

**City Council Questions and Answers for
Thursday, June 12, 2014**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, June 12, 2014 at Austin City Hall
301 W. Second Street, Austin, TX



**Mayor Lee Leffingwell
Mayor Pro Tem Sheryl Cole
Council Member Chris Riley, Place 1
Council Member Mike Martinez, Place 2
Council Member Kathie Tovo, Place 3
Council Member Laura Morrison, Place 4
Council Member William Spelman, Place 5**

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

1. Agenda Item # 2 - Approve issuance of a rebate to CWS Allandale-McKinney LP, for performing energy efficiency improvements at Austin Midtown Apartments located at 2819 Foster Lane, Austin, Texas 78757, in an amount not to exceed \$131,100.
 - a. QUESTION: Please indicate when these apartments (Austin Midtown Apartments) were built. Does the multifamily energy efficiency program require that units be a minimum age to be eligible? COUNCIL MEMBER TOVO
 - b. ANSWER: Austin Midtown Apartments built in 1978. Except for the duct remediation program that requires an apartment community to be older than five years-old, there is no age requirement for any of our programs.
2. Agenda Item # 4 - Approve issuance of a rebate to Gables Residential for performing energy efficiency improvements at Central Park Apartments located at 800 West 38th St., Austin, Texas 78705, in an amount not to exceed \$136,712.
 - a. QUESTION: Please indicate when these apartments (Gables Residential) were built. COUNCIL MEMBER TOVO
 - b. ANSWER: Central Park Apartments built in 1996.
3. Agenda Item # 5 - Approve issuance of a rebate to Hodson Capital, LLC, for performing energy efficiency improvements at SoNA Apartment Homes located at 7900 San Felipe Blvd., Austin, Texas 78729, in an amount not to exceed \$86,100.
 - a. QUESTION: Please indicate when these apartments (SoNa Apartment Homes) were built. COUNCIL MEMBER TOVO
 - b. ANSWER: SoNA Apartment Homes built in 1985.
4. Agenda Item # 13 - Authorize negotiation and execution of a design-build agreement with TURNER CONSTRUCTION COMPANY for a new Austin Energy office building and parking structure at Riverside Drive and Grove Boulevard for preliminary and design phase services and remaining professional services in an amount not to exceed \$8,300,000 plus \$830,000 contingency for a total amount not to exceed \$9,130,000.

- a. QUESTION: 1) Was Austin Energy's 2010 Strategic Facilities Master Plan approved by the City Council? 2) If so, was an estimate of total costs provided at the time? 3) Were the construction costs for this facility included in the rate case? 4) Have staff prepared a cost-benefit analysis for rehabilitating an existing building? 5) If so, please provide that analysis, along with any other material that would help explain the decision-making process underscoring this proposal. COUNCIL MEMBER TOVO
 - b. ANSWER: 1) A separate report is being developed to respond to these questions and all other Council questions asked during the work session. 2) A separate report is being developed to respond to these questions and all other Council questions asked during the work session. 3) A separate report is being developed to respond to these questions and all other Council questions asked during the work session. 4) A separate report is being developed to respond to these questions and all other Council questions asked during the work session. 5) A separate report is being developed to respond to these questions and all other Council questions asked during the work session.
 - c. QUESTION: Please estimate the short-term and long-term impact on rates. COUNCIL MEMBER TOVO
 - d. ANSWER: A separate report is being developed to respond to these questions and all other Council questions asked during the work session.
5. Agenda Item # 14 - Authorize negotiation and execution of a design and commission agreement with Urban Matter Inc. in an amount not to exceed \$88,000 for artwork for the Seaholm Redevelopment Project located at 800 Cesar Chavez Street.
- a. QUESTION: Please provide information about previous works of recommended artist and alternate(s), and proposed concepts if available. COUNCIL MEMBER MORRISON
 - b. ANSWER: See attachment
6. Agenda Items # 17 and # 43 - 17) Authorize negotiation and execution of an interlocal agreement between the City, the City of Westlake Hills, and Travis County for the coordinated operation of wildfire detection systems. Related to Item # 43. 43) Authorize award and execution of a 12-month requirements supply agreement with FIREWATCH AMERICA, LLC, to provide a wildfire detection sensor system and installation services in an amount not to exceed \$350,000, with three 12-month extension options in an estimated amount not to exceed \$10,000 per extension option, for a total contract amount not to exceed \$380,000. Related to Item # 17.
- a. QUESTION: 1) Where will we put the tower/sensor? 2) How long does it take to identify fires with our current technology? 3) How much do our risks increase with each minute of delay in identification of fires? 4) What will the

staff do besides monitor the equipment? 5) What is the base rate, i.e. in an average year, how many wildfires happen? COUNCIL MEMBER SPELMAN

b. ANSWER: 1) We have one tower currently running (West Lake Hills) and will add two more. We believe (if engineering of the tower is acceptable) we will place one in the area of RR 620 and RR222 and one in the area of RR620 South, by Lake Travis High School. These three towers will have a total of five sensors for this test period and will cover much of the western Travis County. Coverage is based on topography and distance can be up to 25km per sensor. We are awaiting the engineering studies on the selected towers and will then be able to show the more exact coverage. It may resemble something close to the attached map, if these towers are able to accept the sensors. 2) We don't have any current technology for this today. We use the public to report our fires now, many with cellular phones. We have no way to measure the time it takes to report a wildfire and measure from the time it started. 3) Fires can grow quickly under certain conditions. Our grasslands can burn at 22 feet per minute on certain times/conditions (5% dead fuel moisture, 5 mph winds) We suppress most all fires at initial attack with one or two units. Brush and closed woodlands burn slower. 4) We hope they can focus on other assignments, when they can. This is a new task and we do not know how intensive the work will be. We have seen this operate in East Texas (Texas Forest Service) and would hope that it becomes more automated as the "false positives" are identified and removed from the sensor rotations. We intend to staff this only on high hazard days for shorter durations (10-12 hours), this may keep the operator busy. This monitoring will be done with existing staff, in addition to other responsibilities, so no new staff will be added. 5) During normal years we average about 370 vegetation (grass and brush) fires a year in the AFD. This can nearly double during years of drought in years like 2011.

c. QUESTION: Is there a difference in unit or total price between this RCA and the previous time it was on the council agenda? Is there a comparison of the competing bids available? MAYOR PRO TEM COLE

d. ANSWER: On the March RCA, price was not outlined. Staff believed the sensors would cost approximately 175k each. We have received two sensors for that price. This was not a competitive bid. This was an exemption under Public Health and Safety.

7. Agenda Item # 24 - Authorize negotiation and execution of an amendment to the legal services contract with Webb & Webb Attorneys at Law, for legal representation, advice, and counsel relating to the administrative appeal to Texas Commission on Environmental Quality of City of Austin wholesale water rates, in the amount of \$461,000, for a total contract amount not to exceed \$958,000, and to expand the scope of services to include legal representation relating to the administrative appeal to Texas Commission on Environmental Quality of City of Austin wholesale wastewater rates.

a. QUESTION: 1) What rates are the wholesale customers proposing? 2) What

would be the cost to the city annually for charging those rates (how much less would we bring in compared to what the city charges now?) COUNCIL MEMBER SPELMAN

