I said, I know. The city program has to be changed to make it work. What we had done if you look into our chart, you

will see if we double up in an affordable bedroom, that rate will go down to about \$435. That is an affordable rate in this town. That is very affordable rate for rental.

[11:01:22]

>> Riley: That would be in new construction?

>> And in the opt-in if they chose to double up in the bedroom.

>> Riley: Those opting in, the affordable units will go from \$900 down to

--

>> about \$435 if in the affordable bedroom, there were two people.

>> Riley: Okay. I heard the stake holders group that's been working so hard on this so long, I'm inclined to respect the judgment on that group. So I pass on the dais amendment that

-- we don't have a motion on the table yet. First off, I'll move approval.

>> Mayor Leffingwell: Councilmember riley moves approval on the third reading. Second by councilmember morrison.

>> Riley: And I would offer an amendment and I didn't get it on the yellow sheet that I passed out that an amendment with the ordinance banning to subsection d in part two. For existing developments that opt-in to the private bedroom for the remainder of their commitment, rents for house holds at or below 60% of the mean income. The high home rent limits and one bedroom is established amly by tdhca. B, the house hold at or below 50% of the meeting and 40% for the home rent limit drawing efficiency and establish annually and the director may adopt the administrative rules necessary to enforce this. This is language recommended by the stake holders' group that would promote the -- the opting in that we've heard about for existing properties.

[11:03:26]

>> Mayor Leffingwell: Motion to amend.

>> Spelman: Second to amend.

>> Morrison: Questions.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: The big deal

-- the big change we have going on here is we're moving from renting

-- counting the affordable units as you know by unit. Instead, we're going to go to bedrooms?

>> Correct.

>> Morrison: So the

-- obviously the other numbers are changing. Can you give an overview for people who want to get this all in context? In general, the afford about requirement is going to be struck through, is that right?

>> New units, yes.

>> Morrison: For the new units. Is the duration going to be longer also?

>> Yes.

>> Morrison: That's where the give-and-take is. Affordable apartments you would think are more valuable. We're getting more benefits. We're decreasing the affordability level and decreasing the

duration. That's where the tradeoff is?

>> Correct. And also be able to know that they'll be able to integrate the affordable bedrooms with market bedrooms. So right now, all of the affordable individuals are housed together. And this way they'll be able to integrate them in different bedrooms. I see it as a plus.

>> Morrison: Right, so opting in means you're currently reserving your affordable units by apartment. And you want to reserve them by bedroom, are we still counting the same number? Like say you had to do 10 in one of your projects, 10 of your units are affordable. You still have to do -- if you're opting in, rather than doing 10 apartmentings, it's 10 bedrooms?

>> It would be by percentage, yes. 10% remains. If you do

-- you have 100 units, if you don't opt in, 10% of your units, 10 units. If you opt in to the bedroom, you have 200 bedrooms, you would now do 10% of that or 20 bedrooms.

[11:05:27]

>> Morrison: Okay, great. You're saying if you opt in, they would be according to the same affordability levels? For new ones.

>> The rent.

>> Morrison: The rent?

>> The rent.

>> Morrison: Right. So one of your staff members provided an example to me that I thought was

-- well, it was very illustrative, it was suggesting that for one particular project, all of the smart housing units are studios and the market is 1125 right now, market rate for that. And the affordable rent is \$956. So they're currently getting \$956 for their affordable units?

>> Correct.

>> Morrison: Right. If they start leasing by the bedroom, they already actually do lease by the bedroom.

And they are four bedrooms are at \$3,000 a month, so that is \$750. A two bedroom is \$3,285. That's \$795 per bedroom. So you're saying that I guess the point is that right now for their affordable

-- affordable

-- they're \$956. If you move that to bedroom, the bedroom cost would be seven

-- the affordable rate is what? 712.

>> Morrison: Which is what they're getting almost already. There's very little difference. That's what the \$38 comes in.

>> Yes, in addition to the market rate what I understand to be a rather standard rent for a one bedroom efficiency or studio in this area is roughly \$1500. If I have 15 that I've been utilizing as the studio units, I can distribute that to the two bedrooms and lease all of my efficiencies at a rate at closer to 1500, I'm going to generate more income.

[11:07:49]

>> Morrison: The arithmetic here is you're losing \$38 on the bedroom, whereas you're going to be gaining from

-- going from \$956 to \$1125 on the studios?

>> Yes, ma'am.

>> Morrison: That's the gain in this example. So I wonder if I could ask mr. McCullough to help me understand why this doesn't jive with what your numbers are showing?

>> The important thing is you can pick out a particular project and maybe get some numbers that would help our overall analysis based upon dealing with the actual management companies who were in the task force. Is that it would need to be that figure that we came up with the \$788 to offset the small number of efficiencies versus the large number of bedrooms. The ratio typically is about 2.25 bedrooms per unit as a ratio to units. So that is the difference. So some projects might be able to opt-in at 725 or 730. Most of them, the ones that we talked to say \$800. Some say \$775. What we did was we looked at the chart in a was provided to us by staff because when we went to the planning commission, we were using the university's rates high average cost of attendance. And that number was \$788. And that's the number we hit upon and that's the number that the analysis shows when you do a complete market analysis over the whole scope of the 41 projects that have been built

>> Morrison: Can you tell me, has this been an issue for a long time? I take it it's the last -- did it arise recently? Or has it been on the table for a long time?

[11:09:59]

>> Oh, the last six months, a year

-- has it been a whole year? It's been about a year. I apologize. We're just about to pass this. This came up about a year ago, which is where we've been held up on.

>> Morrison: I guess

-- I guess what I want to say is I won't support this motion because I think that after all this time while the market study and all is obviously something we have to pay attention to, they're still going to have the option to opt-in or not. I think it's important that we be able to provide some of the rents.

>> Mayor Leffingwell: Councilmember tovo?

>> Tovo: I have a question for you, spencer. When the community development commission considered this proposal?

>> When they pass it it, this wasn't on the table.

>> Tovo: This amendment?

>> This particular amendment, that's correct. We have an option not to have a third rent for folks to opt in.

>> Tovo: So, am I interpreting the discussion that you had earlier to mean that you are not just going to pass up tradition on this. I thought I heard

--

>> we're not recommending a third option or a separate rent for folks to opt in. We love the opt-in program. But we would suggest that it be at the rent of the new ordinance will allow for.

>> Tovo: I see, what we have before us in the backup is the staff recommendation you would not recommend the amendment that's been proposed.

>> The ordinance in front of you is no different than it's been all along.

>> Tovo: Thank you, proposed amendment. Yeah, I appreciate that. You know, it has been a very long process and it has had lots of pairs of eyes on it. And it concerns me to move forward with an

amendment at the last minute. I appreciate that there is a group of stake holders that's been working on this. It does not involve

-- it has not involved some of our other bodies who have been involved in developing this all along the way. So I'm not going to support the amendment either.

[11:12:28]

>> Mayor Leffingwell: Vote is on the amendment. In favor, aye. Opposed say no. Council members tovo and morrison voting no. The main motion, councilmember riley?

>> Riley: There's one thing I want to ask the stakeholders about. One other disagreement with staff. That related to the administrative rules. Can you just elaborate on what the issue is there?

>> What needs to be done is, in our opinion, is that we have some guidance that our administratively, the rules are guidelines adopted and published so that the projects that do opt-in will know exactly how to go about dealing with this new program. We have suggested several ways in which that could be done. We will suggest a certificate of compliance going to buy the bedrooms so these people -- these owners are coming into the program voluntarily. And that rules be set or the guidelines be set in a way and published in a way such that everyone knows what they are. Stewart and I won't be around forever. And they're

-- there are other problems that these projects will be here for 40 and 50 years. And we would like them to be able to have the rules about how they would operate.

>> Riley: You ask the administrative guidelines be provided through the rules process.

>> We believe that's the most effective way to do it. I work with all different departments and they have all kinds of rules and we would hope that we would get something like that.

>> Riley: I understand that we do have the authority to direct the city manager to use the rules process for the administrative guidelines. Any concerns you have with that?

[11:14:36]

>> Absolutely. It's not something I particularly would want. I feel we've been exceptionally customer friendly with all of the existing property owners and managers. We are very transparent. Nothing hidden about the program gipedlines. We spent the last year streamlining the process with a lot of the forms. We have to do a lot of work with the property managers. Turnover of staff is high. We have one staff person who spent great deal of time doing technical assistance with him. If we were to go to the administrative rules process, we would have the forms change once a quarter and go through that process. I don't think it's necessary. We've got nothing to hide. Everything we have could be put on the web. I don't see the value with this. We will meet with anyone as we always do to explain the process, goes on site and works with everybody. So I think it's very onerous to our program.

>> Riley: What's so onerous about a rules process? It has to be timed on a quarterly basis?

>> Well, so my understanding of it is that let's say we changed the form. We would have to put that forward. We would have to wait for the process

-- I'm not familiar with that because our program guidelines don't typically operate that way. I don't have a lot of problem with the input. They modified the forms to make it more efficient and more

streamline. So having a public process to a form seems a bit arduous to me.

>> Riley: Understood. If any of the stake holders would like to offer a response for that. In your judgment, would the administrative rules

-- in view of the concerns that he's raised, would it be worth requiring that the administrative rules be handled through the rules process?

>> We drafted more than a year ago a set of emergency rules that would go into effect on the date of the ordinance so there would be clarity. If they weren't working. What normally happens is you do emergency rules 30 days within the city code. Then the next posting cycle will become public rules with permanent comment assuming they're adopted and nobody has problems they never get changed. But if the staff at some point or the public felt that there were problems with the existing rules, that would usually happen a year or so later or two years later or whatever that period was when you found the administrative rules that you wanted. So you wanted

-- we've drafted documents. We've offered to draft documents. We circulated documents we're prepared to assist in this. It's what the city departments do with regulations and so that's why we made the suggestion.

[11:17:30]

>> Riley: Do you see betsy is only being able to make changes on a quarterly basis. The department would be more nimble if it could respond to stake holders' concerns more quickly so they would be allowed to if they were confined to the formal rules process. Do you see any validity to that argument?

>> Guidelines are

-- she's right. Guidelines are more flexible than the formal rules process. But before we wrote the process of the land development code in THE '80s TO GIVE THE PUBLIC THE Opportunity to have the input rather than the staff being able to do what it used to do which is unilaterally change a bunch of things to pass the way people do business. So its's more flexible to do guidelines with the formal process but the toer mall process does give you a certainty about the outcome and creates an appeal all the way to the city manager in the case in the department and the affected stake holders and property owners have a dispute. There's a resolution up to the city manager level.

>> Riley: So in engaging and the appeal, the rules process is important and worth the extra trouble that it would cost?

>> Yes, sir.

>> Riley: Okay. And the stake holders are in agreement on that?

>> Yes, we've all agreed

-- we've been proposing emergency rules for a year now. And emergency rules are part of the conversation that we had for the planning commission and the community development commission when we first put those on the table almost two years ago now.

>> Riley: In light of that

-- with the stake holders again, I would offer an amendment that we direct the city manager to use the city's rules process for the administrative guidelines for implementing the ordinance.

[11:19:38]

>> Mayor Leffingwell: Other amendment by riley? Cole: Second.

>> Mayor Leffingwell: He proposed an amendment. Mayor pro tem, second. I'll not support the amendment. I'm persuaded by the magic words that ms. Spencer said that this would limit their ability to respond to their customers quickly and with efficiency. Rules can't operate, can't serve the public. That's why it takes two hours to draw a permanent there in the electrical plug. You did it in waco, san antonio, houston in ten minutes. So I digress. But I'm not going to support the amendment.
Councilmember morrison.

>> Morrison: I wanted to ask you, do we

-- this is a bigger issue, because we have lots of programs and this is just talking about uno. I say we're working without rules and guidelines on other programs as well?

>> That's correct.

>> Morrison: Has it been an issue?

>> Had we done something wrong or been a problem or demonstrated we couldn't enforce the guidelines and work with folks, I would appreciate the recommendation. I don't think there's been any complaints. None have come to me. My staff spends a great time working with them over and over because the staff does change. If we were to add on every time she makes a new form to make their life better to be part of the public process, it would be very difficult.

>> Morrison: I guess it would end up slowing things down, ie costing money.

>> Correct.

>> Morrison: Thank you.

>> Tovo: Mayor?

>> Mayor Leffingwell: Councilmember tovo?

[11:21:46]

>> Tovo: Mr. Hirsch mentioned this had been on the table before the planning commission as well as the community and development commission. It was proposed and has been talked about in the processes. They have not made those recommendations to us, is that correct?

>> That is correct. I'm not aware that the community development commission recommended this.

>> Tovo: It sounds like they had an opportunity to weigh in on that topic. If it's been an idea on the table for a while. So I'm going to agree with the mayor. It sounds to me like this is a solution in search of a problem and that we should trust our staff and the processes that we feel work best for staff and for the customers who are working with them.

>> Mayor Leffingwell: All in favor, say aye.

>> Aye.

>> Mayor Leffingwell: So posed say no.

>> No.

>> Mayor Leffingwell: No. That fails on a vote of 3-4 with councilmember martinez, myself, councilmember spelman and mayor protell cole voted no. Cole: I voted aye. I made the second. Councilmember morrison and spelman. You voted no?

>> I voted nay.

>> Mayor Leffingwell: That's four
-- the same
-- it failed a vote 3-4 with councilmember
-- 2-5, councilmember martinez, you, myself, morrison, spelman voting no. The vote
--

>> Riley: One last amendment. I hope this one will be a lot simpler. Just matter of a date and the draft ordinance before us. In section 25-2-765 paragraph a. Reads multifamily use established after september 2, 2013. I believe that's from
-- that's one indication of how long this process has been going on. It's a previous iteration of this. That should be the date of this ordinance. I ask that legal take a look at that and get the date correct and get it fixed.

[11:23:52]

>> Mayor Leffingwell: That's friendly, I assume. In favor of the main motion as amended by the first amended by councilmember riley, say aye.

>> Aye.

>> Mayor Leffingwell: Opposed, no. Passes on a vote of 7-0. Recess approximately 7:00 p.M. For those of you signed up on item

-- 72 people, I believe it was. That will be the last item

-- the.

>> You were complaining about it.

[11:34:15]

>> Joining us today is sphynx, band members cory dennis, todd harris and aaron miller have gained much recognition and their music has been described as a new breed that is a bit of history but puts a bit of soul to their songs. In 2004 sphynx was named one of the top ten best new bands of austin at the austin music awards. Today the group's growing popularity can be attributed to their energetic live performances. Sphynx has been an official performer at south by southwest, appeared at countless other music festivals and has recently completed a u.S. Tour. Please help me welcome sphynx.

[Applause] [♪♪music playing♪♪♪♪]

[music playing]

[11:38:05]

[applause]

>> thank you.

>> Okay. I have a few questions for you. What is your website?

>> Phoenix.Com.

>> Where can we buy your music.

>> On our band camp, band camp.Com or itunes, vh 1.

>> You want to say that again? Okay. Where can we see you play?

>> You can see us tomorrow night at [indiscernible].

>> Great. Well, we have a proclamation for you. Be it known that brass the city of austin, texas, is blessed with many creative musicians who have talents that extend to virtually every musical genre, and whereas our music scene thrives because austin audiences support good music produced by legends, local favorites, and new comers alike, and whereas we are pleased to showcase and support our local artists, therefore, i, lee leffingwell, mayor of the live music capital, do hereby proclaim february 13th, 2014, as sphynx day. Whoo! [Applause]

[11:40:37]

>> we have a fifth anniversary.

>> All right. We have a proclamation. Be it known that whereas the cactus cafe opened as an intimate live music performance venue on valentine's day in 1979 and has earned itself a national reputation for featuring top local, regional, national, and international acoustic musicians and whereas such legendary artists as annie defrank oh, patty griffin, much hancock, robert keen, and lyle lovett performed acactus cafe early in their careers, and whereas it has evolved with our local music scene over the years, their artists and residents program and views and bruise are two programs instituted recently to engage new audiences. And whereas we are pleased to join music lovers in celebrating cactus cafe's 35th anniversary and acknowledging as contributions to austin's renowned, the live music capital of the world. Therefore, i, lee leffingwell, mayor of the city of austin, do hereby proclaim february 14th, 2000, as cactus cafe day. And I know I don't look like lee, but ... [Applause]

>> thank you. For the past 35 years, the cactus cafe has been a haven and spawning ground for ledge dairy and soon to be legendary song writers and bands. We are proud to be part of that experience, past, present, and future. We'd like to thank the following individuals who have been the lifeblood. Mr. Limburg, our guys for many years, it was his passion for song writers that help the establish our reputation. Chris lewik and susan, who join had he today with a combined 50 years of service, loyalty, and dedication, help us continue the cactus tradition. Chris and the staff are invaluable to what we do every day in serving the music community. Our sound men past and present, present jeff hoskins and jesse cheek, the texas union, bob lawrence, claudette campbell and their staff, bill powers for continued support and friends at the longhorn network who bring the cactus experience to a whole new audience. At kut, bob cross, hawk man denhall, matt riley and the rest of our staff that plays a part day in and day out. I'd like to have a special thanks to my wife samantha and our daughter austin for helping me do what we do every night. Above all, we'd like to thank the musicians and patrons that have graced our stage and walked through our door for many years. Thank you, council members for this recognition.

[11:43:42]

[Applause]

>> dr. Cole here.

>> You introduced the austin symphony with me a few years ago.

>> You ply in the symphony?

>> I just play guitar, austin classical guitar.

>> Well, great. My pleasure to present a distinguished service award to an austin citizen who has given back over and over to our community as a classical guitarist, one of austin's creative class, which we're so famous for, and, matt, I want you to know we really appreciate what you've done in your ten years as executive director of austin classical guitar. This award is for that ten years as executive director of austin classical guitar, who transformed the group into an arts leader. Matt hinsley is serving public acclaim and recognition. In 2003, acg was small with one five-concert series and fledgling volunteer driven education program serving 50 students. A decade later, the organization has three full-time staff educators who teach and train others to teach more than 2000 students at 40 austin schools. Under mr. Hinsley's leadership, concert offerings have expanded to reach new audiences through six series that have brought the world's greatest classical guitarists to the austin area. His contagious enthusiasm for the arts has led to successful performance collaborations for austin audiences. Acg's austin goes classical in 2010 involved a partnership with a guitar foundation of america on a festival that featured more than 60 events and drew more than 10,000 participants. We're pleased to recognize matt hinsley's fine work on behalf of guitar and performance, with this certificate, presented the 13th day of february, towered, signed by myself, lee leffingwell, mayor of austin. Congratulations, matt. I'll give you the opportunity to say a few words.

[11:46:26]

>> Thank you so much. [Applause]

>> thank you so much, mayor leffingwell. Thank you all for being here. Special thanks to my wife glenda, my friends mike and linda, board members, carl, molly, kendall, ically, all my dear friends. In 1998, city of austin, through the contracts division, decided to say yes to us for an application we made to provide free concerts for diverse audiences. We've had a relationship with the city ever since. That program since played to more than 40,000 diverse young kids in austin schools. We grew to be the largest classical guitar non-profit organization in the country in 2005. We've grown considerably since then. We have guests from all over the world that come to learn how to build education programs and organizations similar to ones that we have here and it wouldn't be possible and isn't possible without the city of austin and without the support that we've received all these many years. 2001, mccollum high school side yes to us when we asked if we can't come and develop a new subject area there at the school called classroom classical guitar, and since then, with McCallum and austin independent school district's support, we've supported thousands of kids. We have a curriculum design that we add to constantly that is in use in over a thousand places in the world. It's been a marvelous, marvelous journey, and again, we couldn't have done it without the openness of this community. In 2010, seems like the entire city, including you, mr. Mayor, said yes to us. Mayor lee leffingwell introduced a closing night of that festival with pepe romero and the orchestra, klru, kut, cactus is a great collaborator of ours. We've got a show tonight on our series, the alamo draft house, and so many more, when I've called and had an idea or question or needed help, the answer is almost always yes. Thank you, austin, thank you for being a city that said yes to me all these years. I couldn't have done it without you, and thank you all for being here.

[11:48:45]

[Applause]

>> so we're just trying to figure out how we're going to do this because we've got a couple of things to do, and that is to recognize discovery engineering week here in austin, and also to present a distinguished service award with an associated act by mr. Rick McMaster here, also known as dr. Cole. I've been told a little bit about what we're going to do. It sounds exciting to me. I'm looking forward to it. First of all, it's always my pleasure to recognize engineers. I am an engineer by education, myself. I have a degree in mechanical engineering from the university of texas, but as I tell people on a regular basis, my greatest contribution to the field of engineering has been the fact that I never actually practiced as an engineer. So there's nowhere to go from here but up for me.

[11:50:57]

So the proclamation reads: Be it known that whereas austin industries, based on engineering and technology, feed our local economy and retain highly educated workers in our area, because engineers play such a vital role in our society, it is important to ensure that children discover careers in science, technology, engineering, and mathematics-related fields, sometimes called stem, and whereas volunteers for local companies, organizations, and institutions are making classroom visits during engineer's week, february 16-22, and will continue the rest of the school year providing hands-on activities and a discussion about the importance of engineers in society and career opportunities available, and whereas, we support these efforts to inspire students to pursue careers designing our future and improving our world, now, therefore, i, lee leffingwell, mayor of the city of austin, texas, do hereby proclaim february sixteenth through june 5th, 2014, as discover engineering period in 2014, in austin, texas. So I'll present this to you, doctor, and before I bring you up here, I want to read this distinguished service award, recognizing your services as an engineer, and also I understand as an entertainer sometimes. For 20 years of involvement in local engineers week efforts, rick McMaster is deserving of public acclaim and recognition. Recently retired from ibm, rick dedicated much of his time away from his own engineering-related responsibilities to sharing his passion for science technology, engineering, and math, with k-12 students. When rick first joined engineer's week efforts, it was a one-week event led by three companies with a handful of volunteers. Now it's a year-round program involving hundreds of volunteers from 60 companies and organizations and serves 15,000 central texas students annually. Rick has developed the dr. Cole persona, who demonstrates how cold is cold to students on high school visits. And rick was named one of the 13 winners worldwide of the ibm volunteer excellence award this past march for his contributions to expanding local discovery engineering activities. We're pleased to recognize rick McMaster for his exemplary efforts to promote stem-related studies in careers among our local students via this certificate presented the 13th day of february, 2014, signed by myself, lee leffingwell, mayor of the city of austin. Rick, congratulations to you. You're loaded up, I know, with papers here.

[11:54:03]

[Applause]. I'll just turn it over to you and let you go from there.

>> Okay. Thanks, mayor. Let me talk a little bit about engineer's week first. Our local program is part of what's now called discover engineering and be it wouldn't be possible without the support of firms and organizations throughout the greater austin area. I'm not going to go through the list because I would go well beyond 6 o'clock. Last year we reached almost 12,000 students in classrooms alone, and another 9,000 in other venues. We had 300 volunteers from a hundred business educational institutions and professional societies. This year, the thinkery, used to be called the austin children's museum, is kicking off engineer's week with the asce and acea on saturday, february 15th, hosting engineer's day. The week finishes the following saturday with stem and sports also at the thinkery, hosted by time warren cable, and girl day at the university of texas at austin's school of engineering. This year we've started something new. It's called science thursdays at the texas state history museum. Students who are visiting the museum on field trips get an opportunity to do some short engineering or science hands-on activities that's tied to our texas heritage. The next science thursday is during engineer's week on february the 20th. Our school visits are going to continue through the end of the school year. There are plenty of opportunities for educators and volunteers to come join us, and get kids excited about, as we call it, stem. Now on to, you know, kind of my role overall. First I want to offer some thanks to my wife, daughter, who tolerate this extra time and have helped tremendously in terms of developing some of them, and my thanks to all my friends and all the volunteers who have also made it possible. Now, one thing that I have learned in dealing with students is, you shouldn't talk too much. What you should, instead, do is show them some exciting science or let them do some hands-on engineering activities. So that's what we're going to do now. So bear with me for a second.

[11:56:47]

>> So what I have in the cup is in nitrogen. Now, nitrogen makes up about 80% of our atmosphere, and we breathe it in, and we breathe it back out, and we don't use it. Now, when we turn it into a liquid, it ends up boiling at 321 degrees below zero fahrenheit. For those of you who are not from the united states, that's the same thing as 196 degrees below zero on the celsius scale, dated myself there, or as scientists like to say. Now, I expect that most people have had experience dunking graham crackers in milk. If you leave them there just a little bit too long, they get soggy, they fall down on the bottom, you end up with sludge that no one ever likes to drink. So instead, we take our graham crackers and we dunk them in liquid nitrogen. Now, to show this is safe, I'll demonstrate it first. And, mayor, you can see it boiling furiously.

>> Mayor Leffingwell: Yes.

>> Okay. I'm going to shake off any excess liquid, then I'll eat the graham cracker. Now, the mayor being the engineer that he is has agreed that he is also going to try this. Are you ready? I've done hundreds of these and my tongue is still intact.

>> Mayor Leffingwell: Okay. Does it hurt?

>> No. Just don't let it stay on your tongue too long, or you may not be able to talk a whole lot during the next session. Chew fast, and breathe. And I know we've made an exception. We're allowing food in here, and smoking.

[11:58:55]

[Laughter]. Hold at that end, take a big about it, and chew. [Laughter]. [Applause]

>> Mayor Leffingwell: You're onto something here, I think. You know, I like graham crackers anyway, but crispy like this, and cold.

>> Especially on a hot day in the summer.

>> Mayor Leffingwell: Okay.

>> Okay. Good. Great. [Applause]

>> you and I immediate to take a

-- you and I need to take a picture.

>> Wait a minute.

>> Okay. Thanks a lot. [Applause]

>> Mayor Leffingwell: Come on up, ingrid. So I'm here today with ingrid wiegand with austin energy, and it seems, ingrid, like almost yesterday we were standing up here doing this. That's how fast this past year has gone by. Does it seem that way to you?

[12:01:04]

>> Yes.

>> Mayor Leffingwell: All right. So as I said, ingrid works for austin energy, a great community citizen.

One of the things they do is sponsor an event for

-- a science event for kids to get engaged in science, to get interested. You know, the buzz word today is stem. We've talked about it a couple of times in the last few minutes. Science, technology, engineering, and math. And I've got

-- I was just telling dr. Cole here, mr. Rick master, that earlier this week I was at the free scale plant at south austin. They're sponsoring the marathon this year, it'll be this sunday, and I met a group of kids from westlake high school who were into this stem stuff. And they demonstrated a robot that is actually going to run in the marathon. And so they said

-- they told me, well, it runs 20 feet per second. So how many of you know, is that fast or slow? Let me tell you, we did the math on it. It's fast. That robot, if it keeps that pace, is going to finish the marathon in under two hours, and I predict that would win the marathon. So science, right so I have a

proclamation in honor of science festival days. Be it known that whereas science festival 2014 will showcase the talent of almost 4,000 elementary through high school students from public, home, charter, and private schools throughout the greater austin area, and whereas science fairs like science festival 2014, with a theme in choir, learn, and create, help spark an interest in children to pursue science, math, and engineering careers. And whereas we congratulate the participants, especially those whose winning projects will go to state and international competitions, and we thank austin energy, our community-owned electric utility, for sponsoring and organizing this important event for the 15th year in a row. Now, therefore, i, lee leffingwell, mayor of the city of austin, texas, do hereby proclaim february 19th through the 22nd, 2014, as austin energy regional science festival days in austin, texas. Congratulations, austin energy, and congratulations. Ingrid, would you like to say a couple of words?

[12:03:37]

[Applause]

>> thank you. Thank you, mayor. So the first thing I would like to know, dr. Cole, since we're reviewing documentation, we would like to see your parental approval for what you just did. We would like to see the risk assessment form. And since you used a human subject without prior consent, we do need to see a form for that, too. [Laughter]. It does sound like a lot of work, but we work with about 2500 students, a total of 600 projects, from third grade through 12th grade. They come to the regional science festival, they have one at their local schools from 10 counties surrounding austin, from 23 school districts plus the private and charter schools, and they come to us with their projects. They're evaluated at the middle and high school level by subject experts, many of them good gee, and winners advance to the state and to the international fair. Typically we do really well, which is both a reflection on the education level here in austin and on the level of judges that we get from the city, from the local industries, from colleges and universities, for which we are very, very grateful. The fair happens february 19th through the 22nd. We do two different fairs, a junior and senior, meaning middle high school fair next thursday, the 20th, and an will remember fair on the 22nd. And we would invite all of you to come and participate. We have a lot of people who help us, including wonderful sponsors and as rick said, there are way too many to mention, but we could not be doing this without community support and without the support from the city of austin and austin energy. And on that note, I would like to tell you, mayor, that I no longer work for austin energy.

>> Mayor Leffingwell: Oh, no.

>> Oh, no. I happily retired last september and started a new foundation, the austin science education foundation, which provides support for the regional science festival. Congratula congratula tions.

[12:05:40]

>> Thank you very much. [Applause]

>> I can read from it.

>> Hello. So you're running this program now?

>> We'd love you to read the proclamation and I can go ahead and read a couple of words.

>> Hello. How are you doing?

>> Good to see you.

>> Thank you. It's a pleasure.

>> Good to see you.

>> Hey, guys.

>> Hello. How are you?

>> Mayor Leffingwell: Seems like a few years ago now that I actually sponsored the program we're about to name some annual winners for, the wildlife habitat program. And every year, part of the program was to sort of organize contests between various neighborhoods around the city to see who could have the most wildlife habitat areas in their neighborhood. So we have a couple here today, but I want to say it's not just neighborhoods. The program is not just neighborhoods. It was part of an overall constant vase effort that we began back in 2007, 2008, something like that but we also certified places of business,

houses of worship, schools. As a matter of fact, I know it seems hard to believe, but where we are right now, in city hall, is a wildlife habitat. Some people thought it was before it actually got certified as such, but that's another story. Right? So it's my pleasure to honor two neighborhoods today, who are co-winners of the

-- one might be first and one might be second; right? I better look at this. I'm going to read a proclamation, and then let our new administrator of the program who works for the parks department come up and take it from there.

[12:08:38]

The proclamation reads: Be it known that whereas the city of austin strives to create habitats suitable for wildlife within backyards, school yards, public areas, and places of business and worship, and whe parks & recreation department's wildlife austin program recently concluded its neighborhood habitat challenge, winners organize wildlife habitat enhancement projects at local parks, schools, greenbelts, and certified the most individual residences as habitats with the national wildlife federation, providing butterflies, song birds, humming birds, frogs, lizards, snakes

-- that's not in there

-- other species with food, water, cover, and places to raise their young, and whereas, in this case, the windsor park neighborhood placed first with 20 new certified habitats, and the miller neighborhood placed second with 12 new habitats, now, therefore, i, lee leffingwell, mayor of the city of austin, texas, do hereby proclaim the windsor park and miller neighborhoods as winners of the 2013 habitat challenge in austin. So congratulations to members of both neighborhoods. I'm sure you're going to have a chance to say just a few words about what you've done in your neighborhoods. But first, I'd like to bring up our parks department representative.

>> Thank you very much, mayor. Thank you all for being here tonight. I'm meredith gray with the city of austin marks and recreation department with the wildlife austin program. The 2013 neighborhood has been cat challenge began in 2008 in an attempt to motivate austinites to be if I'd certified as a community wildlife habitat. The neighborhood with the most certified habitats with incidence the challenge. The year's challenge was another great success. As you can see, windsor park won first place and the miller neighborhood won second place with 12 habitats certified. We at parks & recreation wildlife austin program are so honored to have worked with these dedicated neighborhood representatives who make austin an even better place for wildlife. We have over 132 newly certified habitats in 2013, bringing austin's total tallies to more than 2000 wildlife habitats. Also, austin has now been certified as a community wildlife habitat for five whole years. We should be very proud of every one of those five years and I know that we will continue to set a standard of excellence among community wildlife habitats everywhere. Wildlife austin will continue to work with these dedicated volunteers and austin citizens to keep austin wild. So with that, I would like to say congratulations to the windsor park and miller neighborhoods and other participating neighborhoods. Great job, and thank you very much from wildlife austin.

[12:11:35]

[Applause] and please come up. We'd like to have a representative from miller and windsor park if you'd like to come up and say a few words, you're welcome to at this time.

>> Hello. I'm jeanette swanson from the windsor park neighborhood association. And I would like to thank all of the residents of windsor park who, over the past five years, have been certifying their yards. One yard at a time. It really has made a difference, and I think this is a wonderful community project. I'd also like to thank lauren roe for wildlife austin for her support and her encouragement in making things happen. Also, the city of austin has made fee waivers available, and that has been a terrific boom for all of us and we thank you for that. Finally, I think this is a wonderful project, and I wish that more neighborhoods would participate in this. Thank you. [Applause]

>> I'm helen mason. I was the chairman for miller, and I want to thank the city of austin for promoting the wonderful gardening practices that the wildlife habitat challenge presents to the people in our neighborhood. It's made people very aware of good practices in their garden, and we were pleased that we could be part of this effort. Thank you. [Applause]

>> okay. We'll take a picture over here.

>> I forgot to mention that my backyard is a national wildlife habitat, and my neighborhood, a couple of years ago, is certified.

>> Certified for something, anyway.

>> If we could just do one with the whole group, then one for each separate neighborhood.

[12:15:14]

>> Mayor Leffingwell: Night to meet you.

-- Nice to meet you too. Clear.

>> We are recognizing and celebrating national women's day, he can connecter. We have a proclamation for you. Be it known that whereas women and children suffer disproportionately from poverty which has inspired the austin based connecter to pry services to women and children around the globe, and whereas connecter uses social networks for fund raising in order to provide support for those women and children in underdeveloped communities who are willing and driven to work for self-reliance, and whereas a major connecter project is the annual girls impact on the world if I am festival, which brings together young social activists and film makers to share their stories, and to bring awareness to such issues as education for girls, maternal health, and violence against females, and whereas connecter's goal is to give hope to and collectively work to make a difference in the lives of as many women and children in need as possible now, i, lee leffingwell, of the city of austin, do hereby proclaim march 8th, 2014, as international women's day. There you go. [Applause]

>> I just want to thank the mayor and mayor pro tem for actually recognizing connecter, which has worked on international development issues because I think sometimes like we focus, you know, on just the city of austin, but the city of austin has been so supportive and the people of austin have been so supportive of us and our quest to advance women and girls worldwide, so we just want to recognize that. And then I also want to accept this honor, this honor in the name of the women and girls that we help serve all over the world. And I think instead of just talking about what we do, just real quickly, I'll just highlight two of the women. One woman is in pakistan, she's a 23-year-old, very clever girl who has created cooperatives all over the country, and especially in rural areas, to help women produce handy

crafts, and she's convinced all the men to help them to create handy crafts. And understand they sell them, and the women are educated at the same time. These are brilliant and empowered women, but sometimes they just don't have a voice. And so we're just so happy to help, you know, be in a position to provide that voice. And the girls impact the world film festival, we produced that with harvard students and groups, and one of the girls who won last year's film festival, her film was on sex trafficking in oakland, california, and so because of her film and winning her film, the city of california -- the city of oakland has a renewed effort to fight and combat sex trafficking in the oakland area. So just want to thank my husband, who's my best friend, and my mentor and just everyone. Thank you so much for honoring us.

[12:19:06]

[Applause]

>> come on over. How are you? I'm sheryl.

>> This is a proclamation for v day. Be it known that whereas domestic violence is a serious crime that affects people of all races, ages, gender and socioeconomic levels, it is the leading cause of injury to women, more than car accidents, must going muggings and rapes combined. Whereas every day two people report being raped or sexually assaulted in austin, and 90% of travis county sexual assault survivors knew the person who assaulted them, and whereas v day calls on women, men, and communities everywhere to rise in defiance and celebration, the power of art to educate, transform, and transpire, and whereas we urge austinites to show their support for survivors of violence and sexual assault by activities planned by v day austin and d-day austin in espanol, specifically the one event in the austin community of the vagina monologue. Now, i, lee leffingwell, mayor of the city of austin, texas, do hereby proclaim february 14th, 2014, as v day. [Applause]

>> thank you. My name is lara, I'm one of the organizers for v day. I've been involved in the v day movement since 2001. I just want to let you know that last year, our event at the capitol was one of the many v day events, in 207 different countries. On this day last year, we rose, we danced and demanded an end to violence against women and girls. This year escalating our efforts and calling on men, women, and children everywhere to rise, release, dance, and demand justice, and that's what we're going to be doing tomorrow afternoon, right here on the steps of city hall. One pulp rising for justice. It's a global call to women, survivors of violence, and those who love them, to gather safely in the community outside the places where they're entitled to justice. It is a call to survivors to break the silence and release their stories politically, spiritually, outrageously, through art, dance, marches, ritual song, spoken word, and testimony, and whatever feels right. So I urge you to come here, to city hall tomorrow, from 4:00 to 6:00 for a one billion rising for justice event. And please go to our facebook page, v day austin, and you can also learn more about the v day movement at v day.Org, and one billion rising for justice.Org. Thank you.

[12:22:30]

[Applause] [♪♪music playing♪♪♪♪]

[13:07:33]

>> mayor leffingwell: We're out of recess. We're still working on our morning agenda, and take up items 90, 91, and 92 together. Those were pulled by council member tovo. We have several people signed up to speak. Would you like to hear from them first. David king, you are signed up on all three items but you only get to speak once, because we're taking all of them at the same time.

>> Thank you, mayor, and council members.

>> I was wondering where the other council members are.

>> Mayor leffingwell: They'll be here, go ahead. They normally don't come out until we start. We're almost full now.

