

City Council Work Session Transcript –2/10/2015

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>> Mayor Adler: Are we ready? All right. We're going to go ahead. We have a quorum present and we're going to call to order the Austin city council work session on Tuesday, February 10th, 2015. We are at 301 west second street. The time is 9:13. Our agenda has us in the work session going through the items that have been pulled. We have two different class of items that have been pulled, if you all have looked at that. And just to be able to identify what they are. If we as councilmembers pull something prior to 4:00 on Monday, then we have a reasonable expectation that staff will be here to be able to address that. If we pull something after 4:00 on Monday, then we may or may not have that support. So we had some things that were pulled before that time, we have some things that were pulled after that time, but just to note what the difference is. So I think we probably just start working through the items. We

have 80 some-odd items that are on the agenda for us to consider on Thursday. And a goodly number of them have been pulled for us to discuss, which I think is good because a lot of these I think are being pulled just to better understand what they are and the like. But we'll start and work through this. Are we ready? All right. So the first item that was pulled as we work through our revised agenda is item number 5. The economic development department that was pulled by Ms. Troxclair.

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We'll come back to item number 5. We also have also in the economic development part items 6 and 7. Do you want to come back to -- don, you pulled those together with Ms. Troxclair. >> Zimmerman: I have a couple --. Thank you, Mr. Mayor. >> Mayor Adler: Hang on one second. Did you want to come back to 6 and 7 as well? >> Troxclair: Oh, sure. [Indiscernible]. >> Zimmerman: I do. >> Mayor Adler: Let's go to six then. Sym>> Zimmerman: You pulled the same items. We haven't had a chance to talk yet because we've been incredibly busy. I appreciate you pulling those as well, councilmember troxclair. So I got a couple of questions on this, and here we are. My second meeting with our -- I guess the staff members that are -- we had a meeting, I guess to let everybody know, I guess yesterday, and it was my contention that the meeting was posted and someone can correct me if I'm wrong on this. I posted a resolution, which has not been seconded, I posted a resolution to lower two percent spending. And I've been buried in emails on the Zimmerman amendment. Thanks, everybody for that. It's great. And what I was hoping for, you know, I've got a big issue and the city has a big issue with affordability. The motivation for this and why we're sitting here right now about the three million dollars is my constituents are screaming about unaffordability. And if we don't start somewhere to figure out where to cut our expenses and taxes, I think this council needs to be thrown out by the people complaining about the unaffordable taxes here. So that's kind of the basis of this. And what I was hoping by

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putting that amendment out or that resolution out is that city staff would go, oh, councilmember Zimmerman is asking questions and opposing this mandatory spending. So to support councilmember Zimmerman, let's bring in some voices that would agree with the position that we should probably strip out the mandatory spending. But instead I got only voices that eloquently defended and promoted and encouraged and tried to educate me that my resolution was a bad idea. That the we should have this mandatory spending. So thank you for coming, you're back. So the first question on this is why is only one of the 10 artist finalists from the documentation we had -- I guess an rfp is sent out. One out of 10 finalists were from Texas. And then it turned out that no one from Texas was in the proposal that we have in front of us. It's a New York, maybe Massachusetts. So maybe we can start there as to why no

one from Texas is included in the three million dollars. >> Councilmember, thank you. This is my first talk before you all as a group, so I will introduce myself. I'm Kevin Johns. I'm the director of economic development for the city. The department, you're probably aware, is composed of five divisions. It is the creative divisions of the city and it is traditional economic development. It's a fusion of those. And we're the only place like us in North America is in Toronto and the reason that's significant to this conversation is because during the recession where the rest of the economies in America were tanking, because of the creative economies which grew 25 percent to a \$4.6 billion economy, and were critical

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to our success, it was a creative economies, cultural, arts, music, game, that kept our economy to be the number one economy in America. And so before we get into the discussion of the specifics of art, I would like to say that our priority is to cut poverty, not cut art. In terms of the specifics of the project, this was a national competition. Our airport is arguably our largest public resource. It is comparable to all of the major airports of the other 11 largest cities in America. And other goal is to encourage cultural tourism, to encourage the quality of life in Austin. And the history of artists I think that everybody knows is there's something called starving artists and blues musicians, and that's because they struggle with money. So part of our effort -- part of our effort is to increase jobs and the commercialization of the art. I'm going to turn it over to Megan for the specifics. This was a national competition. And we'll give you a little background, councilman, and I hope that answers your questions. >> Hi, Meghan wells, art in public places administrator for the city. With regard to each eligibility criteria that is set for our public art opportunities, they are looked at case by case by the art public places panel and the arts commission. And depending on the parameters and the budget and the specific factors involved in the site and the artwork opportunity, they set the eligibility criteria for either local, statewide or national eligibility. This particular opportunity was a national call. We did encourage a lot of local artists to apply. It is open to local artists. We did have a lot of local

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applicants, but the selection panel for this particular project chose finalists based on qualifications. And everyone has an equal footing in that. There's not preference given to local artists, but we did have a lot of applicants apply and we did have one who was a finalist. And so that was a decision made by the selection panel and forwarded to those two bodies, the art in public places panel and the arts commission for this project. >> And you may want to talk about the final finalists, the people who were actually asked to present and were paid to come to Austin and a little background. >> Right. For airport entrance project we did have five artist finalists who were brought in and we paid them to take part in

an orientation -- the qualifications not netly of the proposal because we know that can change when they work with the teams. We did want to know the potential approach they take with this. We know the proposals they did pay to come in and there was one local artist in that group of five. >>

Zimmerman: I have a lot more questions. Sorry, go ahead. >> Houston: May I? I'd like to know how you define stakeholders and who that is comprise of. >> It is different on each project and it depends on the department to identify those stakeholders. In this case we had a plan for the airport back when it was expanded and felt like he was in the original concept and nature that airport was based on and we've brought that through from the beginning of the airport construction until now. So he represented that voice and we also brought in some peers that were also involved in that study. But with airport it's not exactly a neighborhood, per Se, so we rely on the staff

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and the project team to provide input to us as stakeholders. >> Houston: And just one more question, councilmember Zimmerman. So the funding, the million or three million dollars that you're proposing in two of these items, that's coming from where? >> From airport revenue bonds for construction. >> Houston: Could you explain that, please? Could you explain that, please? The airport revenue bonds? >> So those are bonds that are let and then repaid as revenue comes back in through the airport. >> Let me just add to that. The art in public places project is a council ordinance, has been in effect since 1985. And it goes back to the new deal of Roosevelt and it was created then as something called art and architecture. I have a degree from the college of architecture. You can appreciate how much art is helpful in urban regeneration and hiring artists, but it was first used in 1959 with a percent of the bonds for infrastructure being used in Philadelphia. Since then it's spread around the country and it's a common program for economic revitalization. But basically if a bond is for \$300 million, can you take two percent of that by council resolution in 1985, and that money then is towards the art in hiring to go to the art project itself. >> Houston: Thank you. >> Mayor Adler: Ms. Kitchen? >> I'm not sure we fully answered the question of councilmember Houston. I want to see if we could give the council more information on what a revenue bond is. >> Houston: Thank you. And that's the chief financial officer? [Laughter]. >> Yes! >> I stand corrected.

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>> Good morning, Elaine cart, chief financial officer for the city. A revenue bond is typically issued by an enterprise fund. We talked about that during orientation. Our major enterprise funds are Austin energy, Austin water utility and the airport. And each of those issues revenue bonds with a revenue pledge or a promise to repay those bonds. Austin energy issues electric revenue bonds. Austin water issues their

own type of credit. And then the airport issues airport bonds. Those bonds are paid for through the facility charge that is charged to airlines and to the airport. So it's the revenue stream that backs the bonds, provides the funding for the repayment of those bonds. So they're different because there's not a tax pledge. There is no claim to the city's taxing authority to repay those revenue bonds. So they're a little bit different animal and so they have a different type of credit rating and that sort of thing. They're not triple a, but they are very good quality debt with our major utilities. And the airport as well. You're welcome. >> Mayor Adler: Ms. Kitchen? >> Kitchen: I just wanted to understand a little bit more about this program and local artists. Because I'd like to understand what we do. Now, you're talking specifically about art at the airport now, I assume. >> Yes. >> Kitchen: So can you speak to whether we provide any - any special consideration or how we consider our local artists? I mean, Austin has a huge art scene, a lot of very talented artists. To if you could speak to that. >> Sure. I will say the bulk of our

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public art collection, we have 200 pieces in the collection right now. The bulk of those were created by local artists. Again, it's a matter of weighing parameters, but a lot of the calls that go out, these are calls that are open for artists to apply for, are for Texas or Austin artists. And it's based on a consideration of the factors involved. And we do consider our program to be a training ground for local artists to gain experience and go on to receive more success in other public art programs. We specifically a program for temporary public art where we encourage artists who have not had any experience with public art to get their feet wet, learn through us on a temporary basis, small budgets, and many go on to receive other public art commissions through our program or from others that offer those opportunities. But we do encourage local artists to get involved in our program. We offer professional development to them. Open office hours, webinars, various lectures and workshops and we're always encouraging local artists to get involved so we can increase their viability within the public art field. >> Does that include art at the airport? >> Some of the art at the airport has been made by local artists. These two particular opportunities were open nationally, but yeah, many artists have created local art at the airport. We do have a phase two at one of the projects that is specifically reserved for Austin area artists, we just haven't gotten to that phase yet. We are planning to have Austin representative locally with that artwork there. >> Councilmember Kitchen, your question is really just to art in public places, I believe. But I wanted to make sure that you knew that due to the hotel occupancy taxes we do provide art to 240, 250 cultural arts organizations citywide. Because of the increase in the sales tax for the hotel tax that has come up to \$8 million. So the cultural arts division does provide the critical support to the entire ecosystem of artists

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throughout the city. >> Mr. Mayor? >> Mayor Adler: Yes. >> If Ms. Kitchen is done I have a question when she's finished. Good morning, everybody. I'm glad that you brought up the work that the cultural - that the arts commission does through the cultural contracts program. When I served on the arts commission, which was the first commission that I was privileged to sit on back in the 90's, that program was essential in supporting artists and integrating their work into schools and public places and it provided an element of growth for new artists as you talked about. And also some portion of livelihood. We all know that making maybe not personally, but we know that making a living through your art can be difficult at times, but in the end tremendously rewarding. Could you just talk a little bit about the economic development aspects and the -- where the funding from -- for cultural contracts come from? I think you mentioned that it was from the motel-hotel tax? Thank you. >> I'll start and I'm sure people will chime in, but in our strategic economic plan we've embedded art and culture into it. Our philosophy is that the cultural diversity of the city is its economic strength, and that creativity is why Austin is so strong technologically. And in our plan we have a program that we're about to initiate to put art and culture into merchants associations citywide. It's called the merchants challenge. And it's an idea taken from Seattle and New York. And the idea is to challenge merchants citywide to form associations to do self help development. And as you may know, this last -- within the last year the cultural arts division

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has won a 400,000-dollar contract from art in America to map out all the cultural assets of the city so we know -- so we know where there isn't art. We've also got a 265,000-dollar grant which also from art in America to design and build an art village on an old polluted site. And so the goal for distributing the economic impact of art is to get art and culture embedded in each one of the council districts commercial areas when it's desired by the businesses. And we will provide low interest loans, one and a half percent loans through our family business loan program, music venue loans. And we're in partnership with the university of Texas' community design center. That's one item. >> My understanding is that the between the lines project is an outgrowth of the 10-1 new system of governance of the city that was noticed I think nationally? >> That's what we wanted, yes. >> And councilmember, also, we get about 1.056% of the hotel-motel tax, and that goes to cultural arts. And that was the eight million dollars that Kevin referenced before, and had you asked a little bit that. That's where that comes from. And it has to be used exclusively for cultural arts that attracts tourism. >> Thank you. >> There's two more -- sorry. There's two more that I would mention. The mind pop program is part of the Kennedy center for performing arts and it's critically important because as you know, we have about 45,000 concern in poverty in Austin. And for them to move out of poverty they have to have the ability to do math and science. And so using the mipop art in schools program we've

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been able to determine if its first year that it raises math and science scores 20%. So it's part of an overall strategy to prevent poverty from happening in the first place, which as you know is a great economic return on investment. You reduce the welfare costs, you reduce police costs, so our 10-year plan is to use cultural arts and music as a way to reduce poverty. The last thing I believe is relevant is our cultural tourism plan. As you know, when people come to Austin they'll generally look at going to sixth street and now a little bit south congress. But our hope is that we can get visitors who come to Austin to go to all of the council districts, to go to all of the cultural amenities and offerings that we have. And in return be able to measure the economic return on investment and increase tourism dollars. So we'll be looking for your help this year to do that. If if >> And if I could interject, one of the inaugural programs that we did last summer was in partnership with the mid America art series where we actually instituted an eight-week training program for artists to help them become more sustainable. So we train them in budget and marketing, taxes, et cetera. And so we will be presenting our second class this summer and we will be doing a major outreach to get participants in the program. >> I'm really glad to hear that about the budgeting and the marketing. I can remember 15, 20 years ago that was a topic that artists in town were asking the city to help them with the training component. So I applaud you for that program. >> Mayor Adler: Ms. Troxclair. >> Mayor, point of order. What item are we discussing? >> Mayor Adler: It's number 6. It seems like we're discussing all the items,

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five, six and seven. >> Mayor Adler: Probably, yes. >> Renteria: Okay. >> Mayor Adler: I didn't know if there was a particular issue that Ellen had with five when she asked -- >> Renteria: It sounded like we were discussing the whole. >> Mayor Adler: I think it's fine on any of those. >> Renteria: Thank you. >> Troxclair: My questions are in relation to the program as a whole. As you know, we're kind of using these as good learning experiences for us and to better understand the city programs. So I really appreciate y'all being here. So it sounds like there are other funding sources that are not included in the Numbers that I have in front of me, but when we asked about the yearly expenditures for the art in public places program, it looks to me that between fiscal year '09 and '13, the expenditures were anywhere between about 500,000 to 700,000. But in fiscal year '14 that number doubled to 1.5 million. >> Yeah. That's basically when the 2012 bond cycle kicked off and we started seeing a lot more projects get underway. That's our major source of funding is two percent from bond money. >> Troxclair: So does this include -- I've also heard eight million and then two million and one million. >> Eight million is just the portion of funding that comes from the hotel-motel tax. [Lapse in audio] >> Most of it actually goes to the convention and visitors bureau. But the small piece that does go is to promote cultural tourism. As its increased with formula one event, as it's increased with south by southwest you see those Numbers go up and an increased number goes to fund the 240, 250 cultural arts organizations. >> Sue Edwards, assistant

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city manager. It might be beneficial since we have a number of different art programs and they're funded from different sources, if we would put together something for you that would define those, if you would like to do that, we would be happy to do that. And then you could tell better because it is confusing. Art in public places is really using the bond funds, and that's all that goes into art in public places. Our cultural -- pardon me. Our art that you see in city hall is really given to us on a voluntary basis for a period of time, but we promote those artists. Then we have the cultural arts programs and a number of other programs that Kevin has mentioned. So we'll put that together for you if that would be helpful. >> Mayor Adler: That would be helpful. >> Troxclair: That would be great. I mean, the -- there was such a huge jump in the funding increase. The funding has increased pretty significantly over that time, but that one year that was such a significant jump I was interested to know. >> What happens is when you have a bond election and bond funds become available, then there is an increase in the spending in art because it's related directly to two percent of each one of those bonds that's eligible. Or those projects. >> Troxclair: And specific to the items that are on our agenda, those are pretty far down the process. We've already gone through the artist selection, we've already selected artists. We've approved the art that they're going to be producing. >> The design portion has not started yet. We would receive approval to move forward to contract them for design of in both cases the artists were asked to propose ideas, but we have not explored them yet until they're under contract. The selection has happened and we're recommending those artists are selected to continue exploring their design, but nothing has been finalized. We don't know what they will create there. That's part of what happens

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in design. >> Thank you. >> Mayor Adler: Ms. Houston. >> Houston: Thank you again for coming because as a lover of the arts, and Mr. Johns, we have the vortex salvage and company. And people forget here a tourist destination as well. Some of the concerns I have is that that kind of money going outside the city when we do have a -- just a wealth of artists in town. And I don't know how you wrote the proposal and I understand it was national. But we've got three million dollars going someplace else to people from someplace else that really don't have a sense of heart and soul for the city. I saw your selection panel and some are in Sacramento, some are outside, so I'm not sure they even know about Austin. So this quick question was what -- what's going to be different about the airport entrance? Is it the entrance to the driveway or is it the entrance to the building itself? What entrance are we talking about? >> It's the exterior entrance as you enter the airport from highway 71. Right now there's a wide swath of green space that separates the two lanes, the entrance lane and exit lane. >> Very beautiful,

very refreshing. I'm wondering what you're going to do with that. >> We don't know quite yet, but that's the basically the artist canvas for him to work with while maintaining airport operations. >> I would like to disagree that it's not in a neighborhood. It is in a neighborhood. Austin is the neighborhood and I would like to see more people from Austin who use that frequently. I think a wider selection of people on the panels would be helpful to say what should be -- what the entrance should look like if in fact the entrance should change at all. >> Let me also add that we're proposing to contract from artists not here from Austin, but the majority of their fabrication