- b. ANSWER: 1) The petitioning wholesale water and wastewater customers did not propose rates. Their claim is that the rates are neither just nor reasonable, that the rates collect revenue for costs unrelated to service, and that among other things the rates are preferential, prejudicial, or discriminatory. 2) The financial impact to the City will not be known unless and until reduced or modified rates are ordered at the conclusion of the proceeding.
8. Agenda Item # 26 - Approve an ordinance designating the Chestnut Neighborhood Revitalization Corporation and the Guadalupe Neighborhood Development Corporation as Community Land Trusts and granting property tax exemptions on certain properties.
- a. QUESTION: Are there any other organizations in Austin besides the Chestnut Neighborhood Revitalization Corporation and the Guadalupe Neighborhood Development Corporation that have been established as Community Land Trusts (CLTs)? Are discussions underway to establish additional CLTs? COUNCIL MEMBER MORRISON
 - b. ANSWER: This designation by ordinance as a Community Land Trust (CLT) is solely for the purpose of City property tax exemption. The designation is required to permit certain property owned by non-profit affordable housing providers to be exempt from City of Austin property taxes. Blackland Community Development Corporation (CDC) received designation as a CLT the past two years but did not apply this year. Staff reviewed the list of properties owned by Blackland CDC and found that this year, four properties that had been subject to property taxation previously have now been declared fully exempt by the Travis Central Appraisal District. The exemption is classified as "EX-XV: Other Exemptions (including public property, religious organizations, charitable organizations, and other property not reported elsewhere)." Because all of Blackland CDC's properties now have total property tax exemption, Blackland CDC would not gain anything by being designated as a Community Land Trust. This does not preclude Blackland from establishing a land trust. A land trust can be established without the ordinance designation. The qualifications to be a CLT are fairly narrow, and many organizations that would qualify through their non-profit status and the nature of their mission, already have property that has been totally tax exempt under previous statutes. Other organizations that are establishing or exploring land trust models for ownership purposes are the Housing Authority of the City of Austin (HACA), Homebase (formerly PeopleTrust) and the Austin Housing Finance Corporation (AHFC). HACA and the AHFC do not require the designation through the City of Austin ordinance for City of Austin tax exemption because the organizations are already 100 percent tax exempt.
9. Agenda Item # 29 - Approve an ordinance amending City Code Chapters 8-3 and

10-6 relating to alcohol consumption and smoking on a pedestrian bridge.

- a. QUESTION: Are there currently any prohibitions on alcohol and tobacco on the Boardwalk? If so, under what statute? If not, does this definition of pedestrian bridge include the Boardwalk? COUNCIL MEMBER MORRISON
 - b. ANSWER: There are currently no prohibitions on alcohol or tobacco use on the Boardwalk. However, tobacco use is prohibited on parkland, which is the only means to access the Boardwalk. PARD, Public Works, APD, HHSD, and Law are currently working on a comprehensive solution to address these issues on the Boardwalk and Pfluger bridge. Staff is requesting this item be withdrawn from the June 12, 2014 agenda via the changes and corrections process.
 - c. QUESTION: Does the Parks Board have a recommendation on this item? COUNCIL MEMBER SPELMAN
 - d. ANSWER: PARD, Public Works, APD, HHSD, and Law are currently working on a comprehensive solution to address the issues of smoking and alcohol consumption on the Boardwalk and Pfluger bridge. The Parks and Recreation Board will review this issue and make a recommendation to the City Council prior to City Council consideration. Staff is requesting this item be withdrawn from the June 12, 2014 agenda via the changes and corrections process.
10. Agenda Item # 37 - Authorize the negotiation and execution of Amendment No. 23 to the contract with IBM CORPORATION for annual consumables and a software development upgrade of the Customer Care & Billing system, in an amount not to exceed \$5,237,000, for a total revised contract amount not to exceed \$66,976,728.
- a. QUESTION: How many customers have signed up for paperless billing? How much does that save the city? Is there an effort to encourage customers to switch to paperless billing? COUNCIL MEMBER SPELMAN
 - b. ANSWER: Almost 50% of our customer base have created Online Customer Care (OCC) Portal logins by registering with their email addresses. However, customers have the option to choose a variety of combinations to manage their utility accounts, such as view bill online but pay via check, or receive a paper bill but use OCC to make a recurring electronic payment. Specific to paperless billing, almost 70,000 or 17% customers utilize the paperless function, and this number is growing. Paperless billing cost is approximately \$0.02 less than the cost of a recycled paper bill (average paper bill = 2 pages of bill information, 1 insert, 1 remittance envelope, and 1 mailing envelope). AE has conducted campaigns to promote paperless billing and we will continue to promote this option. Also, our web portal link (www.coautilities.com) is provided on our website, on paper bills, and on most payment related

correspondences to customers. By visiting this site, customers can sign up for an OCC account and select paperless bill options.

11. Agenda Item # 57 - Approve a resolution directing the City Manager to plan for full cost recovery of Austin Energy line extensions, with an exemption for certain affordable housing, beginning October 1, 2014. (Notes: SPONSOR: Council Member Kathie Tovo CO 1: Council Member Laura Morrison CO 2: Council Member Mike Martinez)
 - a. QUESTION: Would city staff interpret "certain affordable housing" as mixed-use or mixed income projects such as those located in VMU or TODs? MAYOR PRO TEM COLE
 - b. ANSWER: Pending
12. Agenda Item # 58 - Approve a resolution directing the City Manager to negotiate and execute an agreement with The Trail Foundation in which The Trail Foundation coordinates with City departments to develop a Butler Trail Public Art Plan Overlay and to suspend the receipt of commissioned or donated new permanent artwork for the Butler Trail until completion of the Butler Trail Public Art Plan Overlay. (Notes: SPONSOR: Mayor Pro Tem Sheryl Cole CO 1: Mayor Lee Leffingwell)
 - a. QUESTION: 1) What are best practices for scale and scope of a Master Plan of this magnitude? 2) Given that the city staff will be providing support, what would be an expected size of a budget to produce a quality plan? 3) Given that the Trail Foundation has committed to providing the financial support for the planning, when is it anticipated that this level of funds will be available to begin the effort? 4) If the Trail Foundation manages the contract, would there be percentage retained by the foundation for contract management? 5) If yes, is the city aware of what that percentage would be? 6) What is the expected timeline for the completion of the plan? COUNCIL MEMBER MORRISON
 - b. ANSWER: Pending
13. Agenda Item # 60 - Approve a resolution directing the City Manager to initiate and expedite the master planning process for Lamar Beach Metro Park and to include public discussion regarding the Pressler Street extension and ensure that nonprofits currently operating at Lamar Beach Metro Park are provided the opportunity to continue their services at Lamar Beach Metro Park after the master planning process is complete. (Notes: SPONSOR: Council Member Mike Martinez CO 1: Council Member Laura Morrison)
 - a. QUESTION: 1) What was the original anticipated delivery date of a plan? 2) Were any of the groups listed specifically excluded from meetings to date or planned future meetings? 3) Are there any relevant restrictions of the 2006 or 2012 bond packages that are necessary to fulfill in the planning of Lamar Beach or Pressler Extension? 4) Are there any relevant restrictions on long-

term leases on dedicated parkland? 5) Does a long-term lease to a facility have to be competitively bid or available to other service providers? 6) This resolution states that Resolution No. 20071011-062 requires the City to retain a permanent animal adoption center at the Lamar Beach property. Is this the interpretation of the law department of that resolution? 7) The current temporary license agreement was extended in 2012, and it came with several contractual requirements. Please report on the compliance with those goals. 8) What % of TLAC adoptions were of animals that originated from outside the city limits? MAYOR PRO TEM COLE

b. ANSWER: Pending

14. Agenda Item # 63 - Approve an ordinance waiving certain fees and requirements associated with the development of the Seton teaching hospital. (Notes: SPONSOR: Mayor Lee Leffingwell CO 1: Mayor Pro Tem Sheryl Cole)

a. QUESTION: Please provide information regarding whether OSHA-10 or OSHA-30 safety training, workers compensation insurance, domestic partner benefits, prevailing wage for construction workers, and a living wage for permanent and construction workers will be provided as part of this project. Please also provide details for how safety and labor standards will be enforced, what proportion of federal dollars will be used on this project, and if there are any wage, health, or safety standards required as part of the federal funding. COUNCIL MEMBER MARTINEZ

b. ANSWER: The majority of the enforcement mentioned in the Council Member's inquiry would fall to state and federal agencies. If a requirement regarding prevailing wage were to be incorporated into the Council-approved resolution, that would be handled via the Contract Management Department's existing Prevailing Wage Program and would follow existing guidelines.