>> Yes, sir. I'm here to speak against these three resolutions to waive the notification and the right of objection for these three events. You know, I'm at a loss to understand why. We've had these processes in place for years. I would say thousands of events have gone through this process, and it's worked out well. It's worked out well. So why? I hope to hear an answer about why and why those three events, and what precedent does this set? Is this what we're gonna expect with the new special events ordinance where we were told nothing is going to change in the notification in the objection process, nothing is going to change, tell stay the same. This certainly

-- certainly is unsettling. So why justify it. One thing I heard is: They need certainty, the sponsors need certain that the appeals process would take six months, and that's too long. If we go six months if someone were to object, we go six months they won't be able to do the event because the sponsors won't sponsor it. The sponsors won't do the event. That has been the case since these have been in place. Why is it different from fun, fun, funfest? I would like to hear a straight and clear answer to that question. Why? It's worked out. I have participated myself, in many of these processes with these sponsors of events and promoters. It was a give and take. But it has helped our neighborhood. And the event went on. And it worked out well. So I don't understand why we're here to upset the apple cart like this. I ask you to please, keep the balance of power in place, don't change it. The outcome will not be good. The neighborhoods will feel like they're being purposely pushed out for these three events. So they can happen. Everybody wants certainty. Early this morning, businesses want certainty, the sponsors want certainty. Get everything out of the way so we have certainty. What kind of neighborhood will we have, and what results will we be, if we don't have neighborhoods with a seat at the table and leverage, to say these are the issues, please help mitigate them. Thank you.

[13:11:15]

>> Mayor leffingwell: Carolyn moen m-o-h-i-n. Apparently not here. Carolyn crimmona? Ok. Let's see. How about gayle romney? Clerk, if you could combine these lists, it will make it a little easier for me, please.

>> Yes, I can certainly do that. Thank you. Thank you for the opportunity to speak upon this. I'm here -- my name is gayle romney. I'm here on behalf of ballet austin for this. We're concerned and therefore against the sudden addition of the agenda items to approve the waiver of notification requirements that allow certain individuals and neighborhood associations to object to the street closures. We're particularly concerned about item 91, which is the ninth annual austin urban music festival to be held

march 28 and 29, which is coming up in six weeks. The road closure will negatively impact our performance at the long center. Those are dates we've had to confirm for three years. We always have to confirm three years ahead. People at the long center performance [indiscernible] for access at long center. I continue is only going to be closed partially, but it still creates some traffic issues. Only six weeks, to date there has been no notification whatsoever to the long center. The specific event, in fact, is not even listed on the austin center for events site as a special event. I checked even again today. So our issue is that we're not really trying to stop events, but if this agenda item is passed and a precedent is set, it will not provide ballet austin or any other affected neighborhoods or businesses the opportunity for our usual level of communication with the event planners and not give the event planners any level of responsibility to make accommodations, reasonable accommodations to the effected parties. We will spend the remaining time dedicating a portion of our nonprofit staff to attend meetings to review the traffic plans, working with transportation department to make sure of placement of the signage to redirect signage. To make sure ticket holders can park in the parking structure. There is a cost associated with all of this. We just would like the assurance that parties -- you know, when we work with the event planners that there is some process by which both parties have responsibilities. Thank you.

[13:14:16]

>> Mayor leffingwell: I have a question for you. So this is coming up pretty soon, this particular event, march 28 and 29. And my recollection is a couple of years ago, somewhere between one and four years ago, let's put it that way, there was a major amount of confusion that was caused by an event going on at the long center at the same time as the urban

--

>> it was the opera.

>> Mayor leffingwell: Yeah, the opera. So you said you have something scheduled for those dates?

>> We do have a ballet performance that has been scheduled for three years, MARCH 28 AND 29

-- AND 30th.

>> Do you know the street closure there

-- you

--

>> mayor leffingwell: You are talking about riverside drive. Is that planned for closure on those dates.

>> It is my understanding that that is why these are being passed to close riverside drive from lamar to the traffic circle.

>> Mayor leffingwell: Thank you. Is there somebody here from staff that can verify that, or not?

Somebody right behind you, if you will yield, please.

>> Director of austin transportation department. In working with the parks department and the event promoters, the main venues will be, of course west of the palmer center. So there is discussions about partially closing riverside drive to provide space for people to move back and forth between there and the shore. I think we're continuing to work with them on what the exact parameters are of that closure. And I think the discussions are ongoing.

>> Mayor leffingwell: Well, based on what I hear from the people who operate the long center, that

portion of riverside between the circle and lamar boulevard is the most heavily used route for their patrons to get to a performance at the long center. So that being the case, why are we even considering closing it?

[13:16:34]

>> I believe the closure discussion has been in at least one of these cases between the roundabout and let's say the railroad tracks. So the more central portion. But certainly the roundabout is one of the best ways to get into the parking garage.

>> Mayor leffingwell: Yeah. So if this item is passed, there is no recourse for the people at the long center to argue this case, to protest that? Is that correct?

>> Well, we will continue to work with the long center and ballet austin to find the best accommodation. But the movement of these events from one part of the park to another has resulted in some other configurations. So we need to continue to work with them to minimize the impact to ballet austin and make sure their folks understand how to get in and out and has the least

--

>> mayor leffingwell: What they're asking for is that you minimize the impact by not closing riverside.

>> I haven't been directly in the discussions with them. That's certainly something we can look at. And we'll work with all of the stakeholders to see what the best solution we can find.

>> Mayor leffingwell: Can you confirm that? That is your objective is to not close riverside?

>> I haven't seen

--

>> mayor leffingwell: I meant for her.

>> Obviously, we would not like riverside drive closed. In the past, we have been able to make accommodations, it requires a lot of teamwork and as I mentioned before, there is a cost associated with it that unfortunately usually comes to bear on the organizations that are the ones affected. So we're talking about the notification process and then not really having the recourse or the requirement that there are. And I know the city has always been great about trying to work with us, but everybody is under a budget.

>> Mayor leffingwell: Yeah, I just have these images from several years ago with the conflict. Ladies in dress for the opera, so to speak. In fancy clothes walking in high heels trying to get to the long center.

[13:18:54]

>> Tovo: Mayor?

>> Mayor leffingwell: If I could follow-up on the question. One of the reason the provisions are in place is to prevent that situation and prompt the conversation between the venues that have shows down there and the event promoters doing events. I need to ask mr. Durr a couple of follow-up questions. The question the mayor asked about if these items passed will there be any recourse for ballet austin and long center, there won't be, we will have granted the street waiver, the street closure after that decision is reached.

>> My understanding of the action before you is not specifically to approve the closure or not approve

the closure. It is just to take away a part of the process with the notification. I think we, as staff, our duty is to really look at the closures and see what is needed and what makes all of the activities in the area work. So it is really going to be our signing off. In fact, it will be me signing off on the traffic control plans that have really set the final limits of the closure.

>> Tovo: Well, the text, we have one line of backup. And it is approved. Approve the waiver of certain closure notice requirements that allow affected individuals and neighborhood association to object to street closures. The process we have in place allows or requires an event manager to notify the effected parties and other businesses such as long center and they have a right to appeal the street closure. That appeal, if it ever get to this point would come to the city council. In my time here, I don't think we've had any come here to council, they're typically resolved because of the conversation and because there is some leverage that effected parties have as a part of the process. Just to be clear, our action today will not necessarily close that street, but we are taking anyway their ability to have leverage to say it would work better this way or work better this way. In my view of it, in my observation, it seems like the parties are almost always able to come to an amicable solution that allows events to go on and be successful, but also allowed the other activities that are going on in an area, including those that have invested three years' worth of time planning an event can also have a successful event. So what -- do you have a sense of why this is before us today? Why the promoters did not notify? Did not -- were not able to notify or did not notify the affected parties in time and could not comply with the process that is in our ordinance and has been for three or four years?

[13:21:50]

>> I cannot speak to why the two that are later in the spring have not gone through the process as required by the ordinance. We work with the events that happen year-to-year to help them move forward. Again the factor that has come into play here is the movement of venues from auditorium shores across riverside. I think we are working with them to find the limits of those activities so that we can set the closure areas and where we're going to fence and all of the other pieces. But we'll certainly -- I know there have been meetings already and we'll continue to meet with the interested parties in the area to find the best solution. That's really our job to see if we can make it work for everybody.

>> Mayor Ieffingwell: If I could just interrupt. Gordon, you're being very tactful, but I feel like based on this back and forth here, we need to remind everyone that you didn't recommend that we go through this

-- not going through this process. This is an item from council. This is a council

-- council sponsors the three items that are being asked. I believe councilmember riley and then councilmember martinez then.

>> Riley: I appreciate the questions and comments and agree this isn't the normal process. I want to add more information in context to why we are here. That is because auditorium shores is under construction this year. We're taking 25 events that normally happen at auditorium shores and whittled them down to the four music events and one nonmusic to the wine and foodfest. Going from 25 events to five. Have to figure out how to reconfigure them. The reason the waiver is here is because, one, they didn't notice, they didn't go through the process, but more so, two, because reggae and urban have never closed down riverside and had the notice. They didn't know the requirement was there. Fun, fun,

funfest has noticed everyone that is required and they are willing to work with the neighbors on parking and all of that. This is not setting a precedent for how we will handle this moving forward. This does not speak to changes in the special events ordinance. This literally is three events that, you know, we need to figure out how to allow the events how they happen if they wouldn't to support urban music fest, reggae fest and fun, fun, fun. And then get back to normal operations. There have been times when riverside in the past and the lyric opera and other events at the long center had to work with those events and figure out how to do the roundabout and only the eastern edge of riverside. It is not unheard of. It is difficult. I will grant you that. And what the mayor is referring to, is reggae fest and opening day of the opera a few years ago. It was a mess. It was a parking nightmare. We could have done better about that. We're not creating that scenario over again, necessarily. It may not be the perfect scenario but we're just trying to, one, continue to support the events that happen at long center and palmer events, but at the same time, try to put this 12-month advance aside so these events can still happen and we can get back to our normal operations at aurd torium shores. I want to make that real clear. Transmission is here who does fun, fun, funfest. Since they were brought up, I want to ask them to come down. If you could

-- javi if you could share what you have done so far in terms of noticing and what you are willing to do, moving forward, to continue working with the effected neighborhood associations and nearby residents as it relays to parking, sign, all that stuffer.

[13:25:55]

>> I'm bobby garza from city events, former city employ. I being we are willing to work with the neighborhoods to find the best solution. Our intention right now is transportation has the ability to approve or deny our street closure and our ability to work with or not with the stakeholders is contingent on that. Our goal is to, you know, try to mitigate circumstances as much as possible. I don't think anybody agrees that this is the right set of circumstances for what's happening in that area, but what we have offered to do, and our closure is going to stay open, except for the three days that we have our festival. We will leave to open from 9:00 to 4:00 and cross through traffic during the week can happen. We thought circle drive would be nice to have for the festival. After getting our footprint approved, they told us they needed that spot. So we were more than happy to adjust our closure to make sure circulation happens that way and we'll have dynamic messaging signing, which is to our patrons which is to don't attempt to park near the park. Take alternative transportation. Take bikes, buses, park downtown to do whatever you can to not affect the area. We're paying for street closures in the boldon neighborhood, along dawson and boldon. We are happy to have discussions with public safety about how the best

-- how we can best craft that plan to ensure that everybody is sort of held harmless. I think that in the end, the biggest concern for us is that everybody is

-- while we're all sort of uncomfortable about the situation we're good neighbors. The thing I offered to mr. King when I talked to him earlier, which I upon happy to do and include council staff in is have monthly meetings and continue to craft the best solution possible.

[13:28:00]

>> Martinez: One of the considerations for riverside came from a meeting with park staff they was in, because of the impact to the parks in terms of foot traffic, the suggestion to close riverside and put vendors on hard pavement was specifically for that reason. Because that is the most impact to the grassy areas during events. And they felt like closing that portion of riverside, putting all the vendors on riverside proper would allow for the new sod not be tramped down as much during the events and be a shorter recovery time.

>> If I could add one more thing?

>> Martinez: Sure.

>> The reason this is different from last year, last year there was a street closure during the curation of our festival. We didn't ask for a waiver. We went through the normal process and that is what it was. The difference here in terms of the footprint is we were closing off the drive for public safety concerns, but we were willing to let it go through the process. But in the final analysis was to close off the street. There is auditorium shores across butler park. There is no way to have the festival if the street is open. For us, in terms of predictability and to plan out the festival properly, this gave us the most amount of assurance.

>> Mayor leffingwell: I want to ask you a question while you're up here.

>> Yes, sir.

>> Mayor leffingwell: Is it urgent that this be acted on today? The reason I'm asking the question is because it is filed as an addenda, early monday morning, very late, all three of these items. Although our rules call for an explanation of why, why it is important that this is urgent and we need to act on it this week, I haven't seen an explanation of why it is urgent for any one of the three items. Is there indeed an urgency it is done.

[13:30:12]

>> Hang on bob. The filing monday morning is because the city was closed on friday. That is when we would normally post items.

>> Mayor leffingwell: I'm aware of that. The filing deadline is really wednesday afternoon, the previous wednesday.

>> But every single council meeting we post items on friday.

>> Mayor leffingwell: Well, it is done, but that is not in accordance with our rules. The question remains and I would like to ask bobby, as I did originally, what is the urgency?

>> I think our festival planning has been put back quite a number of months already in order for us to do what we need to do for a festival. The longer time it takes, the more it hurts us, the more financial penalty we incur. I can't comment on what the will of the body is. That is up to you guys. I don't have a vote. My preference and my hope is that we get this done sooner than later.

>> Mayor leffingwell: One more question. Is there any known conflict. We heard of a conflict

-- not with your event, not with fun, fun, fun, but with the urban music festival. Do you know of any conflict, anything that is happening a big event at the long center during fun, fun, fun.

>> I think there is one event over the week, but I can't think of what it is. The folks from the long center can probably speak to that. When we asked for our dates we gave all the stakeholders a range of dates

to work with this is the one they decided was least impactful. So we tried to mitigate as many concerns as people had.

>> Mayor leffingwell: Well, I realize, it has been pointed out, this is a special situation this year because of the extensive work on the park and that creates a little bit of a different situation, but I still think there has to be some working together between the two event holders between the long center and people using the park. And I'd like

-- I want to find some way

-- I may vote for one of these and not others. That may be the case for me. Just if I can find out what the specific conflicts are.

[13:32:27]

>> If I can answer a question

-- well, a comment, if you would let me? Part of the process for parks actually approving our footprint leading up to this over through december was us meeting with affected stakeholders so we could craft the least-worst solution.

>> Mayor leffingwell: The affected stakeholders in this case are really one. One. That is who you have to work with.

>> We're happy to work with them and happy to work with the neighborhoods to make sure we can do as much as we can.

>> Mayor leffingwell: As far as I know the neighborhoods are not having a festival or ballet that weekend. Councilmember tovo.

>> Tovo: I want to be clear about the effect on stakeholders. The long center and ballet austin, the lyric opera and others who have events are affected stakeholders. The neighbors to the sold are affected stakeholders, boldon, silver, it impacts the ability to get in and out of houses and neighborhood throughout the weekend. As we have heard from that community loud and clear, the events on auditorium shores have an effect on their quality of life. That is a concern. I appreciate your willingness to work with the affected stakeholders and work through those. How to have a successful festival and address some of those concerns. I have faith that you will, but I still don't completely understand why we need to waive the process. It has worked. It is set up for a reason, and it sounds like you have time. So I guess. Lots of e-mail about the three items on the agenda here today. But the one several people has zeroed in on is yours, it does allow for the discussions to take place within the normal process of notification and right of appeal.

[13:34:28]

>> Sure. Just to clarify. We did send out notification. We did that this week.

>> Based on notification. We did that part and not trying to waive that part.

>> If we could through a six-month process. We can't close the street we will lose our festival and we will have spent quite a lot of money to do that. The sooner

-- which is why I said the sooner we can get our stuff locked in, which means we can continue to engage with everybody like we would normally, but having the ainsurance means we can confidently ensure

that the festival is the best it can be.

>> Tovo: I will throw out one potential option. We received a letter from the ballet austin, the bolding creek neighborhood, and others expressing concern more concern about the event that's far out than the two coming up soon. We do have a special-called meeting scheduled for next thursday. I know it has a particular focus and intend. At a minimum, I would say if there is a council will to consider these seriously and pass them, I would ask at least give the stakeholders involved one extra week if not two extra weeks, what arrangements they might make from vent promoters before we give them the right to appeal.

>> Mayor leffingwell: I would say the two weeks for the subject purpose. It will be short. We won't convene the meeting until 1:30 in the afternoon. I would prefer

-- I think that is a good idea, if you can live with that, that we address this in two weeks and maybe we come back with a plan of sorts, that is worked out. Some kind of agreement to cooperate and collaborate on these traffic issues. Councilmember morrison.

[13:36:40]

>> Morrison: I guess I appreciate the comments from councilmember martinez, because the bottom line is, we've sort of made our bed when we decided to do these modified, smaller

-- I guess it is the west side of auditorium shores and across the street. Not being able to clear up the street. It sort of seems like a done deal, in a way, the fact that we even approved those in the first place. So in essence, I appreciate that the fun, fun, funfest has been noted and the others were sort of caught unaware, so there is a special situation there. So what it really comes down to, for me, from a logical perspective is we're talking about whether or not the appeal right is there. That is really about who has the final say, if it is staff that has the final say or are folks uncomfortable with that because they want to bring the question to council, in some way. I wonder

-- I appreciate the timeliness issue for you all in six months. I wonder if we could

-- this would be a question for staff, if we could consider actually creating, say, for fun, fun, funfest, a shorter appeal time, for one thing, because I know that everybody will hit the tables and really try to work this out right now, if that would actually be something we could consider, if the will is to postpone it and shorten that six-week period two weeks from now or even do it tonight.

>> We can certainly look at options for you. Are you talking about shortening in terms of getting it out an the time limit for someone to appeal?

>> Morrison: Right.

>> We can work with the city attorney's office and see what options we have available.

>> Morrison: And for the other ones coming up soon. If we postpone it, what I suggest is in those two weeks work out what the plan is and get the folks that are concerned at the table so when we waive the requirement, we know that there is something that everybody can live with. Is that too much to ask?

[13:38:55]

>> It is not too much to ask. We're here to do what you ask us to do. We can certainly, over the next week attempt to pull all the stakeholders together for those two events and see what possible conflicts

there are.

>> Morrison: I would be more comfortable approving the waiver if we know everybody had their issues dealt with, and if there are sticking points two weeks from now, that would be a vehicle for people to talk about it in front of the council and we could try to sort that out. So I would be supportive of the two weeks if we could go with the idea of staff working really hard with all the stakeholders for the first two and then look at the possibility and work with transmission events of bringing people to the table real quickly also so we can significantly shorten the appeal period.

>> Mayor leffingwell: Councilmember tovo.

>> Tovo: I have a question for the sponsors, unless we have anyone here from the urban music fest and the reggae fest, and that is whether two weeks is putting it too close to their festival time? That was one of the reasons I suggested doing it a week. I will ask one of the sponsors if they have a sense of whether that conversation

-- having time for that conversation would jeopardize their events?

>> As far as I know, the answer is no. In fact, I believe urban and reggae are wholly in butler shores, and I think the conversation has gone up to and including that they may not need to close off riverside if they can have more conversations. I don't think a two-week delay negatively effects either one. I think it is the final conversation piece about riverside drive and whether or not we close it completely, partially or not at all.

[13:40:57]

>> Mayor leffingwell: Right. So those are all the speakers that we have. I entertain a motion on 90, 91 and 92, together or we can take them separately. Councilmember martinez.

>> Martinez: I move to postpone them for two weeks with the direction everyone has given on the dais.

>> Mayor leffingwell: Motion to postpone for two weeks. Second by councilmember spelman. Passes on a vote of 7-0. With that and without objection, we will go into recess. Council meeting call to order the meeting of the austin housing finance corporation. Let's see, if you will take us through your agenda.

>> Treasurer of the austin finance corporation. I have one item, it is complementary to the agenda. Number two, execution of loan agreement subject to the award of low-income housing tax credits from the texas department of housing to foundation communities incorporated in an amount not to exceed 1 million 865 thousand for 124 affordable multifamily rental developments to be known as cardinal point apartments located at 11108 and 11130 zimmerman lane. I offer up these items, everything else on consent. I'm available for questions.

[13:43:00]

>> Mayor leffingwell: We don't have speakers signed up that want to speak. We have some signed up. The consent agenda is item 1, 2, 3, 4, 5. En10 tear a motion.

-- Entertain a motion. Moved and seconded.

>> Riley: These are items on the regular agenda as items 17-21?

>> That's correct.

>> Riley: In looking at those items, I notice that a number

-- several of them were in locations that struck me as different from what we have seen in the past, in particular, items 18 and 19, the ones on zimmerman lane and southwest trails. One thing that occurred to me was in the past, when we looked

-- I realize the criteria for tax credit projects is different from the criteria that we apply for smart housing projects. There is different considerations at stake. One thing I'm particularly interested in is the t part of smart housing, access to transit. That has been a very important consideration with our review of smart housing projects. It is not a consideration when we look at tax credit projects. And I just wanted to ask you about that. My first question is, with respect to those two, the ones on zimmerman lane and southwest trail, too. If we were talking about smart housing projects, would those qualify? Would those qualify as smart housing?

>> Smart housing, yes. All of our projects

-- smart housing is a threshold item. Everything we recommend for funding has to meet smart housing.

>> Riley: Tell me about the access to transit for the 1 on zimmerman lane.

[13:45:04]

>> If that one. I tell you, for clarification, to meet the requirement, you have to be within half mile of a transit, bus line. We have this year added an additional 10 points, if you are within a quarter mile of a bus stop. This particular project does not get that additional 10 points, but everything before you today does meet smart housing requirements.

>> Riley: So it has adequate access to transit to qualify under smart housing?

>> Actually, what might be better is if I have that developer answer that for you, if that would be ok? The applicant is here. It meets smart housing requirements. It is not within a quarter mile of a bus stop.

>> Riley: Tell me again why it qualifies for smart housing.

>> It has to be within a half mile of transit.

>> Riley: Half mile of transit? I see walter here.

>> The location on zimmerman lane is on the four points year near 2222, it is 2,000 feet from the bus stop. It is not great transit access we want to work with cap metro to see the improvements there. It is a new location to have affordable rental housing. There are over five hundred retail and service jobs within less than a mile of the site, basically between the h-e-b, wal-mart, concordia lutheran. There is a lot of low-income folks that are driving to get out to the sites, for the most part. We just think it is a phenomenal opportunity to create some affordable housing in that particular area for folks that work there. And we're committed to working with cap metro and improving the transit access.

>> Riley: Have you had discussions with cap metro about that?

>> On southwest trails, yes. They're committed with that site. We haven't met with them on zimmerman lane.

[13:47:07]

>> Riley: Zimmerman lane is given a grade of zero. That is enough to qualify for smart housing, I'm surprised I'm wondering about the criteria we're applying. If they're both considered a car-dependent locations. That one in particular has a transit score of zero. I'm curious, you haven't reached out to cap

metro on that yet?

>> Tried to call them today, we'll follow-up tomorrow. We're on it.

>> Riley: And on southwest trails, a similar question. Tell me about the access to transit there.

>> We have been in contact with cap metro and they're committed to a bus stop at our site or fletcher lane right around the corner. It is adjacent to the southwest trails apartments we build 12 years ago.

Majority of residents there live within the oak hill south austin area. There is a bus stop that is not too far away at the travis county offices. So it is on

-- the bus drives right in front of the site. So

-- I'm grateful to cap metro that we have got their interest and willingness to stop there.

>> Riley: That is given a transit score of 28.

>> We wish every site had a perfect employment affordable housing connection. We also are driven to go to locations where we can piece the funding together that the state credits offer. So balance.

>> Riley: I understand, based on conversations we've had and I understand currently the state does not take access to transits into account in its consideration of the projects?

>> Correct, it is something on the policy front that we're committed to work on, because it is critical.

>> Riley: Legislative action from the state is helpful. The legislative action could actually fix that and make transit a consideration for the awarding of the tax credits? And you would be interested in working on that.

[13:49:18]

>> Absolutely.

>> Riley: Great. Thank you.

>> May I clarify one thing? Where you see the zero for transit, remember, smart housing is a threshold item. This is a new item just for transit enriched. Having a zero there doesn't mean they don't meet any transit requirement, smart housing is a threshold item, so everyone has to meet that. I want to clarify that. If you are looking at the chart and you see for transit there is a zero. That is for an additional item this last year that we added for transit enrichment, and that was the bmu, tas and also closer to a bus stop. That was something additional we added this year.

>> Riley: I wasn't looking at that zero. I'm looking at the zero when you look at walkstore.Com. When you find the walk score and transit score, for any of these, the one on zimmerman got a transit score of zero.

>> I got you. Sorry.

>> Riley: Great, thanks.

>> Mayor leffingwell: Without getting too far in the weeds, uncomfortably far, it does seem transit would be forthcoming after the residential units are in place, being built, sort of the chicken in the egg thing. Don't want a transit route out there and nobody to ride it, then there are people there, maybe that is an inducement to put a transit route there. All those in favor say aye.

>> Riley: Mayor, the motion was on all three?

>> Mayor leffingwell: All five, actually. It was a consent agenda.

>> Riley: Right, right. I would like to be shown voting no on the items on zimmerman lane and highway 71.

>> Mayor leffingwell: What numbers are those?

>> Riley: I don't have those agenda handy.

>> Two and three.

>> Mayor leffingwell: All in favor of approving the consent agenda say aye. Opposed, say no. It passes on a vote of 7-0. I show councilmember riley voting no on items 2 and three. That concludes our agenda for the austin housing finance. We are adjourned and we will call back to order the meeting of the austin city council. And go to items 17, 18, 19, 20, and 21. I have one speaker signed up to speak on all of those relates items. Those were pulled by yourself councilmember riley. Do you want to say something first?

[13:52:11]

>> Riley: We don't need a whole presentation.

>> Mayor leffingwell: Do you want the speaker first? Gus pena? We don't have a speaker. We could take a motion on all items 17-21. Or councilmember morrison so moves approval of the items, second by mayor pro tem. Is there any discussion?

>> Riley: I'm

-- I'm not going to be able to support items 18 and 19. Those are the ones on zimmerman lane and southwest trails which have no access to transit. I would note item 17 really does have good access to transit. It is right there on south lamar. It is well served with transit. And item 20 is lake line station close to the cap metro rail station and the whole t.O.D. Area around there. And item 21 is also in that same area, east of the lake line rail station. I'm happy to support those. I do not believe we should be locating affordable housing in areas that are not

-- that don't have access to transit. That is the case with both 18 and 19. So I'd like to be shown as voting no on those.

>> Mayor leffingwell: So we'll vote on all five of these together and show you voting no on two of them. All in favor of ars proving item 17-21, say aye. Opposed, no. Passes on vote of 7-0 and show councilmember riley voting no on 18 and 19. So we're approaching our 8:00 time certain for zoning cases. Go ahead. Mr. Garnsy.

[13:54:23]

>> Thank you, mayor, we have three cases remaining, first is item 73. This is c 142014. Property at 600 kemp straight

-- street. They're both in agreement of the postponement, but can't agree on the date. The applicant to march 20 or 27. And the neighborhood is only agreeable for a postponement of february 27 or march 6. So perhaps we could hear from both the applicant and neighborhood, and they can

--

>> mayor leffingwell: We will do that. We will have three minutes from both the applicant and the opposition. Just discussing the matter of postponement and the dates. Not the merits of the case.

>> Representing the applicant in this case. We're requesting a postponement to march 20. There is a valid petition. It would be my goal to not bring a petition let alone a discussion item to the council. With that, we respectfully request delay to march 20. Thank you.

>> Mayor leffingwell: Hear from the neighborhood.

>> Hello, mayor, city council. I represent the metop lis association and member of the contact team.

>> Mayor leffingwell: Your name is?

>> Angelica noyola. We have been postponed several times at police commission, with the applicant asking for this postponement. We have compromised and conceded to those. He also got a postponement because of inclimate weather. We went to police commission, where the applicant was asking for another postponement, where he was denied that by police commission. The neighborhood feels like we're trying to work with him. We have a valid petition, we have exceeded what was needed. We want to move the process forward. It is long coming, forward four months. He's had ample time to talk to the neighborhood and residents, whether he has done so or met the opposition, the neighborhood has adamantly said no to this, we would like to proceed forward. He stated he needed po.
>>Ment to talk to ecology austin. Ecology austin cannot make a decision in this zoning case because they agreed with the city they would remain neutral in any land zoning changes that came across the table. I want to implore you, we have tried to work halfway and meet in the median. We have agreed to february 27 and march 6. Anything past, that the neighborhood feels like it is too long. We would like to put this at rest. Thank you.

[13:57:24]

>> Mayor leffingwell: Any thoughts, council, or a motion? We do have a meeting on the 6TH, 20th, AND 27th. Let me say I'm inclined to support the longer delay, given the fact there is a valid petition, and the fact that the applicant has said he doesn't want to bring something with a valid

-- he wants to work it out, in other words, [indiscernible]. Go ahead, councilmember morrison.

>> Morrison: I was going to support the shorter delay to march 6, for a couple of reasons. One, the following week is spring break. A lot of things don't happen around here during spring break. And the other is that I think it could encourage a more dedicated conversation, and when it comes, even if there is still a valid petition, that's all right. Maybe we could only do it on first reading, so the valid petition doesn't count quite yet, but it would allow us, the council to sort of hear where things are and provide some input into different senses of how we might like to see it land. So I think that could be productive. I will make a motion to postpone to march 6.

>> What was your motion?

>> Mayor leffingwell: So motion by councilmember morrison to postpone by march 6, second by councilmember spelman I would ground with the valid petition that that is grounds for postponement beyond march 6, if there is not a full council. Ok. You never know. All those in favor say aye. Opposed, no. Passes on a vote of 7-0. It is postponed until march 6. Are you next?

[13:59:46]

>> Mr. Mayor, mayor pro tem, steve sedo you ski with the mayors office.

>> Mayor leffingwell: We have six items and none of them are scheduled to be short. Ga-ahead.

>> This item 77 and 78 are related to the dabney horne house on twist 23rd street. [One moment please for change in captioners] this is the house that's on 31st street. Nueces street is behind us. This is not so

much as an issue as 12 feet to the west. We're looking north on nueces street from the house. The -- this is my former colleague alison magee. She's standing on the wall of the house. The applicant is proposing to remove the bay window that you see in the right of this photograph, there it is. And if that for some reason is not removed that would hang over the fence on to nueces street. Staff's position is that reduction in historic zoning is appropriate, we can recommend it, only on first reading. Let's get the house moved. Let's get the certificate of appropriateness from the landmark commission before the council takes any action on reducing historic zoning that's already in place on this property. We need to protect the architectural and contextual integrity of this house. And if the applicant is successful were the plan to remove later editions to the house. And then move it, we will take this back to the council for a final decision on reducing the historic zoning. Staff's recommendation all along to the landmark commission and this particular commission is only move the house as far as you have to. We want to maintain as much as the current architectural and contextual integrity of the house as we can. If 12 feet is not required, only move it 10. Keep as much of the yard as we can and still allow for the applicants development on the remainder of the site. Behind the house is a parking lot to. The east of this house is more parking. They have a lot of room for development. And they want to move this house to be able to construct a high-rise on this -- on this property. And staff understands this is a highway -- highway developing area. Needs more student housing. So the reduction of historic zoning will make sense at some point just not now. Thank you.

[14:04:50]

>> I want to clarify your staff recommendation because the staff recommendation is gocomp, I don't see an h in there anywhere?

>> The h would free up the parcel currently zoned historic.

>> You're recommending that the property stay with the house, not be moved at all, moved as little as possible. One foot similar to one and 12 feet?

>> I'm recommending that the house

-- the certificate of appropriateness to move the house has been granted. So what we're recommending is if it doesn't need to be moved 12 feet, don't move it 12 feet. If it only needs to be moved eight feet, that's fine. But reducing the zoning to a five-foot buffer zone around this house should be taken at a later date once the house is moved, we see how far the house has to move, and how much buffer zone should be left around it.

>> Mayor Leffingwell: So our job is master planners and architects to figure out how far it could be moved? Is that?

>> Yes, sir.

>> Mayor Leffingwell: Did you have a question, council member spelman or mayor pro tem? Cole: I'm not clear of what's going on between 77 and 78 and the certificate of the appropriateness. I thought you said we needed two certificate of appropriateness and I heard you say one had been granted.

>> The entire property had a restricted covenant on it to keep the house and move it to a positive site. Because it's an historic landmark, the applicant signed a certificate of appropriateness to move the house 12 feet on the site. That certificate is granted, it's still on the same parcel. What we're saying is

the restrictive covenant is no longer necessary because to a restrictive covenant is entered into before the house is designated as a landmark. So any would require a certificate of appropriateness. The it's redundant because the certificate of appropriateness is required.

[14:07:45]

>> Spelman: To be specific, you want 77 on first street only, on 78, we can pass 78 because we don't need the erc anymore.

>> That's correct.

>> Tovo: Mayor?

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I want to understand what you're saying about the restrictive covenant. You're saying it's redundant. Does it offer any protection that the zoning doesn't? You're saying that the certificate of appropriateness would be required but in a circumstance like we had with an unfortunate default of approval, couldn't the restrictive covenant provide additional protections?

>> Mayor Leffingwell: Restrictive covenant requires that the house remain on its site

-- on its parcel. A certificate of appropriateness would be required and is required to move it. That's one of the benefits of historic zoning is that that regulatory requirement is there.

>> Tovo: Is there any downside of having a restrictive covenant that offers the same protections that the zoning does?

>> Well, the restrictive covenant says that the house has to remain on sight, on the same property. I suppose the only difference would be that if the applicant requested to move the house offsite at a later time, they would have to go through the significant of appropriateness process and there was an unfortunate misunderstanding about the code. But we are actually taking that to codes and ordinances on tuesday and get that situation remedied.

>> Tovo: I'm not seeing a downside to leaving the restrictive covenant in place. In my mind, it offers another level of protection. And, yes, it sounds like they're redundant protections, but.

[14:09:50]

>> I think it would help if we go back in time a little bit. This house

-- the university CO-OP IN THE LATE '80s, EARLY '90s FILED A DEMOLITION PERMIT With this house. That was denied by the city. Later they came in and requested office zoning from the house and received that zoning. But because I believe they required the demolition permit earlier than was known, the price, if you will, of the office zoning, the council got the restrictive covenant that said the house would never be removed. A couple of years later, the co-op came in and said we should get historic zoning to say we have the covenant, we can't do anything with the house. We better get the plaque, the tax benefit. That makes it irrelevant. We had historic zoning, the covenant, they doubled on top of each other. Fast forward

-- originally requested to move the house. The staff is initially okay with it. We're considering that. That deal fell apart. There was another proposal to move this house to mlk boulevard. That was denied. Supported by the staff in the landmark commission. There's the idea of moving it 12 feet over which we

proposed right now. A certificate of appropriateness filed because it was an historic landmark to allow them to move the house. That was denied by the landmark commission. We're taking it for appeal. We inadvertently got the wrong time period. That certificate of appropriateness was removed by default. The applicant is proposing to reduce the zoning to only a fifth of the area where the house would be moved to. The reason for the recommendation right now not to do it in all three readings is because if we do reduce the reading right now, parts of the house would not be in the historic zoning. Our goal is not have a reading until the house is moved into the proposed reduced area and then complete that on third reading. Before the house is moved to the reduced area, we have to go back for a second certificate of appropriateness for the proposal to remove the bay windows, etc. So before we can move the house, we need another certificate of appropriateness. We're saying not to do all of that. Not to do the third reading today. We're okay with the general to move the house within the lot. We want to see what the commission says about reducing the size of the house and we want to see the house moved to make sure that it's located in an area that has historic zoning.

[14:12:37]

>> Tovo: Thank you.

>> Mayor Leffingwell: Okay. We can hear from the applicant first? Who's the applicant? Tell us your name. You have five minutes. Mayor, mayor pro tem, council. On behalf of the university of texas, I also have four folks who were going to donate their time to me

--

>> Mayor Leffingwell: Let me see if they're here. Jeff halliburton, are you here? James kyletie, is that close? Donna carter? And david connor. So you have 15 minutes.