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installation they -- they've expressed interest in working with local fab indicators and local smaller, so there's a potential to subout most of that work to local companies and that's where I think we can also tie in to some of the local economy from those commissions. >> [Inaudible]. >> Mayor Adler: Ms. Gallo. >> Gallo: I agree with everything that councilmember Houston just commented on. We have an opportunity with this type of funding to really support our local artists and the local artists, our creative groups in Austin are the ones that are being so substantially impacted by affordability and moving out of the city. And this is a huge training area that's great, teaching artists how to work, but actually funding their projects is the best thing that we can do. So I don't know where this is. I mean, you explained a little bit of where we are in the process, but I certainly would like us to evaluate for future art in public places projects what we need to do to allow local artists to be able to compete and even possibly limiting the scope to local artists. I just think we're missing a huge opportunity to support. So that's my comment, but a question that I have is for this year what other amounts of money will we see being awarded in art in public places projects? >> Councilmember, I'm going to let Megan answer your last question, but in terms of the very good point that you make about local artists being able to do the artwork for Austin, I think that that's a discussion that the mayor and city council can have with the art commission and with your new appointees to give them direction that that's something that you would prefer. I think we're -- as staff we're following the

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direction of what the policies are, what the ordinances are, and I think you make a very valid point and I think the art commission would be open to that discussion. Gallon garage in answer to my question, what other funding throughout this year will we see that comes back with this potential of dollar volume? >> I don't have a dollar amount because our budgets are determined based on construction estimates and I don't have those at the beginning of the year. They roll throughout the year. But like I said, we will have a phase two of this airport project that is restricted to Austin artists. We expect that

budget to be 750,000. So sizeable budget artwork. I will say that the bulk of our bond projects do come limited to Austin or Texas because they are smaller in scale and budget. So I do expect that many of the projects we see in the next several years will be opportunities for Austin artists. >> Let me see if I summarize this. Other than the three million that we're speaking about today there's an additional 750, but then after that we will not see any other projects funded through art in public places this year. >> They roll throughout the year. >> Councilmember, what happens is when -- they're going to build a library. When that project begins that's when we will begin working with those individuals for that particular piece of art in public places. This one stems from the parking garage and the building of the new international piece of the airport. When they pull for that project the money becomes encumber and we begin to work with everyone. >> Do we have any idea of what might be coming down the pipe this year? I mean, I'm just thinking -- >> Mayor Adler: Ms. Morgan? >> May I just say that I

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would like to try to keep us focused on the agenda items that are posted here. I know there will be a follow-up memo from the assistant city manager so if we could focus our comments on these items that would be helpful. >> Mayor Adler: This is a legal question as opposed to factual. We do need to -- it is very appreciated, but as we're here talking about this in terms of what we do or not do in a working session, this is something that I think might very well be something that would be a great extended conversation in a committee to talk about art. So we have 30-year program here that the staff is implementing as it's been implemented. There are national best practices associated with this. There may be other cities that have looked at taking an arts program and doing away with it. There may be other cities that have looked at taking an arts program and making it just for artists in those areas. I would imagine those things have pretty wide implication not only in terms of city, but in terms of city standing in the country and in the world. I think what we need to do is make sure that we have enough information to be able to vote on these on Thursday. And if we think that there are things that we need to send to a committee to be able to study, we could do that. If we wanted to stop or pause this program, we could do that. But my suggestion to the group is that this is all new to us and if we have this level of conversation on even the items we've pulled, we're going to be here the entire day doing that. And I'm not sure that this is the forum to really do what will be a satisfying conversation on what should our policy be on public art. At the same time I don't want to cut anybody off to get the information they

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need in order to be able to act. >> So my question was really getting a sense of what the percentage of the total budget of the year or the total expenditure of the year these two items are. That's really just -- >> If -- [overlapping speakers]. >> They've said they don't know. >> He said they would get it. >> We'll get you the best answer we can get. >> Mayor Adler: Ms. Tovo? >> Tovo: Can you explain -- I think it was a very interesting conversation and I look forward to having a discussion in a committee about just the point you brought up about whether there should be -- the circumstances under which we currently prioritize Austin based artists and whether that should be expanded. Can you explain how the airport -- we're very restricted in how we can use airport revenues. Does that play into this conversation at all? We're not using revenues for this, we're using bond money, but could that money -- were these projects not to move forward in particular item number 6, could that money be reallocated for some other purpose? >> Mayor Adler: Or does it have to stay within the fence, the geographic area of the airport? >> Elaine hart. The money would need to stay within the fence. It is part of the airport's capital budget as part of what assistant city manager Edwards said. It would need to stay in the capital budget for the aviation department. >> Tovo: I can't remember if we've talked about that in some of the orientation sessions. That's true of the revenue that airport generates as well. It can't be allocated for any purpose other than airport use. >> That's correct. It could be used for another piece of the capital project if it were not used for art in public places. But it would have to stay within either the capital budget of the airport or

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through a budget amendment it could be moved to the operating budget. >> Tovo: Thanks. I wanted to say I appreciate you outlining some of the reasons why the percent for art programs got started both in the new deal time, but also reaped by a lot of municipalities in the 80's. And I wonder if when you provide us with some information maybe you could talk about how different cities handle it differently, if there are cities that have kind of a local preference for all of their programs, that would be useful to know, but two, I just wanted to say one of the values of it as I researched a little bit about why these programs were instituted, certainly I think they provide opportunities for the artists. And you may have talked on this already. Not only does it improve our civic structures, but it also brings art to places and to areas of town where there may not be an art gallery or a museum. It brings I think art to people who might not take the time to go to an art gallery and they may not have the budget to purchase art for their homes. I think it seems to me part of our municipal purpose to make sure that our community has art throughout. So again, sorry if I'm reemphasizing a point you already made, but I wanted to be sure that. >> We can have this conversation at another time in one of the committees, but what struck me in looking at these Numbers, there's such a huge difference between \$95,000 and two million dollars. And I know it's because it's based on the cost of the overall project, two percent. But it is -- how well does that two percent threshold work? Are there sometimes that people say we could do something really great here if we had a little bit -- \$100,000 instead of \$95,000. And are there times that we say two

million dollars? I have no concept of what two million dollars buys you in terms of art. So -- but it sounds like it's a lot of money to me, so are we forcing ourselves

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to spend up to two million dollars when we could do a great art installation for one million? So I would be interested in that conversation a little bit more to make sure that -- >> Mayor Adler: I think -- >> I think that the airport, this project is monumental and so it's one of those unique ones, like you will see in Chicago with the bean in millennial park or you will see at other great airports, so this one had that discussion, but I'm with you, seeing a million dollars or two million dollars spent on one piece of art, there is a discussion that goes on and what is the best bang for the buck and how do we make this happen and what does that really look like? And I think that the art commission and the panel would be happy to speak with the mayor and council about how they make those decisions, what their thoughts are. >> Mayor Adler: That would be great. Any other comments on this before we move to the next item. >> Zimmerman: I agree with mayor Adler, this kind of questioning could kind governor on all day and we have other items to get to. So I want to make a couple of comments and then questions for my colleagues on how we might solve this. So when we dug into this, this looked like the ultimate blank check. It's a blank check. We don't even have any kind of preliminary designs. I think it's virtual hi impossible for any local Austin artist to be /bid/bidding on something when it's so nebulous. We don't even have concepts for what we're trying to do. I have two requests. First there's an empty chair right there. I'd like that empty chair to be filled with somebody that would counter the sales arguments I just heard. I just heard that math and science scores are going to go up by spending money on art. So I need to hear the other voice to that that will say, you know, that's probably not really true. I want to hear another skeptical voice that says

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this money could be spent in better ways. I want somebody to have a study that shows, we could have a study showing that these are not wise expenditures of money and they're contributing to out of control taxes. I want that other voice to be heard. It's not being heard. As far as solving this problem going forward, I want to ask my colleagues if they would assign this issue to a committee and request that this three million dollars get broken up so we have a little more definition so that local artists know what we're proposing so they can propose a solution. I can't believe that we have to go to New York or Massachusetts or Florida to do this. And the reason is it's so nebulous and so poorly defined. So I want to ask my council colleagues to put this into a committee and ask that this three million dollars be broken up into smaller steps so that we can bid it out to more local companies so we know what we're

asking for and we could look at some concepts for what the art should be. So we know what we're voting on. So that's my request to my councilmembers and any suggestions for where this might go. We just got our committee assignments done. Are there any suggestions for where these items might be assigned on Thursday if we decide to do that. >> Mayor Adler: I will take a look at that afterwards and make that recommendation if this on Thursday gets moved to a committee. And it's certainly something you could move. I would be interested in knowing at that point, you know, what is the impact on stopping something that is mid process in terms of where we are as opposed to having a conversation that looks prospectively on an issue like that. I probably would not want to direct the committee on how it should turn in a result in terms of breaking it up or not. I would probably leave that to be one of the things that the committee would take a look at. Because I do know that a lot of commissions with art begin with what the budget is and then you take an

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artist that you like or that, for whatever reason, has appeal, and you commission that artist and you give them those parameters. You say this is the space, this is the canvas that you have and this is the budget. And if they have a 500,000-dollar budget it will be one piece. If they have a two-million-dollar budget it will be a different piece. Usually the two-million-dollar piece has the chance of being more iconic for a city than the less expensive piece. Those are the value judgments or the choices. And they're all subjective. But that would be my thoughts on this. >> Zimmerman: That's why it deserves a little bit more scrutiny. And I've been pounded, as you have, pounded with emails objecting to not doing this spending because the local artists need the money. They don't understand that none of that money is going to them. And yet they're challenging us in emails, oh, you need to approve spending for local artists. None of the money goes to local artists. So I think that's what the council should look at. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I was going to say is that I think these are very interesting and legitimate questions about the program. And so I think sending it to a committee for discussions is important. I would be very reluctant to stop the process that's already begun with these particular items. I think it's much more appropriate to examine the whole program going forward. And I do think it's -- examine the whole program and the impact on local artists because, you know, local -- artists are small businesses in our city and so we need to support them. And I know that we do support them in a lot of ways. So I think it's appropriate for the council to look at the whole picture of how we support them and that's something that will be great work for a committee to look at going forward. But I wouldn't stop anything that's this far along in the process at this point. >> Mayor Adler: Are we okay going on to number 17.

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Ms. Tovo? >> Tovo: I have one question not particularly about these items, but with your permission I have a question for councilmember Zimmerman. And that is, I guess, I've heard you make this suggestion a few times. I'm not clear on what the suggestion is. It sounds like you were expecting the staff when they met with you and also here today to bring someone with them that represented a different perspective, and I just want to suggest to you that asking our staff to in essence argue against a program that they've been directed to implement is just not a fair or reasonable request. I think that what we have the ability to raise different perspectives as councilmembers, that's why we were elect and certainly the community has an opportunity to do the same thing via emails as they have been vigorously on this topic, but also in our committee meetings and public hearings and I think that's the appropriate way to bring in those other perspectives, but not to expect our staff to do that. To do that work. >> Zimmerman: Can I respond to that? Thank you, councilmember tovo. I appreciate that. I want to go back to the idea of 10-1 being a new way of doing business. And what's happening in the last 27 senior 10 years is once a policy in place, maybe. >> The new deal, looks to me like the management that taxpayers pay for seems to have a vested interest in pushing the same agenda forward. Over many years. And the voters asked for change. They want something different. And the way to get something different is to say look, if the voters elect me as a fiscal conservative and I come into this body, they're saying we want some representation and some voice for the fiscal conservative >> And the city management so far says, no, all we're going to do is give you the view of the way it's always been done. I'm asking for that other view to be represented on behalf of the taxpayers paying the bills. So that's where I think we differ.

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>> Mayor Adler? >> Let me first say I agree with you, mayor pro tem. You know, our job here is to carry out a policy in regard to these art programs that we're talking about that have been in place for a good number of years. I think that's already been noted by assistant city manager sue Edwards and by the staff that's in front of you presently. That's our job, and our efforts to carry out council's policy, what you have before you today are several items that are related to that, and we offer them in the context of that policy and those programs, and you have our recommendations. And staff is present to respond to any questions you have in regard to those recommendations. I do agree with mayor pro tem tovo, that in terms of carrying out that responsibility, I don't believe it's our job to bring some opposing point of view. I agree that certainly opposing points of view are welcome as part of any public discourse, and I think it's important in terms of, you know, how we go about formulating policy and making decisions, but in this instance, as we are -- we facilitated a process to bring this particular business before the council, I don't think that is an appropriate role for the city manager to do. We are simply carrying out a policy relative to long-standing programs for your consideration, and you have our recommendations in front of you. >> And I just have one very quickly. I just want to ensure that when you do get the conceptual drawings that the public will have an opportunity to vet these as well or does it go straight to the panel? >> We could certainly integrate public meetings. Each product is different so as it develops

we would learn how best to do that. >> I think it would be wise to integrate some public discourse about it. Thank you.

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>> And that could also build enthusiasm, it could build ownership, it could build buy-in. There are lots of reasons why that might be a good thing to do. If we're okay we'll go on to item no. 17. Ms. Troxclair, you pulled this one as well? >> Troxclair: So this was a response to the resolution that we passed recently that dealt with flexibility in our budgets. And I know we had a long discussion amongst ourselves in council meetings about making sure that this was going to give us flexibility -- flexibility in our budget, not necessarily a specific expectation of a reduction in salary, but it seems like -- and so to that point, says process allowing the council and mayor to shift funds in their budgets, including annual salaries to other areas of their office. But then the ordinance that's before us really is very specific to salary. So my question is, is this written in a way -- will we have -- I want -- we want flexibility in all parts of our budget. So I want to make sure that this addresses the conversation that we had before relating to salary versus budget as a whole. >> So the question is, is there a problem with making it broader so as to give the council members greater discretion overall in their budget, so long as they stay within those budget constraints? >> Good morning, mayor, mayor pro tem, members of the council, I'm deputy cfo for the city. There would be no problem with that. I don't know that it's needed, though. There is a specific ordinance that lays out what mayor and council's salary shall be, and so this ordinance adds the flexibility that that salary that's laid out for the mayor and council can be used for other budgetary purposes. In regards to the rest of your budget, the flexibility you've talked about already

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exists. So, you know, the ability to take funds from your travel budget and use the funds, temporary staff and things. That flexibility remains today. It's always been in place and will continue to be in place. This is just to address the mayor and council's salaries and to give you flexibility in regards to them. >> Troxclair: Okay. So if I wanted to use an office supply budget to put toward the district meeting to buy coffee for a district meeting, that's -- >> That's absolutely -- can already be done, yes, ma'am. >> Troxclair: Okay. >> Mayor Adler: Ms. Tovo? >> Tovo: So in our discussion at council I'd ask that -- why this had been able to happen in the past without an ordinance change and whether an ordinance change was really necessary. I'm not sure whether you had an opportunity to look at some of those earlier examples to see whether they predated or postdated the adoption. I know at least one that postdates the adoption of the ordinance establishing a salary. It was a small amount. There had been a mistake in a council member's salary for four or five months, maybe three, somewhere in that

neighborhood. It wasn't necessary to have an ordinance to make that member decided not to recoup that back pay to which she was entitled. So -- the ordinance -- if an ordinance change really is required, and if so, why. >> Council member tovo, I'm not familiar with that. I know that to the extent that I've been brought into this the property way to amend an ordinance is with another ordinance, and that's what this action does, and it also sets up the administrative process whereby going forward if council members want to decline their salaries, there is a mechanism for doing that. >> Tovo: Okay. I mean, it sounds like we've done it in the past without

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an ordinance, perhaps because of the level of scrutiny on this particular issue. Now we are amending an ordinance with another ordinance, but it -- >> Mayor Adler: Ms. Morgan, do you have anything? >> Council member tovo, if something happened in the past and it wasn't done precisely the correct way, it doesn't mean we're not going to do it precisely the correct way now. And because the ordinance that's in place says the council members get a salary, the protection for the city is to have an ordinance that says there's a mechanism for you for waive that salary or part of the salary. Otherwise you're still entitled to it because your ordinance is the law. So to protect the city we need a mechanism to do that, and that's -- we've set it up so that you can -- we don't have to revisit it every time. You can in future do that. >> Tovo: All right, thanks. >> Mayor Adler: And I had thought just by way of public record -- I had thought that I would be able to do this for the -- for the entirety of my term, but apparently because it's taken us a month in the process to get this passed, the paychecks that have come in, that have stayed in the front desk of my receptionist are checks I'm not going to be able to just tear up or do something with. So it may very well be that I end up signing those over to the city or even cashing those checks and then donating the money back to the city. But in case anybody is looking, it appears as if the first two or three paychecks are going to have to come my way or through me or something like that. And I want to do that rather than propose another ordinance to deal with those three checks. Any other questions on item no. 17? Then we'll go ahead to the in the case item. Thank you very much for joining us. That gets us up as to no no. 20. First of a group going through several. I don't know, councilman Zimmerman, whether you want to talk about them collectively or

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individually. >> Zimmerman: Thank you, Mr. Mayor. I would like to talk about them collectively. I think the concepts apply for all. There's one case with a cardinal point project that it's especially contentious, but I think that the issues covering all of these are so similar I would like to cover them as a block unless there's objection to it. >> Mayor Adler: Any objections? We'll just cover these housing loans collectively.