15. Agenda Item # 66 - Approve a resolution directing the City Manager to develop a policy relating to property tax protests by companies that enter into economic development agreements with the City, and to present the policy for Council consideration by August 30, 2014. (Notes: SPONSOR: Council Member Kathie Tovo CO 1: Council Member Laura Morrison CO 2: Council Member Mike Martinez)

a. QUESTION: 1) Can you please let me know how WebLOCI makes assumptions about commercial property taxes for the purpose of the matrix? 2) Does the WebLOCI assume that commercial properties will protest their valuations or not? 3) How many existing companies with 380 agreements have protested their taxes? COUNCIL MEMBER TOVO

b. ANSWER: 1) The company states, in the Business Information Form, the amount they will invest in real and business personal property, which is then used as the basis for the incremental increase in business personal property and real property values. The investment amounts become requirements that

the company is obligated to meet in their agreement with the City. The estimated value of business personal property is depreciated over the analysis time period according to the depreciation schedules that the company provides. The estimated value of real property is held constant over the analysis time period, although we expect the real property to appreciate in value over time. The City's current property tax rate is held constant over the analysis time period. 2) The matter of whether or not a commercial property will protest their valuation is not a function of the WebLOCI fiscal impact tool. The estimated taxable valuation is an input made by staff which is based on investment information presented by the company in the Business Information Form. 3) The Economic Development Department does not possess this information. Staff will pose this question to the Travis Central Appraisal District and respond with the information at a later time.

16. Agenda Item # 70 - Approve a resolution directing the City Manager to create a transition plan for newly-elected Council Members that includes temporary office space located in each Council district, access to City e-mail, and inclusion on the City's website, and provide the transition plan to Council by October 2, 2014. (Notes: SPONSOR: Council Member Mike Martinez CO 1: Council Member Chris Riley CO 2: Council Member Kathie Tovo)

- a. QUESTION: 1) Of peer cities that have single-member districts, which ones provide offices in each district, which ones don't? 2) Could the city ensure equitable class A space available in each district in city owned facilities? 3) What working assumptions would staff use to estimate office space required? 4) What is a rough estimate of how much this will cost the City in total for the transition period? On an on-going basis? 5) What are the rough costs of extending Gattan to new office locations? What are the associated taxes, janitorial, maintenance, landscaping, furniture, common area, insurance, utilities? 6) What is the typical lead time to rent space if there are districts with no space available? MAYOR PRO TEM COLE

- b. ANSWER: Pending

17. Agenda Item # 73 - Approve a resolution directing the City Manager to evaluate the impact on small businesses of the charge for electric demand above ten kilowatts, including conducting stakeholder meetings with small businesses, and to report back to the Electric Utility Commission and the City Council with findings and potential policy options for minimizing the cost impact of the demand charge on customers having a demand of between ten and twenty kilowatts. (Notes: SPONSOR: Council Member Kathie Tovo CO 1: Council Member Mike Martinez)

- a. QUESTION: 1) What was the original justification for extending demand charges to 10 kW customers? Does that justification still hold? 2) How many commercial customers are currently in the affected range (that is, demand charges between 10 and 20 kW)? 3) How much does AE charge these customers annually as a group? What is the average charge per member of the

group? 4) If we were to remove these charges and not transfer them to commercial customers with demand factors greater than 20 kW, what effect would this have on AE's fund balance and reserves over time? 5) Under what circumstances could a reduction of demand charges for 10 to 20 kW commercial customers be appealed to the PUC? If the reduction were appealed, would the appeal be restricted to this particular change, or could other aspects of our rate structure also be included? COUNCIL MEMBER SPELMAN

b. ANSWER: See attachment

18. Agenda Item # 76 - Approve a resolution directing the City Manager to work with the Austin Music Commission and community stakeholders to develop recommendations for incorporating the use of the "C-weighting" of decibels as an auxiliary measure in sound mitigation and measurement processes and bring recommendations back to Council by August 8, 2014. (Notes: SPONSOR: Council Member Laura Morrison CO 1: Council Member Mike Martinez CO 2: Council Member Kathie Tovo)

a. QUESTION: 1) Has this proposal been endorsed by the Downtown commission or Music commission? 2) Would this require the purchase of new sound equipment? MAYOR PRO TEM COLE

b. ANSWER: Pending

19. Agenda Item # 122 - Approve a resolution directing the City Manager to accept the donation of the structure formerly located at 93 Rainey street from Austin Rainey St. D/E/P, LLC, for use as the Rainey Street History Center in accordance with the public purpose identified in Ordinance No. 20131024-010; to identify possible permanent locations within the Rainey Street District for the structure; and to present the plans for the history center to the Parks and Recreation Board, Mexican American Cultural Center Advisory Board, and the Waller Creek Conservancy. (Notes: SPONSOR: Council Member Mike Martinez CO 1: Council Member Laura Morrison CO 2: Council Member Kathie Tovo)

a. QUESTION: Please provide a fiscal note and a map of the Rainey Street district. COUNCIL MEMBER SPELMAN

b. ANSWER: See attachment

END OF REPORT - ATTACHMENTS TO FOLLOW

 The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.

 For assistance please call (512) 974-2210 OR (512) 974-2445 TDD.



Council Question and Answer

Related To

Item #14

Meeting Date

June 12, 2014

Additional Answer Information

QUESTION: 1) Please provide information about previous works of recommended artist and alternate(s), and proposed concepts if available. COUNCIL MEMBER MORRISON

ANSWER: Attached is consolidated information on the Seaholm Parking Structure Artist team and Finalists that was presented to and approved unanimously by the Austin Arts Commission on April 21, 2014. Attachment 1 provides an overview of the parameters of the artwork, the preliminary concepts of the artists, and a representative image of past work. General project information is included because there is a very specific location required of this artwork. Attachment 2 contains the artists' letters of interest and information on their past work. Funding for the Seaholm Parking Structure Art in Public Places project comes from Seaholm Power Development, LLC as negotiated in the Master Development Agreement.

Attachments 1 and 2 to follow.



Art in Public Places | Cultural Arts Division | Economic Development Department

Seaholm Redevelopment Parking Structure

Artist + Alternates

Artist Team: Urban Matter Inc. (NYC)

(Shagun Singh, Valeria Bianco, Richard Lin)

Alternate 1: Peter Erskine (Oregon)

Alternate 2: Joe O'Connell (Arizona)

Seaholm Redevelopment Parking Structure

Budget: \$88,000

Project Goals

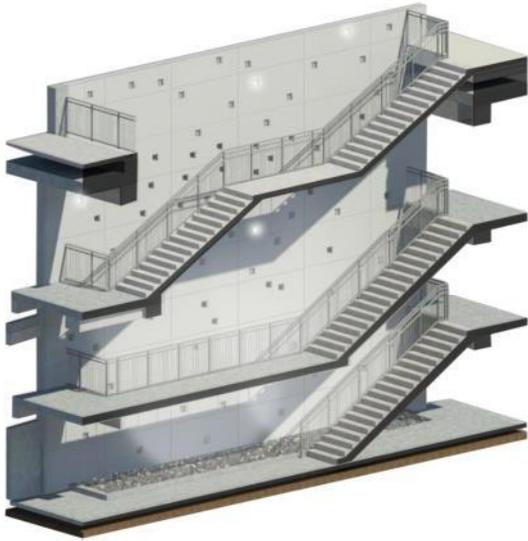
Design an artwork that

- Incorporates light as an aesthetic and conceptual element
- Responds to the unique context / history of the Seaholm site and contributes to identity of the parking structure
- Is aligned with sustainable principals of energy usage / maintenance
- Contributes to a local, regional, and national contemporary art dialogue
- Enriches or adds to the depth/breadth of the City of Austin's public art collection



Q+A session – taped by Channel 6 and made available to the artists via a private link.