>> Thank you, mayor. I do have a power point which will be coming up here in a second. As you just heard, we have been going in a lot of directionings for the house. We were going to move it, that process took too long. We were going to move it to mlk. Staff didn't approve that. We wanted to move it a few feet over, we won because of the delay. It's reflective of the delay that the co-op and the ut co-op has faced in this entire past year. So where we are now, it's important for the context of tonight that we have a contract to sell the house and the large parking lot behind it. That contract has two conditions on it because the developer wants to build the student housing project. I'm going to go to the details in a minute to show you what they want to do. One requirement is that we had to get the approval to move the house. The developer said, look, if we can't move the house, we can't do our project. So you have to deliver that before closing. Closing, of course, is not happened yet. The other requirement, in order to sell this house, sell the lot behind it, we have to have the zoning changed so that part of the lot can have the student housing placed on it. I'll show you why that's so important here in just a second. We do not have to have changes to the house. We don't have to remove the bay window. We do not have to do any of those things that you just heard about that, that second certificate of appropriateness. So if we get zoning and moving, we can go forward with the sale, close it. What happens if it goes forward? We'll get to site plan and what is the building and details. The reason we do not want to delay further because of the issue of delay of first reading, the council was talking about, hey, when do you have to move the house? When does it have to be moved? If we can't get the zoning until we move the house, unless we move the house, we're forced to move it immediately. Next week, we'll call the mover and move it the

12 feet. We have the certificate of appropriateness. We can do it. But that's what the developer was supposed to do. Not what we did. The developer should just have the authority to move the house. Whether he moves it 12 feet or one foot, that will be decided after he has the site plan. None of that happens until the sales closes on the lot. We're back to the chicken and egg issue. We believe what we asked for very clearly allows us to sell the property, delays the moving of that house until absolutely necessary, and allows the developer the time he needs to determine exactly how far to move it based on the site plan. But he's not going to put it together until he owns the lot. So that's where we find ourselves. So what we're asking is rezone a portion of the lot to allow us to close the sale. From that point forward, the developer can work with landmark. We have proposals. We hired an architect to provide the developer guidance on what landmark would do on the options and we'll provide assistance on that as needed and lift the restrictive covenant. We don't have to lift the restrictive covenant to move forward. We're not moving the house off of the property. But it is a bit of a repetitious act and I'll show you exactly why that is in a second. The zoning principles we believe support this. I'm going to go through a few of them. Compatibility. Our location is right off of the drag. There's the co-op, there 's the co-op parking garage, right? Right off of the drag. This is prime real estate for student housing. What we've been talking about the uno amendment. There's the university of texas at the corner. It's there on the 23rd street, the wide esplanade where you can have the pedestrian walkway. There's the house by the parking garage. The nearby uses? Well, this is the porch of this house. I think we can see very obviously what the nearby uses are. You're going to hear from these landowners that are across the street. They're going to object. A company that owns these two houses. This is a housing complex built per uno. It's not what we want for this day and age. We have student housing all around us. Including the large parking lot that you heard about directly behind the house. If you look, visible from that parking lot is the calloway house, a large complex providing an early example of what we're trying to do. If you look at the calloway house and look at what's right in front of it, you can see the austin folk house. Look at the look and feel of this neighborhood. This is what the developer is planning to do there, the historic home there in the front and behind it, a student tower. With substantial density and new student housing. Why do we need it? Why do we need the rezoning? The yellow is what we're asking the council to rezone. Let's start by looking at this red part here. There's the street level true view of it. It's part of a parking lot put in at some point in time. It's far from historic in its nature. That's what's right there beside the parking garage we're asking to be rezoned tonight. Behind it is a portion of the back yard. Remember, that's why we're asking

-- we have the certificate to move the house a little so we can move that space for the development. What does that additional space give us? This is from the developer who drew this out. This is part of the contract. We have to deliver a lot sufficiently size for the project we want to do, the student housing project they're buying the lot to do. These are the dimensions, that's required. That's what we have to deliver before the deal goes forward. Or it will die like the other two or three before. This is the opportunity to get it done. Talk about the change in conditions, the neighborhood plan, the city council policies. This house is right in the middle of uno. Not just uno, but the inner west campus sub district. It's 100% impervious cover. If you look at staff's backup materials, the purpose of uno is to create densely populated by liveable pedestrian friendly get to the university, walk to the university, bike to the university. This is prime student housing space. And it's to keep the students out of the neighboring neighborhoods. There's something later in the agenda tonight about that issue too, right? The stealth

dorms. This uno is supposed to funnel the students in the west university area and this is where they're supposed to go. This is the highlighted yellow. Well, you're going to hear -- well, they could build something on the parking lot. Why do they have to use the other lot? Right? Why can't we do that on the parking lot? We asked that, looked into that. Our developer, David Comps, he said, look, here's what you can do on the lot of the parking lot. That's what you're going to get. That's the square units and beds you'll get. A five five, maybe six story out of that lot. But if we do what we want to do is take that small part up north, take the part over to the side, the yellow and the red parts, the difference is amazing. We can get 177 units and 390 beds. We're talking about the maximum. There's no site plan. I don't know exactly how many beds he's going to put in. I don't know exactly how high it's going to be. But that's the potential for this site. If we talk about the uno benefits which we spent a lot of time talking about today, the new amendment that just got passed by this council, the difference is not rezoning the lot, not allowing the student project to go forward, we're looking at a 140 unit potential going away, we don't rezone it. 296 beds going away. 30 affordable beds. That's the new uno standards of 60% affordability. 40 year, not the 15 of what it was before. This is a new project. This guarantees the level of affordability that we're looking for going to the future. We had this discussion earlier. I say we, I was watching it. But this discussion happened earlier about what about the grandfathered units? Are they going to opt in? Create new beds? There's no guarantee coming in today whether or not there's more beds coming out of the units. There's a guarantee coming out of the new units. If we don't start the new units, they're not going to come on-line until way in the future. This is about affordable housing. Councilmember Tovo, I heard today you called for a foster child. I'm on the board of directors of the Austin Bar Association. I started the project for foster kids. I represent a senior at Crockett High School that's a foster kid. I go to permanency review hearings three times a year. He's about to go to school. The state has a great program, foster kids free tuition at any state university. That's a great deal. You know what it doesn't give them? Housing. They're on their own for housing. When I look up here and I see the 30 units this, that's the incremental. We get nine if we do it on the parking lot. We get 49 if we get it rezoned. This is a good development, yet, it's bigger. You're going to hear bigger is not better, we need to preserve the wood. We need to watch out for the students and give affordable housing opportunities. We talked about stealth dorms, where are we going to bring them? Where are they supposed to go. In is one of the first projects under uno. It can be number one. If they don't get the second level of affordability, the second 10%, most developers buy it out. It's why the code is in there. An additional 236,000 if the developer does the maximum allowed under uno. That's 236,000 in that trust fund. And, the Horn House can become an active part of the community. The developer is looking at various options. He's going to go to historic landmark with the options. Do we make it retail, restaurant, a meaningful place for the students in the house? Tons of options. But until we get the sale done, we can't talk about renovation the house, how are we going to do this? When are we going to move it? We have to sell the property to make this deal go forward. We talked about the other issue coming up. In principle equal treatment. I'm a lawyer. We could argue for days on whether or not two properties are equal. Reducing lot size. Building condos in zoned historic grass area, moving houses. This is done. That used to be an historic house. It's gone. It was moved out of the area. The zoning was removed and the apartment complex is put up right caddy corner. This is a hotel, it's mansion hill, now it's hotel ella. It used to be a house sitting on a lot of beautiful grass and it would look like a mansion when you walked up to it. It's a commercial property, it had a parking garage, a circular

drive, a hotel, completely different from the surroundings that it was in. We took it, we repurposed it, made it a part of the community, not something that you walk by. It's not in great condition. You heard that as well. This is a way to get it to a good condition. This is the only way

-- it has its best chance with this developer that wakes to make it a part of this property. These are the objectors' properties, you hear from them. You see the calloway house there. Oh, we're pushing it to the corner. Yes, it's going in to the corner just like theirs is in to the corner. They have a duplex. They have a small sidewalk out front. Look at ours, what is 12 feet given the length of the sidewalk to the house -- I mean, to the street. We're not going all the way over to the left. It won't be hanging over the property line. We can't do that. We have the authority to go up to 12 feet. That's all we have to deliver the developer. He'll determine exactly how far to go. We have to deliver a rezoned area to allow 30 new housing units to go in. If we can't deliver that zoning, the deal is off. Austin zoning principles do support the property. It's preservation and progress. We're not saying tear it down. We're not saying the future of students in affordable housing is more important than these houszs and this window. We don't want to have a fight over what to choose, one or the other, the two extremes. We want to find a way to get both parties working together, to do a preservation project, get this house moved a few feet and restored and allow students also to have a great new space that is so close to this state. Where else are the uno properties are supposed to come from? Where else are these complexes supposed to go up in a short walking distance from campus. We passed a new regulation today, right? The affordability, a 60% mfi? But where are the new properties going to be going? This is prime not because it has an historic house nearby. This is prime property because it has a large parking lot behind it. A parking lot. And a parking lot to the side. And we only need a few feet around that house to make the student tower, this project, this affordability under uno a reality. We ask you to pass it today. Not first reading and send us back to landmark. We're not going to be the owner, we ear not the deciders of what to do next. They're not going to participate in the process until we delivered the zoning change. This is the first step. We have to be able to sell the property in order for this project to move forward. And we've been trying to work out something for a year. And we're here tonight to ask you to help us get this project to the next state. Help us get a new student dorm up. And help us take the project to the future. The restrictive covenant, it says

-- it defines the property that the dabney horne home will be retained on the property. That's all it said. Six months ago, city staff and legal telling us that you can't move that house at all. That means you can't move it 12 feet. That means you have to get this restrictive covenant prevents you. That's not true. We went to the history. This is just a stop-gap measure until the historic zoning was put on that prevented you from moving it off of the lot. I explained, that's all it was back in 1992. I cited all of the case law. And now they agree with me that, in fact, we can move. It's not lifted. We would ask that it would

[14:28:41]

>> Mayor Leffingwell: Thank you.

>> Spelman: Mayor?

>> Mayor Leffingwell: Councilmember spelman?

>> Spelman: What assurance you can give us that the house won't be harmed. We're glitch the impression if you move the house 12 feet the bay window would have to come off. That would be

historic destruction of a historic property. How can you be sure the house is going to remain intact?
>> First of all, we have the right to move it right now. We can move it tomorrow. Will the bay window fall off? That's the example that was given. I have no idea what's going to happen. I know if it falls off, we have to go to the historic land commission and explain how we're going to put it back on, how to restore it. Did a house pane break, what else are we going to replace it with. It's an addition, not an original bay window. If it fell off, we'd have to go back to historic and have those conversations after we moved it. Sitting here today, I don't have any reason to believe moving it would do anything to it. It's not a basis for zoning. We hope nothing is going to happen. But that's the sort of argument that would say, you know, you can never do anything. Houses are moved regularly, including current homes.

>> Spelman: Your understanding that moving the house means moving the whole house together. Not destroying it in any way.

>> Absolutely. Our contract says move it to the northwest corner. That's all we need to deliver, the ability for the developer to move it to the northwest corner. Honestly, the developer doesn't want to do that until after he has the site plan, got everything done. Starts construction. Moves the house over and start building the tower. The way that city staff wants to set it up today is somehow to force us to move the house early in order to close the deal. But we don't think that's appropriate or necessary.

[14:30:48]

>> Thanks very much.

>> Mayor Leffingwell: Councilmember tovo?

>> Tovo: The materials you dropped by I assume each of our offices on page one you talk about the co-op to seek the approval from the city in the knew chur in order to

--

>> in order to

--

>> Tovo: In the future to renovate and restore the house to its original configuration?

>> Yes, absolutely. The coa will have to go back through the historic landmark project to do renovations. We talked about all sorts of renovations, we talked about back to 1900, the smallest configuration. We talked about a 1935 configuration. Donna carter, our architect we've been consulting with. We've been working with the buyer to go through and look at the configurations. But ultimately, that's the buyer's decision. We will have to go back once that is done to determine the exact configuration or it's possible -- I understand that the developer may want to make changes to the house. It's possible that he changes his mind and does it.

>> Tovo: Those are the approvals you're aware would be necessary. You're talking strictly about restoration.

>> For the certificate of appropriateness, any renovations after it's moved

-- if they want to go to the bay window, anything, that's been historic.

>> Tovo: What did you mean that you would need to be seeking

-- that the co-op would need additional approvals. You were talking about necessary to restoring that property.

>> Our plan has been we have to go back and get the approvals. The ut co-op is participating with the

developer, we've been working with him. So it's ut co-op's name or the developer's name, that's what has to happen next.

>> Is there a heritage tree on this site?

[14:32:50]

>> Yes, a heritage tree. We tried to get that removed. That was denied and we're working with the arborist in order to replant it to one of the front parks.

>> That could not stay where it is you're proposing transplanting it.

>> That's right. Mr. Ma comb can tell you the details of that. He's been working that issue through. It's an administrative approval process. Since we can't remove it, we'll have to

-- we can't remove it so we'll move it over. So that process is under way

>> Tovo: That's one of the approvals you'll seek from the city.

>> Not from historic landmark.

>> Tovo: In your comment, you did not talk about the tree.

>> Yes, I did not talk about the tree.

>> Tovo: Are there other city approvals down the line?

>> I'm not aware of any. Mr. Macomb is here. He's signed up to speak. I'm only aware of heritage tree and like I said the rezoning allows the deal to go forward. And anything in the future, not just in addition, but anything in the future, 50 years from now, the changes to the house, the new owner will have to do the same thing with the process as we've done for the past 30.

>> Tovo: Thank you.

>> Mayor Leffingwell: There was some indication in the

--

>> Morrison: There's some indication that the extra space was needed for the development of affidavit parking garage. You talk about

-- on the other hand, you talked about how great it was to put students there. Can you talk about what parking you're talking about? Have you looked at ways to avoid having to rezone it by significantly minimizing the parking?

>> I would allow to defer that to mr. Macomb. He has the numbers. I've never been able to write them down at once. He can tell you the percentage the project is looking to. But it's something that the developern and we have been talking about because of the fact it's pedestrian friendly.

[14:35:00]

>> Mayor Leffingwell: Is he coming up to speak shortly. Yes, thank you. Councilmember riley?

>> I have the question about the process going forward for evaluating the potential changes to the house.

>> Riley: I understand there's several possibilities on the table depending on what year you're aiming to restore it to. I know you mentioned mrs. Carter making some decisions about that. How do you see that decision being subject to review by the historic landmark commission. Do you expect there would still be room for some evaluation of those decisions here at the city so that for instance there's a strong

feeling in the course of the review, there's a feeling that no, we should take it back to this different year? Would that throw things off in the sequence of events that you foresee?

>> No, in fact, that's right in line with the sequence of events we're trying to get to. Allow the sale to go forward, by delivering the conditions of sale, ie telling the developer this project is possible. Then working with landmark based on the final site plan for the tower and the final desired use of the house. The developer at this point, there's a lot of options for what the house could be used for. We talked about first floor retail. It could be a retail outlet for the house. It could be various different options, it could be used for a student event. That progress, that sequencing will all go to landmark at the end of the day. Landmark will have to sign off to the changes to the house. All we have to do is deliver the ability to move it.

[14:37:01]

>> Riley: Then there's room in the proposed zoning to do what landmark says should be done?

>> Absolutely.

>> Mayor Leffingwell: Jeff halliburton?

>> He donated his time.

>> Mayor Leffingwell: You signed up twice, actually. So thank you for that. Mike macomb, you have three minutes.

>> Yes, sir. I will forego a presentation. Mike macomb trying to work with the developer to figure out how to get a building built here to maximize the site. And save the dabney house. The developer needs to be able to build a parking garage that will house

-- as adam showed, 177 units or 390 bedrooms. We need to have about a 60% ratio there. That's, do the math for me. About 130, 150 parking places. This site is about the same size at 21 rio which is at 21st and rio grande. That site, you have to have the circular motion to have the maximum effect of the parking and keep it in within 65 feet and at the same time comply with the uno housing requirements of retail or what we call local uses on the first floor. That's why he needs that kind of space on the south of the property. Which means that we would be moving the property line about 17 feet. On the east side to build a double occupancy dormitory, you need five feet of cushion for our fire hose lays and building scaffolding up so you can build the buildings. You have utilities in the alley. We have to be away from those. That is the additional need for the 50 feet on the 23rd street side. We feel that with the addition of the 23rd street sidewalk in front of us, we do have a rather large area that presents the house in a nice way. This house can be repurposed for a very nice sandwich shop or restaurant of some kind. And be a very big asset to the community as it is now. It's a gated office building and no one goes in it except the co-op employees and the rest of the neighborhood gets to go by and look at it. We think it would be a good asset as a community space. That's what the developer is leaning toward, it can be leased out. Several purchases in that process. As for the tree, in working with the forestry department here and mr. Mars is the heritage tree guy and I have had many discussions and we have agreed that this tree, the 30-inch heritage tree can be moved either into the city right of way, or to the northwest corner of this property. With an administrative approval. And he asked if I filed that with him. And that will be the approval. The approval will be conditioned on it being a -- being issued. Again, we're in a catch 22 situation to get to the site plan for the sale

[14:40:51]

>> Mayor Leffingwell: Thank you.

>> Thank you.

>> Mayor Leffingwell: No other speaker signed up opposed? Carolyn wright? No. Sara crocker? Sara crocker? And let's see, is david king here? David king is

-- so are you

-- are you saying you want to donate time to sara crocker?

>> Mayor Leffingwell: I'll set you for three minutes.

>> Thank you.

>> I'm here on behalf of the shock corporation who owns the former residence across the street and the duplex next door to it. They are in opposition of this case. They knew when they purchased their property and put a significant amount of money into rehabbing it would be a big building across the street. One of the factors for them was the dabney horne house because it was an historic landmark. She knows there's going to be a big building over here. We wouldn't even be here if they would just go by the normal rules because we wouldn't have anything to say about it and they have the right to do that. This process started a year ago, and it's unfortunately going with file and process and follow sort of backwards very convoluted. The zoning case which is so imperative and the condition wasn't filed until november. And I've been hearing since last may. Could you put the slide up for me please? Sure. When they talk about preservation and progress, the whole thing about parts of the house are damaged and they need to be able to move, the truth is that if it's in the kind of shape it's in, I'm not sure it's in that bad of shape, but if it is, they haven't maintained it. They failed to be a good steward. They've owned this house for over 35 years. So if it's in bad shape, it's because they haven't maintained it. Nay want to use that as a plank and rationale and be rewarded for it saying it's in bad shape. That is one good reason for you to be allowed to remove pieces of it and move it over. Sounds very benign. Going to take it 12 feet to the corner. It sounds benign. The truth is that side step back comes in -- that side lot line moves in 50 feet. 50 feet. They are zoning 53% of the existing lot. Well not the zone historic. They're removing the designation from that. It's not just a little piece. It's 53% of the lot. The house will also move 17 feet. Up towards 23rd street. It's not just a little move. It's a very significant move. I was very confused when they were talking about why they need to move it and talking about, well, they didn't know how many rooms but didn't know how many rooms they're going to get.

[14:44:41]

>> Mayor Leffingwell: Hold on a second. Did you want to donate your time to sara crocker? Three more minutes.

>> Thank you. One of the things

-- I went and got the site plan. I have it here. I put it up on the deal. I got the parking garage too because this is one of the things they use. The actual size of the rio lot is a little over an acre. The university co-op owns some 51,000 feet here. They own well over an acre. This particular lot takes up 9,000 square feet of that. What we're basically talking about is they have never ever up until tonight showed any

documentation. One reason it took so long is the commission kept asking for this information and they never got it. You know, why? Can a project be built on here if you didn't take any of the lot? Yes, I think it can. But what did they lose if they only take two feet or 20 feet of it? That analysis has never been shown. And the truth is, to just kind of take a historic landmark, because you haven't maintained it, you got a basis for slicing it up and cutting it down to sites because that's what they need to do. That's how big that lot is going to be. I don't know how you can come up with any other configuration to make it fit in that particular square. I would really appreciate

-- we personally don't want to see the zoning approved at all, because none of these questions have been answered. At the very least, first reading tonight so we can go to the landmark commission. They have a say and they need to be a part of it. Thank you, if anybody wants to see it, I can have him put the rio site plan up here so you can take a look at it. It has the parking garage and the lot. Thank you, joe pinelli. Sure, lynn teague? You have three minutes.

[14:47:10]

>> My name is linda tooem. I'm here representing preservation austin. We have been working this case every since it started. We're getting a little tired of it. It's very confusing. There's so many procedural incident are a I can

-- intricacies. We would like to focus your attention on two things, the restrictive covenant and designation of a city landmark. Those are the two tools we have as a city to preserve things to say this should stay. This is a gift to the community. We set a tax break to set it up. And in the old days, the city was still holding those covenants. Two tools were put in place to protect it, to keep it intact. Now it's not convenient for the owners to have those protections on their property because they have other ideas they want to pursue. It seems to me if you can dismiss after 20 years two very strong protections for a property, we might as well just stop designating them and turn it over to a free for all. It doesn't make sense. I hope you will deny the requests to move the restrictions and in any way change the historic landmark designation on this property. We believe there are things they can do to make a profit without having to undo the policies that they, themselves made only a short time ago. Thank you if you have any questions? Cole: May, you I have a question.

>> Mayor Leffingwell: Mayor pro tem?

[14:49:11]

>> Can you help me with the assumption that they already have the authority to move the property and your request that we deny the restrictive covenant?

>> Well, they got their certificate of appropriateness by default. Because of confusion about the number of days the case could pend before the landmark commission.

>> They have that?

>> They have the certificate of appropriateness to move the structure on the site. But before they want to move it, they're going to want to take pieces off of it. For which they'll have to have a certificate of appropriateness from the landmark commission. That's why they're trying to slice and dice the case. It's a chicken and egg problem. I have sympathy for them for that. But it's hard for me to muster that much

sympathy. The restrictive covenant said it will stay on the site. There are various interpretations of what on the site means. I'm confident when they put it on there, everybody understood it would stay where it was. And there was a useful history of that development those were compromises made to give the opportunity to use it for purposes for which it was that the time zoned and the requirement to keep it on the property was put there because EVEN IN THE EARLY '90s, PEOPLE Were worried about the lost character of west campus. The plan somebody will speak to when we worked at uno, I was part part of that. We carefully said in our design standards for the uno historic properties will need to be retained to keep some of the character in place in west campus. While we raise the wonderful taupe structures. Did I answer your questions?

[14:51:41]

Cole: You raised a few more questions. Someone was asking that we consider this case on first reading and we send it back to the landmark commission?

>> Well, the first reading strategy this evening is the first time I've heard of that. And I do think it is another way of trying to figure out the sequences of things with the change of ownership and the conditions of a sale. But I

-- I can't speak to that. I would do only one thing that I would say in relation so that is in your -- in the case description, the rezoning of the property, if you'll notice, the h goes away completely. It doesn't say it will be restricted to a smaller amount. It just says go comp. It doesn't say h anywhere. I don't know if that's a mistake?

>> Mayor Leffingwell: I asked that question right in the beginning. I asked mr. Sidowski this question at the beginning of his presentation. There's no h in there.

>> Y'all have to figure that out. It bothers me. Cole: Thank you.

>> Anything else?

>> Mayor Leffingwell: I want to follow up a little bit. I've known there's a model that groups and neighborhoods around the city should follow. Acknowledging that we need density in the city. Here's where we have density, here's where we don't want it. And the other part of it was that -- you mentioned that historic properties would be preserved. So do you remember what the exact wording of that was, what in the agreement was there an exact wording? That they would be or they would try to be or that some would be or what was that?

[14:53:42]

>> She's the co-chair of the --

>> Mayor Leffingwell: Actually, she's speaking next. So I'll just ask her that question if you want me to. If you don't want to answer it.

>> I'll address that.

>> I would like to ask a question before

--

>> Mayor Leffingwell: Linda, I have a question for you. We'll get back to you in a minute.

>> Spelman: Thank you, mayor. Sara crocker suggested that there was no way of moving the house into

the remainder of the site after

-- if we were

-- if we were to pass the zoning change in '77 that obviously create a remainder of the site, which would still be zoned historic, the remainder of the site which could be rezoning but no longer historic. And the house, I think the proposal is to move the house into the corner which would remain

-- remain with historic zoning. Now, ms. Crocker suggested you couldn't do that without lopping pieces of the house out. I think one suggested it could be done. I don't know about the floor plan and the shape of the house to know. So I'm going to hold that aside and ask you a hypothetical. If it's possible to move the house in the current form without having to remove anything or without making DECISIONS ABOUT THE 1930s Version, keeping the house in the current form, and moving it a few feet to the left and forward, what damage would that do to the historic character of the house and of the neighborhood?

Three things about that. The first thing is, they haven't said

-- they've said different things at different hearings. I've heard the presentations

-- I was shocked not to see the h here. And what she said is what we understood, I think, throughout this case that the historic zoning would remain on the house and on the footprint of the house with just a little bit of changing around it. They have said that the additions were made to the house since it was erected in 1900, and there have been two or three or four, that some of those could be removed. And I don't think that would be the end of the world to remove something that was added later, that's something that the landmark commission would make based on the governance of their decisions.

That's a question that's unanswered. And then whether it would do irreparable damage to an historic element in the neighborhood, that's a matter of judgment. Spoip I'm asking a hypothetical. They did not -- suppose they could move it without having to move any part of the house? Just moving the house whole a few feet over so basically we're

-- we're eliminating some of the yard in the front and on the side of the house? What damage would that do to the historic nature of the house or the historic nature of the neighborhood, just by moving it?

[14:57:00]

>> The illustration that mr. Sidowski showed

-- that's been the proposal that we've seen in toer hearings. We've seen that bay window chopped off and we've seen the building squished up against the stone wall in the fence. But now they're saying that they don't know for sure what the buyer is going to want to do. I know it's a matter of principle and a matter of the secretary of standards, the historic structure needs to be preserved with the site. We had the case where the podgy house from all of the magnificent history was cut off from the river which is the whole part of the history and the story because that

-- that view was not protected by historic designation and couldn't

-- so there's nothing to

-- to be done to prevent it being developed. And this situation is similar. You have to have a site around the historic building. You can't just put it in the middle of the building and say it's historic.

>> Spelman: Okay. Thank you.

[14:59:05]

>> Mayor, mayor pro tem, council members. You know, the oldest trick in the book for a developer is to get a historic property and say, okay, let's change the rules. We're here tonight because everything that ever appeared before the landmark commission was denied. They got an appropriateness deal because they crawled through a hole and juggled the books on time and there were confusions about what times that was and how they could get qorms, and the landmark commission never approved anything they asked for, so this appropriateness to move the house around is completely bogus. The slides you were shown of all these houses, the governor's mansion and everything that has all these buildings juxtaposed to them, those houses weren't moved. This house was built in 1880. It was one of the first houses at the university of texas neighborhood. It's not a historic property, this is one of the first houses. The shock house across the street, which I restored for my client built in 1888. Dr. Gary heart was the first engineer the university of texas hired, it makes this house and the popeye house, historic structure built by a famous architect out of houston named staab. So you have a triangle of historic places. By preservation standards, you never move the house. Once staff would agree to something like that we have to visit about. Historic properties are intact because of the integrity of the site. You don't -- I'm offended it's a full court press, they won't give it up and leave it alone. Tried to get a demo permit and thank goodness they said it was built in 1880. It defines the neighborhood. You're not going to get a demo permit. They got 25 years of tax -- they're screaming whoa is us, us poor developers. We've benefit put on the spot. We've had to fight you all for a year because you won't roll over. It's a historic property. Please deny this. It's just -- it's tiresome. The preservation community is tired of fighting them. They come -- and if you think they did an end run to get their certificate of appropriateness, wait till you see what they do with the chopped up standards of how they're going to jam that house on that site. So I'm asking you to deny both of them. I have never seen so many end runs and so many maneuvers. I'm very fond of mr. Mchone but he is brilliant at it. This is a profiteer developer. To change the zoning on historic property, it's not just historic. It is a landmark. This is an assault an landmark status properties. Uno --

[15:02:16]

>> mayor leffingwell: You were not here. You donated your time to someone else. You were not here then but you are now.

>> Yes, sir.

>> Mayor leffingwell: You have three additional minutes.

>> Listen, I've been here since 2:00 and I do think I'd have been a lot quicker and clevererrrr at 2:00. And I must say you all are just amazing, stamina is olympic. [Laughter]

>> mayor leffingwell: Don't be too sure of that. [Laughter]

>> I stayed this long because I'm that offended by this. They don't really have a certificate of appropriateness. They have a certificate that was given to them because the city rules weren't clear enough to figure out where the landmark commission had time or not. It's complete end run. There's just nothing here that's going to happen except the developer get a house and chop it up and do what they want. Deny it. Let's put an end to this. I do appreciate it. Anybody have any questions?

>> Mayor Jeffingwell: Council member Morrison has one.

>> Morrison: Mr. Panelli, thank you

-- and everyone for staying all day. It's a question

-- a question I have is that you mentioned in your comment earlier the other

-- the pictures they showed us of the other houses and like the

-- the mansion and all that. One of the things that struck me was the scale of the changes next to those, except for the Callaway house was different than what they're talking about. It was maybe two stories

-- two new stories next to a two-story historic structure, whereas the Callaway house looked like it had actually high-rises sort of enclosing it. And I think that's pretty much what's proposed for this, and I wonder

-- to me that's a striking difference. I wonder if you could comment on that, the idea of, you know, tall building and casting shadows down on it in a small little way as opposed to just more moderate.

[15:04:28]

>> When we were doing Gerhard [inaudible] there was no high-rise behind us. And we were there while they built it and it went up and the sun was shadowed out as it went up. So

-- went up. This will box it in from the east. And I guess the

-- I guess I'm

-- I grew up

-- when I was undergraduate I lived on Longview, and I walked this street every day, and I watched that house every day. And you can say all you want, oh, we just went back

-- we would go, oh, my goodness, University of Texas as it was in 1880. It will be a tower of darkness for everybody that's under it. But I don't think

-- I don't really know that that's the issue to the thing. The issue is it's a landmark status property and you're going to let a developer chop it up so they can make a profit and be a big profiteer and bail the co-op out. I'm just sorry that I weep for that but they should have known that 25 years ago.

>> Morrison: I think it

-- to me it's significant because, you know, we might take an argument, oh, we're just moving the house over, it's still going to be there. It really speaks to the context.

>> You're going to sandwich darkness in there. And I don't think you've got any other planning where you have two in a row where you have somebody in between where they're dark. But my client, who I'm not here representing as Ms. Crocker is, will be left literally in the dark. And by the way, that house was built on that lot, a lot than when we

-- when we started construction on the Gerhard Schock house, it had never been surveyed, and I figured the property line would be in the middle of the street. And when we surveyed it

-- the entire neighborhood was set out on these two houses, and all the streets and everything else. And to see that hammered is

-- is a tragedy. It's

-- and I certainly wouldn't have any faith that somebody

-- the only way they could get through the landmark commission was to manipulate the time, that you could have any faith

-- I have heard everything in the world about, oh, the new guy is going to do this and the new guy is going to do that and the new guy is going to do this. Well, the new guy is not here, and if you think you've got some kind of control over the new guy you're wrong, because the developer

--

[15:06:57]

>> mayor leffingwell: Are you still answering the question?

>> I still have time.

>> Morrison: Thank you.

>> Mayor leffingwell: No, I think

--

>> I really do thank you. Please, we don't move houses, we don't chop them up. This thing is a lot more significant than it looks.

>> Cole: Mayor, I have a quick question.

>> Mayor leffingwell: Mayor pro tem.

>> Cole: Mr. Panelli, because of your background, can you speak briefly to the issue about the feasibility of protecting the house and still moving the house given the age and

--

>> I'm quite sure

-- I'm quite sure the house could be moved without damaging it. I could.

>> Cole: Okay.

>> Whacking off

-- people say, oh, that bay wasn't original. Well, I was on the preservation board that restored the capital, and we had an argument, what decade do you go back to? The capitol was built in 1888 but we went back to 1900. I don't know when that bay was put on there but it's part of the house. I mean, you don't, oh, let's just get rid of it because it's convenient for us. Let's get rid of the heritage oak, tear off all of the additions that staff say are irrelevant. There's my plea, turn them both down. Thank you.

[Applause]

>> cole: Thank you.

>> Mayor leffingwell: Noria .

>> My name is nuriazaragosa and head of cam pack, and I hate to follow mr. Panelli

-- but I think I'm going to do that.

>> Mayor leffingwell: You can do that.

>> You had asked if there was something in uno that spoke to this and back in those days it was obviously the idea that this was going to be hugely dense and that would put some structures at risk. So there was language in there to plan for that inevitable reality that we see today. This comes from page 10 of the design guidelines in uno. Austin is not a city with a large stock of preserved historic buildings. Because of this and because older buildings can create a link to the past that promotes a sense of place, what does exist should be treated with a certain amount of deference. All parts of the built environment tell a part of the story of the town they create. Then further on page 11 it states, "there are some small-scale buildings in the district, which are likely to be removed and replaced with a sort of dense

development promoted by the university neighborhood overlay. Due to their present use or historic designation, they may be considered to be a permanent place in the neighborhood. The attorney for the university co-op wants to argue that uno direct's dense urban reality on this site when they adopted guidelines cited in code provide that existing landmark properties should enjoy protection from alteration and have a permanent place in uno. And that is the cam pack's position. So we ask that you turn down both requests. Thank you.

[15:10:05]

>> Mayor leffingwell: Thank you. Megan misenboc?

>> Good evening, council, I'm megan misenboc, and I live about seven blocks from this house and I hope you'll turn down both requests because this case is very important as a tipping point, the bar you're setting for uno and historic properties. Thank you very much.

>> Mayor leffingwell: Wow, thank you. So three minutes rebugets re --rebuttle from the applicant.
-- Rebuttal from the applicant.

>> Mr. Panelli was certainly very colorful, and he had lots of great things and lots of -- tower of darkness. I thought I saw the death star hovering over west university the way he was talking, but there was tons of misinformation that was provided to you. The uno guidelines, they were never adopted by this council. They're guidelines that were put together. The idea -- the ut co-op, they've maintained that building. Currently in it. The president offices in that building, so they want you to first believe we left it in disrepair and it's dying on the vine. We're currently using it. We don't need it and we'd like to be able to put student housing there, which is desperately needed, affordable student housing. And by the way, here I am, I'm the evil, tricky lawyer that came in and said, you know what? Historic commission, you haven't had a quorum. We come back and forth. You're never there. You can't make a decision. You keep postponing us and I opened the book and I said, you had asked in 60 days. Why haven't you acted? Why haven't we had a decision? We had emails back and forth with the commission. And city staff said we missed the deadline. Then they came back and changed their position. So there's a reason this body passed the city code, because it does have deadlines, and historic does have to act or else a property owner like the co-op gets to do what it wants to do, which is move it 12 feet. And you heard mr. Panelli, who kept saying my client, oh, wait a minute, I'm not here for those owners. He and ms. Crocker -- ms. Crocker called him. He has never shown up in the past year to one single hearing. He came tonight at mrs. Crocker's request to give you a colorful presentation and to try to convince you that this isn't a good deal. Did you hear anything about students in there? Did you hear an alternative proposal for a location? Did you hear anything about where we're going to get those 40 student beds for the low income at 60% on the uno guidelines? Did you hear anything about where else in west university district there's a prime property with these dimensions? No, but you heard wrong statements. You heard 21 rio being misquoted in size. It's 16,800 feet. You heard our side being misquoted, the parking lot is 15,700 feet. You can't get rio on that parking lot without the rezoning request we're asking for tonight. We have modeled this off of the rio project, which we'll provide the -- will provide the necessary beds for students in the university. You're going to hear later tonight about stealth dorms, and if this project is voted down, where are the

-- where are the students going to go? We've got to get this project going to get it in line to be on-line in about two plus years. We've got to get this one going now to get the increase in students that expect it. This is not a bad project, and I'm sorry if I'm not as colorful as mr. Panelli, but I certainly hope I'm as heart felt and emotional about this. I'm a ut longhorn. Do you know what one of the other options is? Closing down the co-op east and selling it off because the co-op has to do something and this is a good plan.

[15:13:55]

>> Mayor leffingwell: Thank you. [Applause] I think one good point has been made, and I'm to kind of mention it as an aside. We have not been getting a lot of help from the boards and commissions lately. Tonight's agenda we have two cases where the planning commission has forwarded to us without a recommendation. Last week we had one that was forwarded to us without a recommendation because it was a 3-2 vote, five people out of nine attending these meetings. So frankly I'm open to suggestions on what to do about that part of it. Council member martinez?

>> Martinez: I just want to remind council, we did pass an item asking staff

-- council member spelman and I sponsored asking staff to prepare for this scenarios that's happening right now because we're going to an 11-body council and will we add 11 commission members to each and every board and still face the same scenarios.

>> Mayor leffingwell: We're facing it now.

>> Martinez: Right, it needs to be addressed, but what I'm saying is I'm hopeful and optimistic that staff is taking all of that into consideration as they prepare to come back to us with recommendations, and I agree with you. You know, I would suggest that it doesn't come to council until we get a positive or negative recommendation from our commission process.

>> Mayor leffingwell: Well, I guess

-- I would just say I think that's something we need to think about a little bit. I know there are regulations. Planning commission has 90 days to make a recommendation, et cetera, et cetera. Maybe we should be using those 90 days. Council member spelman.

>> I got a couple questions of mr. Stowsski or russ

-- rusthoven. Steve is standing up so I'll ask you. If we were to hypothetically again pass item 77 and to terminate the restrictive covenant, so they now have a smaller footprint to put this house on, and let us presume hypothetically that they intend to move the house entire

-- without taking any pieces off of it into that footprint. Is there a way so far as you can tell for them to move the house in its current form into the footprint they're asking for?

[15:16:15]

>> Not that I'm aware of, nos.

>> Spelman: The house

--

>> no sir.

>> The house is too big to fit om footprint?

>> As it currently stands, yes.

>> The only way that can happen is to take off the bay window or the back edition or something like that?

>> Yes, sir. Even by their own depiction of the move, they have a 5-foot buffer between the wall they expect to keep and the stone wall. They have 5 feet. So with the bay windows, the bay windows

-- and the small addition to the side, that takes up that 5 feet. The house as we showed with ms. Mcgee standing there would be right up against the stone wall.

>> Spelman: You have to take off

-- from your point of view, your suggestion is they have to take the bay window off just to get it out to the edge of the property?

>> Yes, sir.

>> Spelman: Okay. I'll check that out with the landowners in just a second. I'm looking at the site now on maps google and there's a relatively small yard in front of it. They're also talking about edging forward as well as sideways. So it looks like they'll lose a bunch of that yard, but there is a very large sidewalk in front of it as well. Is there anything that the landowner could hypothetically do in working with the city to preserve some characteristics of the site that green space in front of the site, with a smaller yard?

>> The

-- the impact to the front of the house is significantly less than the impact to the side of the house. There still will be a green lawn in front of the house, but it will be reduced by 12 feet.

>> Spelman: So the critical issue is just the side of the house, really?

>> That side of the house is going to be more significantly affected, yes, sir.

>> Spelman: I won't worry about the front then too much. That rock wall with the fence on top of it, is that rock wall historic or is it

-- has it been added later or what?