I'll give you, floor, there Zimmerman. >> Zimmerman: Thank you. I appreciate that. So we have talked a little bit about this. Thank you for coming back, Betsy. You were here at the deep dive -- not deep dive, but the policy forum. I'm going to follow up with a few things that we've already touched on and try to get some more information. Let's -- let's start with the calendar. I know that this is a point of contention and we're probably in strong disagreement on this, but I want to go over the deadlines for the submittals of these applications. There was a letter given to all the council members. I don't know if everybody read it, but I did bring it up at the policy forum, and there was a statement made that would lead people to believe that if we didn't approve these items, or that we needed to approve the items so that the applications could be submitted, and I alleged that that was a misleading statement because the truth is that all of these organizations like foundation communities who are submitting applications, they've made pre-applications already and they're able to submit their final applications prior to February 27 with no action from the city council. And I think that's an absolutely correct and importantly a truthful statement, that all these organizations could complete their applications and give them to the T date ca -- or council member, that's the Texas department of housing and community affairs. Tdhca. It's too long to say all that. So they could submit those to the tdhca on or before February 27 without any

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action from the city council. And isn't that a correct statement? >> Yes. >> Zimmerman: Thank you. Thank you very much. Okay. So the deadline for this council to submit resolution for local government support, which goes towards the scoring, that deadline is April 1, is it not? 2015? >> No. Actually their full application is due on February 27. Three items that are required by April 1 is the market study, the support resolution and -- site challenges. There's just three items that are due by April 1. But the full application is due on February 27, and if I could clarify, they can submit their applications without any action from us. However, they would be -- there would be a lot of points that they would not receive if they do not have our funding commitment by February 27. So you are accurate, they can do it without our action, but they would be significantly deficient in their number of points. But the application is due on February 27. >> (Indiscernible) Sufficiently, because there is kind of a complex point scheme and -- >> I'll do my best and I have a couple of the folks behind us in case I mess up on the points. It is my understanding there's 11 points for the funding commitment. You get an extra two points if you've got your full financing term, and there's one other point, David correct me -- so there's a total, I believe, of 14 points for their full funding commitment from the local jurisdiction, municipality. That's 14 points. And I believe as you remember, when Tim Irvine spoke last week, this is a highly competitive process, and all of the applicants that win will very likely have the same score. So even one point can make a tremendous difference. So the lack of 14 points, by not having our commitment,

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would be a significant loss of points. >> Zimmerman: Well then -- and I agree, by the way. I think your points are pretty close. >> Yeah, I could be off on the points. >> Zimmerman: But the point being that by getting council action early, that's advocating in favor of the projects. >> I'm sorry, say that again? >> Zimmerman: If you -- if you urge the council to put -- to put these approvals in on Thursday's agenda, if we do this early, it's advantageous for the project. In other words, it's voaks advocacy and it's promoting the project. They'll get more points if they're doing it early. The point I'm trying to make is it's advocacy in favor of the programs. >> May I respond? >> Zimmerman: Sure. >> I would actually look at it in a different way. But advocacy is a an interesting word. We're making a professional recommendation for all of these projects. As we learned last week, there is not another tool that we're aware of that leverages so much equity for a project. In that sense, we consider this to be a very beneficial opportunity for affordable units in the city of Austin, and in that sense it has been our policy to recommend all of the projects within the city of Austin limits. >> Zimmerman: Okay. So thank you for that remark, because that moved from advocacy into lobbying. Now you're lobbying us. You're telling us that it's advantageous, we can leverage money, it's a great way to get affordable housing. It sounds like lobbying, because I have a counter argument to this and I'll be making that over the days and weeks ahead, but it sounds to me like lobbying. I'm being lobbied, hey, you need to vote for this because it's a great way to get affordable housing. >> Mayor Adler: It can also be characterized, you asked a question and she gave you an answer to the question that you asked. >> Zimmerman: I'm sorry, you're right. You're correct. >> Council member, may I add one thing? >> Zimmerman: Yes. >> Rebecca jielo, assistant

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director of neighborhood housing and community development. One other thing just to build on Betsy's comments and this -- recognizing that it is a new council and it is a new day, I say this really just simply for purposes of education, for those that are new to the conversation. One of the things that staff has done and has not been a practice of the Texas department of housing and community affairs in that some of the resolutions that developers must seek at the local level are somewhat new. So that has not always been a part of the qualified allocation plan, which is what basically determines the allocation of the tax credits. One other thing -- one of the things that we have done as a practice as we have prepared the applicants with resolutions that create the most competitive application for them to submit, so one of the things that we just want to state is that that is something we want to be very transparent about. We are preparing and allowing for the dialogue so that you all can, if you choose to do so, provide the most competitive opportunity to the developers submitting the applications. >> Zimmerman: The dialogue that you just mentioned, I see four of you up there, and thank you all for coming. In order to have a dialogue I need to have other points of view represented. Is there anybody of the four of you that are not lobbying, not advocating in favor of the projects? Can anyone here speak against them, why they might be unaffordable, why they might be unsustainable, why it might be a bad idea, why it's

contributing to escalating taxes here and increasing the national debt. Is there anyone that could speak on those important issues? >> Mayor, if I can, Bert Lumbreras, assistant city manager. As was stated earlier, councilman Zimmerman.

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That is not staff's position. We're talking not only relative to the process but to these applications, and at the end of the day this is a process that we are observing as a staff and we are providing your best recommendation, certainly if councilman wishes to do that in some other form you're certainly allowed to do that. I will say that, you know, at the end of the day, you know, we believe that these projects are worthy of consideration, and obviously opposing views are always welcome but that is not staff's position. >> Mayor? >> Mayor Adler: Ms. Pool first, then Mr. Renteria and Ms. Kitchen. >> Pool: I wanted to make an observation. The funding that you're talking about here with the match from the city, is all coming to Austin for the building of affordable housing; is that correct? >> That is correct. >> Pool: Right, and the panel that we were talking to previously on arts, the concern there was that less than 100% of that money was coming to Austin. You weren't sitting there but that was one of the points that was being made. So I would simply like to point out to my colleagues that the affordable housing that is being considered under the housing community finance program is all to benefit our community and for the people who live here. Thank you. >> Mayor? You know, the source of funds is also \$65 million that the city -- the citizens of Austin passed, and -- to great affordable housing. So this money, it has to be used creating affordable housing, and we gave the mandate to the housing department to create -- help the nonprofits to create affordable housing. Now, last year we leveraged \$45 million, and we only invested \$5.3 million, so that's a good return, and that's -- that's what we -- we campaigned for, and the voters of Austin gave us permission to invest that

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kind of money in these kind of affordable housing. Now, the attraction would be that if you don't like the projects that are going into your district, that's another totally different issue, but the issue is that we need affordable housing, and we need it now. We need it in the past, and we desperately need it now. >> Mayor Adler: Ms. Kitchen? >> Kitchen: I would simply support what my colleagues -- the points my colleagues have made, council member Renteria and council member pool, and I'd also just like to take it down another level to my district. You know, we've got a project that's in these -- the selection of items that is very useful and helpful to my district, and I don't have any opposition in my district, and I've been working with my neighborhood associations in that district, and this is -- this supports the goal of affordable housing, this particular item, Lamadrid area is in far south Austin. It meets all the points that

the council set in the past, and it's something that would be good for my district, and I'd like to be able to move forward with it. Ms. Troxclair R? >> Troxclair: So at the policy forum last week we had the Texas department of housing and community affairs director, Tim Irvine, make a comment that was kind of interesting to me, because he more or less said that he almost wished that the cities did have some kind of ranking system when it came to these projects, because once we're -- yes, they all get points, but if we're blanket approving all the projects, if we're giving them all the extra 14 points, we're really putting the power in the hands of the state to decide which projects are winners and losers. And so just, you know, if -- so I just think that might

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be something for us to think about, because we are the ones that have the ability to look at, you know, do these projects fit within our neighborhood plan, what is the impact of traffic, what is affordable housing in my district compared to a different district, and really take a critical eye to all the projects being proposed. He said that probably two to three of this list would be ultimately approved, but we have, I guess -- I don't know how many are before us, many -- >> Six. >> We have six. >> Troxclair: Six before us. So I think in the past that has kind of been the policy so, you know, more affordable housing is better so let's approve everything. But I think that this is an opportunity to kind of have a conversation -- a broader conversation, have a little bit more of an impact in the process, because we -- in looking individually at each of the projects, there might be things that they don't -- you know, they don't see once they get to the state level. They're considering projects from all across the state, and we're the ones that have the more intricate knowledge of Austin and how -- where the projects are needed and what impact they're going to have. >> Mayor Adler: How does doing points -- does it put it at a competitive disadvantage to other applications from outside the city? >> So if -- in the past -- well, a couple things. The qualified application process, or the qap, changes every year. So in that -- because it changes every year, we have remained flexible in our ability to support those applications. The other thing you'll notice is you've got the preapp log -- there's a preapplication log. What you will notice over the next couple months is that projects will move up and down on that list. Often what we've seen now, and what we will see -- recommended when it will go before the Texas department of housing and community affairs board, could change. And so the state actually has a very rigorous underwriting process, and so if we were to -- our policy

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or practice has been to provide all of the applications within the city of Austin the greatest opportunity so that they can move forward through that process, because there will be other -- many other factors

that the state will do and to evaluate those applications, and because their priorities change, it is often difficult for us in very short order to change our priorities. And so we have actually always supported the highest opportunity for our applicants because of that very strict process and how things will change over the next couple months. It's actually a very quick process, all things considered. They sign their -- the governor will sign the qualified application December 1. They've got third week in January to turn in their preapps. It's a very quick process, but they do have a very strict underwriting criteria for all that they have to do. Any deficiencies that are determined must be cured before it is put before the board, and so for us to complicate that process actually can be detrimental to a very good project. So that has been our reasoning for being supportive of all the applications. Certainly it's something we can all look at. I mean, we're all going to want to -- as new council members, you will want to understand how we do what we do and what you support. I think that's a great opportunity. I would recommend at this point in time that we maintain our practice until we have a chance to look at all of that further, because it is a relatively complex process that they do in a short period of time. >> Mayor Adler: Ms. Kitchen and Mr. Zimmerman. >> Kitchen: I think that council member troxclair is bringing up a very important point. I think it would be a great -- a very -- very important for us to discuss through our committee process how we set priorities for the funding that we do have available for affordable housing. I would support moving forward with the process that we have right now for all reasons that you articulated, but I do think

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that we are faced as a city with challenges in terms of the need for affordable housing and the available resources, and so I think that the point that council member troxclair is making is important for discussion in our committee process and then by the full council. Mr. Zimmerma N? >> Zimmerman: Yes, thank you. A point of information first. There are actually ten projects on the preapplication log that have Austin addresses, including one that's in the E.T.J. So using your own argument, which I agree with, by virtue of the fact that only six are presented here, already for projects have already been eliminated. So there's already a screening process going on. It's just not a screening process that involves the city council. >> They did not present themselves to us. The other -- >> Zimmerman: What does that mean, they did not present themselves to you? >> They did not submit an application for funding from us, nor asked for the letter of support. We are an application process, and so it is their responsibility to reach out to us if they want that letter of support and/or funding. >> Zimmerman: Okay. Thank you for that clarification. One other -- council member Renteria, it's a great question. Let me go back -- I was deeply involved in the bond campaigns, in 2012 and in 2013. In 2012 the so-called affordable housing bonds, the subsidies, were voted down by over 120,000 voters, in November of 2012. In November of 2013 fewer than 40,000 people voted yes. So in my view the bonds have still lost. They're still losing 3-1. In the November 13 campaign foundation communities -- foundation communities is listed on items 20 and 21 to receive about \$4 million of money. Foundation communities also spent over \$100,000 of corporate money trying to get those 40,000 people to vote yes. So my question is, how is

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this not an ethical conflict of interest to be awarded \$4 million of taxpayers' money that they got by \$100,000 -- \$4 million of corporate campaignses how is that not a conflict? >> Mayor Adler: I have two questions. The first relates to the one that council member troxclair raised, because I've wondered that same question. If we don't give the same vote, same recommendation to all of them, then we're going to be pushing some ahead. But I've also heard that if we do that, we've basically taken these out of the running, which is part of trying to drive the decisions to where we want it to be. But because of the rest of the process, instead of having two or three that are approved, we might only have one or two that are approved because as it goes through the balance of the process, one of the other ones that would have made it through the balance of the process might be something we've taken off the table. So there's a policy question in terms of do we want to be more directive about where are the ones that are win-win, or are we trying to drive the greatest affordable housing in the community? And I look forward to the committee wrestling with that issue among others. Second question that I have -- actually that wasn't a question, sorry. But this one is. What's the difference between the applications that are Numbers 20 through 25 on the agenda and the ones that are 26 through 31? >> I apologize. I'm going to look at the agenda. >> Mayor Adler: 20 through 25 -- >> So 20 through 25 is actually for the commitment of funding. The other ones are the resolutions of support. >> Mayor Adler: Okay. >> So there's actually -- >> Mayor Adler: So same property? >> Yes, so there's actually -- each development will have three different actions. There will be an action by the Austin housing and

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finance corporation board for a funding commitment. Way we are structured, the department receives the funds, neighborhood housing receives the funds, through through a service agreement we then put the bulk of our funding into the finance corporation to administer the program. These funds are all -- all -- all provided through our rental housing and developer assistance program through the Austin housing and finance corporation. So there will be an action of funding commitment by the finance corporation for each of the developments. Then after that there is a request for council action for funding support by the city because the Texas department of housing and community fair process requires that it come from the municipality, so we'll do the finance corporation, then we'll do the city, and then there's also a resolution of support from the city or municipality, three actions per development. >> Mayor Adler: Thank you. >> Yes. >> Mayor Adler: Ms. Gallo? >> Gallo: I have a comment and then a question. And the comment is that, you know, all of these issues are so interrelated when we talk about traffic gridlock, when we talk about affordability, and I think it's really important for us to remember that these affordable housing projects allow the (indiscernible) Work in close proximity to a large portion of our

population that does not have the resources to be able to afford rental units in the areas that they work. And so as we talk about this process we have to remember that it's also our duty to help support that policy idea of encouraging citizens to live and work close to keep additional cars off of our roadways. So that's my comment. The question is, there's been a lot of emails floating around that it appears that there's some confusion whether the rents will be paid on these different projects by section 8 vouchers or they are going to just be lower than market rents which people will pay on their own. Could you go through the different projects and let

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us know how those rents are going to be paid? >> I don't have to go through the different projects to be able to tell you that. Every project that we support financially in our contract requires that they accept the housing choice. That does not mean that every single person who lives in one of the properties will have a section 8 voucher. So some of the units will -- some of the individuals or families who live there will have a housing choice voucher. Some people will pay the rent on their own. They will, though, all have restricted units, which means that they would have -- and when we talked about last week we had subsidized and unsubsidized. There will be subsidized represents so they'll be capped, and there's an affordable rate. It's all published by the Texas department of housing and community affairs, so there's a published rent that they can't exceed. So it's both, actually. There will be a capped rent and then some folks will have a housing choice voucher that they can use to pay their rent. >> Okay. Thank you for that clarification, because I think some of the messaging that's moving forward to a lot of the constituents in these areas is that all of these projects will be totally section 8, and that is not what I'm hearing. That is just an opportunity for payment of the rent if that person is on the section 8 program -- >> That is correct. >> Gallo: But otherwise anyone that is working at the grocery store up the street can actually pay the rent with their own dollars out of their paychecks? >> Yes, ma'am. >> Mayor Adler: Ms. Houston? >> Houston: I want to thank you all for the information. That's been very helpful. And I want to talk about the imagine Austin and the concept of moving workforce housing into high-opportunity areas where people have an opportunity to not only live, work and play but also get a quality education. And so I applaud that we are starting to move people out of -- opportunities out of the crescent and move them into other high-opportunity areas. So thank you for that. >> Mayor Adler: Is there anything before we go to item 34? Mayor, I'd just make a

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comment for my colleagues that my understanding from all of this, and thank you all for your help in broadening my understanding, is that if we do not at this time move all these projects -- you know, give

recommendations to all these projects very promptly, then we are essentially choosing -- deciding that we do not want these projects built. And so I would, you know, only be open to postponement, everybody voting know (indiscernible) Compelling reason for these projects not to be built, and in my understanding severe lack of affordable housing across the city but in certain parts of town where many of these projects are in particular is so grave and so serious of a need that I think it would be difficult -- it would be very, very difficult to make a compelling argument to not move these forward, in my opinion, for my vote. >> Mayor Adler: Got it. >> Maybe I can wrap this up because we have a lot more work to do. Again, I want to go back to the qualified allocation plan, and let me assure you that the reason I haven't had time to work on a lot of other of the 85 agenda items, we've been focusing on this issue trying to do our own deep dive and trying to understand this, and the more we dig into this complex system the more we understand that people don't know what's going on. So Mr.-- my council member, Mr. Casar, it is amazing how complex this is, how complicated the money flow is. There are corporate tax loopholes. It is a universe of its own, the subsidized housing program. But I want to go to one more specific item. On page 24 of this 33-page qualified application plan, and we don't have time to go through them all. We could be here all day. So let me just point out one that I think is an inequity that the citizens, the taxpayers of this city are very upset about. Up at the top of the page it calls out how letters from neighborhood associations, or hoas, for instance, if they were registered in time, and of course nobody knows how to register but we