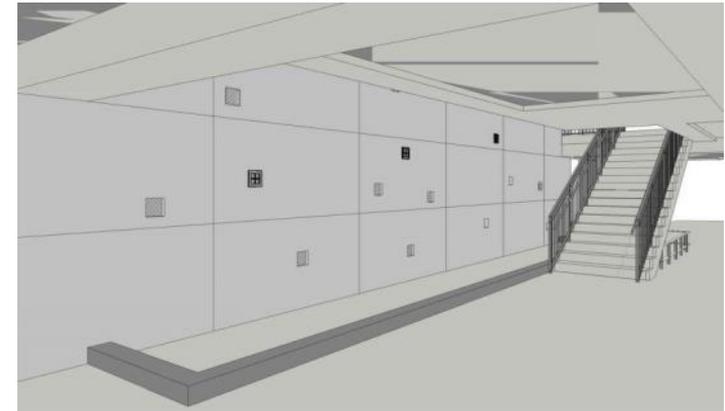
- Nominations solicited from arts and public art professionals.
- 55 artists from the U.S. were sent an Invitational Request for Qualifications
- 31 artist/teams submitted applications by January 27, 2014 deadline.



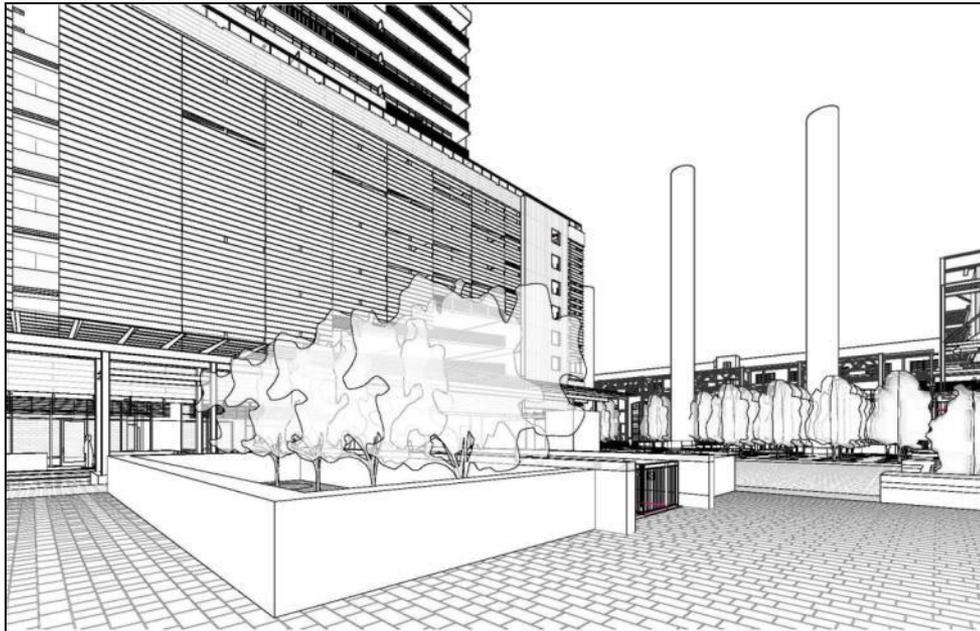
SITE: Artwork is required to be located in the stairwell entrance to public parking garage. Artwork to be installed after stairwell is completed.



Stair at Level P2



Stair at Level P3



Stairwell entrance at public plaza.



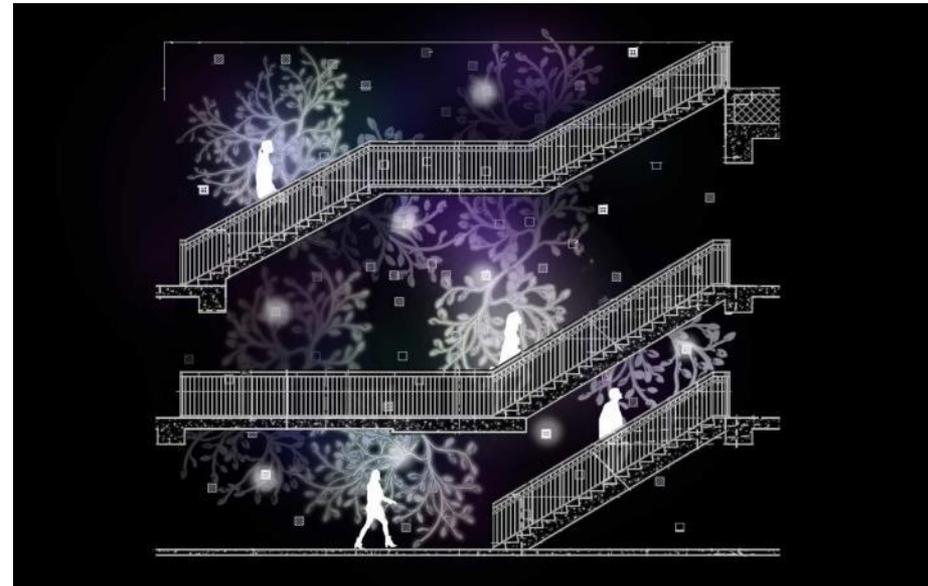
Seaholm Redevelopment Parking Structure

Artist Team: Urban Matter Inc. (NYC)

(Shagun Singh, Valeria Bianco, Richard Lin)

Concept: Urban Matter, Inc. is a team of 3 artists with complementary skills whose preliminary concept is to have a fiber-optic installation of organic native plant imagery which responds to the presence of passers-by – glowing brighter as someone passes by.

Urban Matter Inc. (Shagun Singh, Valeria Bianco, Richard Lin)

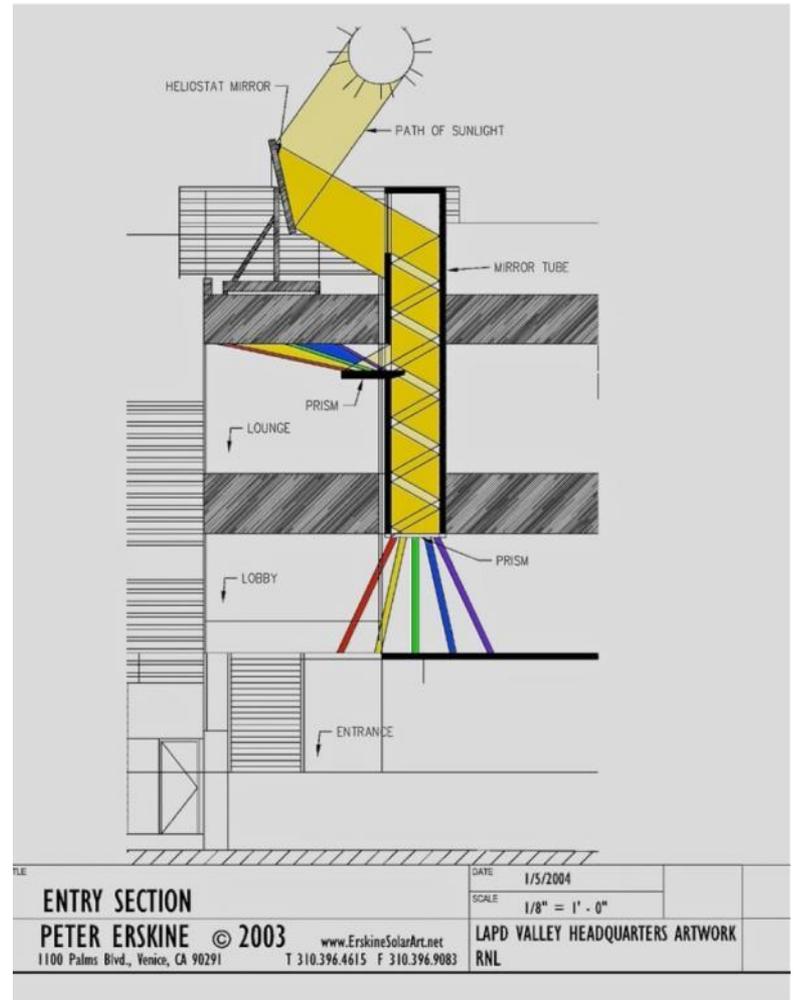


Seaholm Redevelopment Parking Structure

Alternate 1: Peter Erskine (Oregon)

Peter Erskine creates pure color rainbow light installations by capturing sunlight and using prisms and a solar-powered tracking mirror to extend the light into dark spaces. His approach demands the installation of equipment on the Seaholm plaza or possibly on top of an adjacent building not owned by the City.