[15:18:16]

>> That I do not know, sir. I mean, it's park of the historically zoned parcel, but in our file there is no mention of that stone wall.

>> Spelman: Okay.

>> Or the fence on top of it.

>> Spelman: Last question. Is the applicant's wanted

-- or their

-- if their successors wanted to move this property and in moving it take pieces off of it, would they have the authority to do that without the blessing of the city or would they actually have to seek approval from the city to be able to make any changes to the house footprint?

>> They would need a certificate of appropriateness from the landmark commission to remove anything from the house.

>> Spelman: Okay. And I can reasonably presume that the historic landmark commission will not make the same mistake twice and will actually make a ruling on that certificate?

>> Well, there's a question that would have to be discussed and decided at the commission as to which of those we'd be looking at restoring the house to an earlier appearance.

>> Spelman: That would be the framing for any changes to the house footprint?

>> That would be framing for their proposal, yes, sir.

>> Spelman: Okay.

>> Whether the landmark commission had

-- you know, agrees with their proposal or suggests another approach to it, that would be something that the commission would have to bring up when the application is brought to them for consideration.

>> Spelman: Cause. Thank you. Jerry, do you have something to add to that?

>> Council member, if I may add quickly, this is not the landmark commission's fault that the deadline was missed. It's actually the staff's fall. We changed the code last year and we changed it 60 days to 75 days in one portion of the code and we should have deleted another section of the code. We accidentally forgot to do that while we were making that change so it's our fault there was a discrepancy in the code, not the commission's.

>> Spelman: Have you brought forward the change of the code to rectify the situation?

>> Next tuesday night mr. Sadowsky is going to the committee to initiate that code amendment.

>> Spelman: Sounds like a good item. Mayor, I'd like to ask mr. Shammock or mr. Mchone another question. Is it physically possible to move the house intact without making changes in its current footprint into the area remaining after you've lopped off the section we're talking about in 77?

[15:20:34]

>> I just consulted with our architectural design who donated her time to me and we went over the plan, and, in fact, there is on the east side, not the bay window but on the other side, there is a small part that currently would be over the line. And because of that I would propose one possible solution that could resolve everything, is we would be fine with the council instead of terminating the restrictive covenant, modifying it to say the house shall not be in any way modified absent historical land commission approval and then agreeing to the zoning so that we can get the sale done. That would make sure that it's not touched, and it also would make sure it's not moved until it needs to be moved.

>> Spelman: That provides me the assurance I was looking for in my first question.

>> I've been trying to figure out how to do that and the party to the restrictive covenant is prepared to agree to that modification in order to allow the zoning to happen and to protect that house and not touch it without landmark commission's approval.

>> Spelman: Mr. Shammock if you would write up that language I'd like to see it.

>> Mayor leffingwell: I think we need to deal with these in sequence. First item no.77 and then item no.78. And I'm just advised what you suggested, we're not properly posted for.

>> Spelman: We're only posted to terminate, not to modify?

>> Yes, sir.

>> Spelman: Okay.

>> Mayor leffingwell: But what I'm going to say is I'm not going to support the rezoning request in item no. 77. This truly is, in my opinion, a landmark structure and whether or not it was codified or not it was certainly in the understanding, in the guidelines, when the uno plan was adopted. There has never been a recommendation that that zoning be changed or that status be changed by the historic -- changed by the historic landmark commission. There was

-- they have never taken a positive, affirmative step to do that. It was a default position. The planning commission has not approved this, so we're standing here basically without a recommendation except from staff, and that's kind of nebulous, trying to understand exactly what that was. But just for simplicity's sake and for the preservation of this landmark structure, and honoring the spirit of the uno plan, I'm not going to support the request in item 77. Council member morrison. Oh, could I say one more thing? I certainly respect everything mr. Panelli said. I disagree with him about the big bad developers always trying to wreak havoc. Really I think most of the time developers do good work, positive work for our community, but otherwise I do agree with him. Council member morrison?

[15:23:41]

>> Morrison: I certainly agree with you and I think that one of the things

-- one of the lessons here that we all have to take notice of is that we need to be mindful that we have lots of values that we want to promote and protect and one is historic preservation and one is student housing and affordable housing, and there are going to be times when we're going to have to decide which one we're going to move toward here. And for me the bottom line is we need

-- there are

-- there is

-- there are other places for affordable housing and it will result potentially in a little bit less, but it's more important here to be able to maintain this stellar example of a historic landmark. So I'm going to make a motion to deny the application under no.77.

>> Mayor leffingwell: Motion by council member morrison to deny, and I'll second. You second too?

>> Cole: That's fine. I just have a brief comment.

>> Mayor leffingwell: Go ahead.

>> Cole: I also attended the university of texas but that was at a much later date than mr. Panelli.

[Laughter] but I remember the structure and I think it's important in the university area that we maintain that diversity, especially for this particular population, and that is consistent with the values that we have shown on this council but also with the imagine austin plan. So I think that we would be denying the spirit of that plan and the uno representation if we did not deny this item.

>> Mayor leffingwell: Any other comments? Council member spelman?

>> Spelman: I can count and I know this is going down, but I do feel a need to mention two things. One of them is that if there were no way to keep this house intact under the restrictions of 77, then I would be joining the opposition to it and I would vote to deny. Because the landowner is going to give -- would be willing, hypothetically, again, to give us reassurances that wouldn't happen, at least not without the okay of the historic landmark commission, it seems to me it's a good idea for the reasons that mr. Shramock outlined eloquently a few minutes ago. In a few minutes it's my best guess council will take action on stealth dorms which is likely to reduce or at least prevent increase in affordable housing available to students, and those students are going to have to go someplace. I think every time we make a decision in favor of historic preservation or in favor of keeping neighborhoods, we have to recognize that there may be consequences to those conclusions, and in this case we're going to be making, I believe, two decisions in a row against affordable housing, despite the fact that we're actually in favor of affordable housing. Often that's a really good idea, but in this case it turns out it may be a

little inconvenient. I think the inconvenience is minimized by the fact we're not destroying an historic structure. I don't think it's necessary

-- necessarily true that we will be harming the historic structure in any way at all and we have reassurances that that wouldn't happen, at least without an okay from mr. Sadowsky and the historic landmark commission. All we'd be doing is authorizing the movement of that structure a few feet towards the sidewalk, and I don't believe looking at this and having passed by it several times that losing that side yard is going to be destroying the historic features of this neighborhood or the house. The house has to stay up. I think it's good for the neighborhood, good for the stiff for that house to stay up but I don't think it has to stay exactly where it is, and I don't think moving it 12 feet I don't think will do tremendous damage to everything, particularly given we can get a whole bunch of units for students who desperately need them at affordable rates in exchange. I would vote in favor of it. I will vote against the motion to deny.

[15:27:45]

>> Riley: I agree with council member spelman's comments. I don't find the parking lot historic. We're talking about whether the parking lot should have historic zoning and I don't find it historic and we're not talking about just a few less units. We're talking about the opportunity to get 296 beds, beds for 296 students two blocks from the drag as compared with something like 94 beds. So almost 300 ut students will not be able to live here two blocks from the drag as a result of the decision that we're about to make tonight. So I'm not going to support the motion.

>> Mayor leffingwell: Any other comments? Council member tovo?

>> Tovo: Yeah, I am going to support the motion and I agree with my colleagues who said that student housing is important. We have many students who need housing, they need it close to campus, as has been said, and it is appealing to have housing that is at least a portion of which is going to be affordable. In the course of conversation it's sort of all become affordable housing, and remember, just a fraction of it was going to be affordable, which is important that that fraction remain affordable, that some of it was student housing. So I'm completely supportive of continuing to look for opportunities to densify less campus and provide opportunities for student housing, but as has been said if we're going to have a historic preservation program it needs to mean something and we have very few historic structures in west campus left and it's very important we protect the tools that the city has put in place to keep those structures part of our community fabric.

>> Mayor leffingwell: Council member martinez.

>> Martinez: I won't keep everyone in spends. I'm the only one that hasn't spoken. You know, I think this is a clear example of competing values that we support both process that lead to historic zoning and that lead to the densification in appropriate areas, and that's what's going to happen. You know, we're a big old city and sometimes you're going to have an area where you have planned for density, but you also have an historic structure that you recognize that you have to protect the principles of that process as well. So I will be supporting the motion to deny removing the historic status on this property. And I just want to remind folks that that's the nature of the business that we do here, is we try to balance the stuff out, and usually half the room is happy and half the room is upset every time we take a vote, and we'll have many more of those tonight. But, you know, I respect everyone that came down. I think the

developers made some very good points. I don't
-- you know, they didn't fall on deaf ears. I realize that we have a housing problem for students, but I don't believe removing one significant landmark is going to solve our housing problems for students, and we have to respect that
-- that part of our code as well.

[15:30:46]

>> Mayor leffingwell: Yeah, I think that's part of the general sentiment. I'm not entirely happy with losing the opportunity to create more student housing myself, but I think in this case, as I said before, we have to honor our
-- the landmark status of this particular building and find another place. All in favor of the motion to deny say aye.

>> Cole: Aye.

>> Mayor leffingwell: Aye. Opposed say no.

>> No.

>> Mayor leffingwell: Passes on a vote of 5-2 with council members riley and spelman voting no. So item 78, it doesn't much matter what we do. We can vote to approve, deny or withdraw

-- or withdraw it. It doesn't really

--

>> [inaudible]

>> mayor leffingwell: Council member martinez moves to withdraw the item. Second by council member morrison. All in favor say aye.

>> Aye.

>> Mayor leffingwell: Aye. Opposed say no. Passes on a vote of 7-0. That brings us to item no. 84. We have two people signed up to speak. Is there any discussion from council members or staff before we hear from speakers? Council member morrison.

>> Morrison: Are we going to get

-- this is the downtown density bonus

-- are we going to get a presentation from staff or how

--

>> mayor leffingwell: That's what I just asked.

>> Morrison: I'm sorry, really?

>> Mayor leffingwell: Yes.

>> Morrison: Wow.

[15:32:46]

>> Mayor leffingwell: I did. Okay.

>> I'll introduce that, item 84 is conduct a public hearing and consider an ordinance amending chapter 25 to density bonus regulations in the downtown density bonus program in the rainy street area. At this time I'll turn it over to erica leak for the presentation.

>> Good evening, mayor and council members. My name is erica leak with the planning and development review department. I have a short presentation, if you'd like to see it, or if you want to dive right in, that's fine too. Short? Okay. I'm going to fly through it

-- thumbn thumbn ail size.

>> Pardon? Thumbn thumbn ail size. Never mind. [Laughter]

>> you'll remember that we came here this past summer to adopt the streamlined downtown density bonus program. We're back now to basically finish that program, and so very quickly, just a reminder of the three things that we'll be doing tonight is to codify the remainder of the downtown density bonus program public benefits, to create an affordability period for affordable units in the rainey subdistrict, and to make the rainey subdistrict eligible to participate in the downtown density bonus program. So I'm sure you all remember what a density bonus program is. I'm just going to fly through tha. The way it works, if the clicker will work, is you have base titlements. There's bonus density. Sometimes there's additional value that goes with that additional density. If so, then you need to split that value between the developer and the community to have a successful program. There are cases where there isn't additional value that goes along with that additional density, and in those cases you shouldn't require a large amount of community benefits. And we

-- we basically codified that portion, that concept as part of the streamlined program by making residential projects have a fee associated with them, but the hotel and office projects would not because there's not necessarily

-- not necessarily a lot of additional value that goes along with that additional entitlements. So that's basically what that talks about. I'm sure you remember this menu from before. These are basically all of the elements of the downtown density bonus program. The items

-- item no.1 is the gatekeeper requirements, which are already codified. No.2, the affordable housing community benefits, again, already codified. An element that we'll be adding as part of these new amendments is a community benefit for a family-friendly bedrooms, and then there are other listed community benefits we'll be codifying now, and then the other non-listed community benefits, again already codified. So the pink are the items that have already been codified. The

-- and that's

-- those are the gatekeeper requirements, again, already codified. The green are being codified now, and I should mention the box in white is the transfer of development rights, which one of the recommendations of the downtown plan was to set up a tdr, transfer of development rights, program. We are not doing that right now, just because of the complexity, but we'll move forward with that later. As I mentioned, for rainey we'll be adding an affordability period for the rainey subdistrict, and including the rainey subdistrict in the downtown density bonus program. So the new maps for the downtown density bonus program will show that rainey is eligible, but only for far above 8 point 1, and a diagram of that change is that the previous rainey point system will be going away. Any far above 81:00 will be

[15:37:43]

[inaudible] through the downtown density program. There are a few staff recommended changes and I actually need to pass out an updated sheet, but basically there are

-- there was one planning commission recommendation that staff does not support, which is the

addition of on-site children play area, not that we wouldn't love to see those, but they're already quite a large number of community benefits included in the program, and by adding even more community benefits you're really watering down the efficacy of the existing community benefits. So we recommend that that be removed. Change b is just adding some language for clarification. Change c, there are actually two

-- two changes that are associated with that. One of them is to change the bonus percentage in that section from 20% to 25% for austin energy green building three-star rating, and to change it from gold to silver leed rating, and both of those recommendations came from the austin energy green building staff after the planning commission recommendation was already made, which is why they're shown as changes rather than just being included in the draft ordinance. And then change d is just adding one other element to affordability that's basically implied by the program but it's making it a little more specific. And I'm happy to answer questions.

>> Mayor leffingwell: Council member spelman?

>> Spelman: Erica, tell us more about change d, because that's the one that wasn't in the backup.

[15:39:49]

>> Yes. Let me

-- change d, hopefully. Oh, here we go. Change d is basically adding language that says that affordability is defined as making sure that a household spends no more than 30% of their income on housing, which is the standard definition of affordability. And it's something that was already included in the downtown density bonus section of the ordinance, and it just for some reason hadn't made it into the rainey portion of the ordinance, so it's just a clarification.

>> Spelman: Okay, thanks.

>> Mayor leffingwell: So these four recommendations would apply both to the cbd density bonus and the rainey street subdistrict?

>> The four recommended changes?

>> Mayor leffingwell: Yes, abcd.

>> Well, they're specific to each portion

-- they're specific to a portion of the ordinance, which means that some of them would be specific to the downtown density bonus program and some of them will be specific to rainey. So in this case a would be for the downtown density bonus program. B would be for the downtown density bonus program. C is downtown, and then d is for rainey.

>> Mayor leffingwell: B is for downtown?

>> All are for downtown except d.

>> Mayor leffingwell: And the language added is for clarification only?

>> On b?

>> Mayor leffingwell: On b.

>> As in boy? Yes, we have reviewed the first downtown density bonus program proposal and realize that it's not very clear when certain requirements need to be met. And so we think this would really clear it up as to when

-- when things need to be put into a restrictive covenant.

[15:41:56]

>> Mayor leffingwell: And c applies to downtown and rainey?

>> Well, it's specifically in the downtown portion. It would apply to rainey

-- it's not in the rainey portion of the code, but it would apply to rainey properties if they're seeking far greater than 81:00, which bumps them into the downtown density bonus program.

>> Mayor leffingwell: Say that again.

>> Okay. So

--

>> mayor leffingwell: It's late.

>> A property owner within the rainey subdistrict, if they want to get up to an far of anything above 8 to 1, for far that's above 8 to 1 they actually use the downtown density program to get that far greater than 8 to 1. So they would be using this community benefit for that additional increment of far 8:

>> Mayor leffingwell: But in neither case, if you're below 8 to 1.

>> Right.

>> Mayor leffingwell: In either rainey or downtown.

>> I guess it depends on what your base zoning would be downtown. There are properties that might be zoned like vmu, so their base far would be 5:1, but if they did cbd zoning, you're correct.

>> Mayor leffingwell: D we just talked about. That applies to both d?

>> B as in boy or d as in dog?

>> Mayor leffingwell: D as in dog.

>> D as in dog, okay. D is language that needs to be added to rainey that already exists in the downtown density bonus program.

>> Mayor leffingwell: Well, let me just say that I never liked any of the downtown density program, and I would just as soon do away with all of it, but I think all of these changes are good, so I intend to support it. Council member morrison?

[15:44:07]

>> Morrison: Thank you. Erica, this has been pretty amazing job to put this all together. Did you

-- I went through the ordinance and I did get a lot of questions

-- had a lot of questions. I don't know if you have them, and so two things just to preface my comments.

One, there's one piece of this

-- backup for one piece of this or background for one piece of this ordinance that we haven't

-- I haven't gotten a chance to look at yet, and I do want to at least be able to peruse, and that is essentially parts

-- what goes into parts 4 through 12, and it's the equivalency for one square foot of bonus area, these sections identify how much, say, open space or music venue or whatever. And so my first question is going to be if it would be available, if the analysis that allowed you to develop those would be available for us to take a look at.

>> So we did not have economic analysis completed for these other community benefits. So as you'll

remember, we did have funding to hire consultants to do the fee in lieu analysis. That was part of the streamlined program that was adopted in June. We did not, unfortunately, have the luxury for these other community benefits. What we did do is we worked with other departments to get monetary estimates of any of the types of community benefits that we

-- that basically any information that was available. And so then we tried to determine whether, like, a community benefit would decrease the

-- the square footage of the site that could be developed. So an example of that is for historic preservation, since a fair portion of the site would have to be kept

-- basically the historic buildings would have to be kept on a significant portion of the site, it means that it would have an impact on how much space could be developed. So because of that in relationship to, say, a day-care center, which could be done, really, within a building and wouldn't have the effect of limiting the amount of development on a site, we determined that it would

-- it would basically get you less bonus. So we don't have specific

--

[15:47:02]

>> morrison: Analyses? Okay. So let me just say two things. One is I'd like to be able to understand what went into those

-- these numbers. The second thing is

-- and I've been able to do that. The second thing is I have about 20 very detailed comments that I would want to work through, and they're sort of mechanical, and what I would like to do

-- suggest is that we adopt this on first reading instead of me taking the time to go through all of these, and then I could just work with you off-line to

-- some of them are just questions that you're probably going to be able to answer. Some of them might result in a motion I want to make to adjust things a little bit. So just to share that with my colleagues, that's what I do hope that we might be able to achieve tonight. But there are some that are not

-- that are more conceptual that I do want to bring up and I'll keep them to a minimum. One is in the definition

-- and especially because I want my colleagues to know that I would be asking these. In the music venue, one of the things that we heard from the music commission recently was an issue with this concept of pay to play, and so one of the things I wanted to ask was whether it would be possible to include a prohibition against pay to play in any of the music venues that are used to satisfy our bonus density.

>> And I talked to Don Pitts of the music office, and he basically said that we certainly could include that type of stipulation in the ordinance, but at this point they have no

-- no good way to enforce it. So

--

>> morrison: That never keeps us from passing a rule. [Laughter]

>> so the language is

-- I'm sure we could come up with language

--

>> morrison: All right. Okay. Good. And then on the child play area, I understand your point, we don't

want to dilute the effect too much, but one thing I guess if we do just do it on first reading tonight, when we might be able to think about a way to promote child play areas through our open area and plaza benefits. And so that's something that hopefully we might be able to do. And then the last part I wanted to mention that I have concern about is section 15, part 15 of the ordinance, because part 15 of the ordinance says that

-- sort of basically has the city manager adjust the development bonus fee, the menu of community benefits and on-site affordable housing bonus area. Those are the three

-- those are the things that concern me that if we're going to be changing the menu of benefits and if they are

-- if there could be concern if we're changing the actual bonus fee and all, that I will be interested in adjusting that

-- making a motion to adjust that so that there's more council interaction in it. So

-- so I

-- I'd be happy to just leave my comments at this tonight. If somebody does want to pass it on all three readings, then I'm going to have to go through this whole basic document

--

[15:50:39]

>> [inaudible]

>> mayor leffingwell: Wait a minute. We have speakers.

>> Yes, we do. [Laughter]

>> mayor leffingwell: Stewart hirsch?

>> Mayor and members of the council, my name is Stewart Hirsch. We know from housing market studies that the greatest housing needs in this community are for those earning less than 25,000 and \$15,000 a year. So I can't imagine Austin as we go to Codecs or Code Next or whatever it's called, writing a code amendment for Rainey Street housing affordability, where no one earning less than \$40,000 a year has to be served. But that is the draft ordinance that your boards and commissions and staff are laying on the table tonight. I know this is going to pass eventually in some form, but I'm here to remind you that the current Rainey Street housing affordability of one day, and that's what it is, one day, you can flip it the next day and be in compliance with the ordinance, is not an accident as presented through this process, nor is the current 80% medium income affordability standard. Some of us wanted and approved 15 years on-site and fee in lieu payments when this came through the process back when the Rainey Water Flume. Rainey sellers, buyers and many affordable housing advocates that I agree on on most issues but disagree on this one supported what ended up in the ordinance. So it was not inadvertent that we didn't have affordabilities. It was conscious. And I'm here tonight to suggest that when we go to Code Next, we need to seriously think about why we continue to look at 80% median family income for renters as a housing affordability goal and pat ourselves on the back when we do that when I spend my days around people who earn less than \$10,000 a year and desperately need housing close to downtown, and neighborhood could have provided that instead of more bars. So I am not suggesting you do anything other than what your board and commissions are suggesting because I see a moving train and prefer not to get hit by them, but at the same time this conversation needs to be

about the code next conversation about what are our true housing affordability goals and do we need to change them in some places we haven't got around to. Thank you very much.

[15:53:23]

>> Mayor leffingwell: Juan oyuvidez, is not here. That's all the speakers we have signed up to speak. I'll entertain a motion to close the public hearing and act on the ordinance. Council member morrison.

>> Morrison: I'd like to move that we close the public hearing and approve on first reading.

>> Mayor leffingwell: Motion by council member morrison to close the public hearing, approve on first reading. Second by mayor pro tem. Discussion? Actually, I'm going to support this and I think that's a good suggestion on first reading, because I do think it would be good to dig agents deeper

-- from my perspective I want to make sure that we're not making this more restrictive than it was before. All in favor say aye.

>> Aye.

>> Mayor leffingwell: Aye. Opposed say no? That passes on a vote of 7-0. We'll go to item no.88.

>> Thank you, mayor and council. Item

-- greg guernsey, plan and development department. Relates to public hearing and consider an ordinance amending 25-10 of our sign regulations to create signs for the special events that occur in our downtown area. The amendment was initiated by a commission almost a year ago, and it was actually in response to events that were occurring downtown sxsw. I worked with representatives of sxsw, our code department and our legal department. It principally allows signs on a temporary basis only in the downtown sign district, the cbd and dmu area. It addresses two types of signs that came up that we were concerned with last year. Staff didn't have a problem. In fact, there were some

-- one of the two signs we're going to talk about is a projecting sign and technically the sign is not, you know, visible from a public street, then we didn't consider it a sign. It makes a provision where they may be visible from open public right-of-way and provides for two projected signs. The other is for signs where we had an issue of temporary signs going up. There were many that were put up and actually cited by code compliance department and after talking to sxsw and our code compliance department we did have provisions in our ordinance for temporary signs, up to 96 square feet, but did not make accommodation for special events. So this is also put into this ordinance. Staff has an additional recommendation just to be clear, because our special events ordinance is a little lagging behind the sign ordinance. We thought these might actually be traveling together, but we did not want to hold this up because we think this is important for not only sxsw but other special events that may be occurring downtown. And so staff recommends the planning commission's recommendation with one additional change specifically to address the staff recommendation, which is on page 2 underline 22 of the ordinance, and this is specifically under 25-10-158. It's section a of that section, and I'll read it into the record. A permit may be issued under the section for only a sign

[15:56:58]

-- sign to be used at a permitted special event that meets the criteria specified in paragraphs b and c. Sections 25-10-317 definitions, and including public streets that have been closed to traffic in

accordance with title 14, which speaks to the use of streets in public property. We believe this change is necessary to address this interim time when we do not have a special events ordinance in place. As far as I know our stakeholders are okay with that. Sxsw asked about two specific things of staff. One addressed

-- is on page 3 of the ordinance. And if I can direct your attention to line 15, we did have some signage that was put up that was controlled by social media, or was not controlled necessarily by the applicants of the street closure events, and we had some concerns about those. This would add language actually to address that, but there was some

-- there was a line in here that caused concern after talking to sxsw representatives in the law department, we feel comfortable in allowing this section to be altered to remove language that speaks to in line c

-- or line 15 where it says, c, include interactive functions or to remove that section of the ordinance.

And so if there was some very interesting event going on downtown with sxsw and there was

-- or another special event that was more interactive, but that's under control of a person with a street closure permit, which is specifically part of this ordinance, we did not object to that, nor did we object to an item that was brought forward to our attention on page 4 of the ordinance. This is about line 2, that would specify that advertising a business, person or activity, goods or products, services that are located within the boundaries of the permitted special event may appear to be no more than

-- in step 10, to be 20% of that area of the sign. I've got an actual exhibit if you'd like to see what that might look like, but in brevity and given the lateness, we're just a minute to 10:00, I'll pause. We have

-- my staff has met with daa

-- met with daa. Also met with downtown austin alliance, numerous stakeholders. I'll tell you that there are a lot of stakeholders that would like to greatly expand this ordinance to allow more projections, maybe not associated with special events in the downtown area, but this really, as staff has presented this and talked to commissions, talked to subcommittees and talked to stakeholders, was really intended to address our downtown area and only special events. I'll pause if you have any questions.

[16:00:06]

>> Mayor leffingwell: Okay. Let me just say first that our rules require us to adjourn the meeting at 10:00, and unless there is unanimous consent or a motion which is approved to extend

-- to waive that rule, we'll have to adjourn our meeting. So is there any objection to continuing

-- waiving the rule so we can continue the meeting past 10:00? Hearing none, by unanimous consent, that rule is waived and we'll continue.

>> Unless there's questions, mayor and council, I'll pause.

>> Mayor leffingwell: It's all true. [Laughter] all right. Any questions for staff?

>> Yes, mayor.

>> Mayor leffingwell: Council member martinez.

>> Martinez: So greg, I want to do ask a couple of questions. I'm trying to skim through the ordinance again. So we have the definition of what a special event is so that we create some criteria for when the request to use these signs can be made. Can it only be granted to the operator of that special event?

>> Yes, we limited it in this case. Staff does have concerns that if we open it everybody, then you will be

barraged, and I think this is probably a good pilot to see how this works. We might be more open to more projecting signs in the future or maybe of different types. Media is changing, and staff would be looking at that. But downtown is a unique place. The ordinance makes provisions that, you know, the images that are projected are limited to staying within the envelope of the building. They're limited in size. It requires permission of the building, which it would be projected on and where it's projected to. So yes, it is limited to the holder of the street.

>> Martinez: Based on the definition in the ordinance, how many events qualify for this?

>> You know, council member, I don't know. Off the top of my head. I could probably think of maybe two or three for sure, but it does have the criteria, which is under part 2 of the ordinance, under 17, a special event means

-- and I can go through these very quickly. There's a, a hundred or more attendees per day, at city facility other than the convention center, long, city hall. Palmer events center. B impacts a city street, alley, walkway, or other public rights of way that

-- other than is permitted under 14-6, which is temporary street closure. C is a temporary and involves 100 or more attendees per day and is inconsistent with permanent uses come which a property may be legally used or occupies levels permitted on the property and has one of the following, sets up a temporary structure but not limited to tents and stages, in 2-1, the consumption of food or alcohol. As I said before we were trying to bring this forward with the special events ordinance so these would complement each other, but we still felt it was important to bring this sign ordinance, which is kind of running separate but parallel to the special events ordinance, because this was a need that we determined last year and would greatly help those that are holding special events downtown to try to direct people to their activities.

[16:03:42]

>> Mayor leffingwell: I understand correctly that in addition to a sxsw events, these signs could be used as a pilot for other purposes, public service announcements? Commercial advertising, et cetera?

>> Well, this is really oriented to that special event that might be occurring. It's not for general advertising of a product. In fact, that's subordinate, really, to the special event and getting forward -- or putting forward the information about the event or activities associated with that event. If we go to the findings I can read through those if you'd like, but it's really oriented towards that special event.

>> Mayor leffingwell: All right. So if there are no more questions we can go to our public hearing. First speaker is Gerard Kinney. Gerard Kinney, not here. Joe Cain? You'll have three minutes.

>> Mayor, members of the council, I'm Joe Cain. I'm here on behalf of Plaza Loss. We have an interest in this because we have in the past done projections on our east wall, which is a very big wall that's easy to see from a lot of places. And we had some concerns about the first version of this ordinance, but the ordinance has been redrafted. It addressed our concerns, and we don't have a problem at all with the adoption of the amendment that's before you now to create a permitting process for the persons who are sponsoring the special events. What we would like you to consider is what Mr. Guernsey described as a future pilot project, but we don't really see any reason why it can't go forward now, and that is to also provide an amendment process so that people like us who are not the event sponsors can make projections of off-premises advertising. The rub here is of course that it's off-premises advertising, which

is generally prohibited downtown. Our request is that you consider limiting the off premises projections we have in mind exactly like those that are in the proposed ordinance now. Limit them to special events, put the size limitations on them so that operationally as far as their impact on the community they would be no different than the projections that sxsw will make during these festivals. The only difference will be the content. Is there a real problem with off premises content during these festivals? We think not. The festivals already are quite exceptional. There's a lot of stuff that goes on during these festivals, which is not normal, not in accordance with normal land practices, and we think that these projections are consistent with the sort of vibrant visual experience that these festivals are intended to have. We think helps in that. We don't think that it would change what happens downtown during these festivals in that he way for the content to be off premises advertising rather than the advertising of the special event itself. So that's the basis on which you could do this, I think, without offending anything that goes on in these festivals. The question -- the question is, why would you want to make this change? The answer is the money. We have paid for this wall and all of that money comes from out of the city, indeed out of the state. It's a significant amount to us. It's not much in terms of the city's budget, but between us and people who understand also license their walls out, it's a significant amount of money. It is a net inflow into the city, and when the special event is over and the light goes dark, nothing is left. It is as if the projection had never been made. There's no environmental cost. There's no trash on the street. It is the most powerful economic inflow I can imagine, and nobody is asking for a subs or inducement in order to come do it. So we don't know any reason why you should not allow off premises advertising to be done by people like us. Thank you.

[16:08:03]

>> Mayor leffingwell: Thank you. John pateo?

>> Mr. Mayor, mayor pro tem and council. I'll try to keep it brief because I know you've been here a very long time. My john is john pattillo. I have a company called evec mode. I work in production. Alongside many times with sxsw. I also was the site operations manager among many things for fan fest, for formula 1 and work with x games. So many of theses many of the events I worked with, the sign is ordinance will apply to. And I have some concerns particularly not

-- not particularly about of the projections, we've been talking about the lighted projections you put on the building facades, but there's also sections of this ordinance that have to do with non-projected special event signs. I am not opposed to having an ordinance that addresses many of the things that go on there because it is kind of out of control during the festivals about who puts up what, but some of the language that's written in here is very, in my opinion, vague and subjective. I've actually tried to work through with code compliance on a official sxsw event at 6th and i-35 and there are lines in the code in particular that leave it up to a very subjective interpretation by whomever the enforcing officer would be on-site. So, for example, one of the things that's said in here on

-- let me see here

-- on page 3 in line 19, that we're looking here, starting there, it talks about the sign being distracting to drivers passing by. So they're saying if the sign is a distraction to the drivers, there's no definition of particularly what the sign is. Actually with this morning over at the city offices trying to get an answer

about, well, if it's a flag, is that a sign? If it's a tent is that a sign? And in this particular location you can see the event site that is on the road closure in sixth street from the upper deck of i-35. And one of the code compliance officers told me, maybe it would be distracting to the drivers as they went by. And another said, well, I don't know if they'd ever notice it. And so really the interpretation of this ordinance would be very subjective on-site. In reality of what's happening on the ground as you try to enforce this, as I read the code, it specifies about the 96-square-foot sign, you know, is within the

-- within the event space, and it

-- it should only have 10% of the businesses' names written on there. A lot of times these events have a presenting sponsor. For example for fan fest shell walls the presenting sponsor. By this ordinance about 80% of the signs that we made and constructed, the signage towers and these other things, would be in violation of the sign ordinance, and we made the directional signage towers, entrance scaffolds and these things oftentimes at the request of the city for just directional information and what not. So there are just a few concerns that I have in the

-- kind of the wording of some of the signage ordinance that would make it hard to interpret, and it also makes it very uncertain for me to tell my clients, well, you could do this, no, you couldn't do this, because when I go to the city everyone says, ah, maybe you could do it, maybe you can't. And so what happens is when you're on the street, it depends on

-- you know, you have three different code compliance officers and you have three different answers.

[16:12:09]

>> Mayor leffingwell: Thank you. Gerald luna?

>> How are you doing, mayor, council. My name is jarrell luna. I'm a small local business owner here in austin. The reason I'm here is because this particular ordinance brought up interest to me. I believe that temporary projected signs are great for the city of austin, especially in the downtown. They add a lot of ambience to our vibrant downtown. When you're walking down the street I've seen over the past couple years a couple of these projections. They're pretty cool and amazing to look at and I think they add to our city. I do believe that these temporary projected signs should be allowed for other things, which I'm not going to talk about because this has nothing to do with this ordinance, but I think they should be allowed for a bunch of other reasons. But as far as going to this other

-- to this ordinance here, I would propose that I am in favor of this ordinance because it's in steps of moving to that right direction of getting to projecting other things. But I will say that I suggest if you look at page 2, line 22, I suggest changing the word "and" to "or" simply to the reason of they're saying there's only two or three events that qualify to be able to do these projected signs. My concerns are these guys are going to have, you know, road closures, cause a bunch of traffic, but they're going to be allowed to project the sign to advertise their event, but you will not allow a small event organizer like myself, which is not going to have a road closure, to be able to project and advertise my event. I just want you to consider when you think about this ordinance, the small local business owner, event organizer, giving them the chance, the same opportunities as these big event organizers to advertise their event, and that's pretty much my thoughts. Thank you.

[16:14:22]

>> Cole: Thank you, mr. Luna. Brad spees?

>> Thank you, mayor pro tem and hello again, everybody. I'm brad spees with sxsw, and I want to say I'm grateful to mr. Guernsey and to his staff for working on this ordinance over the past year, especially with

-- given what happened during sxsw, there was some 6 by [inaudible] southwest signs cited by code compliance for not being in compliance, and that kind of kur fluffle has led to this. So I'm grateful for that and for the points in the amendments that mr. Guernsey and staff said they're willing to consider. One point I wanted to make about the staff recommendation to limit projections to events that have lane closures or street closures. First off, there are dozens of events throughout the year that have lane closures or street closures. A lot of the events at auditorium shores and at butler park they close lanes of traffic or park lanes to do loading and unloading or things like that. The concern on my side from sxsw about not tying these types of street or lane closures for projections is that during sxsw specifically there are 180 different special events, at least, that happen during sxsw, and they range in all sizes and shapes from extremely well produced, really slick events to not very well produced and very slick events. So as we've seen in the past, what would happen if this wasn't tied to it would be a proliferation of projections that could not fairly grotesque, and I use grotesque because it's a pretty extreme word but a couple years ago there was a company who did projections around sxsw and they weren't legal but they did them at a number of locations around town, and they were advertising, I think it was a plastic surgery company. So there was projections all around town of people taking their shirts off. And these projections were gigantic.

[16:16:53]

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

>> mayor pro tem, councilmembers, I just wanted to again thank staff for working with us and just ask that any motion include not only since it's specific the staff recommendation as reflected in the staff report for 25-10-158 a where it will have lane closures, but to also include the item that mr. Guernsey went over under 5 c to delete include interactive functions or and then to finally increase the percentage that at least the sponsorship or advertisement component of the sign can have on non-projected signs which is on page 3 from 10% to at least 20%. You know, we've gone back and forth and have asked for 30%. I know greg has an example, but you know when you have an event that says like 3 m sponsors this particular venue or levy or whoever it is, to have at least that to be a little bit bigger is what we would ask. Those would be the three changes in the motion that we would ask for. I guess four changes

-- no three. Staff report and then those two.

[16:19:05]

>> Cole: Thank you, mr. Walen. Okay, colleagues, any questions? Staff?

>> Mayor pro tem, council, we do offer we generally with all sign regulations a section that speaks to what a hazardous sign is. They are actually found in our code, I don't think you have them in backup,

they may be speaking to signs that obstruct a fire escape or require exits or doorways. Something that would interfere with ventilation systems of a building that on or a window that must comply with building codes or fire codes. Something obstructs lighting of a public right-of-way. Something that would be illuminated in a manner that would create a pedestrian or

-- or hazard pedestrians or traffic, so it might be a bright light or something might be construed as a traffic signal device. Something that

-- that would have clearance that would be such that would have blocked the view at an intersection. Something that would violate our electrical code. Something that would not comply with some of our sign set backs that might create a hazard if somebody was passing by. There's a couple of others in here, but we do have regulations that speak to that. I guess also speak to the

-- to the size of the sign. Right now our code allows for temporary on premises sign advertising a special event, sale or product. 30 days, must include the date of the sign, but most important it spoke to a sign being 96 square feet. That would be attached flat against the building. South-by-southwest events aren't

-- don't necessarily have a building at some of these sites. And so the

-- so the provision for 96 feet would be in accordance and similar to other temporary signs that you might see elsewhere in the city. We did make allowance for them to be allowed to be attached to a temporary structure or a fence. Some of the events that we have downtown may be taking place in a parking lot where there's no building whatsoever. As I said before, staff recommends the amendment as recommended by the commission. We would ask that the language in the staff recommendation that spoke to section 25-10-158 a, the additional language that I read that mr. Whalen indicated and those two other provisions. One that on page 3 of the ordinance on line I believe it's 15, to delete include interactive functions or to allow those functions that might occur on one of these projected signs could be interactive. Again, by that event sponsor who is sponsoring the street closures downtown and the area of the advertising associated with

-- placed on a banner be slightly larger, so being 10% it would be 20%. With that, I'll pause. I know that there are others that have spoken here tonight about possible changes to the sign ordinance. I would like them to come to the codes and ordinances subcommittee of the planning commission. They have a citizens subcommittee

-- citizens communication that you can speak before planning commission and they can offer those. I think we probably will be looking at the sign ordinance again as we go through this special event kind of like we did last week. Look at those projected images. Staff had a concern if you pretty much opened this up to everyone, it might be a little distracting to everyone what's happening and what is a sign that's allowed or not. So I think as a caution this year we are only suggesting two. We may come back next year and offer more, depending on how this goes this year. This is something that we have not had before. But you certainly have seen in other cities and we are the 11th largest city in the united states. So it's something to consider and we have a hustling and bustling downtown. I would hate to stifle that.