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told them to register. If they were registered by January 28 they're able to submit an official letter. Now, what's interesting, if you look at the top of the page, if you're a neighborhood organization in favor, you get plus 2 points. If you're a neighborhood organization who's opposed, you only get minus 1 point. How is that fair? I mean, it's patently unfair, that the people who are opposed count for less than people who are in favor. And there are many, many ways that the system is rigged in favor of the people profiting from these unsustainable and unaffordable Su subdiced housing rule. >> Mayor Adler: Is that a state or city rule? Displooz this is a tdhca interpretation of state law. So state law provides for scoring the tdhca creates this and as someone pointed out it changes. It changes every year. There are adjustments made. So then with is only good for this year. It will change next year. So there are some statutory things. For instance, the statutes say that a state representative is able to add points or subtract points. Then the tdhca comes along and interprets that and says, it's going to be plus 8 if they're in favor. It's going to be minus 8 if they're opposed, if they write a letter in opposition. There are many, many details that are implemented by the tdhca and this is the document. But I wanted to point out one thing that looks very unfair to our constituents, that if they're opposed they only get minus 1 point. If they're in favor they get plus 2. More than that, they're not allowed to deduct points. So if I have ten organizations that are opposed and none that are in favor, there are no negative points. It's still zero. So the scoring is biased in favor of the people profiting, like foundation communities and others, that have a conflict of interest. They profit from the very bonds that they spend our money on to get passed. So -- I want to urge the

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council, please take another look at this. Learn how this works. I would ask that this go to the housing and community development committee. That's a committee that focuses on these issues. They'll have the time to dig in and hopefully the inclination to understand how these programs work. So I want to ask the council to please consider putting these items into the housing and community development committee, and again -- and again, we can decide these issues in April. One of the things that hasn't been mentioned is if all the projects are delayed at the same time, there's no punishment to any particular project, right? They're all in the same boat. So if it's delayed past this Thursday meeting, we can decide later, the housing and community development committee could decide to issue the letters, and at that time the scoring would add up. They have a deadline of April -- April the 1st to submit the letters of support. >> Mayor Adler: Just to touch -- if we were to postpone it, does it cause them any prejudice in the process? >> They would not receive the points. It would be a tremendous detriment, for by and large we would be -- we would be killing the deals, because they need the points by February 27 with the application. There is only three items that need to go by April 1. That's the letter of support, the market study, and there was one other item. >> Mayor Adler: So the rest of the state would continue to move forward. >> The rest of the state would move forward. >> Mayor Adler: Austin would be taking itself out -- >> We would be taking ourselves out, absolutely. >> Zimmerman: I'm sorry. I don't believe that's correct. They allocate money per regions. Region 7 has money allocated to region 7. That's separate and distinct from all the other regions around Texas. Yes? >> Yes, I'm not -- >> Zimmerman: Region 7. >> If they do not receive their full funding commitment by February 27 they will not receive the points. I believe that to be a very accurate statement. >> Mayor Adler: Okay. >> We can check --

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>> Yeah, we can -- >> Can we get clarification? Because I did -- I heard -- I thought I heard Mr. Irvine say at our policy forum that we did have until April. So can we check -- >> That's on the resolution, the supportive resolution. The funding commitment, firm funding commitment to receive the full number of points is due to February 27. >> Mayor Adler: If you could find out the answer to that and let us know, that would be great. >> I will. >> We can do that, and this issue has come up a few times and it's my understanding that they have just posted a clarification to their faq on their web site. In addition, we have received questions from council member Zimmerman, that I think will also provide some clarification in our responses as well. So if we need to we can develop those answers even further. >> Mayor Adler: And I would point out that tool to everybody. Everybody is actually making pretty good use of the bulletin board. By the way, I'll mention that Kirk Watson who filed that bill is really excited to go on and see all the activity there on his bulletin board, as he calls it, but then there's also the question

and answer forum that we have that Mr. Zimmerman has taken -- he's made use of and is available if people should look at that too. We're go on to item 34. Ms. Troxclair, it was something you pulled. This is related to expenditures for library materials. >> Troxclair: Yeah, I -- okay. So this is an expenditure for almost -- not to exceed \$4 million. So in researching this item, I saw -- in 2012 there was a jump in circulation, which is great, but it looked like that year we went from \$750,000 to \$2.1 million. So what -- what are we attributing the funds to?

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It's a lot of money so I just want to understand what exactly the almost \$4 million is going to. >> Okay. This -- this contract is for downloadable materials for our library customers, our library patrons, and we kicked off the program in 2011 so that will explain why there were so few there. But as the years progressed -- and that was when the original contract was let, and thus the increased usage that we saw from our library patrons over the years, they really like the program, has required us to increase the size of the contract. So as the need has grown, we've made amendments to the contract. This is the third amendment to the contract, to be able to provide the materials that the library patrons are desiring to have. And library staff is here that could talk a little bit more about the program, if you -- >> Troxclair: Okay, yeah, I -- it seems great that we're having more materials available for download, and I'm guessing that that -- that is in part attributable to the increased circulation? >> Absolutely. Brenda branch, director of libraries. We started out with a thousand circulations a year. We are now at almost 400,000 a year. In fact, it's at 53,000 a month. So the increase is absolutely due to increased demand and projected demand. Approximate >> Troxclair: Okay. Yeah, I just wanted -- if there is more information about the breakdown of the funds, that would be great. This has already been approved in a previous budget; is that correct? >> Yes, it has. A portion of it is coming out of the library operating budget, which is their Normal book and material supply budget. They have a designated amount budgeted each year

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for operations. And then as we were planning for the new library that's being constructed down the street, we included in that capital budget some additional money for materials. So there's a portion of it, about 200,000, that will be coming -- excuse me -- from the new library capital budget to make sure that there are materials there when the library opens. >> Troxclair: Okay. Great. Yeah, if you have a little bit more detailed breakdown that's available, I would love to -- >> Happy to give that to you. >> Troxclair: Happy to see it. Thank you so much for being here. >> May I ask one more question? I appreciate council member troxclair's attention to this item and to cost savings. So could you all talk to us a little bit about the -- my -- I imagine that ebooks are an economical way of -- you can't lose an ebook, you can't spill

Orange juice on the ebook, so could you talk to us a little bit about how -- how or if you've seen across the country at this stage -- libraries save money as comparison to people checking out hard cover books. >> You're correct. Although hard cover books, the demand for them is also increasing at the same time, which of course gives us a funding dilemma. They are extremely popular, for exactly the reason you described, because there are no fines on them, because after a certain length of time they just disappear off your account. You can renew them, but you can't accrue fines. So they're very popular. Plus as you know, there's a huge increase in the number of people in our community across the nation who are using devices to look at materials, so they can look at them on their phone, they can look at them on their iPad, they can look at them on their computer, very convenient. >> Mayor Adler: You may learn that you can spill Orange juice on an ebook with much graver results than on a -- graver results

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than on a hard cover book. >> Just not on the public dime. [Laughter] Thanks so much for your work in this area. >> Mayor, I have one question. You know, I used the on-line book, but there was -- I don't know if it's still going on, because I don't check a hard covered book out, I have to renew every year. Is that still going on? >> That's either with your physical card or with your virtual card. You have to renew so we make sure we have current information on you. >> Renteria: Okay. Thank you. >> Mayor Adler: Anything else before we go to no. 36? Then we'll go to no. 36. This was the lone star riverboat. Ms. Appro troxclair. -- Troxclair. Thank you. >> Troxclair: Okay, yeah, I just wanted to understand a little bit more about this particular program. It looks like the service has been in place since 1979 and lone star riverboat has had the contract since at least 2001? >> Kirk (indiscernible) Administrator, parks and recreation, that's correct. Been there since 2001. >> Troxclair: Okay. So we currently get 8% of the gross sales but that will increase in the next few years? >> That's correct. The proposal is for ten-year with a five-year prime term and a five-year option. For the first five years of the contract, will get 9% of gross revenue. Over the second year we'll get 10%. >> Troxclair: So how do those Numbers -- how does that revenue equate or compare to the money that we're spending? -- To support the service? >> The city doesn't spend any money on that besides just mowing that little air of parkland where the concession operates. >> Troxclair: Okay. So what -- so I guess -- so

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then what is the nature of the business relationship? Were we -- we're contracting with a private camera and they just -- company and they give us a portion of the revenue? >> That's correct. They're a concession, so they work off of parkland and it's essentially a license agreement. We license out that land, then they operate off of a dock, and people go down there and take bat tours and do night tours

and private charters to enjoy the lake. >> Troxclair: So the city just owns the ability to license -- so we can control the number of boats that are out providing that service? >> That's correct, through the contract we have regulatory control over the fleet. >> Troxclair: Okay. And this is the only company that has a license? >> For an excursion boat, yes, through parkland. There is another excursion boat on lady bird lake but they don't operate off of parkland. >> Troxclair: Okay. That's interesting. When is the contract up for renewal? >> The contract is currently going to expire at the end of the month, and then it would be a five-year prime term and a five-year -- >> Troxclair: Five years. >> I had that option period, both parties could terminate that contract if they wish without cause but there would be a five-year option extended to them. >> Troxclair: Okay. Thank you. >> Mayor Adler: Anything else? >> Mayor, to follow up on one of council member troxclair's points, can you explain how this percentage compares to some of our other concession agreements in terms of the percentage of revenue received by the city? >> Certainly. There is a bit of a range. Our highest is about 18%, and that would be the butler pitch and putt, and then on our lowest, but it's a tiered percentage is through the Austin rowing club and that really depends on their gross sales. This is going to be, as I said, 9%, and our median is 9%. So I would say our average is around 9 to 10% of gross

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revenue. >> Tovo: Can you remind me what the rowing club is? What is the lowest number they can -- what is the lowest percentage they can do? >> It's 3% on -- as I recall, 300,000, if they earn 300,000 or less, then they would pay 3% of that. And then the next tier would be 300 and 1 -- up to 900 -- up to 1.2 million. Then they pay 10 1/2% of that and above that it's 15%. So it's a tiered revenue system for that. >> Tovo: I may follow up with some questions to the q&a process because I know that as these contracts are coming due you've been reevaluating them and renegotiating them and that's one reason why the butler pitch and putt was up to 18% because that was renegotiated relatively recently. So I'd be interested in knowing -- it sounds like you said the average across the concessions is about 9%, and so this falls within that range. >> It does, and just to let you know as well, the proposal does include some capital improvements to the site and some reinvestment by the -- in the proposal by the respondents. So we took that into consideration as well. >> Tovo: I saw that in the rca but I didn't -- it just said improvements to the parkland. It was very general, and so I -- if you want to, I can submit that as a q&a or you can address it now. But I am interested in what the nature of that improvement is and what kind of expenditures are planned and some more details surrounding that. Because again, you know, especially because the butler pitch and putt is on my mind. We did -- the prior council approved that one recently and there were some pretty strong requirements put in that for a long-term concessionaire of the city. So this too is on long-term concessionaire of the city and I think it's appropriate to reevaluate and make sure they're held to the same standards a new concession would be if they came on board, so to speak. And I guess too I would like to know how they compare, if

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there are cities that do riverboats over San Antonio, which may be a whole different ball game, but it would be interesting to know how that percentage of revenue sharing compares to some other cities with similar -- similar situation. So I'll -- unless you have responses right now I'll just submit those through the q&a. >> Thank you. >> Mayor Adler: Any other items on 36? >> Mayor? Assistant director of parks department. I wanted to share with the mayor and council that we will be delaying this item moving forward so that it will give us sufficient time to get to the design commission and the environmental board. Part of what the code requires is that there is a joint recommendation. While it does say that members from the design commission and environmental board may review the proposals, in this case once they've reviewed it then they will make a joint recommendation and we'll move it forward to council. So we're planning to on February 23 go to design commission and then either on February 18 or the 4th be at the environmental board and ready for council by March 5. >> Mr. Mayor? I have a question relating to the timeline. Just generally, not your specific. The question that I had, do we have a sense of when or how we will start sending issues through the committees now that they've been appointed? Will there be like a -- because different topics are still coming to us on Thursday meeting agendas. Do we have a planned -- >> (Indiscernible) I know that staff is taking a look at logistically how that will (indiscernible) Provide input, and I hope (indiscernible) Get there really, really, really quickly. >> Pool: Great. Thanks. >> And what I think part of that would be -- I'm sorry, part of that will be taking a look at the calendar, perhaps, and suggesting

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times when committees could meet. Rather than have everybody going out trying to set their own committee meetings, which would be just a real zoo, we'll probably make a suggestion for that after talking to the chairs of the committees so that there's kind of a layout that might work in case people wanted to adopt it. We intended -- hopefully we'll do that real quickly. Okay? Any -- yes. >> Mayor -- mayor, before -- can the rest of the panel introduce themselves? >> Mayor Adler: That would be great. >> Good morning, mayor, everyone, my name is James Scarborough. I'm the new purchasing officer for the city of Austin. It's my second week with the city so it's a pleasure to meet you all and look forward to working with you. >> James is really new. You've been with us, what, how many weeks? One or two? One week. >> About a week and a half. >> He comes to us from Phoenix. We're very pleased to have him. >> Thank you. >> Mayor Adler: And in this environment not much newer than most of us. [Laughter] >> Hi, I'm irsha done bar -- I was the acting purchaser, I'm helping James get up to speed. I'm the deputy fleet officer but I have a long purchasing background with the city of Austin. >> Mayor Adler: Okay. Anything else on this item? Thank you very much. We'll then go to item 38, which was pulled by councilman Casar. >> Casar: Thanks, mayor. And just by brief introduction of why I pulled the item, I

know that there has been hard work done on this parking meter district for -- for quite a bit of time, folks said a few years, and I'm sensitive to

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that. My questions are related primarily to two areas, but primarily focused on the fact that they're in the -- there in the Mueller area there are some nice parks that are used by many people from outside of Mueller, and that was part of the problem with the agreement, that we would have public amenities that could be enjoyed from across the city. People from all across my district and I imagine lot of people that live outside Mueller in district 9, 1 and beyond use those parks. So I wanted to make sure that before moving forward we could get some of the details about how we ensure that there are still -- I believe, you know, that it would be a good value for there to continue to be free parking access and that we don't de incentivize use of those parks while residents need to not have all the street near their residence clogged up. So if someone could speak to if we've analyzed the number of parking spots being used by people particularly on the weekends to use that park, and if the parking meters contemplated here will be taking away those spots or being near them. Because I was trying to look at the map and I was having a little bit of difficulty with the sort of amoeba colored map understanding if the parking meters are just going on these streets or if they're going somewhere else. So -- >> Sure, council member Roberts, parking management, also is within the transportation department. And as you said, thank you for mentioning the fact that we've been working on this for a while with the surrounding community and the businesses in this area, and they're very interested in moving forward with a parking management, especially now that the thinkery has moved in across from the park and that's creating quite a demand for parking and, in fact, may be locking out some folks that are headed to that park. But we're only effecting one -- affecting one face, one edge of the park, so there are three other edges of the park that will have

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available parking for people who are headed for primarily the park as opposed to the thinkery or the businesses and activities around where the metering is going. So with metering we have to meter far enough to discourage the unwanted activity or to manage the unwanted activity, and what we're trying to manage here is to make sure there's turnover. And so we think by just metering up the one face of the park, which is immediately across the street from the thinkery, that will leave the other parking spaces surrounding the park available for people headed to the park, but that they're far enough away that people headed to the businesses or the thinkery probably won't walk that far. The meters will create turnover right there, and so it will discourage employees who might be parking there errantly on

the street and blocking customer space, that the customers that are headed to that activity. So this is Steve grassfield, he's with parking. He'll tell you the exact number of spaces. >> At Mueller central there are 50 spaces that will be free parking. Around the east edge of the parks there's another 75. So there will be 125 spaces available. We've talked to cotellas, the developer of that particular area. We want to make sure that in that lot that rob was talking about right across from the thinkery, that there's plenty of signage directing people to where free parking would be located. So they have that opportunity. >> And then to my prior question, have we done -- I know sometimes the park is very full. I don't know, you know -- we don't have to count July 4 or Easter because I'm sure it's over 120 cars those times, but, you know, just on the -- on a nice sunny weekend do we have an idea if those 120 spaces is sufficient -- is -- you know, is sufficient for people that are using that park regularly? >> We believe that that would be -- now, again, on Sundays, so you understand

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the parking is free even in the metered spaces. So we believe -- and again, we had meetings with all the surrounding neighborhoods, and that seemed acceptable to them. >> And council member, one thing that we know because there are some parks where we actually do meter the parking, where parking is of such demand, even on the weekends, that the metering can help turn over that parking and give more people access to the park, and so there will be a percentage of folks that want to park close to the one side of the park where there will be meters and will find that the meters do help to create some turnover so that they have an option to go there. >> Casar: Great >> Great and thanks. And for me it's sort of anecdotal question, also knowing that there's so many lower income people that use this park in particular. My other question is a bit more complicated, which has to do with the revenue sharing from the parking meters because it my understanding that in the master development agreement with Mueller that property owners within Mueller, and correct me if I'm wrong, that property owners within Mueller are expected to pay for parks and -- the parks and maintenance that eventually are public assets. So my question is with the parking transportation management district that's been proposed here, ptmd, -- within this ptmd are we changing part of what is negotiated and contemplated within the master development agreement by essentially changing the financing or the -- the financing structure for park maintenance by -- are the parking meters going to be changing that agreement or is that still the same way we maintain the parks? >> The way we envision is no, it would not be changing that agreement. The revenue from the parking meters can be used to build additional sidewalks or provide additional maintenance that is maybe was not originally contemplated, maybe there's a higher level of