Peter Erskine



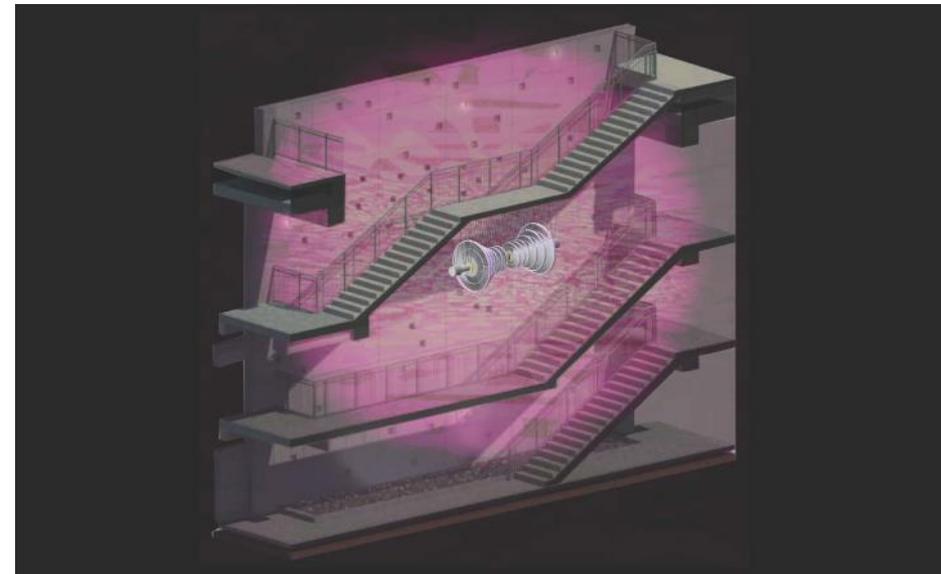
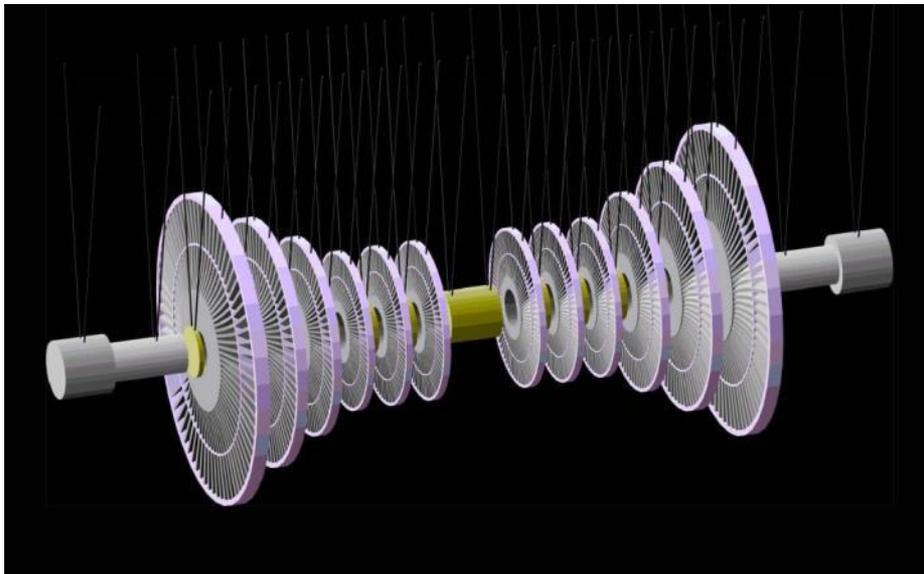
PATH OF SUNLIGHT: from Sun to Heliostat, to Prisms, to Spectrum Color on walls and floor; LAPD, 2008

Seaholm Redevelopment Parking Structure

Alternate 2: Joe O'Connell (Arizona)

Joe O'Connell and his "Creative Machine" studio work primarily with metal – creating sculptures which interact with light and project colorful light imagery over large areas. Their preliminary concept was to repurpose an object from the old power plant, suspend it, and project light through it.

Joe O'Connell



Shagun Singh (Urban Matter Inc.)

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<http://artistbuildcollaborative.com/>

Monday, January 27, 2014

We are excited to be submitting our qualification for the Seaholm Redevelopment Parking Structure Opportunity light installation. This project is of particular interest to us as we have recently completed an interactive public art installation with the New York City DOT called Silent Lights. The installation responds to traffic noise and transforms it into beautiful light patterns thereby providing light and play to an otherwise neglected pedestrian path. Silent Lights won the Black Rock Foundation Grant and Artplace America Creative Placemaking Grant for successfully addressing safety issues in urban spaces through artistic intervention. We would love to use our previous experience to create an exciting new light experience for the Seaholm Redevelopment Parking Structure which is visually compelling and connects directly with the people on the stairs.

Creating living art using cutting edge open source technologies combined with innovative, durable and sustainable materials is the primary aim of our work. Since the redevelopment plans call for environmentally sustainable features and the parking lot is under a green roof, we feel this is a stellar opportunity to create a living sculpture that complements the sustainable roof and extends the foliage into the stairwell. We envision a sculpture made of 0.5" gauge fibre optic cables encased into simple custom thermoformed shapes which will be designed to emulate ivy covering the wall. Each cluster of fibre optics will use a LED illuminator or light source located in the 7.5" x 7.5" openings in the wall, especially the ones at the eye level of the passerby using the staircase. Different ivy clusters may be interwoven, connected with other clusters based on proximity to create a complex and organic network of beautiful ivy formations. The LED illuminators will be connected to proximity sensors which we would like to place in the openings alongside the illuminators. These sensors will be able to sense the proximity of the passersby and change luminosity based on people using the stairs. The ivy cluster closest to the passerby will glow brighter than the rest of the clusters. As a person moves through the staircase, the sculpture will respond by becoming brighter and dimmer based on the location of the person. The change in the quality of light will be very subtle and poetic. We are passionate about analyzing pertinent site data and using that to enrich the space by creating curiosity and generating conversations. It also deepens the connection between the space and the art that inhabits it.

A recent theme emerging in our work, is presenting complex information in an accessible, people centric manner. To this end, we created 'Family Style', a data visualization of twitter activity during the Feast Conference 2013. The installation transforms tweets into beautiful visual light patterns for the attendees to enjoy. We are also interested in storytelling, and last year we created an interactive audio visual installation called Wise Words showcasing videos of older immigrant women in New York City, and objects belonging to them. Corresponding videos are triggered when a views picks up one of their objects to observe. The project is now installed in the lobby of ARUP, an acclaimed architecture and engineering firm in New York. Our urban invention ARTfarm was included as a part of the US Pavilion 'Spontaneous Interventions design actions for common good' exhibit at the Venice Biennale 2012. The project revitalized an unused step street into a community driven urban farming space .

We've worked with a variety of partners and clients, government organizations like the NYC DOT, cultural organizations like New Museum and Bronx Museum of Art and nonprofits like Brooklyn Arts Council, Architecture for Humanity, Red Hook Initiative, Open Source Ecology and Myrtle Avenue Partnership. A common aspect of all

our projects is creating safe, sustainable, low maintenance, and rich experiences that directly respond to the environment and the community that inhabits it. We would like to thank the selection committee for the opportunity to apply for this RFQ, and we look forward to bringing our expertise and experience to the Seaholm Redevelopment Parking Structure.

Image List for Shagun Singh (Urban Matter Inc.)



SinghShagun1.jpg

Title: SILENT LIGHTS

Location: Brooklyn, NY

Media: Perforated Sheet Metal, Aluminum Frame, LEDES, microphones.