[16:23:16]

- >> Does it include the two additional amendments suggested by mr. Whalen.
- >> Yes, they brought that to us, we have no objection in offering those as well.
- >> Spelman: Thank you.

>> Riley: So I

-- greg, I understand that mr. Whalen also requested one other change, in paragraph b 1 in page two of the ordinance was asking for

-- for the

-- that the word

-- that the number 2 be changed to 4 so that four projected signs would be permitted, special event signs would be permitted per special events.

>> Do you support that change?

>> I do not. Actually we kind of vetted this with our stakeholders. We limited two. Depending on how it goes this year we would be interested in possibly increasing that. We want to see how it goes this year. The amendment hasn't really changed a lot in the last couple of months, a lot of stakeholders coming in in the end, I feel hesitant because we haven't gone there. I don't feel as bad about the 96 feet, a little bit larger as far as the sponsorship goes because of the size of sign, location of the sign are remaining the same.

>> Riley: Okay.

>> Entertain a motion, councilmember martinez.

>> I will make a motion to approve the item with the amendments discussed. But I wanted to ask, are we

-- we are wanting to approve this on all three readings tonight in anticipation of

-- of this ordinance being in effect for this year's south-by-southwest.

>> As I read these in, I have already talked to our law department and we would be clear enough with the direction that you could do all three readings this evening.

>> I'll second.

>> Mayor Leffingwell: Motion to close the public hearing and approve staff recommendation with the additional changes talked about here tonight on all three readings, seconded by the mayor pro tem. Further discussion? Councilmember martinez?

[16:25:22]

>> Martinez: Did -- did the event

-- planner for south-by-southwest talk about the other two locations that they wanted? Did you give them that specificity of where the two, if the ordinance passes as proposed, might end up?

>> I know where one might be. Until they came in, I don't know specifically.

>> I'm going to go ahead and ask. Brad, do you mind coming down? I'm trying to get a general sense, brad, of I know there's a difference where you all feel like four would be an appropriate number. Staff feels like two. Can you give us a accepts of where your potential

-- a sense of where you're potentially planning to have the signs, given two or four?

>> Right now we're okay with two this year. As people have said, it is a pilot program and, you know, we're all kind of going into this together. One would be in the warehouse district, one would potentially be near sixth street.

>> Thank you. The last time we talked you talked about the w without of moody theater?

>> Yes.

>> That was one that you were contemplating but you won't put that on the table this year?

>> We're still working on it. There's a lot of specifics to be worked through with that.

>> Martinez: Understood.

>> Mayor Leffingwell: And I was interested in your little discussion of where this could possibly lead. I was impressed with Mr. Cane's arguments about how this type of sign is cleaner environmentally. You don't have a bunch of paint to strip off, you don't have a bunch of canvas to tear down, it's flexible, changeable. And I think based on what I've seen other cities can be very attractive. In a time square kind of way, you know. So I look forward to hearing about

-- about how we progress on

-- on thinking about these types of signs in the downtown area. All in favor of the motion say aye.

[16:27:23]

>> Aye.

>> Opposed say no? Passes on a vote of 7-0. Item no.89.

>> Mayor and council, I'm Jerry Rusthoven with the city planning and development review department. Here today to present item 89. To consider council consent to the creation of the Cascades municipal utility district number 1. As the city council may recall in 2011 the council adopted a new policy for the staff to use criteria in evaluating petitions for new m.U.D.s. This

-- this evaluation presented to you today is based upon that resolution. To give you a background, the purpose of the m.U.D. is to allow a developer an alternative way to finance infrastructure. The developer of a new subdivision will create a m.U.D. To help pay for major development expenses such as utilities and roads. And then instead of passing those costs along in the sale of lots within the new subdivision, the m.U.D. will issue bonds to reimburse the developer up front. Those bonds will then be paid by homeowner's property taxes over a period of time. This m.U.D. was created by the Texas legislature last year as a piece of special legislation. However, the legislature in its bill said that the m.U.D. would require city's consent prior to September 1st of 2014 otherwise the m.U.D. will be dissolved. The m.U.D. is shown in this map here in the red area. It has two disjointed pieces. It is immediately adjacent to the existing full purpose city limits along I-35 just south of the Onion Creek division, south of Onion Creek itself. The developer also indicated a wish as a part of the m.U.D. to have the ability of the m.U.D. to annex future areas, specifically they are proposing to annex the area possibly in the future that is the green hatched area. The proposed m.U.D. is 135 acres, largely residential, single family, multi-family some commercial in it. The proposed number of residents would be about 2800. Proposed m.U.D. would issue approximately \$37 million in bonds to finance water, wastewater, drainage and road facilities within it. The maximum m.U.D. tax to finance these facilities would be 97 cents per \$100 assessed valuation. The city would have to review and approve that issuance by the m.U.D. If the city were to annex the m.U.D. before the bonds are paid in full the city would then have to assume the balance of the m.U.D. and reimburse the developer for any unbonded facilities. In the full purpose annexation is deferred until the m.U.D. bonds are paid in full, the development will be excluded from the city's tax base before that period of time. The creation could create a long-term delay in the ability of the city to annex the area. The future full purpose annex date will depend upon the economy, the demands, could be up to 30 years. The Austin Water Utility will be provider for waste waste service.

The

-- water and wastewater service. The city council approved the funding of the lines to serve this project, included in that were \$3.4 million reimbursement to the developer in exchange for oversizing the lines to serve development beyond this project. There are both pros and cons to the creation of the m.U.D. I will allow mr. Suttle who is the applicant to go through the pros. In summary the olympic is proposing that the

-- the applicant is proposing that they would forego the \$3.4 million that the city owes them in exchange for the oversizing, they would provide affordable housing, they would provide greater tree protection, extension of the onion creek trail, two star green builder, provision of a two acre fire site, use of water quality controls and enhanced pedestrian and bicycle facilities. The cons have to do with larger policy issues related to

-- [reading graphic] unlike other m.U.D.s such as pilot knob or the whisper valley pid, creation of this m.U.D. is not necessary to the city to extend land use controls and utility service beyond where we could legally do so today. It could possibly also result in fragmented and inefficient service delivery. The m.U.D. may be able to expand its boundaries if the proposal as requested is approved to another specific property in the future, which would create further impediments to the city's ability to expand its tax base and increase efficiencies in municipal service delivery and the city would be prohibited from annexing the area for full purposes for an extended period of time along with the tax implications thereof. With regard to the service delivery, we are concerned that due to existing fire station locations, as well as some planned stations including one that council just approved recently that due to mutual aid agreements the austin fire department would likely be providing service to this area because of those agreements and we would not be collecting taxes during that time. We also have concerns because portions of this project are actually already within the city's full purpose jurisdiction. Those sections would be served by the austin police department, the portion within the m.U.D. would be served by the sheriff's department, we feel it would be more beneficial to have an entire neighborhood be within one jurisdiction rather than two. We are also concerned by the time the city was able to annex the property, which like I said could be between 25 and 30 years away, that by that point the infrastructure that was built originally with the subdivision will have aged over time and the city would have not collected taxes over time to

-- to maintain those facilities, by the time that we did annex them they would already be aged and in need of some investment and repair. City from various departments reviewed the creation of the m.U.D. and provided feedback. We used the m.U.D. Policy as a guide. Various benefits for the m.U.D. are mostly based upon the p.U.D. Ordinance. If you recall the m.U.D. Policy requires that the development be superior to that which would be allowed otherwise. That basically means it follows the format of a planned unit development or a p.U.D. would provide superior benefits. The benefits that are proposed for this p.U.D. or for this m.U.D. basically mimic the types of benefits that we would see proposed in a p.U.D. I will allow mr. Suttle to go through those. We did take this to averter of boards and commissions as required by the m.U.D. Policy and I'll quickly go through their recommendations. The parks staff and park board focused mainly on the park aspects such as the proposed trail along onion creek and saw those as an improvement over the overall existing proposed subdivision. The park board voted 6 to nothing to approve the m.U.D. Following the recommendation of the community development commission. The water and wastewater commission was interested in the benefits to the water utility

specifically the cost savings of \$3.4 million from the already approved development reimbursement agreement. They recommended to approve the concept of the m.U.D. Urban transportation commission voted to deny consent of the m.U.D. Because they did not believe it met the requirement of providing superior transportation infrastructure and because the preclusion of the full purpose annexation of the m.U.D. Would preclude capital metro from serving it. The environmental board made no recommendation. They could not come to a majority vote. And the planning commission recommended approval of the m.U.D. With the following

[16:35:29]

conditions: The area be annexed for limited purposes with interim zoning of irr to ensure that the applicant follow through and [indiscernible] p.U.D. Zoning application. The application was particularly concerned with ensuring that the desired dense communities and the land uses in the image austin comprehensive plan envisioned for this area will be required as a part of any future zoning. That the applicant have a discussion with capital metro to talk about a possible future multi-modal transit location facility at this location. And then as a part of any consent agreement to the cascade m.U.D., That the property owner must convey to the city at the time of council approval in a location form and content acceptable to the city water and wastewater department, water and wastewater easements across the m.U.D. Property for the purpose of the city providing water and wastewater service to 58-acre tract located at 12000 south i-35 and other areas within the city's service area. This is basically the tract to the south of this that is already within the city's full purpose jurisdiction. That the prior to council approval the m.U.D. The applicant will provide a definitive answer as to whether or not this development is going to negatively impact the surrounding pieces of property from a flooding perspective. And finally the prior council approval of the m.U.D. The applicant will provide a mechanism to guarantee affordable housing at a level promised for at least 99 years. So that is the staff presentation on the consent agreement. The consent agreement is not ready for all three readings today. We've actually had very preliminary discussions on the terms of the consent agreement. As an alternative to approval of the m.U.D., We do have item 57 on the agenda, which is for the full purpose annexation of the same property a as I said a portion of this project is already in the city limits and the property immediately south of this is already in the city limits. That is item 57. The public hearings have already been conducted on the annexation that was done late last year. The annexation would result in a positive 25 year net present value of \$6.2 million. That does not include the \$3.4 million foregone reimbursement cost. So if council chooses not to approve the m.U.D., That is the option for full purpose annexation tonight. I would like to state, however, that state law requires us to have full purpose annexation final reading within 90 days of the last public hearing and today is the last city council meeting within that 90 day window. We could reinitiate the annexation process at a future date. However we would have to go through the public hearing notification process all over again and that does involve some expense to the city. With that I'm available for any questions.

[16:38:14]

>> Mayor Leffingwell: Okay. We will hear from the applicant. Five minutes.

>> Mayor, members of the council, my name is Richard Suttle, I'm here on behalf of the applicant. I will go in reverse order and address the first issue and ask that you not consider the annexation tonight. It's interesting to note that this m.u.d. came to you, it was a resolution passed. It was a legislative hearing passed. This was passed by the legislature. It would have been nice to know that the annexation staff felt so strongly about this. That the legislature would have found it interesting that somebody just decides to go ahead and put 125 acres on the annexation schedule at the same time that we're going through the m.u.d. process. They really felt that strongly about it, we might have had that discussion before. That being said, if you annex it tonight, what you'll get essentially is what's on the screen in front of you. An old preliminary plat. It's a single family basically subdivision with not as much creativity as you might get with a p.u.d. And you wouldn't get all of the benefits that we've been working so hard with the departments other than the annexation folks to come up with. So what we're going to ask you for tonight is to not annex it. Because if you do annex it tonight, you get that. And you get a farmer's field and I'm not sure where they came up with their numbers. But you end up with the same situation that poor Peter [indiscernible] client is in. The guy south of us, you annexed him and you haven't been able to serve him either. We will be in the same boat. On the other hand what we're covering tonight, we come almost hat in hand because we cannot do this without your consent. This is one of -- consent. This is one of those ones where you have agreed to serve with water and wastewater so we have to earn your consent. If what we have tonight is not enough, tell us we will see what else we can do. What is coming to you tonight that -- for this m.u.d. You won't get the affordable housing component. The components that we have offered up are 2% of our reimbursable bonds to the affordable housing trust fund which could be as much as \$545,000. Plus we're agreeing that the rental housing will be 10% at 60% mfi for a period of 40 years and the for sale housing 10% at 80% and although we had proposed the first time sale because that's all that we could control, we've been in talks with your housing department about how to make that a 99 year deal. Sent to the m.u.d. Or at least the conversation about the muted, we have the conversation about affordable housing. If you annex tonight, you get nothing. I'll just hit the high points, parkland, parks department, parks board unanimously approved this because we end up with a lot of parks and trails and things that the park department wants plus they get some money. There's a provision in your report that shows we're short on the acreage. It's determined that the parks department is not short on acreage but they are short on money. What we agreed to do is provide a lot of improvements and earn their support. For the acreage that we were short, rather than trying to take credit for the improvements we're actually kicking in an appraised value for the acreage that we're short. On the environmental side and tree mitigation side, there may be a difference of opinion here, but I'm pretty sure my position and that is an approved preliminary plat that is -- that uses outdated environmental and tree ordinances. Mr. Rusthoven would tell you that you get all of your land use controls and you get everything that you need if you annex it tonight. I'm going to tell you, with those permits that's what you get and you don't get new ordinances. But under this m.u.d. Proposal we are agreeing to do the new watershed ordinance and the new tree ordinance. On urban design, we've agreed that to come in and do limited purpose annexation and do a planned unit development, which you will get to see again, which means that we get to replan this and we get to mix the uses and we get to get a more modern design that maybe we can keep some of these people off of i-35. And if we even if we can't keep them off of i-35, we own land adjacent to this that is in full purpose

areas that capital metro it's in their service area, we could work out a way to do a creative transportation plan. Originally we were going to bring in the stuff that was in the city. And make it part of the m.U.D. But if it got too complicated we had to deannex it. We thought that was too strong of a medicine. It actually provides us a mechanism to work with capital metro if you can work with us on possible creation of the m.U.D. Water and wastewater department, they are in favor of this because they get to avoid a whole bunch of cost expense that the m.U.D. Would take on. Instead of the water and wastewater department. And we kick around millions of dollars often in the city like that's not much. But apparently the water and wastewater department thinks 3-point something million dollars is a good deal. They get our

-- they get the customers and they have the avoidance of the cost and in addition to that, the track south of us, mr.

[16:43:21]

[Indiscernible] client that you will probably hear from tonight, you have no way of getting this water and wastewater to him and as part of this mud agreement we would do easements to get to him where the city could fulfill

--

>> Mayor Leffingwell: Donating time to you? Amanda three additional minutes.

>> Okay. I have hit on the environmental, I've hit on the tree. There's I used an analogy at the planning commission when we earned their unanimous support for this and that is if you look at your staff report, you'll think wow they're

-- they're not making a recommendation, yet it sounds really bad. If you add it up in a baseball game it would be 13 to 1. 13 departments think there's enough here to at least continue the discussion of having a m.U.D. And one department that thinks that it's a bad idea. The odds are pretty good. I think that if you would work with us in the next month or two, and pass on say first reading tonight, we'll look at the m.U.D., with all of the departments' recommendations, all of your boards and commissions recommendations and bring a consent agreement back, I'm hopeful in the next month or two we can reach a consent agreement, if not, you have not lost anything because right now this is a basically an agricultural field out there. If you really are

-- think it's important to annex this, you could start the process over and jerry will tell you that it's expensive and there's costs to it. There are, but you've already had these hearings on this annexation. You saw how much

-- how popular this is. Nobody showed up. Nobody cares. And it would go quickly if you thought that it was just really in the city's interest to annex this next year. With that I'll close, be happy to answer any questions, you're going to hear

-- you'll hear from lots of folks tonight and I'll just hold my comments for rebuttal. Thank you.

>> Mayor Leffingwell: Thank you. There are lots of folks signed up in favor. I think it would be well received if you addressed only new information that you have to offer, not be repetitive. First speaker is peter szearo. Considering the lateness of the hour.

[16:45:53]

>> Mayor, councilmembers, my name is Peter Szearo I represent CW Heatherly and his ownership group. He owns the kind of yellow square that's south on I-35 and just south of this proposed m.U.D. Area. I think it's helpful to have a little history. In 2009 we sought annexation to the city of Austin because water and wastewater was going to be extended to our property. We were annexed into the city of Austin, we were zoned, we are currently under city of Austin zoning control. But since 2009, we have not been able to obtain water and wastewater service to our property. We've had interest in our property. From

-- from people wanting to do different types of projects, but they've fallen away for different reasons. One of which is we can't access water and wastewater. Our

-- we are here to support the m.U.D. Tonight on the condition that when the m.U.D. Consent agreement is approved that easements are simultaneously granted to the city of Austin so that we can access water and wastewater. Which are on the m.U.D.'s property. We've not been able to get water and wastewater from anywhere else. And if we can't get those easements simultaneously with the approval of the consent agreement we're opposed to the m.U.D. And we don't want it to be approved. Even been in the city of Austin since 2009 and have been paying taxes to the city of Austin since 2009 and haven't received the benefit of services. So if we don't get the easements, if we can't get the water and the wastewater we may consider deannexation. With that I'm happy to answer any questions. Thank you for your consideration. Granting the easements.

>> Mayor Leffingwell: Thank you. David Saxon. My name is David Saxon, representing Saint

[16:48:16]

[indiscernible] church. A neighbor of this project. We have met with the owner and concluded that we support both the m.U.D. and the development. We believe that the mud and the development will enhance our neighborhood.

>> Mayor Leffingwell: Excellent, thank you. Richard Peroni.

>> Good evening, Mayor, Council, my name is Dick Peroni, I live at [indiscernible] in the subdivision immediately north of the Cascades m.U.D. I'm a native Austinite and I have lived in that residence for 23 years. I do care what happens and I support the m.U.D. Because this will be a first class development immediately adjoining our property. The alternative would be just like we talked about before, the 2011. You have 135-acre m.U.D. With a beautiful tree, residential area which would be great for the residents and you have a park of 50-acre park along the creek. I do know that the

-- I have been involved myself with personal and real estate and I was a site selector for a company. So I have dealt with developments and I have folded this through since 2008 when I was on the board of the directors of HOA and now I'm paying attention just because I'm a concerned citizen. The pedestrian crossing that would also be done is a unique connection between the Cascades and the south bank and the north bank which is the Onion Creek Golf Course. This would be a good fit for a lot of our senior citizens who are looking for a what do you call it? Downsizing in their homes so they can move across but still have access to the club. I would like to point out to you that Onion Creek was started in 1973. It was built out in the '90s. And had city of Austin water and its own wastewater plant. It was never annexed until 2004. It did not cost the city a bunch of money after they annexed it. In fact they made

money with the tax base that they brought in of 1200 residences, in 2009 they started putting wastewater lines in, but that was mainly to serve the area south of us because we didn't have a package plant. So I think that this would be a very good decision for the council. Thank you.

[16:50:42]

>> Mayor Leffingwell: Thank you. Mark knutson. Daniel king? You have three minutes. Okay. He is here.

>> Council, my name is mark knutson.

>> Mayor Leffingwell: Six minutes if you need it.

>> My name is market knutson. I'm not going to need very much time. I'm the developer. If you have any questions, I'm here to answer them.

>> Mayor Leffingwell: Very good, thank you. [Laughter]. Justin jeffarian.

>> Thank you, mayor and councilmembers, my name is justin jeffarian, I represent onion creek club the property just north adjoining the potential site for the m.U.D. We're here in favor of the m.U.D. With the condition that the pedestrian walkway be created across the creek that connects the two properties. We welcome the growth in the area and specifically the growth that is possible with the m.U.D. And the added amenities that come with that. Thank you.

>> Martinez: Mayor?

>> Mayor Leffingwell: Councilmember martinez?

>> Martinez: Justin? You might want to consider more than just a pedestrian walkway depending on the community that's built you might want to ensure that it has at least enough sizable access for golf carts if that's part of why you're recommending this. I would just think that logic would flow that you would want to get golf carts across there as well.

>> Yeah, that's part of the discussions, thank you.

>> Mayor Leffingwell: Arthur fog.

>> Mr. Mayor, council, I'm

-- I'm a resident of

-- of onion creek development immediately north. I live at 10216 pine hurst drive. Also a member of the homeowners association. I've studied the two alternatives and in

-- in my experience

-- in my opinion, the

-- the m.U.D. Will allow for a much more dynamic and prosperous development. The

-- the density that it would bring will add dynamism to the community and we've been, the sleepy end of the city, this gives us a chance to put ourselves on the map.

[16:53:28]

>> Thank you.

>> Very good, thank you. Now we go to justin spillman. Who is against. How about lexine spillman and richard spill man. Here? You don't have to come down. I just wanted to see if you were here. That gives you up to nine minutes.

>> Thank you. I'm justin spillman, my family owns spillman properties limited which is the property that

surrounds and is in between those various portions of the m.U.D. I have a map if they can get it up over there. My family is opposed to this m.U.D. Number one, mr. Suttle drew a map up there on the screen. The map he put up there I don't believe is actually the right thing. Back when the developer was first starting through this process, he wanted to try to decide whether to have one entry point or two entry points off i-35. It was my family that brought it to the attention that txdot was changing the on and off ramps on i-35, so my understanding is that the approved plan actually had two access points instead of just one. The developer did try to go back and put in just one access point right before going to the legislature to get this m.U.D. Approved. And so I don't think that it's really the intent of this developer to always do what was right. Two weeks ago, mack brown was here and in his speech we waited for that, it was interesting to hear him say always tried to do what was right. My family is trying to do that. My family owned this land since 1923, we've been there a long time, we'll be there a long time until somebody comes in and buys us out. We're not opposed to development. I want to show you a letter FROM AUGUST 6th, 1985 Addressed to my father in response to his request for water and wastewater service in south austin and basically says there's no plans to extend south of onion creek at this time. But most importantly, if you look at the fine print on the bottom it says in handwritten it says we will try to be helpful asap. Right now problems inherited from the past make it difficult to respond. Fcc. My contention and argument is today if you approve this m.U.D. You're going to create more problems down the road. Speaking of, this developer, you know, let me show you the plans where he wanted to have one access point instead of two. So what does that matter? Well, back in july we had a cow that was shot and the fence cut. We have a picture of that, too. And so -- right between the part of the city land and the full purpose land in the city versus our land down south. Well, what happened I called law enforcement to try to get a report. And I went back and forth between sheriff's department and a.P.D. Because the cow was actually on austin property. The fence is on the dividing line. It was a question about who was going to come out and serve. Okay, this is a \$2,000 cow and she's already dead. But let's instead imagine domestic dispute or some other alternative where someone is coming in and they need immediate response. You can't take an extra few minutes when -- when, you know, lives are on the line, when human lives are on the line. We think that it's very important for you to recognize that. Also, in 2006, speaking of fire service, there was a fire on the south side of our property that was actually in the urban tract which starts at i-35, the only thing that stopped that fire was asphalt in 1327. When the fire started turning back our way, I was only under the fence between that fire and our 600 round bales we had just purchased because of the drought. There wasn't an austin fire department there. Again the travis county services were too stretched thin and so this providing of services is a big deal that you really need to think about. Regarding parkland and dedication, we didn't show up at that hearing because it's interesting that if you -- I have a map that shows some recent parkland in the area. One part was land that was dedicated by the developer. And that's the blue part across i-35. If you look at the purple part, that's -- that parkland that the city of austin just bought at the end of 2012 they paid \$30,000 an acre for it. The parkland dead indicating fee from the third party appraiser on this property for the m.U.D. In the area in the red was supposedly \$15,000 an acre. So there's a big discrepancy there. You know, it's a matter of utilizing the system to their benefit. This developer is good at it. His attorney is a great attorney. But the things is to look through the smoke screens, look through the false promises, look through the fact this developer put 24-acre feet of fill which is a city estimate along onion creek without

a permit that was going to increase flooding along onion creek and it was my family that had to step up and say you need to do something about this. You know? If you approve this m.U.D., it's basically saying that if you are a neighbor and you see your other neighbor doing something wrong, for the benefit of the community you need to keep your mouth shut because if you get in a bad situation with your neighbor, then it's a matter of don't -- they will try to do anything to keep you from doing what you ultimately want and what's good for long term purpose of community. There's actually a set of deed restrictions currently on the 114 acres the big red part on that map. I have a copy of those there. There's a city resolution as well. That -- that talks about not, you know, not approving some kind of zoning issue when there's a set of deed restrictions recorded. But yet there's your resolution granted it from the '80s, I think it's still valid, but it's something where, you know, if you're going to go out there and say well it's going to go back to irr, the deed restriction is limited to sf 2. Can they potentially go in and change deed restrictions. Yes. What happens if they can't agreement amongst the people that have the right to enforce those agreements to actually change them? That's something that would have to be addressed if you do want to move forward.

[16:59:50]

[One moment please for change in captioners] test.

>> Based on a lot of promises made by some very eloquent speakers, then if something were for the long-term term benefit of the city I think will be a long-term detriment. I can show you several properties on i-35 where the internet went on the 50s and there is a moratorium and there are several properties closer to town without this m.U.D. It doesn't make sense in the development zone. It's unfortunate for what happened to the client, but unfortunately the two wrongs don't make a right. Approving a m.U.D. In this instance so you can provide service to the land inside the city that should have been provided somehow, that's the wrong attitude to take. This is the imagine austin map and you can see the center down there at the bottoms that projected to happen down there. Do you want a m.U.D. Between towns and this regional center. Urbans own property south of us next to i-35 and 1327, own about 450-acres aren't able to be here tonight and we are surrounded by them on three sides. It is something where they haven't been contacted by the city regarding the easements. If you look at what the planning commission passed, two weeks before they passed what they did, there was a vote but not enough to pass so don't believe everything was done from the beginning. It took three months from the time that mr. Sasaro asked about questions from easement and documents from easelment until mr. Suttle provided him a basic map that showed easement locations what he wanted to do and the interesting thing on the map, you can see the surface on the property is the small yellow part on that l shape property right there. That's. .[Buzzer alarming], how am I supposed to get that? The attorney didn't give me that but the other person did.

[17:03:12]

>> I am happy to answer questions.

>> Mayor Leffingwell: Thank you. Do you need rebuttal, mr. Suttle?

>> Given the lateness of the night, I will keep it really brief. We are asking tonight you continue the conversation with us on the consent agreement, that you find that there is enough to talk about, if at the end of it, if you review the consent agreement, if you are not comfortable enough, that there is enough to tie the issues down, then at the end of the conversation, if we didn't sell it and get enough benefit for the city, then you turn it down but if you stop tonight and turn it down or you annex it tonight, we won't be able to ask the conversation. We ask to continue the conversation and perhaps to go off on first reading tonight, bring you back consent agreement back. Don't annex it. If at the end of this conversation, we don't end up with an agreement, you annex it next year if you think it's important but not only this one little tract that was picked out but you can annex the entire area. I can tell you by doing a m.U.D. Here you are not disabling yourself from being able to an notion around us. You have -- annex around us. You have i-35 and you can go south around the client and around us but we are asking for tonight to continue the conversation, let us bring an agreement back for consent and bring it back. I will be happy to answer any questions tonight.

>> Mayor Leffingwell: No more speakers. We are acting on item 89 first. Should first reading be approved with this? We can deal with item 57. As I understand it, mr. Rustoven, it drops dead as of tonight, anyway?

[17:05:20]

>> Yes.

>> Mayor Leffingwell: If we don't do any action, it is off the table?

>> If there is no action, the annexation would be delayed, by law.

>> Mayor Leffingwell: I will just say that all of this, I remember, a few years ago, when m.U.D.S got to be kind of a problem in and around the city of austin and they did have their purpose. And that purpose was to allow for the construction of infrastructure and indeed infrastructure that would be very expensive to the city and provide a way to provide housing and homes, neighborhoods for people around their city, and I am not going to go into the details of what the problems were but they became very difficult to annex at any point down the road so I think it's two sessions ago, when actually our local delegation sponsored legislation at the legislature to mitigate the problems that we have and still keep the tool of the m.U.D. To be able to do what it's supposed to do in the first place and not become such a problem at a later date when you try to annex it, so I think this is a good tool used judiciously. We can acquire a lot of housing. I think it's room for over 2,000 people, a lot of up -- high class infrastructure with amenities that would not be available otherwise just with the run of the mill annex subdivision, so I am at least going to support this on first reading and see if we can come back and I think it's worth continuing the discussion. Any other comments?

>> May I ask some questions of staff.

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: Jerry, you tell me how we ended up not providing services to mr. Sasaros client?

>> Yes, unfortunately the person from the water utilities isn't here so I will try to answer from him but my understanding is that when mr. Sasaros tried to annex, there was no immediate need to provide service because there is no houses or proposed development on it. Yes, we are obligated under state law and sherri can go more into that, to provide service as requested but as it stands right now, without

a need for service, the process for him to get service would be to file service extension request and then the city would look at how we can provide service. I know from speaking mr. Jennings, we can provide service from the south if need be. There is a line coming from i-35 to the south. It would be more expensive to provide that line than it would be to use the easements proposed through the m.U.D. But it is possible to get water there from the south. Wastewater would be a little more difficult because there is a wastewater line to the north of this property, however, I hear it is a deep water line and so it will be very expensive and difficult to provide wastewater service but the means for him right now, his property I believe is under an exemption and there is nothing on it and the process for him to request service, since he is full purpose annex to file an fcr.

[17:08:34]

>> Cole: I think he has some comments behind you, mr. Mr. Sasaros, do you have a comment?
>> Yes, thank you, mayor pro tem cole. We actually filed service extension requests for service lines to be extended to our property. We have had interest in our property from proposed development. In fact, capital metro looked at purchasing our property years ago and then that deal went away but we had proposed development and proposed projects that want to develop on our property but a consistent theme is there is no utilities. We had discussions with a landowner to the south of us about granting us an easement to be able to get to water lines but we haven't been able to get that easement. When this opportunity came up, this is the furthest we have gotten about being able to get an easement to water lines from the city of austin. We have not been successful and probably will not be successful getting an easement to the south for water.

>> Cole: Okay. Thank you.

>> (Indiscernible).

>> Mayor Leffingwell: Council member martinez moves to close the public hearing and approve on first reading.

>> Cole: I will second.

>> Mayor Leffingwell: Second by mayor pro tem. Council member tovo.

>> Tovo: I have a few more questions for mr. Rustoven. Back on when this was on our agenda back in december I asked questions and the staff responded to them, and one of the questions was does the application demonstrate a need for a m.U.D. And the response was, you know, along the lines of what you said before, that a m.U.D.

-- The standards for a m.U.D. Is that it have extraordinary benefit and that in the staff's assessment, this application does not rise to that level of having extraordinary benefit. Have you calculated

-- there is also, of course, the other consideration that we are foregoing, the tax revenue. Have you calculated out what that revenue would be?

[17:10:38]

>> Yes.

>> If annexed?

>> What we call the 25 year knelt present value under the city which takes into account the add valorem

as well as the sales tax and providing services, 25 year net present value would be \$6,006,161,075 over 25 years. However w that does not include the cost of providing the already agreed to under the 2008cip frequent 4 million-dollar reimbursement agreement.

>> Tovo: But there is a delta of about 2.6?

>> Yes, if you subtract that

--

>> Tovo: Not annexing it, we lose about \$2.6 million in tax revenue?

>> Correct.

>> Tovo: In the past or in the other case I am aware of where we were contemplating annexation versus the pid, the staff did a matrix for us comparing the two options. You have heard mr. Suttle's arguments about the benefit this brings. Would you say that there are

-- is it the staff's opinion that there are 2 and a half million dollars worth of benefits they are proposing to make up that tax?

>> Yes, we will have to work through the details on that. It is hard to give an honest answer right now. It wouldn't surprise me if they were in excess of \$2 million. We would have to get more detail on what that would be. Our concern mostly relates to the

-- frankly the fact that they

-- it is adjacent to the city limits, that it has water and wastewater service available and that it already has approved development. It meets our criteria for an area we would normally annex. We are concerned about the precedent for doing a m.U.D. That is immediately adjacent to the full purpose city limits that blocks our ability to annex and to etj and therefore the drainage and environmental rules. We feel a more appropriate use for m.U.D.S is the one like, for example, pilot that have in whisper valley, where we are leapfrogging, angling much further than the city limits using the pid or m.U.D. Money to use utility lines and brick land use controls in the area where we would not be able to do it because it is discontinuous for a city line.

[17:13:15]

>> Tovo: Thanks for adding that because I think it was part of the other responses we got from the yes, sirjes,

-- of the questions, comparing the different numbers of infrastructure needed for the different projects where you had to leapfrog so thanks for supporting those. I am not going to support this motion. I think the staff made a good case of why annexation is the beth financial interest of the city so I am not a at this point in support of the creation of a m.U.D., Even on first reading.

>> Spelman: Mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: Mr. Suttle suggested

-- he put up a slide in the beginning of his presentation that he showed lot lines for preliminary plats on this land. I wonder if you can discuss the legal entitlements associated with the plats.

>> Sure, he has an approved preliminary plan which does lock in the entitlements on the property, so as long as he

-- what he could do next is file what is called final plats that would match layout of the preliminary plan

and the next step would be what we call subdivision construction plan and the building permit for the houses but it isn't built preliminary, it could be built today.

>> When was the preliminary filed?

>> I know the

-- it was done in 2008. I am not sure if the approval was the same date, I think it was, I think it was 2008.

>> Spelman: So any ordinances we have passed governing land use post 2008 would not apply to this land. Is that right?

>> That's correct.

>> Spelman: Okay. Thank you.

>> Mayor Leffingwell: Council member riley and then morrison.

>> Riley: Mr. Suttle, I noticed you were itching to respond to the argument of the loss of \$2 million or so in tax base. Could you speak to that?

[17:15:16]

>> Yes, but I am going to soften my remarks. They make a lot of assumptions to get to these numbers. They also make the assumption you are going to get no sales tax, which I think

-- and we could work through the consent agreement and the strategic partnership agreement, we may be able to get the sales taxes back to you, which under this assumption are not much because we don't have much commercial if it's built out like the original plan is, which is very little commercial and we can offset that and they don't take into account, put the value of the extra benefits we have offered to try to get your support for the m.U.D. And that's the extra parks and extra trails and extra amenities and the cost of ordinances the city wouldn't have so I think if we continue this discussion, we might have a better

-- a better way to compare these and maybe jerry and I get together and maybe the numbers stay the same, maybe they don't, maybe you see it's an economic benefit to do this.

>> Spelman: I am going to support the motion. From what we have seen here tonight, the choice of getting residential track subdivision on the periphery or getting a higher quality development that entails mixed use, parks, trails and gives us an opportunity to provide something that would be a long term amenity for the neighbors of the project and the city as a whole and I think from a long term perspective, that's a much better asset for the city than we would get with annexation, with immediate annexation and of course when you look at it long term, even with the m.U.D., this is likely to be part of the city of austin at some point in the future as the debt is paid off.

>> And one of the speakers said they support the connection to uni don't know unonion creek, it is not part of the original application but if you include that, we we will include it in the consent agreement. That's the connection between onion creek and this development.

[17:17:24]

>> Riley: I am glad you added that but you feel it would be important to include in the direction

--

>> yes, I think it's a great idea actually. Oftentimes you do development, you have people who will wall

themselves off.

>> Riley: I hear you. Let me ask jerry, I assume that was something that we would ad as we work through the development agreement, but is that something we should provide direction on?

>> The first I heard of this is tonight, actually, I don't think if it has been discussed with the parks department because I was not apart of those conversations but in the documents I have in front of me, it is not one of the benefits from a parks perspective, so that would be an addition, but if the council were to a agree to its consent agreement, at least on first reading, the next step of course would be the staff to sit down with the applicant and to finalize the terms of the consent agreement. It would be our job to get the most superior project we could out of those negotiations.

>> Riley: So would it be appropriate for council to give direction on that?

>> If you would like to.

>> We would like you to provide direction because chuck

-- if he looks at it, he may think there is a environmental problem under new watershed willing to comply with and he might find a problem with providing trail across the creek and we would be happy to have that conversation.

>> Riley: I offer friendly amendment that we include direction to staff that they work towards an agreement that includes a connection across the creek for pedestrians and potentially golf carts.

>> Mayor Leffingwell: Council member martinez and cole, acceptable? Okay. That's incorporated. Council member morrison.

>> Morrison: Thank you. I appreciate the discussion. For me, the overriding issue really is

-- sure, superior development is always a great thing to have but overriding that for me is the compelling concern about whether or not a mud is the right tool to be using to try to get superior development here, because as it

-- using this as a tool and maybe it's not going to be common but suggesting this is the way we will do it is suggesting we will have a patchwork of jurisdictions and you know, mr. Spelman, I think his name was, drilling up the map of imagine austin and our regional centers and all of that, I think that's troubling so I will not support this motion.

[17:20:05]

>> Cole: Mayor, I would like to give

--

>> Mayor Leffingwell: Mayor pro tem.