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beautification to encourage more walking because that's another way that people can access these parks if they live close enough to walk. Make improvements between the transit amenities and the parks and so forth. So that the funds can go back to help improve the accessibility of the parking that's available and the assets that lead to and from the park and actually remember the other part of those revenues can be spent citywide to improve transportation facilities as well that also reduce the need for parking or transportation. >> Sorry, may not have phrased my question correctly because it would not modify the master development agreement, but is there reason for worry that this investment from the parking meters would then reduce the amount that needs to be invested on the -- >> Displace someone's responsibility. >> Yeah. Are there safeguards such that this revenue would only be adding to what was already contemplated in the mda such that it doesn't displace it? >> Steve tells me the simple answer is yes, there are safeguards. And knowing that that is a concern at least my one councilmember and I'm sure other councilmembers hold the same concern, we will certainly be on vigil for that. >> Houston: Mayor, first of all, the Mueller development is touted as one of the best examples of managed planned growth, but I want to point out that many of the people who use the park and on do walk, that there are no sidewalks on airport boulevard so it is a danger for them to even try to get there on either side of the street. So I am just saying that I don't need a response to that. And the other thing, even though it's a planned unit development, parking has been a problem even in phase

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one. Whether you know it or not, my beautician is in phase one and Seton park is there and we cannot find parking because all the employees park there. So the whole parking situation has not been well thought out and now that we have the H.E.B., which in all the other development in that area, it is becoming more and more of a problem. So as we plan these new opportunities for people to live, work, play, we might need to think more critically about parking. Because they don't come with bicycles, they do come with cars. >> Mayor Adler: Thank you. >> I had one more question. I notice this is a ptmd, which I already explained what it was, but not -- a ptmd, but that this is not a parking benefit district or a pdd. Can y'all explain to me the difference? Because I do know there were folks who were very involved in creating the parking benefit district sort of ordinance and my understanding is that we were probably going to use that in different parts of the city since there was so much input. I'm not as familiar with ptmd's, so when this popped up some people were asking why one and not the other. So could we hear a little more about that? >> Well, councilmember, let me start and I'll let Steve finish up on this. When the parking development districts were first developed, the predecessor, that was the first of the kind for us to wade into. The primary perspective of that is that the neighborhoods could generate the desire for that and the department had no way to go out and seek interests or encourage that in a sense. Later on we realized that business districts as well as neighborhoods wanted some more flexibility in terms of being able to formulate or get some basic data upfront. And that also opened up the desire by the department to be able to have conversations in areas where we know that there are parking problems. We know that there are more

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remote business districts and communities that are -- than downtown that are having parking issues where parking management might be a potential solution. And so we developed this idea that ptmd, parking and transportation management district, that gave more flexibility to business groups as well as the department to make the suggestion that a revenue sharing experience might be possible. Our hope is that working with the ibiz or other business districts throughout our community that we might be able to partner to create identity around these districts. That this potential -- for downtown, you can drive down the road and suddenly you're in a small business district and go gosh, this has a place, whether it be -- I don't want to name any of them because people will think that I'm targeting them for management, but they're all over the town that with just a little bit of help from a revenue source they could create an identity, have flowers on the street, have improved signage and lighting, have a management district that helps clean up and maintain higher levels of service. So that was the genesis. In terms of the revenue sharing, they're the same proposal, whether it's a ptmd or a parking management district, pmd. After expenses, because any time we manage a parking area there are certainly expenses that we have to spend to do that management. We split the revenue with the local area, 51% goes back to the local community. Now, it doesn't really go back to the pockets of the local community. That goes into a special fund that between working with the community we develop projects that relate back to the parking management or the transportation system and use those funds to reinvest

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in those projects like sidewalks and signage and improved care of that community that would encourage people to park once and then use pedestrian methods more significantly. What's different between one parking district and the next that we might set up are the number of meters that we might put in. So that affects the cost that it takes to manage that district. The number of spaces that might be managed, so the more spaces, the larger the funds to be split. And then lastly, the number of hours that we're managing. So some of the management districts have very tailored management hours, for instance, maybe only the evening hours when a parking problem exists. And other districts might be 24/7, for instance or longer periods of time, so the actual revenue changes depending upon how many hours. So the actual number that goes back to the community varies depending on the size of those three variables, but the percentage is the same, 51% is envisioned in either ordinance. >> Casar: In the draft ptmd that we would be approving, does it already have laid out what that 51% goes to or does it just say that you're going to work with neighborhood residents and the property owners? >> So we set that aside and work with the community each year or on an ongoing basis to identify the priority projects. So

there' not really a sunset in either one of them. As I think some people think that once we've paid off a ptmd it's done. -- Pmd it's done. There's certainly an ordinance envisioned time period for which it suggests, but within that time frame there's a whole series of projects that we may know now or may not know now that can be funded through there. So it's an ongoing relationship that we set up with organizing piece of the community. >> Casar: Thanks. >> I might add just one thing. Rob covered most of the

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points, but I've been with the city the last eight years, and as councilmember Houston mentioned, we've already found we have problems out in the Mueller area. And part of the ptmd was to be proactive instead of reactive because as I've mentioned, we spent a lot of time just in downtown being reactive to problems and we want to kind of get ahead of this whole situation regarding parking. TV yeah. I think you're probably in receipt of some of the same correspondence I've been from a community who outlined the difference between a pmd and ptmd with some concerns that the ptmd doesn't confer to the community the same degree of benefits. And that would hold true both for the mule irrelevant one as well as the -- the Mueller one as well as the east Austin parking and transportation management district in 39. So I wonder if you can respond to that. Are you familiar with some of the concerns? One is that parking benefit district projects for which there's a different ordinance for the parking benefit districts, those projects can be leveraged under the neighborhood partnering program whereas under the ptmd they cannot be apparently? At least as it's described. Maybe it would be helpful if I just supply with you a copy of this correspondence and you can respond via the Q and a process. >> It might be easier, yes, councilmember, to respond point by point to know which issues you would like. The differences in the amount of real dollars that go back to any individual district fall back on the three variables that I was talking about, the expenses that it costs to run it, so that it is dependent on the size of the district and the number of devices that have to be deployed, the number of hours that are managed and then the number of spaces that then generate. So that's the differences

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between the costs and the revenue that goes back. It is my assumption that we are always willing to work with the neighborhood partnering program to use funds that can then be leveraged against other city funds to realize improvements. So -- but let me respond directly to that Q and a. That might be the best way. >> Tovo: You've addressed two of them and there were probably three or four hours. I do want to get back -- I appreciate councilmember Casar for pulling this item to talk about the parking and I just want to get back to talking about the parking right around lake creek park for just a minute. I also

want to say I've attended at least one of the community discussions and heard the array of really strong support for it and understand that it is out there, but I want to talk about lake creek park in particular because some of the parking spots that you're talking about still being available for free are quite a distance from the playscape, and that's what really draws a lot of families from outside the Mueller community as well as inside the Mueller community. I've spent a lot of time there actually and I know from talking to families that it's doing a fabulous job really of welcoming in families from other neighborhoods as well. So I want to be sure that this balance is right. The parking lot that is immediately adjacent to lake creek park, will that continue to be available without meters? >> No. What is being proposed is there would be meters in that small lot. >> Tovo: Okay. I thought it was primarily the street outside the thinkery. So all our -- that will all be metered now? >> Yes. Because what the issue was is that it was all being filled up by the thinkery and walking right across the street. >> Even now, it's my understanding that it's an issue is that people are overflowing the available parking for the thinkery, ending up in that parking

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facility. And so those very people that are intending to use the playscape aren't gaining access to it. >> Tovo: And there is a parking garage near the thinkery. >> That is correct. >> Tovo: As you indicated earlier, I think that will be available to park users as well as thinkery visitors. >> That is correct. >> Tovo: On a free basis? >> It is presently on a free basis. As town center develops, there will probably be charges for that. The thinkery has an agreement where they're allowed to -- thinkery people are allowed to park for two hours there for free. >> Tovo: But we can anticipate that may change. >> Yes. >> Tovo: If you're a family that wants to go to lake creek park and you don't live within Mueller or within walking distance otherwise, your options for free parking, non-metered parking, would be -- the closest options would be over by the hangar? >> By the hangar. That's about 50 spaces. And the east edge of the park there are about 75 spaces. >> Tovo: But that's a pretty substantial walk for some families. Some families like that kind of walk. Others would not. So you've got 50 spaces right across. Okay, thanks. And I know that you referenced some other city parks into which we have relatively recently as a city imposed parking meters. And I -- this is a different animal. I think there's been a lot of community discussion and largely community support for this option as a parking management strategy in an area that needs one, as you said, to be proactive as it develops out. But I hope since it's come up, I hope we will look at some of the situations where we've added parking meters. For example, at butler shores, it causes me grave

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concern when we have a public park that we're trying to encourage more user -- more users to frequent and we make it difficult and costly for them to do so by putting in meters. So I didn't support that change and I think that that's -- I hope that's not our policy going forward. Again, this is a different animal, but since you reference that one, I felt compelled to just comment on it. >> And councilmember, we understand that that is an ongoing policy discussion and appreciate that. Our challenge is that we have other activities in close proximity to these parks, all the parks you've mentioned. In fact, there's another park in Hyde park close to the university where we responded with meters on the street and actually have received positive feedback from parents who were trying to get to those playscapes because they said people would park all day. It is a dilemma when we have these parks in close proximity to other uses. As you know some of those parks we had a high number of construction workers parking and biking across into our downtown area. So it is a challenge that we stand ready to help you and the rest of the council work on and try to figure out on on a C case by case process what the best process is. >> Tovo: I don't want to get to the point where the public parks are available only by means of a parking meter. But I understand especially with butler shores the challenges in that area with so many other users using that parkland -- parking spaces. Thanks. >> Renteria: I have a quick question. This is on item 39 right next to it. And the question is that east Cesar Chavez neighborhood association, Guadalupe neighborhood association, and east Austin merchant group. Now, what's the east Austin merchant group? >> That's the ibiz group that rob referenced. >> Renteria: What. >> The ibiz. >> And I don't know what that stands for. Councilmember Houston, I

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just know it's called ibiz. >> Independent businesses. Basically on fifth, sixth and seventh street. >> Renteria: I just wanted to verify that. >> I've always just heard of them as ibiz. >> Houston: Yes. In 39, east Austin parking and transportation management district application, since mayor pro tem tovo brought that up, what is that and how does it -- it crosses district boundaries, so how will that be managed at this point? Chicon over? So it has crossed district boundaries and I didn't know anything about it. >> Council districts, I'm sorry. I apologize. >> Houston: So it's not a problem. I just need to know what it is and how do we make sure that people are merged into that if some other part asks for it. >> If this passes council this coming Thursday, we'll develop a committee from the -- basically the neighborhoods and that can be also in your council area, along with the business, the ibiz folks. So yeah, we'd love to have input from your council area. >> Houston: Okay. When you said that it reminded me of something that I had on my desk at the department of mental health and mental retardation. It said god so loved the world that he didn't form a committee. [Laughter] >> Casar: Mayor, if I can clarify one last point. I just wanted to clarify also, because it was my most important question and I wanted to make sure. So this is -- so these Orange lines on Mcbee and Maddie, this is the only

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parking meters that we're currently approving, right. >> Yes. >> Casar: The boundaries include airport and other, but these are the only meters? >> Yes. And again, town center hasn't been built out. So this is where there's a problem. What we do is as transportation engineers, actually we did surveys of all these areas and this is where we found out that parking exceeded 80% occupancy. And we weren't getting turnover. So these are the only areas at this specific time that this could grow into the town center area. >> I'm very sorry to keep us on this issue. I just got an email indicating from one active participant in both the neighborhood association and these discussions that it was not an understanding that the parking lot next to lake creek park would be metered. So we can follow-up afterwards, but I would like to get a sense of the history. I was a little taken aback too, so I wanted to know how long that particular section has been in the plan. >> Okay. We'll verify that for you. >> Tovo: Thanks. >> Renteria: Mayor, I would like to -- could you introduce yourself? >> Absolutely. I am Jill Fagan with the economic development department. I work on the Mueller redevelopment project on behalf of the city. >> My staff pulled it before or not, or if there's anybody here to speak to it,

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but my -- I just wanted some clarification on number 42 about how our public-private partnerships opportunities work in these areas? There you are. You're still here. >> , So I thought I was done. -- Sorry, I thought I was done. [Laughter]. >> Casar: So I just want to indicate that I would -- right now I'm inclined to support the items because there's obviously been a policy ongoing from previous councils, but I just wanted a bit of a quick primer on how these public-private partnerships move forward, what guidelines are set. And my concern has to do with private contributions leveraging public funds. In particular if those public contributions are made private by individuals in a neighborhood because it could contribute to inequity in the way public funds are distributed and wanted to hair about any safeguards we might have in the current policy to make sure we address sort of funding equity in different parts of town regardless of people's ability to make private contributions. So on this item I see that the -- it's proposed that the city match the private contribution with about \$8,000. I know it's not a lot, but I wanted to get an update on how the public-private partnerships work with local area traffic management program. >> Councilmember, Robert spillar again with the transportation department. So with this particular program we take in requests on every six months or twice a year typically. These are capital type investments and so they're funded through bond funds held to whatever period that they're running the program for. And then we take applications every year. As we rank those different applications then we direct

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monies to be spent on them. So we set a budget every year. We're on a diminishing fund in a sense, so we're at the end of this program. So we're actually running fairly low on funds to continue the traffic area program. When we get projects in that we don't have enough money for, they're ranked along with the other project and then after that if a neighborhood says, well, we can -- we only need half the funds that the program calls for because we can subsidize that with a local contribution, that's how those then are reranked and moved up simply so that we can spend the rest of the money in the program and get those programs built. However, all the programs are ranked first without any recognition or allowance for neighborhood contributions. So all of the projects are ranked. Projects that do not have any neighborhood participation can be 100% funded by the program as well. Now, the public works department also has a neighborhood sharing program that we participate in. So there's other forms of contribution that could be contemplated. So there can be neighborhood participation, some people call that sweat equity. In fact, we're working with several neighborhoods in and around the U.T. Area, I believe, or on the east side right now to do a parking management project where the neighborhoods is going to help us paint curbs that designate no parking areas, so they're actually coming out to help us do that over a weekend. So there's other ways that communities can participate other than just financial contributions. And I can get you more information. >> Casar: Sure. So the contributions often times are just from private individuals that live in the area that want to see the project ranked higher because we don't have enough money for it.

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>> No, sir. They usually come through neighborhood organizations or neighborhood councils. And so we don't see -- typically we don't see individuals helping to submit the funds. It goes through their neighborhood association. >> Casar: Okay. Thank you. >> Just a follow-up question. The scope -- I see that this item is for traffic calming. What is the scope of the types of projects that you're referring to when you talk about this program? It's not simply traffic calming, right? There are other types of programs. >> Well, I mentioned two different programs. I was trying to just respond to the traffic calming related to items -- >> Kitchen: I know about the neighborhood. I'm talking about the one -- the traffic calming one. Is it only for traffic calming? You mentioned curbs and other things. >> Yes, yes. This is only traffic calming. Yes, ma'am. It's not the curb-related issues that I was just using that as an example of how neighborhoods can participate. >> Kitchen: But do you have separate programs for different types? Like there's a traffic calming program, a curb program? Is there a sidewalk program? >> So yes, ma'am. And it usually follows the types of monies that are being invested. So funds have been secured from the voters for sidewalks and it only goes to sidewalks. If funds have been secured for traffic calming it goes to traffic calming type of activities such as speed cushions or bulb outs at corners. Sometimes two programs can both be invested at the same time and so if we're doing bulb outs at the end of streets, sometimes there will be a sidewalk constructed at the same time. But then those funds

are often tracked separately. The curb issue that I was talking about is actually in our parking program where we're working with a community to make the curb blocks more accessible for the residents in terms of parking, trying to keep people from parking too

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close to the stop signs and so forth. That's just part of our regular operations. >> Kitchen: Okay. >> Casar: So just one last clarifying question. So items are ranked based on need and then if there is not sufficient funding for some number of items, that is made known and if that funding then becomes available then there's a reranking of the project. >> They can move up. And some neighborhood traffic calming problems -- problems. Projects might be in the hundreds of thousands to fix and others maybe are in the eight or 16,000 type range. So that's really how we make that final so that we're not stuck on one neighborhood until we fully fund it before we can get to another neighborhood that we might have some -- I hate to say this -- crumbs that we can use to fix the problem. >> Casar: Again, I'd like to indicate it that I'm going to be supportive of this item, but might be interested in really taking a close look to make sure that areas that are less organized that might have people that row fate more -- for example, I can think of one example at Fairfield in my district where the neighborhood is not very well organized. People have to put Boulders in front of their lawns so that drivers who keep crashing into their fences and toys, that seems like a high priority and I wouldn't want to set up a system inadvertently that may deprioritize such projects while at the same time encouraging people to invest in their own neighborhood. I don't want to de incentivize that either. I want to indicate it's something I'm interested in. >> And councilmember, I would encourage any neighborhood if they perceive that they have a safety problem, and you've mentioned one, for example, to please notify us. Whether it gets addressed through a traffic-calming program or through our regular operations, if we're made aware of a safety problem and I send one of my registered engineers out there and they sure enough look at it and say yeah, we've got a safety problem, we're sort of on the hook to try to address it. And there's a lot of different ways to address that safety problem as best