Size: 9' x 10' x 44'

Budget/Price: \$75,000

Description: Silent Lights is a series of 5 gates that light up sequentially based on the intensity of sound from oncoming traffic that surround pedestrians. Silent Lights offers a safer, interactive experience for the commuters of Downtown Brooklyn. It is intended to be a sensory immersive project.



SinghShagun2.jpg

Title: SILENT LIGHTS

Location: Brooklyn, NY

Media: Perforated Sheet Metal, Aluminum Frame, LEDES, microphones.

Size: 9' x 10' x 44'

Budget/Price: \$75,000

Description: Silent Lights is a series of 5 gates that light up sequentially based on the intensity of sound from oncoming traffic that surround pedestrians. Silent Lights offers a safer, interactive experience for the commuters of Downtown Brooklyn. It is intended to be a sensory immersive project.



SinghShagun3.jpg

Title: SILENT LIGHTS

Location: Brooklyn, NY

Media: Perforated Sheet Metal, Aluminum Frame, LEDES, microphones.

Size: 9' x 10' x 44'

Budget/Price: \$75,000

Description: Silent Lights is a series of 5 gates that light up sequentially based on the intensity of sound from oncoming traffic that surround pedestrians. Silent Lights offers a safer, interactive experience for the commuters of Downtown Brooklyn. It is intended to be a sensory immersive project.



SinghShagun4.jpg

Title: WISE WORDS

Location: New York, NY

Media: Wood, Monitors, Microprocessors.

Size: 5' x 10' x 12'

Budget/Price: \$20,000

Description: Wise Words is an interactive, audio/visual installation that presents the personal stories of older, immigrant women in New York City. Physical objects activate the videos through touch.



SinghShagun5.jpg

Title: WISE WORDS

Location: New York, NY

Media: Wood, Monitors, Microprocessors.

Size: 5' x 10' x 12'

Budget/Price: \$20,000

Description: Wise Words is an interactive, audio/visual installation that presents the personal stories of older, immigrant women in New York City. Physical objects activate the videos through touch.



SinghShagun6.jpg

Title: ARTFARM

Location: The Bronx, NY

Media: Reclaimed cabinet dresser drawers, Perennial plants.

Size: 30' x 40' x 30'

Budget/Price: \$10,000

Description:

ARTfarm is an urban garden sponsored by the NYC Dept of Transportation. The site has multiple levels which allowed it to be transformed into a multi-tiered interactive urban space for the local community.



SinghShagun7.jpg

Title: ARTFARM

Location: The Bronx, NY

Media: Reclaimed cabinet dresser drawers, Perennial plants.

Size: 30' x 40' x 30'

Budget/Price: \$10,000

Description:

ARTfarm is an urban garden sponsored by the NYC Dept of Transportation. The site has multiple levels which allowed it to be transformed into a multi-tiered interactive urban space for the local community.



SinghShagun8.jpg

Title: FAMILY STYLE

Location: New York, NY

Media: Software and Projection Mapping.

Size: 18' x 60' x 0'

Budget/Price: \$20,000

Description: Family Style is a data art piece that uncovers the crossovers between different industries by listening in on conversations over twitter.



SinghShagun9.jpg

Title: FAMILY STYLE

Location: New York, NY

Media: Software and Projection Mapping.

Size: 18' x 60' x 0'

Budget/Price: \$20,000

Description: Family Style is a data art piece that uncovers the crossovers between different industries by listening in on conversations over twitter.



SinghShagun10.mp4

Title: SILENT LIGHTS

Location: Brooklyn, NY

Media: Perforated Sheet Metal, Aluminum Frame, LEDS, microphones.

Size: 9' x 10' x 44'

Budget/Price: \$75,000

Description: Silent Lights is a series of 5 gates that light up sequentially based on the intensity of sound from oncoming traffic that surround pedestrians. Silent Lights offers a safer, interactive experience for the commuters of Downtown Brooklyn. It is intended to be a sensory immersive project. The video download may take a few minutes. If it takes too long then it can be viewed here on vimeo - <http://vimeo.com/82164751>

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Sunday, January 26, 2014

"The rainbow is a very deep memory for humans.
It has been coded into our genetic material over millions of years.
Seeing a rainbow restores our connection to Nature –
It restores our physical and psychic functions."
Jonas Salk, MD, 1995 – Inventor of the first Polio vaccine

HOW TO CREATE THE FIRST MEMORABLE PARKING GARAGE IN AMERICA

Can you remember a time when you saw a rainbow glowing in the sky?
How that first glimpse took your breath away, and brought a burst of joy?
Now imagine walking down the stairs (PHOTO # 1) to a parking structure - America's most forgettable and deadening architecture – and stepping inside a 30' high, heart stopping solar spectrum beam you can actually reach out and touch. (PHOTO #2) A living kaleidoscope, imperceptibly moving and changing every hour (PHOTOS # 3, 4, 5,6,7) - with colors so rich no photo or video could ever hope to capture them. Visitors have written:

"The effects are absolutely dazzling...I was overwhelmed when I actually saw the provisional mock up in his studio."

Edmund P. Pillsbury - Director of the Kimbell Museum, Fort Worth

"I've seen color for the first time." Marco - Switzerland

"Capturing the rays of the sun is like capturing dreams."
Adriano D'Andria - visitor to the Rome exhibition.

Feeling elevated after this "celestial" vision, you start looking for your car on the second level, only to find another blaze of magenta, turquoise and amber, (PHOTOS 8, 9, &10) this time on the ceiling!

The mundane has become the unforgettable. You want to return to it again and again. And like a garden of seasonal flowers, it will be fresh each visit. As Dr Salk says, "Seeing a rainbow restores our connection to Nature – it restores our physical and psychic functions." No wonder all cultures hold the rainbow sacred as a symbol of hope and deliverance.

SUSTAINABILITY AND SITE IDENTITY

My art approach responds to the history of the site as a fossil fueled power plant, AND to Seaholm's sustainable re-development by using BOTH Solar and electric lighting.

In the evening, after the Sun goes down, the scene changes to LED-glowing red stairs – the same color used in

the historic Power Plant entrance lighting. It reminds us of the darkness of the fossil fuel past, rapidly fading with LEED projects like Seaholm. Nothing is more sustainable than the clean and free light from the Sun.

I have brought the Solar Spectrum into coal mines, darkened Roman Ruins and railway stations, the ceilings of police stations and ancient churches. The attached photos illustrate some of the ways I have worked with raking Solar Spectrum light on walls, stairs and ceilings. Seaholm offers new possibilities. For example, the existing 10 AM to 4 PM Solar window at the parking stairwell could be expanded with a heliostat Solar tracking mirror to provide for longer, dawn to dusk, spectrum access. The Seaholm parking wall (and ceilings) are ripe with opportunities that I look forward to exploring with the City, architect and developer.

BACKGROUND

In 1989 Peter Erskine invented an entirely new, immersive art medium that he named "Secrets of the Sun: Solar Spectrum Environmental Art (S.O.S.)" Within a few months, the jaw dropping, installations he created brought curators and museum directors from around the country to his studio. In 1991, he was invited to create an installation in the Projects Room at New York's Museum of Modern Art, and in 1992 S.O.S opened in the ancient Roman Forum.

S.O.S. uses the emotional impact of art to address the full range of Nature from her most elemental expression as pure light to her most complex expression as global ecology. In "Secrets of the Sun" our life-giving star is the energy source, subject matter and medium of the art.

PUBLIC ACCEPTANCE

Erskine has created over 25 public projects in Europe, Asia and the U.S. His art has received broad coverage in the global media - eight magazine cover stories in four languages, over 150 articles in the world press, and six global TV satellite broadcasts. TV and radio stories featuring his Solar Spectrum Art have been broadcast in over 150 countries.

www.ErskineSolarArt.net

Image List for Peter Erskine

New Light on Rome 2000 Copy, 2000

Sunlight, architecture, laser cut prisms

Dimensions Vary

Trajan's Markets, Imperial Roman Forum, Rome

Budget: \$80,000



ErskinePeter-1.JPG

"New Light on Rome 2000", Trajan's Markets, Imperial Forum, Rome, 2000

Materials: Sunlight, Laser cut flat prisms.