>> Cole: I am a strong believer in a strong annexation policy but the testimony from the neighbors was quite compelling when they said they wanted a dynamic, prosperous development and because we haven't been able to provide services to the adjacent neighbors and we haven't

-- I am skeptical about what the city will be able to do that the m.U.D. Will be able to do in a more timely fashion. But I would like to direct staff to do an analysis with the applicant of the tax implications when they bring this consent agreement back because I am troubled by the idea that we may be losing tax revenues, despite the benefit that is the applicant said that they are going to bring in the superior development.

>> Mayor Leffingwell: Hasn't that already been done?

>> Cole: Well, I don't think it has been done in that manner, in a cost benefit analysis. I am asking for an analysis of the tax implications, based on not just the calculations of the existing property but also the community benefits with the superior development.

>> Yes, we are providing that as much impasse as it comes back. I ask for clarification for the motion for planning commission recommendation which includes if parts which I

-- which included providing of the easements as well as

--

>> Mayor Leffingwell: Unless otherwise specified, I think it is understood it is planning commission's recommendation. You are the maker, council member. I had a question to mr. Sasaros. Because you have been kind of conditionally supporting this with the objective

-- already in the city, you just don't have the infrastructure that you need.

>> Right.

[17:22:05]

>> Mayor Leffingwell: So it sound like if this works out, that you will be able to get that and you will be able to develop your subdivision, also?

>> Right.

>> Mayor Leffingwell: So I see that as another advantage of going through this process in this way. It's kind of a two for one. We don't get the annexation of the cascades area right away, but at the same time, we develop another area that's in the city and cascades will be available for incorporation of the city at a later date without the hoops that you had to jump through under the old m.U.D. Laws. So I just wanted to confirm that with you.

>> Thank you.

>> Mayor Leffingwell: All in favor, say aye. Aye. Opposed say no.

>> No.

>> Passes on first reading with 5-2 with council member tovo and morrison voting no. So I would say the action is not required on item 57, unless there is a motion to approve item 57, it will die as of today and have to be tis re-noticed at a later date if it's needed. Is there anything on item 57? All right. Item 57 is disapproved by inaction, I guess you can say. So that brings us to item 86.

>> Tonight's feature presentation. [Laughter]

>> Mayor Leffingwell: Can I say a couple of words here. Now, we have officially

-- let me do my long division here

-- let me say almost five hours, almost five hours of testimony program here, but our folks out in the audience have voluntarily agreed to 45 minutes a side, and I have a list here and if that's the case, if you disagree with that, speak now and forever hold your peace. I have you, mr. Cleman as an outlier for

-- in a neutral position for six minutes. So we go 45 minutes

-- pardon?

[17:24:27]

>> [Indiscernible - no mic]

>> Mayor Leffingwell: Come on down. We will give

-- we will give folks who aren't on either team an opportunity if you want to stay here to speak afterwards, it is a public hearing so we will give you this opportunity. We will try to make this format work. 45-45-6 and then other. Go ahead, mr. Rustoven.

>> Jerry rustoven, planning development and review. This item is to approve item case c202013035, to consider amendment to amendment the code to change accuracy limited of individuals on certain types of residential uses on november 21st, city council passed resolution that directed the staff to initiate a code amendment that will set the maximum number of unrelated adults who may reside in structures on single properties of four and provide the city council to bring this before january 30th. The planning commission may elect to

-- the planning commission may elect to recommend different maximum and may recommend the code limits be offered by the city or by tools of planning teams rather than condition as applies to specific items entire city. We took this to the planning commission and as well as the full planning commission as january 28 meeting, the planning commission recommended change of occupancy from 6 to 4 individuals for the following uses, conservation, single family residential, single family tax residential, single family residential, small lot, single family and short term rental use and to cap that at four unrelated individuals from maximum occupancy. For duplexes, planning commission recommended no more than two unrelated persons may reside in a dwelling unit of residential use, for two residential austin apartments, planning commission recommended no more than two persons

-- no more than

-- sorry, no more than two unrelated persons may reside in the principal structure and no more than two unrelated persons may live in the accessory or second dwelling unit. The planning commissions will recommended that this ordinance not have any grandfathering provision. Therefore, we presume that they would leave in the existing grandfather provision regarding duplexes and two family residential which I will give get to in a moment. If planning commissions will recommended this ordinance expire in two years as a whole. Therefore, we go back to today's occupancy limits to two years and ten days from now. The staff recommendation is somewhat different from the planning commission recommendation and I passed out in yellow an ordinance that would accommodate that would be for the separate conditions if the council chooses. Staff recommendation is to approve reduction in the occupancy from 6 unrelated

-- cap from 6 unrelated to 4 unrelated for follows uses, conservation single family residential, single family renaissance in small lot, single family renaissance in the entire city and all appropriate zoning districts. However, we do not recommend a change to the occupancy limit in duplex or two family residential. We recommend they stay at three per side as exists today for duplex residential and it stays the same

-- under two family residential, it stays four unremitted in principal structure and two in the secondary structure. The reason why the staff recommends leaving the duplexes alone, in 2003, city council recommended lowering of the occupancy limit in duplexes. Staff believes that a 6 bedroom house that is built near the university is probably intended for what is sometimes referred to as a stealth dorm. In looking at the houses, we they feel there are older two bedroom houses in the city. Very many 3 bedroom houses, very many 4 bedroom houses and fewer 5 bedroom houses but a 6 bedroom louse is somewhat of an anomaly that is a mansion, perhaps on lake austin or if it's near the university area, it is

probably a stealth dorm and is intended to house 6 students. That's why we support lowering occupancy to single family from 6 down to 4. However, for duplexes we feel there are quite a few duplexes with three bedrooms on each side and this is not a unique situation to the university area as a 6 bedroom house may be but these things exist all over austin, including areas of austin that are lower income. We feel that taken a three bedroom

-- a duplex that has three bedrooms on a side and limiting it to two individuals on a side, therefore, essentially a bedroom would be unused as a bedroom would have a detrimental impact on affordability and the use of existing housing stock and our difference from planning commission is we recommend duplexes and garage apartments be left as they stand today at 3 and 3 and 4 and 2. We also recommend the grandfathering provision that is similar to the grandfathering provision

-- and I use the word grandfathering" loosely. But we used it in you 3 where we lowered limit for duplexes where we said essentially that a building that before a certain date, in this case, today, that a building permit for the structure was issued or the use was established would be subject

-- would remain subject to the day's occupancy limit and anything built after today would be subject to new occupancy limits with the exception, just as in the duplex regulations, that any structure where you added 69 square feet would lose that entitlement because we don't want people expanding the houses to take advantage of the fact they were there plaintiff the ordinance and if you did interior remodel, the addition of a bedroom, you would lose this entitlement. In other words, we support this for structures built after today and leaving structures that are on the ground which stay at today's occupancy but we do not want them expanded to take advantage of that. So that would be the staff proposal on grandfathering and the staff does not recommend that the planning commission that the entire ordinance expire in two years. We did take this to the community development collision. They postponed this item to the past monday and monday night they canceled the meeting due to the weather so I do not have a report from the cbc but only the planning commission.

[17:31:28]

>> Mayor Leffingwell: On the duplexes, if you have grandfathering, I don't understand why you need to address duplexes separately because any duplex built on a side, if it was grandfathered, that wouldn't change as it would change for single family house. Am I missing something there?

>> The way it is in some areas, a duplex, built before 2003, can have six per side and after 2003, can have three per side. We recommend leaving that as is. So you are allowed to have three per side.

>> Mayor Leffingwell: Still, grandfathered at three per side.

>> Yes, but there are advocates that are provide proposing to change that, on 6 per side but some want to get that rid of that as well and after 2003 would fall to two per side, advocate's proposal.

>> Mayor Leffingwell: All right. So we will go to our public hearing. Council member morrison.

>> Morrison: If you don't mind, I want to make a comment before I start because I know there are lots of issues here and we will hear a lot of good testimony. There is one issue that come up repeatedly about how functional families, unmarried couples would be treated, families

-- same sex couples, things like that. I want to make clear that in august this council adopted a

-- yes, we adopted a resolution initiating a code amendment to make sure that there was no discrimination in figuring out when someone was unrelated or when two people are unrelated or not.

We indicated our intent in August to change the code to ensure that there is no discrimination there and that hasn't been done yet. It

-- we certainly can't do it on the fly tonight, but I want people to know that this council is dedicated to get this fixed and assuming this ordinance goes forward in some shape or form, if we do it on first reading tonight, that would give us time to get language to get the actual definition of what it means to be unrelated in the next version of it. So just want to make sure people know that this council is on record to fix that.

[17:33:50]

>> Mayor Leffingwell: So there are public hearing. Start off with this list. I have the people for and I will repeat what I said on the previous hearing. No need to repeat what you heard before, it is perfectly all right to say I am with it, ditto what the previous person said. If this runs into hours of public testimony, I, for one, am not going to be able to stay all night because I have a commitment for tomorrow. So with that said, first speaker is Mike Wong and donating time is Joseph Carcione, is Joseph here? Joseph is not here? Olivia Ramirez; she is here, you have 6 minutes.

>> That's fine.

>> Mayor Leffingwell: One of your donors took off.

>> A lot of people that (indiscernible)

-- there are a lot of people that heard my request for more time and everybody jumped on board. So ... Mayor Leffingwell, council members, thank you for all of your time and staff. Thank you for your time considering this very important issue to our neighborhoods. I want to talk a little bit just about the background, going to set this problem up in terms of relevant comparisons to what
-- (indiscernible).

>> Relevant situations to what we have today and look at how we can address this problem in the future and other solutions besides the occupancy reduction that can help this problem. So for some of y'all, you may have been involved in the McMansion process and actually occupancy reduction was supposed to have been taken up by the McMansion process. It was decided we are out of gas and can't do it. Our neighborhood created a subcommittee that put a white paper together and presented in 2010. We were sidelined a little bit by the short-term rental ordinance, so we haven't come back for four years, so there has been a lot of stops and bumps along the road here. Map of our neighborhood, I am the North Field president. We have 100 plus documented. The pace has now hit downturn, we are out of the downturn and the pace accelerated the past year, past couple of years. Not sure where the staff recommendation is going regarding duplex in two dwelling units because that's the 90% plus of our neighborhood of these stealth dorms and 100% are on the SF3 lots and at some point they were excluding SF3 lots. And there has been several of you that have come, including staff, that looked at our neighborhood and not sure why we are omitting almost the whole of the problem in the staff recommendation. So now we are going to set the

-- what is happening in our neighborhood in context of what benchmarks I could find. North Field, the 100 units representing about 7% of our neighborhood that is already on there. We mentioned short term rental, while it is not completely analogous to this situation, it has kind of a lot of the same contentions from both sides. Council heard term from both sides and made the decision on what they

thought would be fair for the neighborhood and people who have the short term rentals. They decided 3% was a fair cap and we compared it to 7%. We are almost two and a half times over the fair cap of the short term rentals. The only other market plate I could find is apartment complexes. Apartment complexes have built into the standard association lease objection packets of two adults per bedroom. We found out that there is

-- morrison of the apartment complex, there are complexes that only have two bedrooms at best and 3-5% of the apartments this austin actually have 3 or more bedrooms. Then I asked a further question of, well, how many you guys actually lease to over four people? And most of the developers and people that run the apartment complexes said we really don't do that and the estimates that I had range from 5-20%. What that equals to is a .5%, so half of a percent of the actual multifamily units actually have occupancy of 4. So that is 14 times what our neighborhood is already

-- the burden our neighborhood is already facing. Another common, I guess, objection to the occupancy reduction is that you will have in effect on affordability and the way that affordability folks at the city came to the conclusion is that this would reduce affordability is that it would reduce the total number of units available. Well, if you look at just the florida area ratio, the single family zoning they are saying that should be able to use this housing is .4 far. When you look at different types of low rise multifamily, it's 1 to 5 far and when you look at housing inside, let's say, the downtown core, it can be 12 and I couldn't really find a cap but I was seeing 20 is about the maximum. So other types of units in the multifamily site can much better address any affordability needs and by forcing two extra people in a small segment of our market is not going to affect it and even if it is a negative effect or positive effect, the effect would be minimal on the total affordability market. Another benchmark is regarding affordability is how do the people that actually place people in affordable housing, what do they use as their practice? Well, h.U.D. Actually, most of their information is directed to occupancy 1 and what they call a family. Actually, if you do to hud.gov page, it mentions family 48 times in one webpage and the authority in austin is limited to providing housing for occupancies of 1, as far as I could see. They probably could do it for more than that, but in practice, it's 1. Also, foundation communities, when they have single per, they put them in an efficiency. They don't try to team them up with other individuals and I think foundation communities are a good example.

[17:41:38]

[Buzzer alarming] one last slide. I want to say our neighborhood is taking a good look at how we can increase affordability and increase supply and we up zoned everything in the brown and between if brown and red we have about 40% of our neighborhood planning team that has hired entitlements like we saw in the slide with the fares. Thank you.

>> Mayor Leffingwell: Okay. The next speaker is sammy easterday. Okay. How about -- is joy alvarez here? Yes, you have 6 minutes.

>> Thank you, I live in coronado hills creek, a subdivision near reagan high school. I want to thank you all for listening to us late in the night. Austin steams to be on a path that destroys heritage and appeal of our city, it is evident in the grand scope of things that increase population in our city require the best planning we can do on the information available. Change is inevitable. However, the urban core of middle class neighborhoods will always be the strength of the city and it's dangerously close to not only

being neglected but actively devalued and eroded. Once lost, it's the city's loss and restoration is always more expensive than maintenance. The problem most definitely crosses the infamous i-35. Affordable housing is a year need of the city, urban core middle class neighborhoods, especially single family homes and duplexes are disappearing to home teardowns for constructions of microapartments or six bedroom mondaytrostys. If you lose

-- mondaytrostys, and if you lose this, it becomes the new norm and former residents move away. Let me give you an example. Not too long ago following raid by code enforcement, I counted 17 mattresses removed from a single family bungalow. Currently we have several homes with multiple adults and multiple cars in various stages of repair, frequently they block driveways of people who lived there 25 years or more and some of the residents are elderly and all of them are terrified to say anything because of retaliation by these residents. Housing includes garages, asleep in living spaces, people living in park trailers, violating zoning codes, people wander our neighborhood, panhandling us, belligerent to some of the neighborhoods out walking fright thenning them and the first time we have prostitutes. We have had diversity, two large condo developments, approximately 800 apartments, 7 fourplexes, public housing project and saint georgia courthousing disabled, giving range of needs, income levels and housing options, the neighborhood managed to maintain positive coherence and a feeling of safety. However, with the influx of substandard housing practices, this is no longer the case. I would be happy to live in an area that is once considered affordable by austin. I have no time for pettiness or prejudice of any kind but I object to in the strongest possible which of complacency of public officials, allowing speculators and landlords to create situation that is make their lives profitable while destroying complex fabric of our communities. By allowing current deterioration of neighborhoods you further reduce already short supply of family homes currently a problem for austin. Although it will continue to be pockets in neighborhoods will high concentrations of affluent families, it is if middle class families with children who are increasing less common in the urban core. Without a sizable share of middle class families to stabilize it, working class families suffer because of of socioeconomic ladder has been removed, making it difficult for them to achieve upward social mobility. It also negatively impacts our public schools. It's not okay for 6-10 people to live in a small house with matted everywhere or resident teardowns where monstrosities can be built. And the landlord makes more profit and city ignores the situation. There are better solutions. We need to find one. Benefit on legislation by the city to neighborhood destruction or deterioration penalizes a large segment of our neighbors ostensibly to benefit another segment. The truth is this is a false dichotomy, this either/or. If the city wants do right by its citizens, it can do so but it can take more than shoving them into inappropriate housing arrangements and glossing over the situation. This is unethical and a complete illusion that anyone is well served. Remember, more occupants doesn't mean the housing is more affordable. It means it is more profitable. Without delivering intervention on your part you are allowing the city's urban core to disintegrate. The stealth dorm is the current, most apparent critical symptom, however unintended, benign and negligent of the citizens of urban core neighborhoods, they are experiencing major investment, their omi home and neighborhood go into a downward spiral. You have the power to stop this hemorrhage of destruction and deterioration and rescue one of the most valuable assets of our cities. Please tell the citizens you are serving a and not the few who who plan to make money on the neighborhood destruction. Your actions will be remember and the damage will overpower your elected tenures. I encourage you to make austin, affordable and enduring for families a legacy. I ask for reduced

unrelated adults and the current living arrangements by 2018. City wide implementation with enforcement. Elimination of enforcement, time limits and provision of short time for compliance. Thank you.

[17:48:23]

>> Mayor Leffingwell: Kelly Hanlan. Are you here? You have three minutes.

>> There is a presentation coming up.

>> Mayor Leffingwell: 3 minutes. There we go. Go ahead.

>> Tonight you will hear from many people who recently joined Austin housing and zoning conversation. I am delighted to see this level of civic participation. However, the issue is not whether splitting the rent among many people makes it more affordable with those individuals, nor is issue of living in groups with five or six people is more creative, fun, or supportive, the issue is character of single family neighborhoods is failing to be protected for the occupancy or six or more in some cases of unrelated adults on single family site. Austin is outlier and allowing six unrelated adults in single family zone, Bryan, limits it to 4 and another to two in an unrelated zone, San Marcos, and this isn't confined to Texas. Boulder, Colorado and Urban that, Illinois are many that limit single family cities to four or fewer unrelated results. In Austin we allow duplexes or single family zones, with the condition they maintain single family neighborhood characteristics. There are many examples of appropriately designed, single family zoned duplexes. These are usually constructed as two bedroom units so each side houses one or two adults. You see in the photo an example of this. We have seen from multiple sources, multiple single family homes are destroyed, in favor of expensive large, rooming house structures. The current occupancy limit is not preserving the character of single family neighborhoods. The arguments reducing occupancy limits to this -- for this demonstrate a lack of understanding of zoning regulations and the existing infrastructure of a single family neighborhood. I ask you to please preserve the character of single family neighborhood, ones that have diversity of social economic and stop the destruction of single affordable homes by developers who want to replace them with high rent, multifamily structures. Please vote to reduce from 6 to 4 of unrelated adults on single family site. Thank you.

[17:51:06]

>> Mayor Leffingwell: Patsy.

>> Spelman: I have a question.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: Ms. Hanlan. You have a map up a moment ago from one of your slides. You mentioned Bryan, San Marcos and Lubbock and mentioned outlier, you have dots here for Houston, Dallas, Fort Worth, San Antonio. What kind of restrictions do they have?

>> That's just an artifact of the image I was able to use. My slide handiwork.

>> Spelman: So you aren't making a comment about Dallas/Fort Worth or any big cities in Texas?

>> Yes, but Dallas does limit it to four or fewer.

>> Spelman: I was given the understanding they did not have a limit.

>> I looked it up today and it is four or fewer and I can provide that information if you are interested.

>> Spelman: I would like to see it and I heard most big cities don't have a limit but college towns such as bryan or urbana do?

>> Yes, but this is a college town study and dallas which is a very large city has four or fewer limited.

>> Spelman: I look forward to seeing it. Thank you.

>> Thank you.

>> Mayor Leffingwell: Susan radanko. Greenberg first, sorry, got carried away there. Go ahead.

>> Thank you. My name is betsy greenberg. I live at 3,009 washington square in the heritage neighborhood. I support the occupancy reduction. One question thinking about is how reducing occupancy will affect affordability in austin. This is an important question that needs to be carefully considered. The staff report says that reducing occupancy will make renting more expensive. On the face of it, this seems logical. After all, if three people share a 3,000-dollar home, they each pay \$1,000 per month. If 6 people share the same home, they each pay only 500 per month. Unfortunately this naive way of looking at things misses one very important thing, when six unrelated adults are allowed to share one property, it makes financial sense to tear down the three bedroom home and build one with six bedrooms. Even with the higher occupancy, the six tenants living in newly constructed house pay dearly. They each have to pay more than the three tenants did in the older, smaller home, so despite destroying historic fabric of our neighborhoods, higher occupancy results in a loss of affordable housing. In my neighborhood, I have seen rent skyrocket in the newly constructed 6 bedroom properties and nearly every house you see before you was constructed after an existing home was demolished. R. Before concluding, I have a few remarks about grandfathering. Grandfathering should be based on an established use, not a permit date. Grandfathering based on permit date may have worked with the super duplexes but super duplexes are easy to recognize. If every property with an existing permit can be turned into a stealth dorm, any home with enough room for six adults will eventually be used that way. This is very concerning to me as there is already one stealth dorm on my block and all except one of the homes are large enough to become stealth dorms as well. Please stop the destructive spread of new stealth dorms by grandfathering only properties that have currently have the use established. Ideally, I would favor six adult occupancy. Please protect our occupancy, please reduce maximum occupancy on all single family properties. Thank you.

[17:55:35]

>> Susan radanko. 3 minutes. After susan is john boardman, if you want to get ready on the other side.

>> Hello, thank you for listening to me at this late hour. My name is susan radanko and I bought a home on 615 west 30th street in 2010. My house is less than a block from guadalupe. I am close to university, bike routes. Everything I need. When I bought the house I was surrounded by similar homes. Some owner occupied. Some rented. In 2010, my realtor told me rentals around me were at most 6 hundred dollars per month, but that was in 2010. Per bedroom. Within a year, everything changed. And you can look at the picture, without notice, the house to the east along with the beautiful wildlife habitat was torn down, small 4,200 square foot lot was suddenly filled with a 2300 square foot six bedroom house that frankly sticks out like a sore thumb. When I found out that the vacant lot next door and the house closest to guadalupe were sold to yet another developer, before I knew it two more six bedroom houses

were constructed. Before 2012 was over, a large addition adjacent to backyard was built. Mind you I have three dorms surrounding my property line that weren't there in 2010. 2012 was over, a large addition was built. This addition towers over my fence and it has six bedrooms. All of these surrounding houses use their entitlements, far, impervious cover and et cetera and build up to five foot set backs. Each of the houses are occupied by at least six boys, 24 boys and overnight guests. The tenants told me next year the rent is going up to \$1,300 a room. 1,300 a room. Some of the houses are satellite from the houses. At the start of the semester they shot up fiscals waking up neighborhoods in the middle of the night for four blocks down. I tried to edge quit them on neighborhood regulations. The usual response is, it is a surprise. They moved to these apartments to have parties and more freedom than they do in the apartments or the dorms. Each has their own car but none of the house have room for six normal cars, none of them. A few had second vehicle like motorcycle or me ped in addition to the car. Cars are left protruding into the right-of-way and parked in the street in no parking area. Often I can't pull out of my own driveway and I can't start talking about excessive noise and trash. Please don't misunderstand me. I don't mind living next to students at all. If I did, I never would have moved close to the u.T. Campus but either expected to be surrounded by stealth dorms. As I said this all happened overnight. The neighborhood around me completely changed overnight. Complete lit different from 2010 when I bought my house. The city needs to doe something to stop this type of damage to our neighborhood. I believe lowering the occupancy will help. If you take away the financial incentive developers will stop tearing down homes to build stealth dorms.

[17:59:07]

[Buzzer alarming] but if you continue to allow (indiscernible) the financial incentives will remain and the developers will simply build duplexes instead.

>> Mayor Leffingwell: Thank you.

>> Please reduce the occupancy. Thank you.

>> Mayor Leffingwell: Next is john and then mary sanger. John, you are up.

>> I am john boardman and I live in the heritage department with my husband and three children and I want to talk about affordability and impact study. Affordability is a big problem in austin but dorm style houses are not the solution to it. Affordability impact statement says if we lower the occupancy from 6 to 4 unrelated adults then we also will remove bedrooms and rent also go up. That's not the case, we will grandfather in existing uses and number of bedrooms won't go down and not evict anyone but the study is to people, families who rent and home buyers, they are very much answered by the occupancy rate we have right now. In my neighborhood, it used to be possible to represented a modest home if you are a grad student with children or a divorced mother who want to keep the children in the school district. [One moment, please, for change in captioners] most likely that will be into multi-family which is what we want. Think about our vision for austin, it is not north field with single family homes being replaced by boarding houses. It is multi-family development should be multi-family parcels which our neighborhoods have identified, in a neighborhood planning process and single family uses in single family zone lots. If you reduce occupancy from six to four, take pressure or home buyers, and families trying to rent, we take away the financial incentive to build boarding houses and instead is a financial incentive to build multi-family rental. That's my speech. Thank you.

[18:02:21]

>> Mayor Leffingwell: Thank you. Mary sangor. Following mary on the other side will be nuria zaragosa.

>> Good evening. Mary sangor. There's been much discussion in the twitter world and social media world about the neighborhood housing and community development affordability statement, to the extent that it shows that there have been negative impacts on occupancy rate and affordability. Unfortunately, the department was in a difficult position to provide information without the assistance of an economic study or a necessary

-- or necessary data, which I believe it told the council during its work session. The department also was not able to look specifically at dorm style housing, and didn't consider the loss of single fema

-- family affordable homed. In addition, the one example that has been used to assert there would be negative impacts is the city of fort collin, colorado. However, fort collins, colorado is not a proper example for austin. If their report they put out is thoroughly read, you will see fort collins' study says occupancy limits were for many years on the books and only if it had been fully enforced would people be evicted enough there would be negative impacts on affordability and occupancy rate. They were not in fort collins, they were not fully evicted and that did not occur. Thank you.

>> Mayor Leffingwell: Thank you, mary. Norea, and then following you is mary engle on the other side.

>> Good evening. My name is nurea zaragosa. I'm here to speak, at our last resolution february 4th, we voted lowering the occupancy from six to four but with significant emphasis on making that apply to duplexes and family residential uses. I know as it was spoken about in north field in my neighborhood and surrounding neighborhoods, that the problem structures are more than likely duplexes and two-family uses so not addressing those would not have a significant impact. Something else I wanted to talk about was that we keep hearing that we need to share the load when it comes to increasing density, and you all heard a lot tonight about uno, and I just wanted to remind people or maybe people who weren't here at the time that the creation of the university neighborhood overlay was an unprecedented increase in density that was brought about by neighborhoods and developers working hand in hand to come up with a solution. And as a side note, just that huge increase in supply did not, on its own, bring affordability, so there is not a direct correlation necessarily that we have had efforts to increase affordability in uno, but they have been through programs. Lastly, I wanted to ask that whatever

-- well, hopefully, whatever you pass tonight, have it not be a temporary measure. I'm worried that for people whose business plan has proved successful with this kind of development, if there's a two-year period, it will not be significant enough for them to stop the practice. It might just be seen as an obstacle or a pause. So I would ask that it would be something permanent, at least for the areas that we're confident what the dynamic is and what the solution would be. Thank you.

[18:06:26]

>> Mayor Leffingwell: Thank you. Mary engle has six minutes. Donating is joyce masiano. About six minutes. You don't have to use all of it.

>> Don't worry. Good evening. My name is mary engle and I'm the new anc president this year. And I'm

wearing two hats tonight. One is the amc president. You should have received last night a time-sensitive resolution from the austin neighborhoods council's executive committee supporting this reduction in occupancy so we can preserve our single family character in our neighborhoods. And the other hat I'm going to wear tonight is the

-- is one from the extension of the McMansion taskforce. I serve on the rdcc, the residential design commission, and I'm going to recommend that we use something from that particular

-- that particular taskforce. So here is the resolution which I all carefully reviewed. Whoops. How do I go back? I'm sorry. This is the next slide? I thought the McMansion map is the next slide. Well with, I'm actually up here proposing that the boundaries to be used for this reduction in occupancy be the McMansion boundaries. And one of the reasons

-- there are several reasons to do this. The McMansion taskforce, which was co-chaired by our council member morrison, and even another character here tonight who had a major role was richard suttler, was chaired so well, and the effect was done so well, it was vetted terrifically well so that everybody, including architects, city staff, land development professionals, developers, residents, we all know the boundaries of the McMansion area. So it would be a great tool to be used. It was created in response to similar economic pressures, and it covers disparate areas negatively affected by current occupancy limits, the urban core, coronado hills neighborhood and south neighborhoods. It excludes dove springs, the rundberg area, north austin civic association and other areas that might actually have different housing needs. So here is the map of the McMansion area. It goes from 183 to anderson, around lake travis or the river and then across the river south, and includes south wood. So using the McMansion map creates reason not to have a two-year time limit. The two-year time

-- the two-year solution does not solve the problem. It would only serve as a moratorium. We don't need another band aid ordinance to stop the bleeding in our neighborhoods. We've waited long enough. This isn't

-- this occupancy issue has been around for a very long time. And stealth dorm developers will continue to purchase properties if we just have a two-year moratorium. So that ends my presentation. Thank you.

[18:10:22]

>> Mayor Leffingwell: Make hebert, next will be jolene kiolbasa.

>> We support six to four for single family properties which includes not only houses but duplexes and two-family residential. I want to say, I want to thank all of you for working very hard on this. I saw you spend two hours in your work session tuesday. I know you've had countless meetings. You understand it. Many of you have toured these neighborhoods. You've listened to us, and we want to appreciate what you're doing. We do appreciate what you're doing. I think all of yawing already understand that duplexes and two-family residential must be included in this ordinance, otherwise, you're not addressing the problem. I think you all understand that. So we hope that you'll do the right thing in that regard. If you decide, as mary engle has suggested to limit coverage to McMansion, then you're really limiting it to the areas where we know there is a negative impact, and the negative impact is caused by the destruction of affordable housing in our neighborhoods. So to the extent there's some doubt about impact in the areas outside of McMansion, we're suggesting that you just exclude those areas and take that up at a later date. But there's no doubt about the economic results in our neighborhoods. Assume

that you do the right thing tonight, and I believe that you all will because you understand the problem, there's another issue, the one we call conversion, and it's not addressed by staff, even if you were to include duplexes. In fact, by that, we mean the future sale of a house or duplex that today is used by a family, today it's used by a family, but it sold, and the new owner converts it to dorm style use, without any renovation, no building permit, new carpets, new paint inside. We earlier gave you all a reminder of an ordinance that would address that problem and it would solve that problem. We believe that other cities who have reduced occupancy limits used the best practice not in what the staff is recommending. Another issue that you'll hear tonight is a question about whether to sunset occupancy limits. I'm sorry, to sunset grandfathering. So tonight we urge you to instruct the planning department, the city attorney, and the code compliance department to bring back to you some more research on this issue of conversion, which is a very real issue, and this issue of sun setting. And I urge you to disregard arguments that you'll hear from some sectors of the real estate industry that once a residence built in Austin, its owner is somehow guaranteed the right to use it forever. That is not the law, and it's not a fair result and it's not a just result. Thank you.

[18:13:41]

>> Mayor Leffingwell: Okay. Jolene Kiolbasa, then Joanne Barts.

>> Hi Jolene Kiolbasa, Heritage Neighborhood. My discussion is going to be why high occupancy use is not a good fit in single family structures, in other words why what we're seeing in stealth dorms and stealth boarding houses is really multifamily and it's a quick compare and contrast because it's Valentine's Day. Happy Valentine's Day. Okay. There. Multifamily provides more appropriate fire code protection, waste facilities, and parking and overall health and safety. And these are a sample of the fire regulations that govern multi-family residential in the City of Austin, and above this one is about in-house inspections. And then this is an example from Austin Fire Department's website about fire extinguishers. And then here is single family property, the kind of fire protection that's there. One stairway exit for 12 second and third floor bedrooms. So big difference, here's multi-family property, increased fire protection. Here's single family property, we're going to trash. This is

- this is how trash is dealt with at stealth dorms and over
- you know, six residents, five residents in the house, there's not enough trash bins, and it's also a health and safety issue. Single family trash was featured on Mr. Ott's stealth dorm tour. There he is staring at the trash bins. Had to include that. And this is how multi-family property takes care of trash, in appropriately sized dumpsters. Parking in single family, all over the place. Parking in multi-family, there's room for guests. It's a different calculation for how many parking spaces you need, and it works just fine. Then reasons to eventually have all properties come into compliance based on this, it will eliminate serious health and safety issues, such as trash and fire, and also cars will no longer be blocking
- clogging the streets. And also another reason, it's onerous for the city staff to have to deal with patchwork of properties with different occupancy limits, was it 2014, 2008, when was something built? Understand a after a few years, it is difficult to keep track of which occupancy limit applies. And I can attest to that on a different matter, on restrictive covenants, you find out too late, this is something that was written in 2004. Also, if there's a complaint about six occupants, you don't know automatically if it applies or not. Thank you, and thank you very much for this.

[18:17:05]

>> Mayor Leffingwell: Joanne barts, you have three minutes.

>> Good evening, morning, or whatever it is.

>> Mayor Leffingwell: It's morning.

>> I'm joanne barts, university hills neighborhood association vice president. Although I am going to be speaking on something nobody else has spoken on, probably never could, it is the decision on what unrelated people has already been made. It was made by the united states supreme court, 1995, in the -- when there was a suit filed in edmond, washington, against of course force house, which was a facility for helping disabled people. And the stiff edmond didn't want them there very much, so they put a real although low can a on it. It went to the united states supreme court. Their decision was, you can't do that. A family is

-- the supreme court determined that a family is a group of citizens of a like need or purpose, unrelated. You don't have to be related to be considered a family. But you have to cap

-- if you're going to cap anything, you have to cap the same for a blood-related family as you do for unrelated people, as long as that unrelated group has a like purpose, in this case, it was a group of disabled people. That's very clear. There's no question about it. That was in 1985. I do want to speak to another issue here in austin, texas, which I think affects what you're trying to do. The code compliance department is very set on using, to determine how many people can be in a house, what is called the international residential code. It's not a law. That's a private organization that made this. The city code department group does use this and they insist on using it. We've talked to them repeatedly and they say, no, this is the way it is. That's why we've got 24 people in a home in university hills. They're disabled. This is a problem we've been addressing, and now I'm speaking as chair of the uhna disabled group taskforce, which you all have decided you're not going to do anything with. Every time we talk to them, what this code does, it takes the square footage of a standard three-bedroom house, say, for instance. They assign a square footage to that house, not including kitchen and bathrooms. They assign a square footage to one warm body. They divide that one warm body into the total footage they've come up with and in that case, for instance, in a single family home, three-bedroom, standard, you're allowed to put 15 people. And that is

-- I'm serious. This is exactly what they are using. It's being used in this city to prevent us from helping the disabled people. That's why we have 24 people in a home. Something similar was mentioned, we had 24 mattresses stacked at the curb when we finally got that home closed. And these people are not getting anything. I don't know if you're interested in that or care. We do. We'll continue to do it, and I think, quite frankly, at this point, right now I think what everybody needs is a nice tall glass of whatever.

[18:20:36]

[Laughter].

>> Mayor Leffingwell: Good suggestion, joanne. Now we're going to go to

-- I said very good suggestion. [Laughter]. Those opposed, michael bluejay, your first. After michael will be claudia freese.

>> Okay. Thank you. Hello. I'm michael bluejay I'm here to speak against evil dorms. Someone posted this to the internet. I'll fast-forward the slide here. For too long, our single family neighborhoods have been devastated by stealth dorms. Neighborhoods across the city's core are being assaulted. Well, I was alarmed, but I wonder what exactly the problem was so a web search led me to a neighborhood group leading the charge. They have this picture on top of their page. That convinced me of the problem. Now, be honest, when you think of a neighborhood being devastated and assaulted, this is exactly what you think of. Right? Trash cans with slightly too much trash in them. By the way, for comparison, here's oklahoma after the tornadoes and japan after the tsunami, and this is warsaw after bombing by the nazis. Going down the web page, I found this parking and traffic nightmares. Here's a bunch of cars parked completely within the boundaries of the property, none of them blocking the sidewalk. Friends, if that is not a parking nightmare, I don't know what is. Another problem with these big houses is that sometimes there are loud parties late at night. You think I could go over and ask them to keep it down, because I'm

-- so anyway, you might be concerned down sizing occupancy makes housing more expensive, but don't worry, if you go to the website stop stealth dorms.Com, it's explained the houses are not cheaper, the rent is very high. I know if you read the public comments, you see some of the residents in these houses are telling you they live in large houses specifically because they're cheaper than other options but I don't know, maybe they're lying. For some reason nobody knows, they're eager to pay more to live in these larger houses rather than live cheaper elsewhere. It's a big mystery. Maybe you're not buying that so less try this a different way. Stop stealth dorms.Com puts rent at in large houses at a thousand dollars a room. In my neighborhood there's a large house where rent is only \$400 a room. That's what we'd expect. When you limit the supply, the price goes up. More units, lower price, fewer units, higher price. If you look at the facts, you might vote against down sizing, against tougher limits, and I want you to vote for tougher limits. Besides arbitrarily limiting occupancy in large houses across the city, there are a number of things you can do instead. If the concern is parking in general, you can limit the number. Cars per house to the parking available for them. If the concern is noise you can pass something called a noise ordinance, then compliment some kind of system with some three digital code citizens could call to report such problems. If you want to maintain a minimum percentage of owner occupied houses for certain neighborhoods, you can do that very thing, set limits. You did it for short-term limits, there's no reason you can't do it for multiperson houses. Those are all the things you could do, which would address the concerns more directly. You might wonder why we don't simply do those things instead of taking more drastic action of limiting density in single family homes across the city. The reason for that is -- well, my time is up. Thank you.

[18:24:07]

>> Mayor Leffingwell: Thank you. Claudia freese, and after claudia, on this side will be goth.

>> My name is claudia freese and I'm opposed to the mary engle maximum occupancy limit would you say grandfathering clause because of the fact that would have on established group houses or multiperson units. Agree that these stealth dorms that reduce the availability of affordable housing are not a desirable thing that understand understand

-- and that should be stopped so if having a short-term fix of occupancy reduction is the only way to do

that now, we should go out and do that, but that is not a long-term solution, that is a temporary fix. Blanket occupancy limits are discriminatory against low income people, against non-traditional families, and against young people, and there have to be better solutions that can be found. So if the problem are these stealth dorms, well, at some point someone has these things, so perhaps we should start there. Thank you.