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we can. Our challenge is that the public will generally perceive a lot more issues as safety issues than perhaps we have tools to address them. So unfortunately there are some things all we can do is warn people that there's a blind curve, for instance, or' hidden driveway. It's difficult to mitigate it otherwise. But if somebody in your district is having a challenge, as you've mentioned, if you'll make my office or they'll make my office aware of it, we'll at least go look at it and see what we can do. >> [Off mic]. >> 311 is a great tool. I would encourage it. Thank you. >> I want to thank councilmember troxclair for

bringing this impact analysis forward. I do -- I am going to have a few proposed amendments that I want to discuss that I will post on the message board if anybody wants to provide their feedback to those. And those would be adding a district level analysis, so how this affects at every district level, median household income for the different districts. I'd also like to add an analysis on the potential impact for renters. I mean, at the simplest form if we're cutting revenue coming into the general fund, we either cut services or find another way to get revenue in, which could possibly be raising property taxes, which could affect renters down the road. So I'd like to add an impact for renters. That thing is squeaking. And also how a funding gap, if there is going to be a funding gap with less money coming in to the general fund. How that's going to be made up and what communities will be impacted by that funding

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gap would be also good to know. And I know this was discussed a lot and I'm just -- I'm concerned about fixing it on the front end while creating situations on the back end basically. So I think a more thorough impact analysis of the homestead exemption would be helpful. I fully support tax relief, I just want to make sure that we're taking a holistic approach and not just doing something because it sounds good, doing something that's really meaningful for our residents. >> Mayor Adler: Ms. Kitchen. >> Kitchen: Do you want to go first. >> Go ahead. >> I would just say that I too support -- I signed on as a co-sponsor and thank you to councilmember troxclair for bringing this forward. I too am concerned that we understand the impact. My thought is on any kind of -- on -- so I'm not sure how to write that into a resolution unless it's -- I mean, the options for addressing the funding gap is to look at the whole budget, I thought. So maybe -- I'm not sure if that fits in the resolution is the only question or how we would do that in the resolutions. >> Garza: That's what I was going to say. A lot of this -- >> Troxclair: A lot of this was a big issue throughout the campaign and seeing as how we're one of the big cities in the state of Texas that doesn't offer this and Travis county offers it and we don't. If we are going to have this conversation going forward to me this was the first step in even obtaining the basic relevant information. So I know that a lot of us here have a lot of different ideas of how to address cost

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of living. This is one that I decided to go ahead and pursue because of the home ownership rates in my district. But this was by no means an attempt to, you know, make a decision of how this policy would possibly even be implemented. I don't think that we have even gotten there in this conversation. This was just a way for us to say, if this is going to be in the realm of possibilities that we're going to explore, this would be the start of the information that we would need to even consider how we would implement that. So I am certainly open to understanding a district level impact, but I don't know the

decisions past that are something that we would want the staff to make recommendations about. I think that's for us to decide once we have the information. Whether or not we pursue it and then how we pursue it, as well as how we pursue it in relation to maybe other cost of living initiatives that we decide to take on, I think would be a future conversation. >> Casar: Mayor, I would like to indicate that I am very supportive of the possible amendments that councilmember Garza is mentioning while other supportive of the sponsors and co-sponsors' intent to at least do some fact finding on this. Sort of in response to councilmember kitchen's concern, I think that -- I don't think that the amendment that I would imagine would say to identify which areas in the budget to cut, but rather the amendment should contemplate that if we are -- how much budget cut would have to be made if it was done with reductions to budget, it but if there was to be a -- to look at it in two scenarios. If there's to be a rise in property taxes and phased in in that way, what the impact to residential property that is rented, whether that's

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commercial or otherwise, that that needs to sort of be calculated in. So I guess in that regard it makes sense to me to say what would be the district by district analysis if we were to do it through budget cuts, through property taxes or a MIX of both. So I think that I would support an amendment that sort of thinks it it that way so we can think of the impact. Obviously the impact on renters would be different if it was through budget cuts to particular services as opposed to if it was through property tax increases. >> Mayor Adler: I'm going to support this as well and I'm also going to support the amendments because I think it's important for us to be able to see the broad picture. I obviously supported a homestead exemption during the campaign. This is my first time to really talk to the council about it, and I wanted you to understand why I had done that. I spent a lot of time at the legislature doing tax policy work in a very Progressive office whose tax policy was built around trying to make the tax system as prerogative and fair as it can be. There was a lot of discussion over the campaign about whether or not giving a homestead exemption or a cut in property taxes was something that was Progressive or something that was regressive. And I think that that conversation happened because as you cut a property tax -- and it would be best if we could cut it by a capped amount. It could be best if we could do it as a flat amount. We don't have that tool. The state hasn't given us that. So using the tools we have is just a percentage break. And the question is whether that is Progressive or regressive. The argument is that if you do something that is a percentage, most of the money goes to people who have the most expensive homes. And that's true. Now, everybody recognizes, I think, that a sales tax is a regressive tax. A sales tax by and large

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hurts the people who have the least the most. If you cut a sales tax by 20%, the person who gets most of the money is a rich person because they buy more things. So everyone will recognize at some level, I think, that if you cut a sales tax in half that would be a good thing to do for people. That the lower end of income, you could cut it by 20%, that would be a good thing to do. When you cut a regressive tax, which is what a sales tax is, that's a Progressive thing to do. And the reason that there's this problem, as we discussed or the challenge in communicating had this, is because more money goes to people who have more. That's both with the sales tax and with the property tax, which is also a regressive tax. The way that they measure tax -- tax theorists or tax policy people, the way they measure tax burden is based on how much of your income you have to pay. It's the relative burden. And in our city the bottom 20% of income folks pay four times the amount of their income on property taxes as does the top one percent. So the burden, what people are feeling, is much more -- it's a much greater burden for low income people than high income people. And that's how you measure regressivity and prerogativity as it is used in that analysis. And it's in that reason that I over the course of the campaign had an opportunity to talk to a lot of people who were in the lower ends of the income range and they were saying, please help me with my property tax. When I bought my house I paid \$50,000 for it and now they're telling me it's worth \$200,000. And my income has not gone up that much. That's not an uncommon thing to hear. In fact, over half the

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people that own homes in stint own homes that are worth less than about 200, \$212,000. Over half of them are at that place or below. And when I talk to them and they say I need relief, I understand there's this homestead exemption we can do, and I say well, yeah, there is, but I say the problem with it is if we pass it, rich people are going to get more than you get. And they look at me and they say, you mean you have a tool that you can use to lower my property taxes and you're not using it? I don't care what's happening to those other people. You have a tool for me, use that for me. 70% of the people in this city own homes that are worth \$400,000 and less. The number I heard of people that own homes that are worth over a million dollars was something like # thousand people in this -- 9,000 people in this city. And I would wish that we would give a homestead exemption without giving a benefit to people on that end that don't need them. And as I said in the campaign, if this was something that got passed, Diane and I would not take it ourselves. I wish there was a way to limit that, but there's not. So the question is is this something that is beneficial to do for people at the low end because it's cutting a regressive tax. I'm happy that the amendment asks to take a look at or to take a look at what's the impact of making it revenue neutral, which is to say we raise the tax enough in order to be able to pay for this burden. What that would cause is a shift of taxes ever so slightly from residential property to nonresidential property. It would go primarily to commercial and industrial property. Also rental residential property. From a policy standpoint, I'm okay with that kind of tax shift because I think that the relative burden of property tacks on residential properties has gotten skewed relative to commercial properties and

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industrial properties. I also believe that somebody that has a piece of commercial property or industrial property, income-producing property, has a tool they can use to pay higher taxes when they go up. They can charge more in rent to a user. They can sell more widgets or whatever it is now that they have a better location. But someone who owns their home and their property value has gone up four times doesn't have the same kind of tools unless their income, their taxes have gone up several times. They don't have a tool to pay that other -- so unless their wages are going up, but that's the same rate, wages aren't going up at the same rate in this city. So it is from a place-- my personal bias on tax policy issues is a very Progressive place. That's how I look at it. I would like to see the analysis and the investigation to see if that's true or not. I would like for us to look at the different options, not only pulling money out of the budget, or spending our surplus that way, but actually using one of the very few tools that the legislature has given this body to cause a shift ever so absolutely from residential taxes to nonresidential taxes. I wish we had a better tool. I wish there were other things we could do, but this is the one of a few tools that the legislature has actually given us to be able to do that and it's a way for us to do that. And I would generally support that as well. My question and my concern, and I guess I would ask you or the manager is with respect to timing. I want to know how best to do this. I know that if we are to adopt this so that it becomes effective next year, it's something that we have to adopt this summer in like June or July. And if we haven't adopted it by that point, then we

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have -- like with Ms. Tovo's resolution that was passed, couldn't take effect this year, has to wait for the following year. I think it's important for us to get this question in front of us as soon as we can so we can start being able to have this conversation about relative priorities, but I also don't know how that fits in with the budget process. So how soon can we get this put in in an informed way so that we can address those issues? >> Can I ask a question because it's relevant to your question before you answer because I think it will be relevant. >> Kitchen: I would also like to say that there are a number of bills in front of the legislature right now -- and I would not make a prediction on whether any are going to pass, but there is the potential to give us some more options. So in responding to the timeline I would just want to know come may if we have other options that those -- how we would fit those -- the analysis of those options in to the process too. >> In terms of the -- councilmember, in enacting an exemption at 20% or whatever amount, I think your deadline is July first, as I understand it. Under the law you would have to have accomplished it by that time. I see in the posting language a request for response from us by March 24th and that would be challenging for us to do that because we won't really have the kind of data that we utilize when we do our economic forecast, which is really at the beginning of our public part of our

budget development process and that usually occurs in mid-late April or so. So in terms of analysis right now, to me the date like March 24th, you would really have to use last year's data that we used in developing the budget for this current fiscal year. And then subsequently when we get more up to date data,

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obviously then we would have to make some adjustment to that. But obviously an exemption, you all and your various comments have alluded to it would result. I suspect in some sort of a revenue or funding shortfall, I would anticipate that it would be in the millions, significantly so. And I've heard in the course of your conversation today and at other times that there are a variety of options in response to that. The budget process is what it is from a funding standpoint, and we deliver our budget recommendation end of June. >> July. >> Ott: Early July we deliver our budget recommendation. So how that would factor in to the recommendation that I would provide the council I guess would -- I'd like to have more time just to think about that. Obviously we try to do that in a way that we are as informed as possible about priorities, those of council's and those that we hear out in the community from the very, I think, significant engagement aspect of our budget development process that we undertake every year. So that's just a high level response to what I've heard. I'm not -- councilmember kitchen, I don't know the specifics of what's being contemplated in the legislature, but timingwise, depending on what that -- whatever those things are, those tools may serve to help -- to help us and help you meet whatever your goals and objectives are for some kind of relief with respect to property tax and the relative tax burden that the

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honorable mayor spoke to a moment ago. But before you all weigh in again, let me provide an opportunity, mayor, if you would, for -- and have our attorney to supplement what I've said. >> Just a few things I could add is that the city of Austin does have a homestead exemption that was approved late last year. It was set at a very small percent, but it was for the first time in the city's history effective this tax year. There is a one-100ths of a percent homestead exemption in place. Why such a small percent? Because state law requires it to be percentage based, but state law also has a provision that the minimum exemption that can be offered is \$5,000, so by establishing it at a very low percent, it had the benefit of giving everybody in the city, regardless of the value of their home, a 5,000-dollar exemption. So that is currently in place. That will be reflected on the tax notices sent out by the appraisal districts in April. Secondly, we did do an analysis last year, submitted a memo that I would be happy to recirculate to this council, in regards to what the projected revenue lost would be from

implementing a 20% homestead exemption. And the answer was \$36 million using a fiscal year '14 certified tax roll and the tax rate for fiscal year 15. We predicted a 36 million revenue loss and that's a linear function so 10% would be \$18 million and a five percent exemption would be about nine million dollars. So in terms of doing a new analysis, we don't really expect that we would have new information from the appraisal districts until about mid April. That's typically when they will send out their tax notices with their appraised value. So by mid April, and we can turn the crank on this fairly quickly, we would have the data and then as part of our financial forecast we could bring back

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revised Numbers based upon not only that new tax data, but also our projected tax rate for next fiscal year. And councilmember kitchen mentioned some of the options being kicked around the state legislature, which may provide some other tools. There are things being kicked around that would limit locality's ability to increase taxes so that the discussion of maybe making up this revenue loss -- [lapse in audio] -- Keep in mind our ability to recoup lost revenues by increasing the tax rate may be limited. I think in everything I heard that the district based analysis is not going to be an issue. We've been able to get that information from the appraisal districts. We'll be able to kind of break things out a little bit more by districts in regards to typical home values and the kind of savings that would result to typical homeowners in the different districts. We could do that. The renters provides a dilemma for us. Obviously rental properties can vary dramatically adjust as a single-family dwelling unit can vary dramatically. So talking about what's the impact of robotters who maybe would have to bear additional costs associated with this, there's very expensive rental properties and very affordable, more affordable rental properties. It's also difficult, it kind of becomes an economic dilemma in terms of competitive rental markets, the ability of landlords to pass the rent on to homeowners when the homeowners may elect to go to different property if that happens. It's just -- that's a difficult question and quite frankly one that I don't know that we would have the expertise to answer that. It may require some

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professional outside help to wrestle with that particular question about what kind of increased burden would a renter maybe see if a general homestead exemption were increased from our current level. Those are just some additional thoughts on that. And one last item I would mention is our previous council directed and approved a study to be conducted for commercial property valuations. That study is underway and I anticipate that we would have some information report back to council in the late April, early may time frame in regards to commercial property valuations and looking at how they're assessed and whether or not they're being assessed fairly. >> Mayor Adler: Ms. Houston and then Ms.

Tovo? >> Houston: Yes, mayor. There is another tool that is already there. And I've asked staff to research -- in 2003 there was a constitutional amendment that allowed cities to freeze ad valorem taxes for seniors and -- seniors over 65 and people with disabilities. And my question to staff was has this been discussed by prior councils and if so, what was the -- what was the outcome and what was the implication for budget shortfall? So I'm waiting on that information now, but that gives a freeze to those people who are most vulnerable. It doesn't help you young people who need relief too, but it does help those people who are most vulnerable in our society. >> Mayor Adler: Ms. Tovo? >> Tovo: Yeah. This is really an interesting conversation. I look forward to having it in a fuller way on whatever committee I end up wrestling with this issue. And I want to thank councilmember troxclair for bringing forward this resolution and inviting me to be a co-sponsor. I share some of the concerns about the system. I did sponsor I think all of the resolutions you've mentioned actually including

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the one to create a very small percentage homestead exemption, but in effect that ended up being a flat rate. And I am very hopeful that some of the legislation that's been introduced that favors more of a hybrid exemption system might have some success at the legislature. One of the things that we also did was pass a resolution asking our city advocacy team to support those kinds of bills in the legislature. So hopefully we have a strong -- I know we have a strong team and I hope that they are watching those issues closely. I expect they are and are advocating on our behalf for more tools and more options. I do think that it would be -- there is a clause in here asking staff to -- or indicating that potential changes must take into account the majority of austinities who rent. And I appreciate it's hard to measure, but because there was so much -- there is so much discussion in the community about wanting a larger percentage-based homestead exemption, that it is really a -- a wise move to get -- to begin to have that discussion, have that policy discussion among our council. And I hope that some of the things that I can imagine that would be useful would be to see some of the budget projections. I think you did do budget projections a few budget cycles ago on freezing taxes for those over 65. I may be misremembering that, but also just to get some sense from city staff about what the cost drivers have amounted to over the last several budget cycles because that begins to help us understand the magnitude of the gap gap that we would have to make up and if that does get passed along in the form of cuts to services, I think we can expect this would impact renters as well as homeowners and others. So that -- those are some of the things that I think might be helpful. But councilmember Garza, I look forward to seeing your

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proposed amendments and maybe we can converse in that forum. Off the top of my head I think it would be useful to see. I think the cost drivers over the last recent years have been in the 20-million-dollar range. You named the 36-million-dollar figure based on your last projections and so lining those up against our department budgets can I think help inform our policy discussion even if the Numbers aren't going to be exactly the same for next -- for our next budget cycle. I also wanted to say about the challenge petition, we did start a process of looking at -- I'm sorry, did you want to respond to that before I launch into the new topic? >> Well, I would just mention that we can certainly provide you the information in regards to what the annual cost drivers have been, the increases in budget for the last four or five years. That's readily available and easy to do. In regards to the freezing values on people over 65, we didn't do the analysis on that. It was about the exemption, the over 65 exemption that's in place. We increased that from I believe 51,000 to \$70,000 for people with disabilities. And people over 65. That resolution also directed staff to come back and do an analysis and report back, I believe, by March first. So here in the next couple of weeks we'll be reporting back with that revised analysis of the over65 exception and that dined of increase would be needed in order to keep those property owners harmless relative to any tax rate changes or valuation changes that occurred last year. So that would be something we'll be bringing forward very soon. >> Tovo: All right. Thanks for that clarification. I thought I remembered some charts that looked at different scenarios around the time that the prior council was considering raising that exemption. I thought we had some budget charts that looked at different scenarios. But you're always right on those issues. So I must be misremembering it. I did want to say about the challenge petition and the