Budget: \$80,000

Description: Seven 18" H x 12' W flat laser cut prisms were installed with compression fittings into arches in the Aula of Trajan's Markets. The 6 month long installation duplicated every angle of the Sun that bathed the ancient building when it was built in 112 AD. Here, due to the Aula's unique solar orientation, Spectrum Sunlight floods an ancient brick wall for 20 minutes on 10 September afternoons. Then it moved on to other nooks and crannies of the monument.

CROMOS Copy Copy, 2000

sunlight, architecture, laser cut prisms

Dimensions Vary

Rome and Milan Railway Stations, Rome and Milan

Budget: \$335,000



ErskinePeter-2.JPG

CROMOS, Milan Central Station, Milan, Italy; 2000

Materials: Sunlight, 72 @ 4' W x 8' H flat, laser cut, acrylic prisms installed in station roof windows.

Budget: \$335,000.

Description: Twin 40' x 70' solar spectrum beams gradually sweep through the station as the Earth turns. Depending on the time of day and season, the rainbows drench shops, trains, travelers and even pigeons in Nature's most beautiful light.

Artist's Bedroom, 1988

sunlight, architecture, laser cut prisms, & sound

Dimensions Vary

Artist's residence, Venice, California



ErskinePeter-3.JPG



ErskinePeter-4.JPG

Sun Painting Copy, 2009

sunlight, architecture, laser cut prisms, & sound

Dimensions Vary

Lafayette Public Library, Lafayette, California

Budget: \$150,000



ErskinePeter-5.JPG



ErskinePeter-6.JPG



ErskinePeter-7.JPG

Lafayette Library Reading Room, Lafayette, CA; 2009

Materials: Sunlight, Acrylic Skylight, Solar light shaft lined with laminated safety glass prisms and mirrors.

Budget: \$150,000 (excluding construction of light shaft, but including prisms, mirrors and installation.)

Description: Sunlight enters the skylight and is refracted into millions of gradually changing colors inside the Solar light shaft. The geometry, colors and intensity of the art vary with the hours and seasons.

Los Angeles Police Valley Headquarters Copy, 2008

Sunlight, architecture, laser cut prisms

Dimensions Vary

Los Angeles Police Valley Headquarters, Los Angeles, CA

Budget: \$150,000



ErskinePeter-8.JPG



ErskinePeter-9.JPG

The LAPD project was done in collaboration with architect Kate Diamond. A heliostat solar tracking mirror was installed above a dedicated mirrored, 30' high light shaft that reflected the sunlight into laser cut prisms in the 3rd floor officers lounge, and thence to a pyramidal prism in the ceiling of the public lobby on the second floor.

The heliostat's gradually moving light continually and gradually changes the brilliant colored light painting on the ceiling of the lounge and on the walls and floor of the lobby (shown in this image). The project has been installed since 2007 (opened in '08) and the only maintenance has been correcting the computer clock 30 seconds of so, every other year!

Ecstasy of Santa Lucia Copy, 2011

Sunlight, architecture, laser cut prisms

Dimensions Vary

15th Cent. Church of Santa Lucia, Spain, Santa Lucia, La Rioja



ErskinePeter-10.JPG

This project was brought to the site in a 7' x 1' x 1' package as accompanied baggage on the artist's trip to install the art. It, along with "New light on Rome" is one of the most materially efficient installations Erskine has created. The material for the projects is three laser cut prisms installed in the 3 south facing windows of this glorious village gothic church. See "11 minute retrospective video" for details. There is a time elapse in the video showing a day in the art

Joe O'Connell

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Friday, January 24, 2014

Seaholm Redevelopment Parking Structure | Artist Statement
Joe O'Connell

I was thrilled to find this call to artists because I value the integration of public art in mixed-use revitalization projects. My goal is to create new ways to live with art—ways in which art solves problems, enriches the human experience and creates an atmosphere of participation, curiosity, and connection to community.

My process begins with extensive research and analysis of the characteristics that make each site unique. I investigate local conditions such as natural systems, cultural touchstones, social history, adjacent communities, and the surrounding architecture and landscape. These investigations inform the formal vocabulary for each artwork. In previous pieces, I have drawn inspiration from the Chinook arch weather phenomenon that covers the City of Calgary for Cloud Ring, the historical integration of mining companies with the Midvale community for Utah Bit and Mine, the griffins that once perched on the nearby Carnegie Library for Toby, and the biological diversity of the San Marcos River for Fish Bellies. Each of these sculptures became a unique reflection of its site but also a powerful landmark on its own.

The aesthetic of my artwork is defined by meaningful interactivity. At the technical level, this takes the form of touch-sensitive circuitry, optical projection, custom-designed LED fixtures, and sound producing elements. I use this technology to invite the public to transform the artwork. Viewers curate a piece's color or sound, creating a unique immersive experience. Possessing a latent kinesthetic/haptic quality, these pieces encourage physical interaction and play. I don't create static objects but work that demands repeat encounters and shared exploration - as the public doesn't view this artwork, but inhabits it.

Creative Machines is my design and fabrication company. Employing 16 workers, they are considered my collaborators. Our work often involves the interplay of nature and technology and we are strong advocates of art that is beautiful at first glance but yields deeper rewards with sustained engagement. Because we do it all under one roof we can move easily from the conceptual to the material and back again. We work through an iterative process with extensive prototyping pushing the boundaries of existing fabrication practices. A palette of steel, acrylic and colored light allows us to create unique effects. In the acrylic pieces we employ the contrast between a weightless translucent form during the day and a colorful glowing object at night. In the steel pieces we use perforation and projection to transform the surrounding space into an illuminated landscape. Light is the connective thread that runs through our work, and we believe in light's emotive power and its ability to enliven a space. Many of our pieces are located in harsh environments—direct sunlight, high humidity and unsupervised public access. For this reason we use materials and fabrication methods that are meant to endure.

I would like the chance to use my skills to create a unique artwork for the City of Austin.

Thank you and I look forward to presenting my ideas.

Image List for Joe O'Connell



OConnellJoe1.jpg

Title: Brilliance

Location: Palo Alto Library and Arts Center, Palo Alto, California

Media: stainless steel, LED lighting, touch sensitive electronics

Size: 5' dia typical - 6 total

Budget/Price: \$200,000

Description: A family of six sculptures placed throughout the plaza between the Palo Alto Main Library and Arts Center. The evolving series increases in complexity and expresses growth through a sequence. The sculptures are made up of multi-lingual phrases collected from the community, cut out of steel and welded together in three-dimensional lantern-like forms.



OConnellJoe2.jpg

Title: Brilliance

Location: Palo Alto Library and Arts Center, Palo Alto, California

Media: stainless steel, LED lighting, touch sensitive electronics

Size: 5' dia typical - 6 total

Budget/Price: \$200,000

Description: A family of six sculptures placed throughout the plaza between the Palo Alto Main Library and Arts Center. The evolving series increases in complexity and expresses growth through a sequence. The sculptures are made up of multi-lingual phrases collected from the community, cut out of steel and welded together in three-dimensional lantern-like forms.



OConnellJoe3.jpg

Title: Fish Bellies

Location: Texas State University, San Marcos, Texas

Media: acrylic, steel, LED lighting, touch sensitive electronics

Size: 30' x 15' x 12' - 12 total

Budget/Price: \$250,000

Description: Fish Bellies is an interlocking series of glowing enclosures that represent a school of fish. We are celebrating social and biological diversity by making a comparison between the life of the San Marcos River and the lives of Texas State University students. Our hope is that this comparison will spark additional interest in the unique ecology and biology found on the Texas State University campus.