>> Mayor Leffingwell: Thank you. Eric goth and after eric will be julie montgomery on the other side.

>> Good morning. My name is eric goth. I live had the holly neighborhood in a house with four other people so I'm potentially affected by choices made on occupancy and grandfathering. Rent varies per room but is as low as \$300. More important, I'm concerned that the occupancy limits can harm affordability by reducing housing supply and harm a key component of austin's culture created by sharing spaces. I've talked to more than a hundred people in the last few weeks who remember sharing houses year the camp in the 70s that split a room for \$10s a month in order to go to college, teachers, yoga instructors and other working adults. One of my mates testified to the planning commission that each time he shared a house, his rent has gone down, despite average rent going up over the same time period. Living together turns out not to save money, though. It helps to create things. I know of bands formed, artistic projects and lifelong friendships. We know austin needs more housing, not less. Telling lenders

-- let's integrate people into these neighborhoods. We've heard claims the average occupancy is lower in other cities but many cities either don't have zoning occupancy limits at all or high proposal. The statistics cross many cities. I'm encouraged by proposals that define unrelated persons as including same-sex couples in a committed relationship, I encourage council to modify the ordinance to reflect that. One thing made clear from this is need for strong enforcement of existing stowed. Neighborhoods of the called stealth dorms have complained of code violations for years and feel like they b ignored, resorting to dramatic alternatives. City counciler. Issues related to code enforcement from across the cities, from large apartments to safety violations in multi-family. I expect code enforcement could be a real issue in the next election. I recommend that you limit this item to a first reading and send it back to a working group to make sure all to participate. If you choose not to limit it to first reading, I encourage you to existing uses that does not expire, by recommendations of city staff, and take away existing housing options, and that should be carefully considered by all stakeholders, not just one side. Please modify the definition related to reflect same-sex relationships, even if you're planning to doing that later, it's important to do it now. I encourage you to limit the life of this ordinance to a few years so it can be considered wholistically to code next. I encourage target geographic areas. Usc look at demolition permits and we can try and develop something before your tex consideration, target demolition permits to some clearly identified data driven matrix. I hope you understand the passion that you'll hear, and my time is up. Thank you.

[18:28:26]

>> Mayor Leffingwell: Very good. Thank you. Montgomery, over here next will be stewart hirsch. You're still here? You've got three minutes.

>> Good morning, mayor, mayor pro tem, council members. My name is objection, leadingy montgomery. I'm a leader of ara, aggressive austinites that stands for equity and quality of life through

governance. Because it would exacerbate our housing shortage and make housing less affordable for property tax paying homeowners and does disproportionately negative effects against low income austinites, students of color and possible lgbq families I urge you to vote no. I lived for over five years both as a student in ut and afterwards. I empathize with the residents about some of the issues they're facing. But austin is far more than a few neighborhoods around the university, and you must consider the citywide consequences of reducing maximum occupancy. Some supporters of the occupancy limit reduction claim that the housing department's affordability compatibility statement is inaccurate because the new larger structures being built have higher rents than the smaller homes they replace. This argument, however, assumes that those small bungalows would not be redeveloped if there were no incentive to replace them with dorm style housing in particular but that's just search not the case. Think about it, due to austin's rapid population growth, there are are powerful pressures pushing for redevelopment of smaller, older homes incomplete urban core. That's how we start to make a dent in the penitentiary-up demand for more housing. They choose to build the biggest, nicest housing within the zoning regulations, whether a large duplex with three bedrooms on each side or single massive house that very few of us but someone could afford. You can't stop redevelopment when buildable residential pace is so scarce and so valuable. It took us years of neglecting our housing supply to get into this dire situation and it's going to take us years of rapid building to get back out of it. Furthermore, an occupancy limit reduction is unlikely to provide any immediate relief to the neighborhood's quality of live concerns. Assuming you would pass this reduction with strong grandfathering professions, noise, trash, access trash and illegal parking would not vanish immediately from existing problem properties. But we have laws to address these nuisance issues and the six person occupancy limit. Therefore, we should prioritize stronger enforcement of the laws already on the books. Most of our energies, however, must be focused on alleviating a much bigger problem austin is facing, the citywide undersupply of housing. We know strategised that help. City hand development rewrite, if done right, would put additional housing stock in our urban core. Central neighborhoods concerned about single family zones could support and accelerate this process by advocating for the zoning of blocks in their areas to multi-family and I was very excited to hear lots of them talking about that tonight. In addition, we should encourage ut to follow its very responsible plans to well build additional dorm beds on campus. Thank you.

[18:31:46]

>> Mayor Leffingwell: Thank you. Stewart, and then chris radford will be next on this side.

>> Thank you, mayor, and members of the council. My name is stewart harry hirsch. Like most of austin, I rent but not to five other unrelated people. I oppose both the staff and planning commission recommendation on occupancy reduction for many of the reasons you discussed in the work session tuesday, and for many of the reasons you hear tonight, but unlike other people on the opposed side, I'm going to propose occupancy reductions. They're just different than what you've heard from others. The solution to the problem of six people living in three bedrooms at lower rents is different than the problem of six people living in six bedrooms with six bathrooms in more affluent neighborhoods. We need to look at those issues and figure out a solution that deals with those issues disparately. Those protected by fair housing laws, and I brought tonight the 1940 and 1950 zoning organses. For those

people who don't know, austin used to prohibit not only four unrelated people from living together, but it used to prevent more than for renters from living together, before we had fair housing. So we were not an outlier, we were mainstream and I don't want to go back to the main steam of housing isn't the 1940.

>> And '50s, thank very much. I ask ask you to consider the following amendments as we work through the stealth dorms process. All single family and felix building permits filed beginning today

-- I thought I was going to say tomorrow

-- but today, be approved with a limit of four unrelated persons. This should also apply to people who have more than 69 square feet of space, as the staff said, but there's another loophole that you haven't heard about tonight and that is if you increase an existing bedroom by 50 square feet, you can add another occupant and those people shouldn't be grandfathered easier for that increase. All existing single family and duplexes and buildings with permit applications filed before tomorrow, or today, I guess, retain they are unrelated grandfathering, takes the term related, tie it to your ethics organs, why not borrow something that works, expand that to include domestic partners because you already have a voter approved insurance plan that is part of city policy, incorporate that so we don't discriminate based on sexual orientation. I propose limiting this to hide park, north field and north loop because those were the nowadays identified in the rental registration discussion. They should get first treatment. And then the ordinance should expire when the working group provides the product to the planning commission comes back to you and you decide something different. And finally, a reminder for those people who don't know this. All of us who live in two-bedroom, one-bedroom, and efficiency housing are limited to four persons over two years old. Per the adopted international property maintenance code. This is the code of the city of austin. Thank you for your time. We're looking forward to working with the working group.

[18:35:15]

>> Mayor Leffingwell: Ryan repoise will be after chris bradford, over here. Ryan. Go ahead.

>> Thank you, mayor, mayor pro tem, council, my name is chris bradford. I'd like to talk about the impact of the ordinance on development. In the city as a whole, there are about 45,000 acres of land zoned single family, sf 1 through sf 6, about 45,000 in the city as a whole. If you drew a box around the neighborhoods most agitated about the occupancy issue, it would be probably a box about two and a half miles wide by a mile wide and if you back out streets and land zoned for other things you're probably talking about 600 acres of land actually zoned single family that are at issue here, somewhere around there, that's about a square mile. So what I'm urging you to do is to be very careful, tread very lightly, before you go tinkering with the carrying capacity of a big city like this. And we are a big city now. We're a large, increasingly cosmopolitan city and increasingly important city, and we need to -- we shouldn't continue or govern ourselves like we're a small college tejano because that's just not the case anymore. I'm on the ldt advisory group and one of the things we've heard a lot about, including the consultants, is the missing middle in austin. We get a lot of very small development, single family homes, duplexes, and we get a bunch of stuff on the corridors, you know, sme stuff, big massive apartment complexes. We don't get much in between. You can't really build much in between, especially infill, the residential is zoned single family. There's really not much you can do to add density

on single family lots, other than replace a single family home with a duplex or add a garage apartment in the back. There are actually lots of obstacles to building even duplexes or garage apartments. There ordinance, in fact, will just add another penalty. I think that's really one of the points of it but it'll add a penalty to duplexes and garage apartments. It essentially says, sure, you can add density just so long as you can't add any more people, any more unrelated people. That's a disincentive. It discourages them. It's a bad idea to do this throughout the city as a whole so I strongly urge you to try and limit this, if you were to do anything to the north university area. Finally, of course, I'm totally opposed to applying it in north university area. I think what you see right there right now is development that is induced by transit, that is induced by easy, convenient, reliable bus service from these neighborhoods to the university. It's one of the few places you can do it. That's why you have students crowding into north loop, is because it's so darn convenient to get to the university from there. And, you know, that doesn't seem to be something we should be discouraging. Thank you.

[18:38:29]

>> Mayor Leffingwell: A fast question?

>> Yes, sir.

>> Spelman: Mr. Bradford I borrowed some of your information a few minutes ago to site what I believed was the occupancy limits or lack of occupancy limits in big cities around Texas. I wonder if you could recite that for us quickly.

>> Well, you have to distinguish it wouldn't zoning occupancy limits and true occupancy limits, based on square footage. Houston and San Antonio have those. Nio has a variant, and then Dallas, there a dispute this. I can't make head or sense out of the Austin code oh work with it all the time so I shouldn't venture to other codes but as I read Dallas code, it doesn't have a zoning occupancy limit based purely on shared housing. When they define family to be related people plus up to four unrelated people I five. But I don't even think they limit single family uses to five. What they really go after in Dallas are group homes. They've had lots of battles with group homes, and I don't think student housing qualifies as that under the Dallas ordinance or Dallas code.

>> Spelman: Regardless of what's in the code, I believe you talk to a code enforcement officer who told you what?

>> I asked him, I'm asking about occupancy Dallas, here's what we're doing in Austin. I'd like to know, do you have any occupancy limits that apply in a single family dwelling? And she said no. And she said except for they have a maximum occupancy kind of ordinance that's based on square footage. So unless you qualify as a group home or boarding house or something, you're not going to

--

>> Spelman: Thank you, sir.

>> Mayor Leffingwell: Before you start, Ryan, councilwoman Morrison asked me to tell everyone she's on back watching all this on TV and is suffering from a swollen ankle or something, so

-- at least that's what she says.

[18:40:40]

>> It's a broken foot, I think. Mayor, I had a question for

--

>> Mayor Leffingwell: Why don't we get to the end of this, then you can ask

--

>> it's relating to the point that council member spelman just asked mr. Bradford but I'll wait till the end and ask.

>> Mayor Leffingwell: Okay. Ryan, then cory strickland will be next on this side.

>> I want to say good morning. It's 1:00 a.M. Now. I'm the student commission on the 10-1 restricting commission. I'm speaking on my own accord, I'm not representing the commission or speaking as a member of it. I'm coming as a student, disabled veteran, someone spent the last eight months studying demographics relating to students and housing and ut. I can barely scrape buy and live in austin in central campus. I can about a get a house for same price I pay in central. These are rented by students, it's a home occupied by people. Because the houses are more affordable than the student rises replacing in austin, should with be forced to find other places to live? For example, where six students can pay rent of a six bedroom house, most single families cannot. I actually am signing a lease this week on a house with five of my friends and this f this rule is in place we could not live there. We would have to have

-- instead of paying \$700, we'd pay \$1500 a person. I don't know many single families who can pay 4200 a month or who would want to live right next to the university. If a house has six bedrooms we should not limit or regulate who should sleep in those beds if they have the ability to pay rent. I heard a wide variety of issues from residents all over austin and I do not remember a single time the issue of stemmed being brought up by citizens, this is hundreds of hours of testimony. We heard about road issues, stop signs, loud neighborhoods, a lack of representation in annex neighborhoods and transportation but not once was this issue ever brought up. One issue I heard from a majority of citizens in neighborhoods over austin is that we have an affordable housing crisis in austin and students make up a big portion of this. We should make living in austin affordable to all students, all residents, though they're often part of transient population, they eventually will become austinites. I'm against this change and color you to protect the rights of all residents in central austin with people they desire to live with. This is a citywide solution to a minor localized problem. Thank you.

[18:43:15]

>> Mayor Leffingwell: Thank you. Cory strickland, john lawler will be next on this side.

>> My name is cory strickland. I propose the change to the city's occupancy limit, it will hurt affordability. This change is going to hurt people all over the city, not just one or two neighborhoods in north austin where most of the proponents of this measure live. People living in shared housing situations all over austin. Students. Yes. But also many low and middle income people just trying to make ends meet. That includes artists and musicians that help make austin live music capital of the world. People that don't make much money need to be near the venues they play. Look, austin is in an affordability crisis and if you're serious about improve the affordable housing situation in our city I don't see how you can vote for this measure. The city is conducting an assessment and concluded this proposed reduction will hurt in two separate ways, by making it hard to share the cost of rent and other

bills. Individuals will not be forced to contrary that alone or with a few roommates. Second, this is expected to increase occupancy rates citywide, meaning higher rents for everyone. According to the city's assessment, both impacts will be feltpr and moderate income households and minority residents. This doesn't feel like the kind of policy austinites should stand hyped. Four months ago theness of the city voted overwhelmingly in favor ofafrdable housing bond. People in this city are serious about housing affordability. Now, a previous bond of similar advise, funds about 2400 units over eight years or 300 units a year. To me it seems quite possible that this new restriction resultin forced into the continual hunt for affordable housing. The result of this organs will be to scatter some of those who would have in shared houses out to other housing situations in other prices of the city, raising prices there and pricing some out of the city entirely. So taken together, the net effect of the bond and this ordinance will be to, one, raise taxes, and two, use that money to fund a quality of life improvements for homeowner minorities and university neighborhoods. Thank much.

[18:45:34]

>> Mayor Leffingwell: Thank you. John lawler and after john will be drew dobbs.

>> Thank you, council for hearing us late tonight. I'm a resident of west campus. I recently graduated from the university of texas at austin. While I was a student, I served on our boa, then I eventually served on campac, it was an organization recently mentioned. You may remember campac was a same enter the coming to you earlier last year trying to limit and create a burden on multifamily housing in currently zoned multi-family properties. I think that's something important to note. With that said, the process that got us to this point was not inclusive. The working group, the entity, whoever is bringing this occupancy reduction did not include students, did not include renters, and came to this conclusion basically in a vacuum. So what I would encourage you all to do moving for this working group group, bring along students and rent yourself because I firsthand had the privilege of working alongside a lot of these neighborhood advocates who are currently proponents of this occupancy reduction and I've seen the benefits that come from having multiple stakeholders around the table. So with that said immediately tonight, I would encourage you to oppose this occupancy reduction. But if you find it necessary to pass it in some form on first reading, I would encourage you to give the time to this working group to bring in these different stakeholder and less try to find some compromise. I think it is there. Someone noted earlier there are two distinct issues being discussed tonight kind of being masked as one. The stealth dorm issue is a unique issue to the neighborhood surrounding the ut but what's being proposed to you tonight is commission meeting last week, last well, I believe, that passed this on to you all the commissioners are stating we don't know the impact on affordability this is going to have citywide. I don't think that's good public policy when we don't have the facts in front of us, when we don't have the knowledge to make a good situation. to the table. Student government is here tonight. They're ready to get to work with you all and I think that you all will find that we'll have a better solution down the road. With that said, I'm available for any questions. Councilwom councilwom an tovo has one for you.

[18:47:50]

>> Tovo: A comment, actually, thank you for your suggestion that students be involved in this process. I wanted to make sure you knew about the stealth dorm working group that's been going on. It's while, but they were recently asked to expand their stakeholders, so it's my understanding that they were reaching out to some student groups and trying to get

-- students were some of the specifically targeted stakeholder to bring into that process.

>> Yes, ma'am. I want to thank you all for that, but it is important for you all the neat when you passed that resolution in december calling for more inclusion, there hasn't been a working group meeting since then. Yes, this occupancy reduction issue came back to you so it hasn't received any more public vetting. The other stakeholders left out initially still haven't had a chance to compromise.

>> Tovo: Yeah. I appreciate that point. They've had a few cancelled meetings because of the weather but this item also, while the stealth dorm working group has been discussing occupancy, this is a council initiated item but that group will continue to meet and I really encourage anybody who's interested to attend those meetings. They're all public meetings.

>> And I encourage you to give us the time to discuss it. Thank you.

>> May I have a quick question? John, I understood your comments to basically say that you would be willing to serve on the committee.

>> Yes, ma'am. And I've already

-- and I want to compliment the working group. They have reached out. I've been added onto their e-mail list and I was very encouraged following the amendment, I think, to the occupancy council, initiated resolution to include the individual specifically cited in that resolution that were kind of the undesirablign in the neighborhood. Let's invite the students to the table. The problem is, you can invite us to the table and adult renters to the table but if you're not talking and the issue is coming back before you all, what does it really solve? This issue is supposed to be addressing the issue the working group has been formed

-- do you see the problem here?

>> I got it. I appreciate your comments.

>> Okay. Thank you.

>> Mayor Leffingwell: Drew, after drew will be joshua pling on this side.

[18:49:52]

>> Thank, mr. Mayor, council, goods to you. Ails talk to you when you're tired. I'm speaking as an individual citizen, not with any organization. You know, the bugs me because of the affordability issue and I think because of fairness. Obviously, the giant houses with six rooms, you know, that kind of thing, that is

-- they're on the fence about that and there needs to be a solution. I think that's a building problem and not necessarily occupancy problem, and I hope that that's something that will be explored. I do worry that if you limit it to certain neighborhoods, especially when those are city central predominantly anglo neighborhoods, and you say the rest of the city is open for higher occupancy, that seems to housing act violation allegations and potential lawsuits, et cetera, et cetera, so just something to keep in mind. You know, I was

-- I spent some time traveling around a few years ago, I spent sometime in austin

-- boston, a neighborhood in west boston, a great, great mm cool, vibrant network, really cool, vibrant network of student housing and everything, and there were probably too many people in some of these houses but it was really great. In the last few years, the city has cracked down on all that and they changed the character of that neighborhood and it's a lot less vibrant and a lot less interesting to be in now. You know, the question is, who gets to decide who defined the character of neighborhoods? You know? Is it the people who have the most money that happen to live there, or is it the people who live there? Is it everybody that gets to have a stake in that? You know, what I see here, somebody are saying this is what the neighborhood should look like and we're going to fight for that. You know, rather than having

-- realizing this is going to be a fluid thing. You know, I would be remiss as an environmentalist if I didn't bring environmental concerns here. When you reduce occupancy levels and you're going to encourage people to move out to other places, it encourages sprawl, which means more driving, more congestion, more vehicle emissions, more environmental problems of those sorts. So that's something that needs to be kept in mind here. The last thing I want to say here is that, you know, great cities change. You know. And there's a big

-- this is part of a bigger thing that's going on in au where you have people o he a long time, I've lived here for the last 12 years now, but that's not a long time for a lot of folks, but you have people who lived here a long time, it's changing, freaking out about it, angry about it, hoping we can do everything we can to try and use regulation to keep it from changing. If you want to go somewhere that doesn't change, you can go somewhere boring. You know? If you want to live somewhere interesting, it's going to change. And I can't wait to be an old man and hear people arguing about, we can't tear down the condos on south lamar, they've always been there. It's going to happen one day. Let's be willing to change and be okay with the characters of the neighborhoods being vibrant.

[18:53:00]

>> Mayor Leffingwell: Joshua blaine and after joshua will be emily over here.

>> My name's joshua placement I am a resident of the hancock neighborhood. I live with four other unrelated adults in a duplex that's owned by a brother-sister pair that's owned the house for, I think, 20 years. It's interesting, I'm affected by this issue in a few different ways. I've been criticized by at least one person on the other side of this issue for entering into this debate at the point that I did very recently, but kind of to john's point earlier, it doesn't feel like those of us who are going to be impacted by this, should this go through, especially without grandfathering, haven't been all that involve in the process. Granted, I spend most of my time trying to make a grocery store in the neighborhood function, but that is also part of why this is relevant to me. I deal with employees every week who ask for more hours, who ask for more money, and we are such a new business, it's a very difficult thing for us to do, to be able to afford higher wages. We pay fair wages, we give raises and we're doing everything in our power to support the people that work so hard for us, myself included, but at a certain point we just can't afford a certain level of pay. And if I can't split my two-bedroom apartment in a creative way with my landlord's approval, within legal bounds of my lease, then that affects my ability to do my job for this local business that the community every day tells me they appreciate. So there's that issue, and I also want to say in the beginning, I agree with most of the people on this side of the issue, that stealth dorms

are a serious concern, and they're clearly taking advantage of something. When I come into an issue fresh, I definitely recognize a certain naivety, a certain ignorance. I don't have the full breadth of the back story but I can come in with fresh eyes and ask some obvious questions that to other people aren't that obvious. I've been on both sides of that, and in this case, the obvious question is, why are we giving permits to these things that are not stealth? We've heard from so many people identifying so many properties that are so clearly not being built the way that we want them to be built, why is that happening? That's just a basic question that I would like to ask, and insert into this conversation because ultimately, everybody in this room agrees with that. We disagree with the approach that's been settled upon, but we don't disagree that the quality of the houses being built and replacing these other things is poor, and it's replacing something that's valuable. That's just what's happening. And I don't know. So I challenge everybody in this room to think about that.

[18:56:11]

>> Mayor Leffingwell: I'm sure that I'll be sorry I asked this question, but what in the world is a no-waste grocery store?

>> What was the first part of the question?

>> What is a zero waste grocery store?

>> Oh. You're giving me a nice opportunity to make a plug. [Laughter].

>> Mayor Leffingwell: Just about that much of an opportunity.

>> Zero waste grocery store means that we try to get rid of as much packaging as we possibly can, where the city code allows us to, encourage customers to bring their own containers.

>> Mayor Leffingwell: Okay. All right.

>> Ingredients on manor road.

>> Mayor Leffingwell: Great. Emily, and next will be susan jennings. Over here.

>> I'm director of public and government affairs for austin board of realtors. Weaver an over 9,000 organization here to represent interest of realtors, lenders, the homeowners they represent as well. I can tell you as an active participant in the working group this is a complicated personal and charged issue you all are tackling this evening, and there's no doubt that there are lots of different facets and nah audiences to the way

-- nuances to the way we're going to deal with this challenge. It's more than what happens in redevelopment in communities, more than what happens in terms of one house here or one duplex there, and has a lot to do with the larger global challenges facing austin today. Those are challenges associated with affordability, character, and credibility, and, you know, maintaining community in a way that allows us to still develop and grow and turn into what we can be in terms of the austin of the future. And so with that, I would offer a few words of encouragement and also some concerns with regards to the policy before you today. Is a realtor association, I have the luxury, I should suppose, of looking at data that is released every month about our housing market. Last month's data showed that we have just under, or actually just over two months of inventory in our market. That's across our whole region. Stable and healthy market has a six-month inventory of housing so we are clearing in a position of concern in terms of how we're going to meet not only our growing demand, but just the housing needs we have today. With that in mind, I would ask you to take caution in looking at any provision that

provides a constraint on the housing market. With this provision specifically, I think we've actually heard from both sides of the argument now that you may not have the data that you need to really determine what constraint is provided. What constraint is provided just in reducing the number of allowable occupants in a structure, but also the potential impact to affordability in terms of allowing the redevelopment to continue. And so regardless of which side of that argument we were to run down this evening, I think it's clear that you have data that lacks in terms of your ability to make an informed decision this evening. And so I would offer caution in making any final decision for sure, and certainly offer you in I data that you might need in moving forward on this. If you decide to move forward with reduction of occupancy, there are two primary concerns that we would offer. The first is grandfathering provisions. The it is certainly the austin board of realtors interest to protect any use today, legal we encourage you to use

-- not a legal non-conforming use that would provide a burden for the existing homeowner to maintain a use that they have available today. Secondly, we would strongly urge you to embrace a sunset clause. There's a sunset clause found in the planning commission's version of this ordinance coming forward to you today.

[19:00:01]

>> Mayor Leffingwell: Thank you.

>> Two questions.

>> Mayor Leffingwell: Questions.

>> I've heard sunset clause talked about in two ways, the planning commission sunset clause sunsets the occupancy lowering in two years, but there's also been a professionally to sunset the ability to be grandfathered and I want to be sure to clarify which sunset clause you're in support of.

>> We really appreciate the opportunity to clarify. We support the planning commission's version of a sunset. Specifically, for the reason that I think a two-year window gives us the opportunity to stay at the table, all of us the opportunity to stay at the table, the neighborhoods that are looking to reduce occupancy and also those of us looking at ways to alleviate the constraints that this might provide by bringing forward other provisions to help provide density in other places. [One moment please for change in captioners]

>> Spelman: I wonder if you can talk about that. What would be involved, how long might you think you can take? It sounded like folks are on the issue.

>> Housing community development did the best they could given time constraints their were provided but it was a constraint. So as I talked to your economist, brian kelsey is one of three I vetted a proposal with, they said it would take 6-8 weeks to provide a real economic economic impact assessment adjustment, just reduction of city wide, what the planning commission brought to you, might really cause in terms of the impact of affordability.

[19:02:27]

>> Brian kelsey said she could give it to you in 6-8 weeks.

>> He was ehesitant to give us 6-8 weeks but said he could give us something. I want to say it's hard to

measure but it is information that you lack.

>> Spelman: In fact I know of one study that is retrospective and no study prospective on what effect if any this would have. Thank you.

>> You are welcome.

>> Mayor Leffingwell: Susan Jennings. After Susan, David Witworth.

>> Good morning, thank you for your time and to bear witness. I appreciate the time to talk. I have the unusual circumstance that was described earlier. It was a house built in 1951 and it is a five bedroom, three bathroom and I also have a secondary dwelling unit behind it that was built in accordance to the city rules with the permit process and that is a two bedroom house. Currently there are four people that are living in the five bedroom house at the front and two people living in the back and the proposed limits on housing occupancy with those that are non-related, that would not be permissible anymore. Basically that would look like that perhaps four people could still be living in the front house but the entire back unit would be stranded. I don't think the bank is going to be very forgiving of the fact I -- forgiving of the fact we have 30 year mortgage on it. We have ample parking. We have no issues associated with that. We have two driveways. The city permitted second curb cut and driveway to accommodate that. It has been a vibrant community. We haven't had any negative impacts associated with that so I would ask respectfully that you consider the city's staff recommendation moving forward to consider the 4 and 2 for the secondary dwelling based on the current recommendation. Thank you. ,

>> David Witworth and John is next.

[19:04:45]

>> Thank you, council members, I am David Witworth an Enfield builder, I am building in North Loop right now. I am asked to participate in the stealth dorm working group. North Loop is a fantastic, exciting neighborhood right now. I don't know if you have been there lately but up and down North Loop we have e-pod coffee, food trailers, drink well, all kinds of fantastic places that the community can get involved with, and what I am concerned about in this neighborhood is that I think a litmus test would be -- could they garner enough sufficient within their boundaries to reduce occupancy through deed restriction? And I believe they probably couldn't. Yet, they can come to council and get occupancy reduced city wide. I feel like we are kind of off the tracks with that kind of an approach. I think people ought to be able to split rent to reduce living expenses. We do have a limit of 6. What I do think, the kids ought to take their trash in. They don't take their trash in, I know that much. If it is not trash day and can't be enforced in front of the house, it is easy to enforce. If we can't enforce that, I don't know how we will enforce occupancy. But you heard enough of that. Let me switch to solution oriented -- go ahead and go all the way to the other side. So if I can try to go to the first picture, map of Austin, if I can get to solution oriented speech at this point. This is a 1925 map of Austin and the suburbs. At the very top right. That is the very North Loop neighborhood, the Highlands plat, actually. Almost all of Austin at this time was small lots, much smaller than our 5750 that was adopted in 1945. They are not suburban anymore. I have no interest in urban sprawl, no interest in building mansions, McMansions, stealth dorms, super duplexes. The red line you see is our old trolley system. I had an epiphany where we are

-- etiffany, we were working on code next with impact austin and it was here and if you reduce
-- the stealth dorm working group was asked to come up with solutions to accommodate housing along
with occupancy reduction and I believe that that's been left off the table but the solution would be if
you reduce lot sizes in austin, you wouldn't have to resubdivide or replat. It's there. None of this was
ever vacated. If you look
-- if you live in central austin and look at your legal description, you live on two lots probably. Go to the
next picture.

[19:07:45]

[Buzzer alarming]. I amend building small lot amnesty. Single family owner occupied at our home, c
simple ownership.

>> Mayor Leffingwell: Okay.

>> And in the back.

>> Mayor Leffingwell: Thank you. And you are dan kachett, three minutes.

>> Yes, I am dan. The testimony I am about to read is all testimony for a zoning ordinance but the zoning
ordinance before you is an odd one. It doesn't regulate impermeable surfaces for setback or other
structures with the building. Doesn't outlaw noise or trash bins or make sure trash bins come in the
before the next day. It tells the residents with our shared city how and with whom they should live. I live
in my 20s in affordable shared housing of the type that item 86 would make illegal. As unhealthy, far
from home and far from the familiar family of my birth, I surrogate of friends, family with no blood but
relied on one another with hard times and discovered who we were as people. We join in gardening, like
cooking, like playing music. The friends I made remain some of my best friends years and years later
because they know me more intimately than anybody who has not shared a roof with me. It's these
relationships, foundations of my adult that will last a lifetime that item 86 would outlaw. My experience
is one that thousands of people across this city share, who you choose to live with under the same roof
is a very intimate decision and the decision to limit those intimate choices is an invasive one. I have been
upset as I have viewed and listened to supporters of item 86. They speak about di neighborhoods
-- bleeding their neighborhoods dry, as if myself, my friends, and our choice to live with one another was
somehow committing violence on to them, just by being there up, especially the duplexes we have seen
and some others. They don't like the architecture, and they think if people like me were banned from
joining together and living with each like would dry up. I can't express how profoundly this wounds me.
If you want to limit a of architecture, make an ordinance that limits a style of architecture. If you want
trash off lawns, increase the budget for code compliance. Don't try to ban architecture that you don't
like by banning relationships, by banning friends living together out of choice. Austin is large enough for
many kinds of people. It is large enough for those who live on their own, for those who get married,
raise children and it's large enough for those who choose to live with a surrogate family of friends. The
ordinance before you does not regulate structures. It doesn't ban duplexes or bad architecture or trash
on lawns or late night parties. It regulates relationships.

[19:11:20]

[Buzzer alarming] and I hope if those relationships aren't allowed the housing market would change. I ask you to allow us to make our own choices who we make relationships with.

>> Mayor Leffingwell: Thank you. [Applause]. So Robert Cleman is in the neutral category here to speak. And you will get 6 minutes. Is Daniel East here. There is your donor. 6 minutes.

>> Good morning, Mayor, Council members. I am Robert Cleman with Steve and Perry and Emand with a number of individuals who represent rental properties neighborhoods north of the campus. I was glad to hear Ms. Jennings speak because she may be the actual owner I have heard of. The issue I come to talk to you about over the last week is my clients have a neutral position, neither for nor interest of the adoption of the reduction, so long as

-- and we have the word grandfathering and I think we are too tired to get into the nuances of it but let me be clear that what we are looking for, that whatever rights and entitlements my properties have or Ms. Jennings' properties have today are unchanged as a result of adoption of an ordinance. That means in my world legal conforming uses, and some of have asked me why is that important, as opposed to legal nonconforming. Part of my practice is to do due diligence for companies and investors that buy property across the state. The very first question they ask me is, if the building is destroyed, can we rebuild it? Is it a legal conforming use, is it a legal complying structure, and because this is the very first question. If you don't have the

-- maintain the legal conforming status of these buildings, it does have an immediate debt credibility impact. The

-- detrimental impact. The next thing that hasn't been addressed tonight, this morning, we aren't talking about multinational corporation that own these properties. Most of the duplexes and homes are owned by individuals who probably have lived here a long time, may have been their first house, kept it and may have bought another house. So this ordinance, unlike many others that the Council considers will affect every home, any duplex in the city if the grandfathering is not done appropriately, and so I do want to acknowledge that the reduction before would slow and impede the construction of new

-- new units. That was a question that was posed to me by one of the offices and I think it is important to note, on go forward basis, I think it would have an impact on the complaint that is the neighbors are complaining about. And so we want to stay involved in this process. It is clearly a complicated issue but we are here to protect the existing housing stock. At the end of the day, I think it's important for Council to act with unmistakable clarity to calm terms you hear from renters and property owners to know that what they open today and their compliance with the law, that they would be affected by go forward ordinance. Thank you for your attention.

[19:14:54]

>> Cole: Thank you, Mr. Cleman. Anybody else for or against who has not had an opportunity to speak? 3 minutes. You only have 3 minutes and you do not have to repeat any of the former testimony, not that you would. Please come down and tell us your name so we can put it in the record.

>>

>> I did sign up, maybe you missed my name. Good morning, everybody, I like to repeat the words of the young lady is here, I could use the tall glasses and a bed. I am sure you could. I am Adam and

--

>> Mayor Leffingwell: Adam? Adam.

>> Mayor Leffingwell: We had an agreement of folks 45 minutes aside, you aren't part of that agreement? You don't have friends out here?

>> I have friends out here but I didn't sign up with anybody.

>> Mayor Leffingwell: Well, I am just saying, we representerring

-- we are operating from an agreement, handwritten list. Your name is not on it.

>> Sorry about the

--

>> adam has been here almost as long adds we have today, I think we should give him

--

>> Mayor Leffingwell: I want to let him speak. I want to point out that, once again, we make these types of agreements and then it doesn't really work out because people start coming in at the end. Go ahead. You have 2 minutes and 40 seconds.

>> I apologize. So it has been tough for me to measure whether I am for or against. Against, because of the information that I have seen, I don't have enough information to make a solid decision on. I do want to bring up a couple of points from a mental health perspective, and that is I deal with indigent community, refugees, immigrants, people who are incarcerated and people with mental health issues. Take refugees, for example, when they come here, oftentimes they go through groups of families and go through traumas together and come here and use our sources and become families to go and live together and breaking it apart, when they have gone through traumas can increase risk of having mental issues down the road. That's the only point I wanted to kind of make and I thank you for allowing me to speak thenning. This evening.

[19:17:32]

>> Mayor Leffingwell: Okay anybody else who feels like they have to speak? Are you signed up?

>> Yes.

>> Introduce yourself.

>> Adrian skinner with hyde park neighborhood association, secretary for neighborhood. You have your backup materials you have for supporting the occupancy limits resolution before you tonight. I just want to say before I get started that I have heard a lot of impassioned testimony from the opponents of this measure and I truly sympathize with your living situations. I agree that these situations you have chosen should be continued through a grandfathering clause through this ordinance. I like to put it in simpler terms. It isn't really about the causes of what we are seeing with stealth dorms, trash, parking. This is about an unintended use of these properties, a use that didn't happen to be here before we saw the demand outpace supply. That use is put simply multifamily use of single family properties. You have people pooling together and the developers are responding, responding by tearing down affordable old homes in central neighborhoods and replacing them with huge duplexes and the duplexes serve no other purpose than to house multifamilies. They will never serve single family purposes again. That use will be gone and the people who live around them see the writing on the wall and they, too, will sell and the developers will capitalize on those properties and you will end up with no single families left. So I urge you to consider this measure as a way to stop the decay in our neighborhoods and provide a way

for the working grounds that have been set up to redevelop that land code so that we have compatible multifamily use within single families that we can all coexist and survive together with. Thank you.

>> Mayor Leffingwell: Okay. I guess that's everyone. All right. Entertain a motion on item number 86.
Council member riley.

[19:19:48]

>> Riley: I will get the ball rolling by putting something out there that no doubt people will want to amend one way or another but I will start out by suggesting that we adopt the planning commission recommendation with several changes: One, I think we have heard a lot about the concerns about applying this city wide when really the real impacts we are trying to deal with are concentrated in the central city and since, as we discussed in the work session on tuesday, we had a similar issue with the mechanic mansions a few years ago and
-- with the mcmansions a few years ago and we drew boundaries and we heard it is a very similar concern that we are dealing with today. So we ought to
-- that might be an appropriate boundary line to use for
-- to address this issue. I would suggest that we do need to address all uses on single family zoned lots, and by that, I mean if lots including sf3 and the duplexes, and if we are trying to address development pressure, that the limit should be 4 on all of the sf lots. I think we need to address grandfathering, which the planning commission did not, and for that, I would just, for the sake of simplicity, although I recognize the concerns and addressed by mr. Adair and others very capably, I have been persuaded in light of all of the issues we would face in light of implementation and even, more important, in light of the protections we would get from the provisions that the grandfather recommended by staff is really a more workable and feasible way to go and it would address the issue of, to some extent, of the conversions of existing properties, because as soon as you set out to modify a structure, to turn it into a dorm style housing, then that would
-- you would lose the grandfathering. And then the planning commission recommended the two year
-- the two year time frame and I support that and if I get a second, I will comment on why I would support this.

[19:22:09]

>> Mayor Leffingwell: Let me see if I can recap your motion, close public hearing and approve all three readings, planning commission recommendation with using the mcmansion boundaries, single family zoned properties, and grandfathering in

-- and I am not quite sure I unders definition

--

>> Riley: Staff recommendation on grandfathering.

>> Mayor Leffingwell: Staff recommendation on

-- okay, second by council member martinez.