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study that's ongoing, I just want to mention that you know, a lot of the discussion talks about the commercial, the extent to which residential properties may be bearing too much of the cost and that some of it should be shifted to commercial. And as a prior council we also discuss, though, as we proceed with that study and consider taking action to file a challenge petition against the appraisal district regarding commercial properties, we also had a discussion among that group, and I expect -- I would like to have a discussion among our group about targeting it more narrowly because within commercial properties, as has been said, our multi-family properties, rental properties, and so the discussion that we had last June was to make sure that we are not unduly impacting renters. So that that might not be our focus, the commercial property, as we proceed in looking at commercial property valuation. Again, I hope that's a conversation that we can have too as that study becomes available because we have a he will short period of time for a council for filing a petition so we want to get ahead of it and be thinking about what -- how actions designed to impact one area could have other outcomes. But anyway, thank you for initiating the conversation. I think it's an important one. >> Mayor Adler: Ms. Troxclair and Mr. Zimmerman. And then Ms. Pool. >> Troxclair: To go back to the timing issue, so the resolution directs the information to be reported back to the council no later than March 24th. It sounds like although they may be Numbers from last year, you do have the information pretty readily available

that you could provide us, although it was just in one total number this resolution is specific to implementation over one year, two year, four years. So do you feel like March 24th would then be a

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reachable target and then if we did have updated Numbers based on the new tax rolls that came out in mid may, you could provide us with updated information? >> Mayor Adler: I think you heard ed correctly. We could certainly provide the same information that we provided the council last year. He was alluded to that \$36 million funding gap that was determined. I think that we would have sufficient time to have that data and incorporate it into our forecast in April. >> Yeah, I think we'll have time once we -- once we get the notices for 2015 from the appraisal districts, we can update that and bring it forward to you. Our forecast is on April 22nd, so I would certainly anticipate having the information out to you either that day or slightly in advance of that date. >> Great. >> I just wanted to note and thank councilmember troxclaire for agreeing to let me add my name as co-sponsor for this resolution. We talked a lot about affordability during the campaign, I just wanted to note that looking at the exemption and phasing it in over a period of time was one of the promises that I made on the campaign trail as I balanced this decisions with expected and needed delivery of city I'm still confused about that process as being named as co-sponsors. Whether or not do I list as co-sponsor for the amendment? How do I have confirmation that my co-sponsorship has been received and acknowledged. >> That would be through the

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agenda office, establishing the agenda. It doesn't come to me. Ms. Martin. >> Agenda office will take sponsors up to less than a quorum -- [indiscernible] -- after that they won't take a co-sponsor. Actually we have a legal memo coming to you this afternoon or today, maybe it has already come to you, addressing that general question or practice in doing that. We also have an executive session posted for this Thursday, if you want, we can talk about those particular issues under the Texas open meetings act. >> If I could have a clarification. Didn't we already have about six or seven or eight or nine members that co-sponsored the committee resolution? I was not included on that one, but everybody else was. >> And so that's -- because you had talked about in a public meeting and you all wanted to do that. We have legal advice that I would be happy to give you in executive session about going forward and having the best practice involved. It's easier with our office, of course, to have a role that they can live I just wanted to say thank you to Ann Morgan for putting together the legal memo so we can talk about it on Thursday. The -- I raised the point but

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I appreciate going forward with the process and I hope that we can have that discussion on Thursday in executive session. >> Let's hold off any further conversation about that until we get-together on Thursday because -- because we really can't openly discuss that until we -- until we get that. >> Zimmerman: Final point then. This has everything to do with our point of view and the way we frame issues. I lived in Austin for 15 years, but following government all my life since I was four years old. What I want to do is have this in terms of excess [indiscernible] Not revenue shortfall, revenue shortfall, revenue shortfall. No. If the council determines we need a 20% homestead exemption that creates an excess spending problem, not a revenue shortfall. This is an extremely important point that I'm trying to make. Every form that says revenue shortfall, revenue shortfall, revenue shortfall, the communication is sent out you as taxpayers aren't spending enough in taxes. There's a revenue shortfall you need to make it up because the taxpayers are the only one that can make it up. Every time revenue Shor shortfall, revenue shortfall, I'm so tired of that. If the language were changed to say we need the homestead exemption that creates excess spending, excess spending, excess spending. If that public drum beat were to go out there's excess spending, we need a 20% homestead exemption, most of the candidates campaigned on that, I did, too. So if we ask the city manager and we ask the city department too do that, it creates an excess spending problem. >> When you do the analysis, I'm not sure that you could really do it well. And answer the questions that I have without -- without ascertaining how.

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>> Mayor Adler: The impact on renters or the kinds of renters because we're going to be looking at district guides and we need the information and guidance on who has the tax policy and impact. So there's some data on how it's going at the state level and the comptroller's office so we can go into their systems to do that. >> If I may, I don't want to limit your discussion of these tax issues which are incredibly important, but we do need to be mindful of the posting language for this item so it may be as you look at what you also want discussed that there are future items that you bring forward to bring those larger issues before the whole body for discussion. And for direction to staff. >> Mayor Adler: Okay. Do we have anything else before we go further? >> Does that mean we can't discuss the impact of this 20%? >> I think it's important as you look at what you're proposing animal care services an amendment that we look at the posting language and make sure that it fits in with that. And if it doesn't fit in how to get those issues before council and a subsequent agenda. >> And that could be by making the amendment on Thursday. >> It may be -- it may be, but if the posting language -- I'm sorry, borrowing ed's posting here, is to approve the city manager to analyze the impact on homeowners and the city budget of implementing a 20% homestead tax exemption over the terms of one year, two year and four years, and present that information to council no later than March 24th work

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session or as soon as practical. So this was the posting language that was requested by the sponsor of this item and so whether the amendment that you're proposing fits in with that or whether it's broader than that is something I'm happy to talk with you about to see how that works out. >> I guess I'll just question how you make an amendment on a Thursday night if it doesn't fit within the -- within the parameters of what has been posted? >> You're not able to. You need to have another item to do that. >> Mayor Adler: And we can get legal advice on that, but my personal view is that everything that we've talked about here is subsumed within that because I don't know how you would answer that question, but we can get legal advice on that when we're together. But I don't know how you would do that question without addressing these others. And I see the amendment as just being a way to state more specifically what that general assignment needs to include without limitation. But we have to stay -- it's absolutely true, we have to stay within this and we'll get advice on what stays within that and what doesn't. >> Just as a general thing, we would help you always craft posting language that is as broad as possible so that's something to keep in mind if you -- that there may be amendments that you all want to bring when an item comes forward so we can help you with those. >> Okay. I wanted to say thank you to councilmember Garza for bringing those issues up. I know that a couple of co-sponsors we had also discussed issues and this was -- this is kind of what I hoped would happen and it happened in proposing this resolution was just that we get this conversation started knowing that budget, you know, discussions were going to be coming up relatively quickly and we really need to get as much information as soon as

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possible. Love to work with you. >> We have 11 more minutes. Can we try to push through? The next item is item number 56 [inaudible - no mic]. >> Troxclair: All right. So I just -- I guess I wanted to get a better idea from, you know, this is in my district and in reviewing the different sides to this issue it seems like there may be a little bit of miscommunication between what is being asked and what is possible and what the surrounding neighborhood thinks is possible. I just wanted clarification on what your view of the situation is, what your view is of the restrictive covenant that's being requested and what is being done with the landowner? >> Greg Guernsey, planning development and review department. Item 56 is a property known as the enclave at oak park N this particular case the property owner is asking fairly simply to rezone the property to a single-family residence single lot or sf-2 district zoning category. The zoning and planning commission actually recommended the case as well as staff. And it was granted with a condition that Sillman drive be stubbed out to the northern edge of this

property so at some point in the future when the tract to the north is developed that you would hopefully have a

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roadway connection that would tie these two pieces together back in to the existing subdivision. The city council at first reading did approve the commission's recommendation. And attached to it that restrictive covenant requirement. The property owner declined that condition that council placed on the property. Because he's not sure when that tract will be developed and did not necessarily want to provide a connection that may not necessarily be used in the future. And there's a two-painful litter in your backup that I think goes into detail regarding that matter. There are many property owners that are in the area that are opposed to the zoning change request. We have a unique situation in this particular case that the property has what's called an interim zoning classification. And so normally when you're rezoning property from a permanent zoning classification to another, there's a petition that gets -- that can be triggered that would require super majority vote of the city council. In this case because it is interim zoning, this is establishing the initial zoning on this property. That petition right does not trigger the super majority vote. That's not to say that those property owners aren't opposed and certainly can make their concerns known to you, but it doesn't force at third reading a super majority vote. Council has a couple of options. You could move forward and to zone the property without the covenant to sf-2. You could also make the existing interim zoning classifications, which is interim the rural residence district zoning, the lrr and the isf-2, the single-family zoning just permanent. That is also an option that

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you could do. The petitioners that did file had concerns that there was going to be multiple units on the property and that was their main concern. It is platted. I think there are six units that could be constructed on the property right now. >> Troxclair: Units meaning single-family homes. >> Single-family homes. >> Troxclair: And a single-family residential neighborhood. >> Yes. >> Troxclair: So I mean, is that -- because I -- the people -- there are a lot of people in that neighborhood who are opposed to approving the zoning change without that restrictive covenant requiring the landowner to complete a portion of that road. But the landowners contention is that it's a road to nowhere. Right now he doesn't own the property on the other side. That would be necessary to facilitate the connection. So I also understand his why would we be requiring a small number of homes to complete a road and spend that money that -- [inaudible]. >> Into smaller lots. And it's true I don't know when that would occur, but this would then allow the roadway network to be connected in this area. This property owner would come back and also go through a subdivision process to create the additional lots. I think they could get maybe

as high as 11 lots I think is what they have proposed beyond, so they could get five more lots than what we have right now.

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>> Councilmember, Jerry Rusthoven, planning development and review. Another option that may be a possibility is council could approve the case on second reading and it was approved on first reading. And also we could not do third reading until we have had the applicant's signature on restrictive covenant, I think that that would -- may send a signal to the property owner that if he wants to get third reading he would have to sign the covenant or not because this council agrees with the previous council's decision. So there is a possible interim step of doing it on second reading only to indicate whether you support or do not support the council coming to connectivity. The connectivity would usually be required in the subdivision process -- the attempt is to secure a connection at the time of zoning when the council has the most say rather than waiting to the time of subdivision when it may or may not be acquired. >> >> If we approve it with the restrictive covenant requiring him to build the road we would have to build that road only if he only builds one house. >> Because he has five existing platted lots, the presumption is that he would probably take advantage of those for sure, he would probably be building five lots right in a row along the property line. Providing a driveway, right in a row. It is to say that -- [audio lapse]. The other side. So -- so I would say yes he would have to provide that driveway, to serve the function of a public street as well as being a driveway. Have to be a minimum widths, et cetera. >> He doesn't have the ability to provide public access because he doesn't obey the plot of land -- own the plot of land that would be necessary. >> Wouldn't provide public access up to the property line of the adjacent property owner. >> The adjacent property owner, I mean they're not -- have they indicated any intention of -- >> No, but they do have a street that is stubbed out to their property.

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Known as saw mill drive, it is a common requirement of our subdivision code to provide stub streets, that's how we develop the street network. By he would be required as part of the division process to bring that existing streets that runs into his property and bring it into continue it forward in his position, the intention of the first reading at the previous city council was to connect the driveway running through this property, if you will, to that possible future connection that he may be obligated to do and form a loop network, if you will, at the end of this subdivision. >> Troxclair: Is that a typical request or a typical restrictive covenant to be placed on -- on a property owner when we're talking about such a small number of homes to provide an alternate access? I mean, I can understand if it was a major development that is going to significantly impact traffic in the area, but when we're talking as -- five

homes and I think maximum of 20, is that -- I mean, help me understand if that is a typical requirement. >> It's hard to say if it's typical. I guess generally speaking our subdivision code encourages connectivity and certainly providing as I said stub streets to adjacent vacant property. The issue here is we're really talking about because of the existence of Bowie high school at the end of the Oak Park subdivision. The real question when you get down to it, is it going to end in a cul de sac or in a loop street as you continue back upwards back into the subdivision, if you -- if you know, if we're heading in that direction. >> Troxclair: It seems like the -- do you know if -- because there's petitions from the surrounding neighborhood asking for that connection to be made. But it's not clear from the petitions whether or not -- whether or not they understand that there will be -- there will not be any connection unless the other landowner, who is currently

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not a part of the conversation at all, decides to develop and is also required to -- to complete the connection with the restrictive covenant. >> I'm not aware if they are aware of that. I believe they are because I know they're a subdivision, but I'm not sure specifically if they are aware that this requires two parties doing something rather than just one. >> I want to ask a question. My understanding of the - my limited understanding of the codes is that the -- that section that relates to connectivity -- connecting roads and subdivisions allows for exceptions to be made. By -- I think this is something that was -- that was perhaps discussed in the newspaper today. But that that particular code section allows the planning commission to make some exceptions to connecting and I don't know the specifics of the case that councilmember Troxclair is referring to, but my question is would not that provision apply? >> Yes, councilmember. It is -- the adjacent property owner, not the one that we're discussing now, but the adjacent property owner who has a street that does currently stub into his property is required by the subdivision code to extend that street into his property. He could seek a variance at the planning commission level to not have to comply with that requirement that would be a decision that would be made by the planning commission. >> So does that -- does that exception apply to the person that councilmember Troxclair is referring to? So that they wouldn't have to have a restrictive covenant? >> I think -- councilmember, that's a good question. I probably would have to get back and talk to my subdivision staff to see how that would apply in this particular case. Because there's not a street on the other side of the particular property to connect to at this time. >> Kitchen: Okay. I look forward to having a

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larger policy discussion about the connectedness of existing neighborhoods that have existed for decades without the street cutting through and then the city retrofitting them to cut through and affecting safety. And especially in older neighborhoods that may not have adequate sidewalks and the streets were not -- they weren't engineered for large amounts of traffic and -- and this is a situation that is going to take place in a lot of the older parts of town and I think it merits a higher level policy discussion among council, so that we can have some -- the ability to give very clear direction to our planning and neighborhood staff so that when cases like this come up, we have clear avenues of -- of direction and the planning commission, for example, will know whether under certain provisions of code they are the sole arbiter and answerer of certain questions or whether council is able to weigh in. There are other cases that we're working on for Thursday that -- that -- that this question has come up as well. And my position on them is that if -- if an older neighborhood is being -- staff is being driven through to a new street so that a new -- if a stub is being driven through connectivity to an old neighborhood and they are not engineered and don't have the health and safety adequate, it's not sufficiently safe for kids especially, then I would be opposed to that. To approving that kind of a variance. Thanks. >> This is maybe along the same line as councilmember kitchen's question, but I think that I heard you say that normally the vehicle access question is part of the subdivision platting

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process. >> That is correct. >> So why is it that it was pushed the zoning piece, which seems like it's kind of setting a precedent for more of this discussion being part of zoning instead of through the Normal process. >> I'm speculating, but perhaps there was an intention of the previous city council to basically force that issue now and not allow that decision to be punted off to the planning commission in the future. But by requiring that restrictive covenant, it would -- they would basically forego the possibility of there being that variance in the future to not extend the existing street. The -- the requirement, as I said, was not going to be a public street, but rather that the access be available to the public. And that makes a difference in how the roadway is constructed, the cost of doing the roadway, the thickness of the pavement, et cetera. So there wasn't a requirement that you provide a public street but access provided to the existing street that dead ends to the opposite property line, again with the intention that the adjacent property owner may finish that loop. You know, we often have this issue when we have to establish subdivisions and there's questions about connecting them. In this case we have an established subdivision and two remaining parcels at the end, if you will, that are hemmed in by a creek in high school. As I said before, the question I think is whether -- whether the other end and basically, you know, some cul de sacs or whether there will be a -- a connection if you will so that you could loop back around and had, you know, back in -- head back in the direction that you came. >> It just seems like it makes so much more practical sense to have this street access dialogue as part of the dialogue when you are actually seeing what he wants to plat the subdivision, you know, whether it's -- whether it's five properties, whether it's two properties, whether it's -- 11 properties. It just seems like a strange time to be discussing this. >> I think that's why that -- that topic is a -- >> Thank you. >> What was the last thing

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that you said. >> I said I think that is a why that question is a part of our subdivision code, that variance, if you will, is a part of that process rather than the zoning process. >> Okay. >> Mayor Adler: Further comments on this issue? >> Tovo: Can you remind me, I'm having trouble filling out the staff report. As I recall, it was the surrounding neighbors that requested the land use commission look at this issue of providing access. Are there neighborhood, are there neighbors in the area that are actually opposed to the access? I thought that's where the idea originated. >> I'm not aware. I would have to reread the letters in the staff report, I'm not aware of any opposition to the access issue from the adjoining existing neighborhood. >> Yeah, again, it was my -- it was my memory of this case was that the request for access actually came from the property owners who were adjacent. Councilmember troxclair may know? >> It has to do with the introduction split on the traffic, if you have a street that's extended, new houses are added on to it, it ends in a cul de sac, then obviously all of the traffic will be going on that street, the new traffic, if you will, whereas if you did provide a connection the traffic could go one of two ways out. Perhaps people on the one street favor the option of having two ways out would be my guess. >> Tovo: I didn't remember hearing any opposition other than from the property owner. >> I think they would prefer sf 1 zoning, the neighbors, or sf 2 with a conditional overlay that would limit -- in addition there -- their protest included that there was only an access to and from the proposed development from [indiscernible] So I think that's what you were talking