OConnellJoe4.jpg

Title: Ballroom Luminoso

Location: San Antonio, Texas

Media: powder coated steel, recycled bike parts, LED lighting

Size: 48" diameter - 6 total

Budget/Price: \$100,000

Description: Ballroom Luminoso is a series of six brilliantly lit, color-changing chandeliers. Each sculpture contains a custom-designed LED light fixture, which casts sharply detailed overlapping shadows. Drawing from the formal elegance of the freeway underpass and the cultural currents of the surrounding neighborhoods, the piece transforms a forgotten space into one that connects the community. The piece won SXSW Eco's Place by Design "Transformative Design Award."



OConnellJoe5.jpg

Title: SeedPods

Location: The Woodlands, TX

Media: powder coated aluminum, acrylic, LED lighting, touch sensitive electronics

Size: 6' dia - 5 total

Budget/Price: \$325,000

Description: SeedPods are interactive public art pieces currently under construction for The Woodlands, TX. The sculptures are inspired by plant and animal life forms. Visitors interact with the sculptures through a touch sensitive lighting design. A total of 5 sculptures surround the Tinsletown intersection.



OConnellJoe6.jpg

Title: Cyclorama

Location: University of Central Florida, Orlando

Media: stainless steel, powder coating, LED lighting

Size: 8' x 6' x 6' typical - 4 total

Budget/Price: \$130,000

Description: Cyclorama is a series of four sculptures placed between the Theater and Music buildings on the University of Central Florida campus, they create a contemporary stage set for visitors to interact with. Up close, the sculptures show themselves to be assembled from shapes and forms that tell archetypal stories in abstract form. At night LED lighting casts sharp colored shadows onto the trees, people, and nearby buildings.



OConnellJoe7.jpg

Title: Cloud Ring

Location: Beltline Park, Calgary, Alberta, Canada

Media: steel, acrylic, LED lighting, touch sensitive electronics

Size: 15' height x 28' dia

Budget/Price: \$500,000

Description: Cloud Ring is an interactive, illuminated sculpture that emits a soft, internal glow. The form draws inspiration from the historic Beltline Streetcar loop that once encircled the neighborhood, as well as the Chinook arch phenomenon that periodically blankets the sky. Touch sensitive lighting components invite physical and social interaction, and give the sculpture an emotive, perceptual character similar to a living organism.



OConnellJoe8.jpg

Title: Wondrous

Location: Wheeler Taft Abbett Sr. Library, Marana, AZ

Media: galvanized steel, LED lighting

Size: 9' x 19' x 3'

Budget/Price: \$100,000

Description: At night, three of the world's most powerful LEDs project intense color through hundreds of words drawn from the library's collection, casting overlapping shadows in six colors on the landscape around the sculpture, the library wall, and visitors that pass by. A great deal of community interaction went into this piece making it very popular with visitors.



OConnellJoe9.jpg

Title: Cocoon

Location: Houghton Road, Tucson, Arizona

Media: stainless steel, LED lighting

Size: 14' dia x 38' length

Budget/Price: \$200,000

Description: Cocoon is an engaging, illuminated sculpture that you can walk through and feel yourself transformed by the experience. Our primary goal is to express a sense of rebirth and transformation. Colored light transforms the inside of the cocoon into a shadow

theater where people can see themselves projected onto the surface of the sculpture and its surroundings.



OConnellJoe10.jpg

Title: Line and Sky

Location: Shreveport CommonLink, Shreveport, Louisiana

Media: steel truss and pipe, acrylic, polycarbonate, lighting, touch sensitive electronics

Size: 15' height x 225' length x 27' width

Budget/Price: \$750,000

Description: Line and Sky is a stage for creative expression in the Shreveport arts district. This illuminated and highly interactive sculpture supports physical exploration, fitness and play. Local artists and residents will help us create the line element through a series of community workshops. The public art asks the Shreveport community to use their imagination. What if you could construct your whole world out of a continuous line? Our concept offers a flexible and open-ended environment that is a refuge for creativity. Funding comes from a National Endowment for the Arts creative placemaking grant and will serve as an example for artist led economic development.



Council Question and Answer

Related To	Item # 73	Meeting Date	June 12, 2014
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Additional Answer Information

QUESTION 1): What was the original justification for extending demand charges to 10 kW customers? Does that justification still hold?

ANSWER 1): Originally, AE consultants, Public Involvement Committee (PIC) and AE proposed that all commercial classes include demand charges in order to improve fixed cost recovery and send a stronger pricing signal to these customers for making energy efficiency improvements and conservation. A demand charge for commercial customers sends a pricing signal to use equipment more efficiently, make lighting improvements and/or invest in weatherization which aligns with AE goals, City Council goals and community objectives. This signal parallels the energy efficiency signal provided by the 5-tier inclining block rate structure included in the residential rate design.

As customer characteristics were compared in 2011, the break point for non-demand customers was lowered from 20kW to 10 kW for various reasons:

- a. Usage patterns for customers <10kW were similar in many respects to residential customers and dissimilar to commercial customers >10kW:
 - i. Residential and Commercial <10kW(Secondary 1) both have an average monthly load factor of approximately 50% with an average class energy per customer of 1,000 kWh and an average class demand per customer of 3kW
 - ii. Commercial 10kW – 49.9kW (Secondary 2) has an average monthly load factor of approximately 60% with an average class energy per customer of nearly 9,000 kWh and an average class demand per customer of 25kW.
- b. As shown above, statistically significant differences in service requirements and electricity usage characteristics were visible and the grouping of customers by size and needs was appropriate:
 - i. 32,000 customers are in Secondary 1 and only 10,000 were in Secondary 2
- c. Best practices dictate that commercial customers should have demand charges to send proper pricing signals.
- d. The break point of 10kw is consistent with other utilities in Texas.
- e. The Rate Review process involved many stakeholder groups, analysis and feedback that supported the Customer Classes.

These justifications remain valid and will be reviewed in subsequent Cost of Service Studies with the next Study due in FY 2016.

QUESTION 2): How many commercial customers are currently in the affected range (that is, demand charges between 10 and 20 kW)?

ANSWER 2): The current number of customers is unknown but based on rate study information; it may be approximately 2,000 out of over 10,000 in the Secondary 2 class.

QUESTION 3): How much does AE charge these customers annually as a group? What is the average charge per member of the group?

ANSWER 3): That is unknown, but please see 1a, i-ii, above.

QUESTION 4): If we were to remove these charges and not transfer them to commercial customers with demand factors greater than 20 kW, what effect would this have on AE's fund balance and reserves over time?

ANSWER 4): Best practice rate-making procedures would require that a Cost of Service be performed for the 2 new classes and re-design rates to recover cost. Eliminating demand charges reward inefficient users that are subsidized by efficient users contrary to AE's and COA's objectives to promote energy efficiency and meet Demand Side Management goals.

Changing secondary rates involves a study impacting Inside COA rates, Outside COA rates, Houses of Worship discount and Independent School District discounts. All of these customers have accounts in the 20-50 kW range that would incur the cost from any lost revenue that would now be subsidized by removing the 10-20 kW customers.

Demand charges do not necessarily translate into higher bills. If the demand charges were removed, energy charges would be increased to recover costs so AE's financial position should remain the same. The remaining customers in Secondary 2 would likely pay higher rates if the smaller subset 10kW-20kW were removed.

Eliminating the demand charge for those customers without increasing the energy charge could be considered discrimination among customer classes.

The impact to AE of changing this rate without an appropriate Cost of Service Study is currently unknown.

QUESTION 5): Under what circumstances could a reduction of demand charges for 10 to 20 kW commercial customers be appealed to the PUC? If the reduction were appealed, would the appeal be restricted to this particular change, or could other aspects of our rate structure also be included?

ANSWER 5): City of Austin Law will respond under a separate memorandum.

ADDITIONAL RESPONSE

Energy efficiency is another way to assist our small business customers. It provides meaningful, lasting savings over time for our customers, and it helps Austin Energy achieve its Climate Protection goals. Austin Energy's Small Business Lighting Program covers 50% - 70% of the cost of a retrofit. Most projects have a simple payback of less than two years. Houses of Worship qualify for the Small Business Lighting Program.

Rainey Street District Fund Exhibit 1