>> Riley: Okay. I would like to take a minute to state why I support that motion. I want to

-- first I want to start by thanking everybody who has stayed here. It's now past 1:20 in the morning. We

still have fairly full council chamber and I know you you have been here most of the day and well into the morning and I want to thank you and thank for everybody who weighed in on the issue. It touched the nerve on the part of a lot of people. It is great to hear the input. It is encouraging me to hear not only how people passionately care about protecting their neighborhoods but how much people support bringing more people in, welcoming more folks into the central city where we know we need housing options, we know we need to provide more housing options, and there is a tremendous amount of support for that. I absolutely get all of the concerns we have heard about limiting those options. When I was a law student at u.T., I shared half of a duplex with two other roommates. We split the rent and it was great and it was very affordable for all of us. I've known some people to stay in great shared housing arrangements and we all know how cool it will be, people who meet band mates and have all kinds of great experiences here in austin if those options are available. We need an abundance of housing options to

-- to meet all of the demands that are out there, not just single family homes, the old, ward and june cleaver, and not just

-- and not just high-rise living but we need a whole spectrum

-- there is a whole spectrum of housing demands. People want to be able to live with groups of people with various sizes and shapes. We ought to be able to accommodate that and we ought to have an abundance of housing options to meet within the housing spectrum. The problem is our code doesn't do a very good job of allowing us to meet the demand, covering the whole spectrum. Basically we have single family homes in our neighborhood and multifamily we have the high-rises downtown, the apartment complexes and we are seeing

[19:24:55]

(indiscernible) but we don't do a very good job of providing housing options in the in between the great big complexes and the single family homes. Our code doesn't accommodate that. You might have heard talk lately about the missing middle that we were searching for, it is a very significant problem that our code doesn't really address that need very well. What we are seeing absent that kind of thing that addresses that thing, we are seeing very significant, troubling changes within areas that have traditionally been regular old neighborhoods, we have seen north field neighborhood

-- I am sure everybody hearing this

-- we are seeing six homes a month being demolished and being replaced with homes that are not meant for single families. They are meant to serve as dorms, essentially, which can be fine in some places, especially on major corridors but it doesn't work so well when you put that inside in the middle of a residential neighborhood, right up against other regular single family homes where you reach a point that happens enough and essentially you have reached a critical mass not some point where the problems associated with that kind of become overwhelming and people move out. It's not like they don't want students living in groups but they

-- but that is left to go unchecked, you can have all sorts of problems which a cascade and build upon each other and the neighborhood becomes out of balance and you lose the diversity that we all want. We all want a diversity of housing options to be available. That's the ultimate goal. That's what I am hoping we can achieve in the coming months and years. That's why I am supported on the two year limit

that the planning commission suggested. Because we have a very big job in front of us, to think about how to provide more options in the housing code and it's something that the countries have taken on and provide form based code to do a good job of providing other options and the missing middle between the big high-rises and single family houses and we can do the same thing here. I know people are very upset about this particular decision on both sides, I hope people bear in mind this is one small battle and the bigger fight is to figure out how we can going to accommodate the housing demand we know is out there and not doing a very good job of addressing now. What is interesting people of both sides of this debate can join together because there is a lot of support on both sides in doing a better job of providing missing middle. That's really where our focus should be. We should be working together to figure out what it is that we can make with our code to accommodate and do a better job of providing those housing options that we so desperately need here in austin. I hope we can leave here data committing to work with one another, people both sides working cooperatively to figure out the solutions that are so sorely lacking right now and we can -- before those two years pass, we will have better options in place so we can provide abundance of housing options across the whole spectrum that will work for everybody, relieve housing demand and we won't have the problems we have been having with the proliferation of the dorm stealth structures that are taking out the single family homes we need to preserve. With that, up have said enough and I need to support the motion.

[19:28:28]

>> Cole: Mayor.

>> Mayor Leffingwell: Mayor pro tem cole.

>> Cole: I certainly appreciate all of the work that went into this and all of the testimony we have received on both sides, and given that it is 1:30 in the morning and we are contemplating a sweeping policy decision, I would like to ask the maker of the motion to please consider amending that, that we only go on first reading tonight.

>> Absolutely. That's what I meant to do in the first place, is only do it on first reading.

>> Mayor Leffingwell: Amendment, first reading only. Second. Okay.

>> Cole: The second thing I wanted to do

-- and I hope this is also friendly

-- is to give staff some direction with respect to proposed boundary lines and work that needs to be done, I believe it was the

-- emily that talked about impact analysis when council member spelman talked about that. I believe the impanel analysis needs to be done even if it takes 6-8 weeks even if they know what we are doing with our city with this ordinance. And I think council member spelman can follow up with direction with respect to that, I would like staff to look at the economic impact about cis and that done and also consider we have testimony, I believe it was from stewart hersh about possible occupancy reduction to be limited to hyde park, enfield, north loop, and there was another george waller who talked about -- or maybe

-- I don't remember if it was john, that talked about looking at demolition permits of looking at the teardown problem we are having so much testimony about so we can try to start and targeting where

the problem is that we fix the areas that are really having a major issue. And that will be the major direction I would want to give staff to bring to us on second reading so we can make decisions based on that information.

[19:30:48]

>> Mayor Leffingwell: Well, the motion describes the boundary as the current mcmansion boundaries.

>> Cole: So I guess I am asking to expand that

--

>> Mayor Leffingwell: That would be to decrease it?

>> Cole: Well, I am not saying we won't consider mcmansions but we need additional information about the impact of over boundary lines, but if we

-- if

-- considering the cam packet, enfield, north loop, north field is much smaller than mcmansion and I would like staff to bring that to us, also.

>> Right now the motion on first reading but you are saying let lease look at other possibilities in second reading.

>> Mayor.

>> Mayor Leffingwell: Council member martinez.

>> Martinez: First of all I want to thank chris of the comments he made, I agree in large part with all of them but I want to emphasize, there were a lot of comments tonight about why don't we look at enforcing the trash issues, why don't we look at enforcing architecture, all of these things have been discussed and have been contemplated, and in some cases have been tried. It's not that we came up with this and said, occupancy limit, it's the only thing we can do. We are limited in what we can do. When someone pulled a demo permit, they have to meet certain requirements. They can't necessarily tell us what do after they get demo permit, that's another process to start the building process. Once they get into building process, as long as they fit within the code, there is very little we can do. I was frustrated I said staff, when you review a site plan and you you see 6 bedrooms and 6 bathrooms. Can't you say, hold on, that's looks like a stealth dorm, what can we do? They say no, it is very limited on what we can do at that point, as long as it fits in with the land development code and the other requirements in the code we have to release the permit and allow the structure to be built we are

-- we have looked at many, many aspects of this, the stealth dorm working group and then it was mentioned it is very complex and it's not easy so I don't want people to think that this code change is an oversimplification of a very difficult issue, because, you know, this is one step, and we have a chance to revisit the next few years and keep working on its. I appreciate the suggestions that were made but I don't want folks to think they were not contemplated or worked hard for legal advice to how we accomplish that. Right now, today, in my opinion, what we are doing is about as good as we possibly can do at this point. I know some would like to see us do more and make it more restrictive but again, I think we are trying to balance competing issues and address concerns on both sides. So I will be supporting the motion.

[19:33:57]

>> Spelman: Mayor.

>> Mayor Leffingwell: Council member spelman.

>> Spelman: Allow me to put a slightly finer point on a point made by mayor pro tem cole. I am concerned about the mcmansion boundaries for a couple of reasons but the biggest one, I think, is that -- well, it's overinclusive in the sense that a lot of the neighborhoods inside the mcmansion boundaries are not seeing the same kind of turnover that north loop, hyde park and chem pack are seeing and it is not close to university and there is not a lot of market for dorms inside the mcmansion area. There is turnover of housing. They are scraping up bungalows and bringing up houses. It is more to do with market forces and not really to do with the issue here. It seems to me that if we limited the number of people who could stay in duplex or single family house within that big, broad area, two things happen, one is people be caught up in the net, where we wouldn't want to get caught up in the net, maybe people staying temporarily because they need a place to stay, workers without documents, people who don't make very much money and it is affordable housing, as opposed to a thousand dollar a bedroom places we are talking here. It seems if we are able to restrict that geography to something much smaller which is encompassing the problem before us, that would avoid taking so many people in a -- bringing so many people under that net. The other issue is I am concerned -- and I think we all heard this, that -- andrew dobs, in fact, mentioned it tonight, that if we extend this to relatively large boundary, then then some of the people looking for living quarters which are cheaper will go outside the boundary and one might reasonably acof us a fair market -- a fair housing issue by pushing poor folks or pushing folks with color outside of the mcmansion boundary into the outside areas of the city. I wouldn't want us to have to defend against that kind of a charge so let me put forward a formal amendment to the similar, I believe, to what mayor pro tem cole was talking about and what stewart hairy hersh, like most in austin rents suggested -- [laughter] -- I think -- maybe we can change your name, stewart, to that whole line, and that -- and instead of mcmansion boundaries we limit it to chem pack, north loop, enfield, ridge stop and the others. And I don't know if it is too small but we are doing it on first reading and so we will have however long, on first and third readings on that but it covers the neighbors most endangered here but doesn't extend if net so large that we are having all sorts of unintended consequences.

[19:37:00]

>> Cole: Is it a formal motion?

>> Spelman: Yes.

>> Cole: I will second.

>> Mayor Leffingwell: Motion by council member spelman. Second by mayor pro tem cole. I guess I have to say that I am a little bit concerned that that's too small. I mean, we already have seen major student ghettos as far as across the river of south austin, the riverside area, and maybe the unintended consequence would be that all the new stealth dorm building would now occur outside of those

neighborhoods, so

-- but, I don't know, I think that's something we can look at next reading. But I would like to stick to that direction given by the mayor pro tem to have some kind of analysis of that impact for the second reading.

>> Spelman: Mayor, if I could address your concern.

>> Mayor Leffingwell: Go ahead.

>> Spelman: At

-- this is obviously first reading and obviously everything isn't in play until we actually get to third reading which seems to me a starting. We ought to have the right place to start and it seems mcmansion is way too big a place to start. We started with small number of neighborhoods which we know are dramatically affected by this, if we have to build on that, we do but it seems closer to end up with a large portion of our city which is governed by mcmansion and I think like mayor pro tem cole was suggesting that we do analysis, like, for example, where there have been a lot of demolition permits and where stealth dorms have been locating and I am not sure we can put them in the boundaries what our staff can analyze, but anything our neighborhood can do on

-- our staff can do on neighborhood to neighborhood basis is a good idea.

>> Mayor Leffingwell: This is why we need the analysis, I think, because if we are talking about proximity, I am not in any of those neighborhoods but I am pretty close to the university and maybe the other factor is public transportation availability, maybe that factors into where I live you wouldn't have public transportation to u.T., So maybe that's a factor, too. I think when we come back, that analysis of where the boundary should be, it should include all of the relevant factors. And I have one other -- this is just a general concern. I know for a long time, I think I can say ever since I have been on council, we have heard about this issue, stealth dorms. And for all of this time, it has been six unrelated. We never really were able to enforce that. I don't think we are going to be able to enforce another limit, say, four, for example. I am going to vote for the motion but I have concerns about enforceability and about passing a lot of rules. I can see some upsides of it where perhaps you would prevent future construction of buildings that are designed to be for that number of people. But as far as people that live in those places now, I don't think there is any way you can enforce it, at least not any way that I would support. Let me put it that way. So we will just see how that turns out. Council member martinez.

[19:40:23]

>> Martinez: The concern I would have with that, I guess, with limiting the geographical boundaries that much is the close end central east austin neighborhoods that are already facing tremendous pressure with just about moving forward with the homestead preservation district this morning, and I just feel like if we limit it to areas just west of i-35, well campuses going east, my concern would be what happens to those neighborhoods that are in central east austin but are apart of the geographical boundary.

>> Mayor Leffingwell: Council member morrison.

>> Morrison: I am not going to support the motion. I am open to possibly making it a smaller boundary but I think we should start with the mcmansion and move in and I do want to hearken back to the mcmansion times and so three people were

-- council member martinez, mayor p and the mayor were on the council, in fact, that was your very first meeting, mcmansion, both of you.

>> (Indiscernible).

>> Morrison: I know it was, it was very late.

>> Mayor Leffingwell: It was a big mistake, too. [Laughter]

>>

>> paninski: But we wrestled over the boundaries for mcmansion and if you look at

-- it was clear, very clear where we were having really the intense amount of mcmansion pressure and we did some broader boundaries because you have to realize that you are going to put pressure on moving out and you don't want to change the boundaries every two months because you are realizing that tom nope effect, and so if you look at where these places that we are mentioning, hyde park and west university and

-- actually east austin, central east was hit quite a bit. A lot of the same areas that we are hearing a lot of focus on here, but we did make the boundaries larger and I think it's good

-- it seems to have settled in quite nicely. I don't hear a lot of problems with that. So with this amendment, I don't want to

-- I am open to changing it but I want to start with the mcmansion and move in if we need to.

[19:42:42]

>> Mayor Leffingwell: Well, so the vote will be on the amendment by council member spelman. And I don't think much difference

-- it makes much difference whether we start small and move out or start large and move in, so I will start

-- I will support the motion, too. All those in favor, say aye. Aye. Opposed say no.

>> No.

>> No.

>> Mayor Leffingwell: That fails on a vote of 3-4, with council member riley, martinez, tovo, morrison voting no. So we are back to the mcmansion boundaries. Council member morrison.

>> Morrison: I have a couple of other things I want to discuss. One is

-- bring up a small detail but what we have in section b if we are looking at the planning commission recommendation, there, it talks about two family residential and a site with a secondary apartment and in their looking to there being four being allowed, it actually dictates only two can be in the apartment and two can be in the house, and it seems to me that what would be more important would be to limit the total number to four, so I would like to propose an amendment that we ask to staff to adjust the language so it says no more than four on this site.

>> Riley: That was my intent.

>> Mayor Leffingwell: No more than four on the site.

>> Morrison: Doesn't matter how they are split up between the apartment and the house.

>> Riley: Mayor, if I may.

>> Mayor Leffingwell: Yes.

>> Riley: Either side of the duplex. You can have three on one side, one on the other.

>> Morrison: That's not addressed here in d.

>> Riley: But four per site is what I thought we were

--

>> Morrison: Well I was changing d, other one and so if we can start with that

--

>> Mayor Leffingwell: Maybe we should start over.

>> Morrison: I would like to make a motion that we amend part d so for two family residential and sites with a secondary apartment special use, no more than four can be on the site. It doesn't matter how they are split up.

[19:44:54]

>> Mayor Leffingwell: Motion for amendment by council member morrison. Is there a second for that?

>> Riley: I consider that friendly. I don't know if

--

>> Mayor Leffingwell: Well

-- et lessee if there is a second. I would like to see a vote on it. A second. Any more discussion? All those in favor, say aye. Aye. Opposed say no. Passes on 7-0, so it is incorporated. [One moment, please, for change in captioners] so I don't know if we put the two-year limit in, I'm afraid that we're going to be stuck in it, we're not really going to be ready with our new code, fanned we take the two-year limit out, then we have our new code, we have new code and deal with it in a different way and it gets -- basically this gets repealed and replaced with our new code. So it seems to me that the two-year, not only is unnecessary -- the two years might expire before we're really ready with the new code and some council body has to go through this all again. So I want to make a motion that rremove the two-year limit.

[19:47:00]

>> Mayor Leffingwell: There's a motion to amend the main motion to delete the two-year limit included by the planning commission. Is there a second?

>> Tovo: I will second that.

>> Mayor Leffingwell: Second by council member tovo.

>> Tovo: I thought I heard you say you were roofing removing the two-year limit from the planning recommendation.

>> I'm sorry if I misspoke. My intention was to leave the two-year limit in place. We have foundation attention on this issue, we have stakeholders who want to continue working on this and I think it's important enough and we know the solution is unsatisfactory in some ways, so I would like to keep working on this with the momentum that we have now while people are focused on it. If we find we don't have any other solutions ready to go two years from now, we can always extend it but I would like to keep things moving by aiming for a two-year time frame.

>> Mayor Leffingwell: What do you mean, "we"?

>> Tovo: Yeah. I'd like to speak to my second of this motion, council member morrison clearly

articulated I think the timing issues at play here but I also want to point out that we're always able to reevaluate the code, so if in two years this has posed some really difficult challenges that weren't anticipated, that council always has an opportunity to go back and look at the code and make a different decision. So I would say we are best, in the best position putting this into place without an expiration date. And as someone said, let the stealth dorm working group continue its work, letting the code next process continue, and then asking

- asking for a reevaluation or assuming there will be one down the road that can always make an adjustment. But I don't think we should put a code
- an ordinance in place and have an expiration date on it.

[19:49:15]

>> Mayor Leffingwell: Okay. The vote is on the amendment. All in favor say eye. Opposed say no. That passes

-- fails on a vote of two to five with council members riley, martinez, myself

-- wait a minute

-- and spelman and mayor pro tem cole voting no.

>> Cole: Mayor?

>> Mayor Leffingwell: Mayor pro tem cole.

>> Cole: I'm following up on what I think was the intention of council member riley when council member morrison was discussing the site used for complex in section c, it says no more than two unrelated persons may reside in a dwelling of a duplex residential unit, and I wanted to make it clear that if in a duplex, there could be four total without attention to what side of a duplex they lived on.

>> Mayor Leffingwell: That's what we just discussed.

>> Cole: I don't think we but it in as the amendment and it's not in the language of the planning commission differs from that.

>> That's my intent. I would certainly consider it.

>> Cole: Okay.

>> I thought it was already in myself.

>> Mayor Leffingwell: Council member spelman.

>>

>> Spelman: I DON'T BELIEVE Anything addresses rentals at all and I don't believe

-- well, all right

-- all right. So I'm afraid I can't

-- underneath that great big draft, I can't read exactly what it says. Okay. So what this says is the short-term rentals would be included and it would not be appropriate

-- it would not be legal to grant even on a short-term basis single family house to more than four people. Four unrelated people. I can only imagine how carl smart is going to enforce that one. I would like to remove that short-term rental only

-- if only because it's going to be almost to impossible to enforce, and we have other

-- we have recently enacted other legislation to govern short-term rentals, and the possible fallout and nuisance effect that might come from them. So my amendment is to remove the words "or short-term

rental eye" from section 25-25-11-b.

[19:51:53]

>> Mayor Leffingwell: Amendment by council member spelman to exempt short-term rentals. Basically I think that's the intent.

>>

>> Spelman: THAT IS MY Intent.

>> Mayor Leffingwell: Is there a second?

>> I'll second.

>> Mayor Leffingwell: Council member morrison.

>> Morrison: Is it your intent there be no occupancy limit for short-term rentals or

-- because what

-- this amendment, as I understand it, there would be no occupancy limit.

>>

>> Spelman: I AM COMFORTABLE For short-term rentals of unrated individuals of six. I am also comfortable with kicking that down the road for second and third reading if somebody else can come up with a better idea, but seems to me first it would be almost completely unenforceable to try and hold short-term rentals to four unrelated individuals. And second, we have other

-- we have legislation to nuisance issues.

>> Mayor Leffingwell: Council member morrison.

>> Morrison: Thank you. I guess my question would be why is six any more enforceable than four?

>>

>> Spelman: PROBABLY IT'S Not, maybe we shouldn't have it at all. On second and third reading, maybe we can come up with something better but seemed to me short-term rentals

-- this should not cover short-term rentals.

>> Mayor Leffingwell: Seems to me like there's more likely to be more than four people

--

>>

>> Spelman: FAIRLY OFTEN THAT Would happen, I imagine.

>> Mayor Leffingwell: It might occasionally exceed six depending how big the unit is, but anyway ... Council member martinez.

>> Martinez: We asked this question during the process as well, so all existing str's would not be affected by any of this because they're currently permitted as ftr's with the six occupancy limit.

>> It would not apply to existing structures, so even if existing structure were licensed as an ftr, it would remain six. However, because no house is built or permitted as an str, per se, it's permitted as a house, and it's licensed to be an str, any house that was built after today would be subject to the four-person limitation, and then, therefore, if that house were later converted to or licensed as an str, staff's interpretation is that it would be main for that str, so existing str's and existing structures would remain six, str's and future structures would be limited to four.

[19:54:36]

>> Mayor Leffingwell: Council member morrison.

>> Morrison: So it sounds to me like if we wanted str's be six, even new ones, that if you had a type one str, then when it's being used as an owner occupied, it's only four that are allowed, but then you can rent it out and six can be there.

>> If you're clearing the specific inclusion, yeah.

>> Morrison: I guess one question I have is what you explained, why do we even have short-term rental in b if

--

>> the planning commission put it in there. It's not in the staff recommendation.

>> Morrison: Okay. But

--

>> str says they must comply

--

>> Morrison: With code

--

>> with occupancy. So if you want to have str's be allowed as six, I think we have to of a specific mention to that effect. Otherwise, as I said, you would interpret it as six for existing structures, four for future structures.

>> Morrison: So the str code says you have to comply

-- it explicitly says you have to comply with the occupancy of whatever your

--

>> yes.

>> Morrison: So sounds to me like we already thought about this and thought str's should mimic the uses of building

--

>> of course at the time that was done, that was six.

>> I will withdraw my amendment as premature. I think it requires more thought than I have time. I have no band witnessed to give the subtleties as council member morrison is suggestion. I'll withdraw the amendment.

>> Mayor Leffingwell: It's withdrawn. Council member morrison.

>> Morrison: Just to reiterate what we mentioned earlier, and that is that I'd like to work with staff. I know council member riley mentioned spill to come up with some language to insert here for what it means to be unrelated or if you like, related.

[19:56:41]

>> Mayor Leffingwell: So just a question on str's again, this would apply to newly built str properties, not to existing.

>> Right. Because str says it must comply with occupancy if new structures were lowered to four, that would mean the new limit for new str's would be four but not existing str's or str's and existing structures.

>> Mayor Leffingwell: If somebody has a legal str property, they would continue to operate the way they are with six?

>> Right, or if they took

-- even in the future, if they took a house that exists today, that could still be six in an str. A newly built house would be limited to four for both an str as well as a house.

>> Mayor Leffingwell: Could you remember tovo.

>> Tovo: I don't think we have the time and energy to explore right now, but I just want to mention them and I hope I can work with staff to come up with proposals for next time. Director Carl Smart talked the other day about what he referred to as kind of a bad actor clause that would interact with the grandfathering piece of it. And in essence, that would mean if you are grandfathered in under the existing occupancy limit of six, that you have a significant number of violations that would kick you into a non-grandfathered status and you would need to comply with the existing occupancy limits. And so I'll throw out some of the issues that I think are relevant to this, and these come from some of the discussions we had about rental registration. But those violations, I think, would be tied to occupancy violations, violations of the land development code, front and side yard parking valuations, amplified sound, receptacle which gets to the trash issue, disorderly conduct and public intoxication, possession of alcohol by a minor, possession of alcohol for a minor, and furnishing alcohol to a minor, these are all violations that we had talked about as triggering

-- triggering the requirement for rental registration back when we were talking about rental registration. , Inc. What's more difficult ising thing out what is the appropriate number of violations that should kick you into a bad actor definition that would require you to comply with existing occupancy limits, not the grandfathered. So that's something I plan to bring forward with more discussion with staff. The other thing that we talked a lot about is enforcement. And I agree with the mayor, but enforcement is going to be the real challenge here, and we have to figure out what kind of strategies are going to help our code compliance officers enforce our occupancy limits. And various other things that people have mentioned come along with having too many occupants in a particular dwelling. So I don't

-- I want to assure those of you who are

-- as council member Martinez said, this is not a

-- this is not an easy solution, and we agree. We need to figure out better solutions for some of the issues that have been discussed, like overabundance of trash and parking violations and other things, but this issue has been around, as you heard people say, for years. I think I heard the first presentation about stealth dorms probably three or four years ago from Michael Long, who was here this evening presenting, you know, some of the very same information, and I had an opportunity to do a lot of block walking around the Northfield neighborhood three years ago now, two and a half years ago, and was really surprised and shocked at the way whole streets, whole blocks of streets, had really been transformed. And I know that's just continued to escalate and spread to other neighborhood. So it's really past time for us to take action and I'll glad to see this moving forward here this evening. I will say, though, there are some pieces we still need to work on in enforcing, enforcement is really a key piece and if we're not moving forward with an affidavit or some other things that are

-- that would be of help, then I think we all need to put our heads together and figure out what other mechanisms we might be able to agree on that could give or code compliance officers the tools they need to enforce this occupancy limit. And I just want to thank everybody. I know it's been a very, very

long day and you've been working on this for a long time.

[20:01:10]

>> This is just a refinement on instruction that I gave earlier as staff to look at an economic impact analysis and work with some of the stakeholders who talked about that. We also received from neighborhood housing the fact that this would create an affordability impact also, and I would like that to be included, some detailed analysis about that impact on what we pass tonight.

>> Mayor Leffingwell: That's at least six weeks away.

>> Cole: Yeah.

>> Mayor Leffingwell: Council member Spelman.

>> Spelman: Let me follow up on that. If we were to give you direction to put a finer point on the affordability question and look at the broader economic impacts of this, what would you do? How would you do that? [Laughter].

>> Allow me to suggest a possibility.

>> Spelman: Thank you.

>> At no cost to the city, at the Austin Board of Realtors, I understand Jennifer Hers is an advocate of one side. On the other hand, she offered to pay for an affordability analysis and I suspect a broader economic analysis just to get that issue off the table. We could actually look at it and get some sort of even handed analysis of what was going on if she could choose an economist that we all trusted. Brian Kelsey's name came up. Is Emily still here? Could you come up just for a second? It seems to me if we could come up with a couple of names that we would trust the results from, and if the Austin Board of Realtors was willing to pay for that, that would be a situation where we would not be putting Jerry in the unfortunate situation of doing an economic analysis, or what's the term we were using earlier? Perspective Analytics, that none of us is quite sure how to do, but there are people out there who do know how to do this stuff. Who else did you talk to?

[20:03:17]

>> Charlie, we talked about the Texas A&M Real Estate Center at times, to get into policy discussion, they might be a good authority. I think there are several to choose from. We should probably talk to housing works and one of the local advocacy kind of think tanks about a good way to propose this.

>> Spelman: Would you be willing to follow up on that? It's probably not the sort of thing we could take a vote on but it would be helpful to me to see whether this is something which is actionable, whether this is going to be something the council would believe, once Brian Kelsey or the A&M Center or somebody came back with an answer, whether it's just not going to be helpful to anybody.

>> Mayor Leffingwell: So I understood you to say earlier that maybe they could do it in six weeks, the folks you were talking about?

>> I think six was pretty tight. I want to be fair to the brief conversation that I've had with several economists was that it will be difficult to size up and so we'll have to be really specific and careful about the way we craft the proposal to be sure that what is returned is workable and digestible for you. So I think depending on the proposal, we'll know how long it's going to take to run out.

>> Mayor Leffingwell: So, jerry, I guess we would just say bring it back when you have that information, if it's six weeks, eight weeks, whatever. Is that what you're proposing, mayor pro tem?

>> Cole: Go ahead. He had the floor.

>> Mayor Leffingwell: That's right.

>> Spelman: Did you just promote me, mayor?

>> Mayor Leffingwell: No, she did. I think she just passed the buck to you.

>> Spelman: I'm in big trouble now. It seems to me that if this was actually going to have any legs and something any of us would take seriously, then people who are advocates of the proposal before us should have a role in determining the scope of work. And I will be on the shortened of this particular stick this evening. I'm going to vote against this motion, but people who voted in favor of the motion I think probably ought to be talking with emily to make sure that is scoped out in as objective a way as possible so we actually doing the objective information back in, whatever time it takes to come up with it. I'm just looking for a reality check rather than

--

[20:05:35]

>> Mayor Leffingwell: Yeah. Exactly. I was just trying to get a reality check by saying if you're asking for that, you've got to realize that it's going to take six, eight weeks.

>> Spelman: Yeah.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: Given the sweeping nature of what we're contemplating, and I realize that it's long overdue, especially for some particular neighborhoods who have been very active in the process, I think we do need to know, especially the McMansion area, basically what we're passing today, the economic and affordability compatibility analysis, and we need to get that from as objective of a party as we can, and that will just help us in our decision-making in explaining that to the public.

>> Mayor Leffingwell: Okay. Council member morrison.

>> Morrison: I think council member spelman's with making the point if we're going to go to a separate, let's make sure it's a study that we feel like people are going to feel is a fair and balanced study. So I just want to remind

-- and free. Fair and balanced and free. I want to remind folks about

-- we had a similar conversation on tuesday about some elements that were missing in the affordability impact statement, and there are lot of things tonight from folks about different ways that it was

-- that the stealth dorms themselves are hurting affordability because of those more indirect measures, and so I guess I'm really concerned that to make it a fair and balanced and free is going to be a lot bigger job than a six-week job.

>> Mayor Leffingwell: Why don't we just say that the stakeholder group that council member riley was referring to could be in consultation with the people who are doing the study and monitor that. Council member martinez.

[20:07:43]

>> Martinez: I just have a question. Is this an amendment to the action that would tie the timing of second and third reading to this eight-week study? Because if it is, I can't support that. You can make the motion, but I won't be supportive of that. I think we need to move forward with the work that we've done. I agree with you, we need an affordability impact study that we all can get behind, but I think it's time to move forward. Adding another eight weeks to this I really don't think is productive, I guess, in moving forward and getting something done where we know that the pressure is overwhelming and that's why we're here tonight because we're trying to get something in place to add

--

>> Mayor Leffingwell: Mayor pro tem's suggestion, I think we're just

-- you haven't made it as a formal amendment yet? Mayor pro tem I made it as direction.

>> Mayor Leffingwell: Well, I think the direction has to be approved by the maker and a second also. Or you have to propose it as an amendment.

>> Cole: I will if it's not.

>> Mayor Leffingwell: So council member riley?

>> Riley: Obviously, I would welcome getting some data that would be helpful in assessing the impacts of what we're doing, but I don't know that it's realistic to expect very

-- I don't know that

-- we've got eight weeks to wait. If we can get some good data within a fairly short time, that would be great, or just some assessment, some analysis within the next few weeks, then that would be great, but if what you're picturing is something that is a month-long process, I don't think it's reasonable to expect us to delay it.

>> Cole: I have no background in how long it would take, I simply wanted the information. I know this has been going on many, many years and that cuts both ways, because it's been going on for many years, of course people involved in the process want us to hurry up and make a decision, but at the same time that cuts in the direction of are we making sweeping citywide impacts and we're not taking the time to get that and I don't know if that would take two weeks or eight weeks. I'm not trying to delay it.

[20:10:00]

>> You've just heard it, six weeks would be pushing it.

>> Cole: Yeah.

>> Mayor Leffingwell: So are you

-- are you going to drop your request

--

>> Cole: I'll propose it as an amendment that we receive that information.

>> Second.

>> Mayor Leffingwell: Okay. Proposed amendment

--

>> mayor, I'm sorry.

>> Mayor Leffingwell: Council member martinez, mayor pro tem cole made a motion. I was trying to recognize that. Council member spelman seconded that motion. I was just trying to repeat that, as is

normal procedure, and now I'll recognize you.

>> Appreciate that. The motion she just made was very different from the conversation we were just having. The motion she just made was that she wanted to get information. I'm not afraid -- or not opposed to getting information. I'm opposed to it tying it to the timeline of action, so if we want to give staff direction to do a study and bring it back to us, that's great. I don't want it tied to let's not do second and third reading until we have this study complete. That was a different -- her motion was different from the conversation that led up to that motion. Mayor?

>> Mayor Leffingwell: Council member spelman.

>> Spelman: If I may, I'd like to ask mayor pro tem cole a question about our mutual motion. Did you have in mind six to eight weeks or did you have in mind two or three weeks?

>> Cole: I would love two or three weeks. I just didn't want to tie the hands of a good consultant that was really giving us good information.

>> Spelman: If a good consultant told us it was going to take eight weeks to get good information, would that be consistent with the motion that you just made?

>> Cole: That would be consistent but I would hope they would have a shorter time frame.

>> Spelman: It would be consistent with the second I just made. Maybe I'm seconding what mayor pro tem cole just said but I think I'd worth repeating. We're flying blind, talking about enormous change in land use in the city without any analysis, with only qualitative affordability assessments. We have a wide variety of opinions as to what the impact of this is going to be among the people who have been talking to us here and there's no way of sorting that out without somebody doing an objective study. If it's going to take eight weeks to do an objective study, as well as some of the people here have been mentioning, they've been working on this stuff for two or three years, it seems to me waiting eight weeks to get objective analysis on something that is as potentially sweeping as what we're talking about here is a relatively small price to pay. I'm willing to pay the price, and I think the rest of us ought to be, too.

[20:12:44]

>> Mayor Leffingwell: So your motion for an amendment is to do the study and bring it back after the study is done, realizing that that might be six to eight weeks.

>> Cole: Yes.

>> Mayor Leffingwell: Is that correct?

>> Cole: That's correct.

>> Spelman: Mayor, allow me to suggest that we postpone second reading -- second and third reading of this

--

>> Mayor Leffingwell: We don't need to postpone it, we just tell them to bring it back.

>> Spelman: We now hold second and third reading until the second week of april, that would be eight weeks from now, and that would give the economists emily has been talking to, one of the economists she's been talking to, sufficient time to do the study they've been talking about and we'd actually have some heart information to work with.

>> Mayor Leffingwell: All right. April

-- apparent, april 17th?

>> Cole: April 17th.

>> Mayor Leffingwell: So that is the amendment on the table. Council member tovo.

>> Tovo: Yeah. I'm not going to support this. As has been said, this has been a longstanding problem.

We've had neighborhoods and individuals who have requested action from the council for years now.

We do have a stealth dorm working group that can certainly benefit from the information that's going to come back, and this is not our last cut at this issue. So I would say let's move forward on this piece of it and allow that analysis to inform

-- inform the working group in process and any other further action that may res in a manner

--

>> well, I'm going to support the main motion, whatever it turns out to be, but I also think it makes sense if you say we need to have this information, then you can't at the same time say we want to go ahead and pass the ordinance before we have the information.

>> Tovo: If you're repeating what I said, I didn't say we need the information. I said it would many of them the process.

[20:14:48]

>> Mayor Leffingwell: That's what I heard from others, not you, was that, yes, you wanted to get the information, but you didn't want to wait to pass second and third reading. So I also believe we need the information, so although I support the ordinance, I think we have to have it, since it's been

-- that amendment has been proposed, I'll support it and we'll probably lose on that, but all in favor, say aye. Opposed, say no? And that does fail on a vote of three to four with council member riley, martinez, and morrison voting no. There is no request for economic analysis.

>> Mayor, if I may.

>> Mayor Leffingwell: Council member riley.

>> Riley: I would still like to take the offer of an economic

-- take up the offer of an economic analysis and we heard six to eight weeks. Eight weeks pushing up up to mid-april seems like a lot but I just the to raise the possibility that something shorter might get us there. It might be more acceptable, something

-- in particular, something march, march 20th, march 27th, something closer to six weeks. We need to get some date that we expect this to be brought back.

>> Mayor Leffingwell: Are you making a motion

--

>> Riley: I'll be glad to make the same motion for march 20th, and I would

-- I would even be happy to vote some flexibility into that but for the sake I should probably just say the 20th.

>> Mayor Leffingwell: So your motion for direction is to bring it back for second reading on march 20th. You're the maker of the motion. You want to say that as friendly, second except is at friendly? Let's just incorporate is as march 20th.

[20:16:51]

>> I don't accept it as friendly. And I'd like to explain why.

>> Mayor Leffingwell: Well, first, council member riley proposes that amendment, march 20th, second by council member's spelman and mayor pro tem cole. Council member martins.

>> Martinez: Again, what I'm saying is, we have a stealth dorm working group, we're explaining the scope of that to add more stakeholders to that process. This is not over. Even when we adopt it on second and third reading, if we did it on all three readings tonight, this policy conversation is not complete. We can still move forward with getting the data from the study and adding it to the conversation as it moves forward. This is what we do, as a policy making body. Sometimes we wait for more information, sometimes we move forward and we still start gathering more information and if something new comes to light that compels us to bring something back, we can bring it back and deliberate it and make further decisions. I just don't see that coupling the two at this point with what we're talking about in this decision is necessary.

>> Mayor Leffingwell: Council member morrison. It is 2:20.

>> Morrison: A point of clarification, is the motion to tie the -- is it just to set a come-back date are march 20th?

>> Exactly.

>> And also be working on the economic study.

>> Morrison: Of course they will, but we'll hear it on moore 20th. Some people might say, I don't want to hear it tonight because I don't have enough information. Others might go forward. I was wondering, is it possible to bring it back earlier than that? Really, I was wondering about council member martinez's concept of when it would come back because I don't want

-- I want to make sure I'm not supporting a motion that suggests that we are coupling the two.

>> Mayor Leffingwell: Right now there's a motion with a second on the table for an amendment to do the economic analysis and come back on march 20th.

[20:19:00]

>> Morrison: Whether or not it's done. Right?

>> Mayor Leffingwell: Yes.

>> Morrison: Okay.

>> Mayor Leffingwell: In favor of that motion for amendment, say aye.

>> I'm sorry, I'm going to have to clarify, is that for second and third reading on march 20th? Are you saying we could do third reading before march 20th?

>> We're not going to know about that until march 20th comes, whether we're going to do it on second.

>> I'm asking could you remember

--

>> Mayor Leffingwell: He's not going to know either.

>> I'm asking about his intent. Is the motion that we don't have third reading before march 20th, that's as soon as we can have third reading, or are you anticipating that we can't have a second reading of this before then either?

>> I was expecting this would come back to us on march 20th and not before.

>> Mayor Leffingwell: Okay. So in favor of the amendment say eye. Opposed say no. That passes 6 to 1 with council member tovo voting no

-- excuse me, martinez.

>> Just look at the hair. I need to be quiet.

>> Mayor Leffingwell: So that brings us to the main motion. All in favor of the main motion say eye. Opposed say no. Passes on a vote of 6 to 1 with council member spelman voting no. That completes our agenda. Without objection, we are adjourned at 2:20 a.m. (END)