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about that they raised that as an issue, where they were opposed and given a single point of access, additional lots beyond the six previously platted might prevent adverse traffic impact and unsafe conditions. >> Not having. Just to clarify, not having the access they thought would provide unsafe conditions. >> That's right. >> I think it was if that property next door gets developed, all of the traffic might just come through one street rather than two. >> And -- and so -- I guess that I already asked this question, I don't think that -- that -- that you could tell me whether or not, I mean six houses to me is -- I'm trying to understand what kind of real traffic impact that has. And then -- then my other question was, mayor pro tem tovo's point was whether or not those landowners supporting the connection, understood that there would not be a connection. [Laughter]. >> It is possible today without the zoning change for this property to build five homes. There are five platted lots on the property today that are called flag lots that have little skinny pieces that all touch [indiscernible], you could build the drive, each lot would share the common driveway, you can do that today without any zoning change whatsoever. Build up to five. The requested zoning to build additional houses on the property, still subject to the S.O.S. Ordinance, through our -- there are tough watershed regulations here, you would be limited on

how many you could do there. But the reason for the zoning is to get more than the existing five lots, five vacant lots, if you will, that are on the property. >> But no more than 20? >> Probably no more than 20, yes. >> It's a pretty small parcel of land. >> It is. >> That's without the road. And if he's required to put the road, then it would be

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more like under 10. >> We would have to look at the proposed division to see what the exact number is. >> I think it was 11 was the suggestion during the zoning case. >> Okay. >> All right. We are now into those items for after 4:00 tomorrow. There's a group of them. Ms. Houston, item no. 9. >> Thank you, mayor and what I want to do is just -- just put nine, 10 and 11 together because I think this is the first time that we have seen -- the acronym public improvement district and all three of those have to do with that. I just want us to have an opportunity to hear what that is, how that operates. The rest of my items have been postponed until a later date so we don't need to deal with them. >> Okay. >> Thank you, Greg. Good morning, Alain hart again. We have three items, 9, 10 and 11 are the Numbers. They are a [indiscernible] The last piece of an annual process that we have for public improvement districts, which are otherwise known by staff at pid's. You will hear a lot of acronyms in zoning. You just heard a few, but we talk about tif's and p.i.d.'s and p.u.d.'s and m.u.d.'s. I'm not going to go into all of that. We're going to talk about p.i.d.'s, public improvement districts, really they are an economic development tool that chapter 372 of the local government code for --

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for both municipalities and counties and they are set up to fund -- pardon me. They are set up to fund services, like the prior item, the east sixth street P.I.D. Is called an operating P.I.D., public improvement district, to provide services within that geographic area. There's also p.i.d.'s are development p.i.d.'s that are to fund infrastructure or capital improvements of a public nature. That will help, again, in that defined geographic area or district. These districts boundaries may cross more than one of your districts. They don't have to be within -- they're just geographically defined. And so -- so the funding for the services is provided through special assessments that are apportioned to the property owners of the land. And those would be the [indiscernible] That are benefiting from the [indiscernible] Capital improvements that are to be -- to be developed by the -- by the P.I.D. How they work is typically the property owner will come or owners will file a petition with the city, for creation of a public improvement the process for a development pid or public improvement district is different from the operating ones that may require different zoning. Typically, I believe the three that we have that are these items have been zoned as public utility -- with the pid zoning. And so they also may have an

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annexation action related to them, in the particular case of these three, they're all limited purpose annexed so that the city has extended its land use control over the area. So it's not uncommon for a public improvement district like these three, for council to be taking action over a period of five, six, up to 25 years. And let me explain why it may go that long. In the event that it's the development pid, the city will issue special assessment contract revenue bonds on behalf of the developer. Those bonds will provide funding for the public improvements that they're to construct in the district. Many of these, and the actual law, the chapter 372, provides a list of those eligible for this type of financing. It's water and sewer extensions. It could be open space, could be parks, could be transportation facilities, those kinds of things. And typically at the end of the construction period, those assets will come back to the city. They will become city assets. They'll be turned over to the city. So during that development and construction phase, you'll have many city departments that are involved in the design work. If the city is going to own the property -- for instance if it's a waterline, they'll have to construct to city specifications. There will be periodic inspections during the construction. We'll monitor the construction. So there's a lot of involvement there. At the point that we do issue

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the bonds, we get a certified appraisal of the land. The security for these types of projects or bonds is the special assessment revenue that the owners are contracting to provide. The city provides administrative services and acts as a trustee. We assess and provide the billing service for the assessments to the property owners. We make the collections. We then make the payments to the trustees based on all of the legal documents. In the event that -- okay, the other thing, on these in particular, they are special assessment contract revenue bonds, just as we talked about this morning with revenue bonds, these do not affect the taxing authority of the city of Austin. They are not pledged with city of Austin tax revenues. The pledge is the special assessments. In the event that there would be a default on the bonds by the landowners or the property owners, the security that the trustee goes back to on bond holders is the value of the land. So the value of the land is typically much higher than the amount of the bonds that we would agree to issue. That's about as simple as I can make a development pid. We have three. The first two were joint -- they were done at the same time. We started talking about them in 2005. That's whisper valley and Indian hills. They were actually created in 2010, and their bonds were not issued until a little over a year later in 2011. And so they are under construction. On whisper valley, the improvements primarily were

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water and sewer line extensions, improvements to the decker lane road. On Indian hills -- I may have the roads backwards. I think I do. Breaker lane and decker lane were both involved in these two projects. But in both cases, we were trying to get water and sewer services out to those properties, and one has a treatment plant on it that -- a wastewater treatment plant on it. The important thing here is that the developer or the landowner is looking to develop this land, and they want to use our tax exempt debt, which is at a much lower rate than they can get through a conventional bank loan. So in order for the city to grant them that special benefit of a lower rate, which improves their profitability on their projects, we asked them to provide us some extraordinary public benefits in exchange for that. And that's so -- some of those are the enhancement extensions of infrastructure. Sometimes with the hud zoning will ask for some additional affordable housing or have some affordable housing goals in there. We may ask for environmental improvements or public transportation facilities in open space. So those are some examples of some things that we would expect to get when we were looking at a new pid. The other pid that we have is estancia. It's in the south area of town, right to the west of ih-35. Again, it is limited purpose annexed. So those folks, as they sell the lots, those folks -- the homeowners will receive special

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assessments that will be billed to them about the same time as -- well, property taxes. They are not deductible as property taxes are. But because they're in the limited purpose annexed area, they will not be charged property tax. So they'll get limited city services. One other point, this is getting to the long-term nature of these. Because we issue 15 to 20-year bonds on these, we have this annual process of make the assessment, build the assessment, approve the budget so the city can act as the trustee and pass through the monies. That annual process lasts as long as that debt is outstanding. So that's why you see this annual process. These three should have been done on the December 11th agenda. We had two items, two action items on each of these pids that had to be sequential. This one, we just didn't get done on that agenda. So it's really a cleanup. It's to allow the city to put the funds in our budget and -- so that we can collect the funds and the proportion so that we prepare -- appropriation. >> Mayor Adler: Housekeeping matter, there's pizza and Sal it back in that room. There are two items still to be discussed. Further questions on pid's? >> So I may be the only council member who is president of a municipal utility district, and there are some parallels here, I think as you already pointed out. I wanted to state a clear policy objection to what's going on here because we used to do these

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arrangements with municipal utility districts that were outside the city limit, possibly in the etjs. The advantages of having a mud instead of these pids and pud's and other mechanisms, you have municipal utility directors. I was one of them. So I was directed by the neighborhood. We were setting the tax rate. The taxes were deductible. As you pointed out, these expenditures are not. So the municipal utility district provides more local representation for those taxpayers, plus they have tax advantages in terms they get to deduct those taxes. I also want to say there is a great deal of complexity that we don't see here. Okay? Potentially, in the case of the Texas water code, chapter 56, which I had to deal with, hundreds of pages, there's a lot of complexity, and you could specialize, right, just on a mud and it could occupy a great deal of your council. Just for Thursday's meeting there's 85 agenda items. We already don't have time to keep up with what's in front of us. So I would like to urge this council to please, let's not go down this road of piling on even more complexity that we don't even have even a chance to dig into to figure out what's going on. I think it's -- I think it's the wrong path to go, to go down. To give you another example of how this complexity comes back to bite you, I was instrumental in getting a lawsuit filed against the then city of Austin for violation of the code. And one of the responses that came back was, well, they said, well, the code isn't all that clear. Well, I would about agree there was some complexity there, but this undercourse my point. All of these rules and laws and hundreds of pages of stuff can be interpreted in different ways and we can wind up in lawsuits and litigation. The litigation I'm referring to

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was \$900,000, after seven years of expensive litigation. And you run the risk of these kind of problems coming up when we prove these kind of deals. So I want to urge my colleagues to, at the very least, let's push this back into a committee that can vet this a little more carefully. I would still encourage people to use muds instead of all these other mechanisms for the reasons I mentioned. >> Mayor Adler: Okay. Any other comments? Thank you. Ms. Houston, did you not want to move forward on the others because you said they were postponed? Ms. Gallo, that gets us to your item 73 and 83. >> Gallo: And actually it's 79 instead of 73. >> Mayor Adler: Okay. And the reason that I pulled this just was to give council members to ask me questions if they have specific questions about this case, and if there has been feedback from any of your constituents or anyone concerned about this particular case. There is a valid petition from the neighborhood. This is a property that's on spice wood springs road between 360 and Mesa drive. It is predominantly commercial use along a that strip. It's very close to the Austin board of realtors building that was just constructed and completed. There is a neighborhood that is adjacent to it that has produced a validation, so it will require -- mayor, if you can help me with the number, there's been a discrepancy as to the number of votes that it takes to supersede a valid -- a super majority would be nine votes. Thank you. >> Mayor Adler: Did you have a question? This is number 79.

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>> Gallo: 79. So just quick points about this. There are conditions, there's substantial conditions in the valid petition. The balcones neighborhood association is the neighborhood association that would be involved with the zoning case because of the geographic area. We had a meeting already with both the representative for the developer and the neighborhood association and other people in the neighborhood that were interested, and it appears that there's a lot of consensus with the proposal for the conditions that the valid petition has suggested. I got an e-mail from the neighborhood association representatives this morning that said at this point the neighborhood association is concerned about the potential size of the building. There is some economic -- there are some environmental features that this property will also impact, but I did have a discussion with the gentleman over here -- thank you for saying for this. And it does appear that we can also play -- or the neighborhood can also place a maximum size limit to the building, and the neighborhood seems to be okay with that and they will be getting us a letter. So I think we have, at least from the neighborhood standpoint and the valid petition standpoint, worked through the process to come up with a proposal, and that is what we will do on Thursday. But -- any questions from anyone? Or has anyone heard something that we need to be aware of? >> Thank you so much. The concern that I have heard is about the traffic, the cumulative effect, now that the Austin board of realtors building is there, and we go from two lanes east -- east and west to four past the property, how do you -- you know, it's again that cumulative traffic impact, and that that has not been considered, even though I think they said 500 trips per

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day was what's projected. But, again, it's cumulative effect. >> Gallo: The, you know, kind of place holder that's put on the property is 2000. The neighborhood petition asked for 500, which is -- this business, as an office space, I certainly allowable and reasonable amount. And you're right, spicewood is a mess. And that was one of my questions about the east-west thoroughfares that we have because the majority of spicewood, the traffic flows relatively well, but there is this small bottleneck that's probably not even a mile, maybe two miles at the most, that it narrows down to one lane each direction, and at some point in the middle of the night, I think a bicycle lane was added to it, going up to hill with limited sight. So it really is an area in Austin that needs to be addressed pretty quickly, as we talk about our transportation needs. But I think that we will -- we will come to a resolution that will work both with the neighbors that produced the valid petition, and also the neighborhood association, and hope to have that by Thursday. I just, once again, wanted to open up for any questions if anyone had them. >> Mayor Adler: Anyone have further questions? Item 83. >> 8 is really simple. I saw the gentleman outside and asked him the question. This was one of those situations where it's a zoning case, but I've heard nothing in my office, no e-mails or nothing. The question was, is there something I'm missing? But it appears that the owner of the property has worked with the neighborhood already and has agreed to put all the

restrictions in the zoning that the neighborhood wants, and I just want to applaud all those parties for being able to work through it and come up with a resolution. And, like I would, I just wanted to make sure there wasn't anything I wasn't seeing because I've heard nothing. And it means everyone is really working well together, so --

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so. >> Silence is golden. Not all zoning cases lead to controversy and 3:00 A.M. Meetings. In this particular instance, just to update you on last minute information, there are some additional uses, actually, that the neighborhood has proposed that the applicant has agreed to, so in this case what we'll be doing is we'll be reading you a list of those additional conditions that are on top of the ones that are already in backup. We'll be doing first reading only and will bring it back to you for second and third reading after we add those to the ordinance. >> Mayor Adler: Sounds good. >> So I even applaud them more that they continue to get along and agree on things. >> Mayor Adler: Mr. Zimmerman, then Ms. Pool. >> I have just one other thing. We discovered late last night, item number 70, if you can turn to that we quickly, this information just came to us from studies we've been doing. This is near and dear to me. Item 70 is around mill road. It's right across the street from where our campaign office was, next to Shipley's donates. We got monster drinks over there all the time and got to know the building owners there. They're asking for basically to put in a liquor store. I went through the paperwork and I was a little bit surprised to see that the ordinance that prohibits liquor stores within 300 feet of a school was not addressed in the paperwork. I'm referring to -- this is case C 14 -- well, the case number us here on the agenda. But I went through this entire thing, and not once did it bring up the fact that if you're 300 feet from a school, we have a city ordinance that prohibits liquor stores. Right? >> If I may, I'm the development review. So this property was annexed, it was already existing development that you mentioned there. The initial request was for cs 1 zoning which would allow a liquor store, cocktail lounge. I think we quickly talked them out of that and explained to them that was not a realistic thing to ask for. So they have amended their request and now they're

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requesting lr -- or neighborhood commercial zoning, which does not allow a liquor store or a cocktail lounge. So that was taken off the table early on, although that was their initial request, it's been -- the request has been amended and request is now for lr, which allows for a convenience store, not a liquor store. >> Okay. Thank you for that but I'm having trouble following the paperwork. I'm on page 7 here. >> Mayor Adler: On page 1? >> The first page, April 2nd, zoning, 2014 -- >> There's the strike. >> With the asterisk. >> That sounds good because we did measure and it was about 150 feet, property line to

property line. >> That's what we talked about. >> Mayor Adler: Anything else on this agenda? We've worked through? >> Pool: One thing. Item 73, which I guess was erroneously pulled, I want to mention to folks that item is in district 7. I've been meeting with the neighborhoods and with the developer and his agent, and the neighbors are very concerned about the traffic impacts for the high density development that is being proposed here, even with the promises from the developer to have a cap on the number of units. The developer is asking for mf 6. The neighborhood would like mf 4. I may be proposing on Thursday for second and third reading that we limit the developer to mf 4, even though in my conversations with him, they are reluctant to take that direction. But I'll be talking more with the neighbors in that area, and we will have resolutions from about a half dozen surrounding neighborhood associations in opposition to this proposal. So things will be developing more fully before we get to Thursday. So I just wanted to point out that there may be some significant opposition by neighborhoods to item 73. Thank you. >> Mayor Adler: And the other thing that we have on the agenda is to discuss potential appointees to the Austin integrative board of research.

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Do you want to discuss that? >> I know we're all -- I think I'm -- council member pool raised a question on the message board. Maybe I'll just use this opportunity on to answer that question. The question was how we do these appointments. And so this is kind of an unusual one because we did -- the prior council initiated the work of the first water task force, then some of the recommendations came forward, and those have been moved forward. And one of them that has moved forward, as we talked about -- was it yesterday? I'm losing track of the week -- was the integrated water resource management plan task force. But it's up to our council to make those appointments. So they go forward like any other appointments, except they don't wait, unlike other appointments which are scheduled to happen later, we can do them right now, and I hope we will because the staff are in the process of getting ready to pull together an rfq and initiate the search for a consultant. And we heard really loudly from the community that they wanted a community task force involved in that process of encouraging and providing feedback and input to the water utility as the water utility goes forward and cross the scope no are that consultant who would eventually be hired. I think with that -- >> Mayor Adler: So what are the logistics of that? Does it get set as a council item? Does someone bring a resolution to a point? How does that happen? He. >> Mayor Adler: It can happen in our regular -- because the committee was set up by the provider council, the only thing that needs to happen now are the appointments. So those can be forwarded to the city clerk for posting under the our regular boards and commission appointment item. I've forgotten what number that is on this week's agenda, but just in the same way we would appoint a member of any other board, we can forward those names. >> It would be helpful from my perspective to have a timeline, a deadline by which we should

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get those names to the -- you said to the boards and commissions clerk. Right? >> Tovo: Right. I would need to go back and look at the resolution that's been posted by Shannon on my staff on the message board. I think the prior council envisioned that we would be ready to do so by Thursday. So I would say, you know, I understand there's been a lot -- we've had a lot going on. I would say maybe by the next meeting, if people aren't feeling comfortable by Thursday, forwarding those recommendations by Thursday, maybe by the next meeting would be appropriate. We did get some community members who have worked on this issue on various task forces to pull together some names that they would recommend, so those are posted on the message board. I think there are a few others. These aren't am I recommendations, these are recommendations again from community members with a lot more expertise on this issue than I have for sure. But those are offered for your consideration, and to the extent we have it, we'll make available little bios or ask community members who forwarded their names to submit information. >> Mayor Adler: That would be helpful because I'm not sure they were on the bulletin board, the bios. >> Tovo: I don't believe they were. >> Mayor Adler: Any other comments? >> Does it just get one appointment? >> Tovo: That was how it was configured. >> Mayor Adler: All right. We're all done? Did you have something else? Lunch is available -- lunch is available back in the executive meeting room, and we're done. We'll see each other Thursday.