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>> Mayor Adler: Good morning, we now have a quorum so we're going to go ahead and start. We begin by -- let me begin by saying thank you for being here. As we've said to everybody on these panels, this is a -- this is both a wonderful and very frustrating experience. Because in order to actually be able to address any of the policy issues that we've identified, you need more than the five to seven minutes that everybody is given a chance to talk. And we know that. And it's kind of like baked into the process. So what we're trying to do is to get a really high level look at some of these issues so that we identify issues so even if we're not answering all of the questions and we won't, at least we're touching on issues that we are then sensitized to and know we need to come back to. So we appreciate the time and exercise and frustration that we'll all be going there. We're going to convene the meeting today. It is 9:25. This is the policy workshop on Friday, March 6th, 2015. We're in the city council chambers. Our topic today is economic development. And we're to start with a context describing the issues that the economic development department is tackling and working on, solutions and tools that the department is using to address the issues, maybe a perspective with respect to the city generally in that regard, as well as future council action that's anticipated or should be anticipated. So if you would go ahead,

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Mr. Gonzalez and start us off. >> Good morning, mayor and council, Rodney Gonzalez, deputy director for the city's economic development department. I'm here today in place for Kevin Johns out of the cup for a family emergency. Before I get started, I'm going to look over to Keith reeves, because I do have a presentation that should be loaded, perhaps? Okay. We're getting it. I just need to find the clicker as well. >> Out of the country. >> Okay. So, mayor, as you mentioned, today's policy workshop is on economic development, it will include a discussion of incentives and the innovation zone. In front of you is a group of panelists who will offer their various perspectives on economic development. My part of today's discussion as you mentioned will be to describe the issues of economic development, the issues that we are tackling and working on, solutions and tools that the department is using to address those issues, and future council actions related to economic development. To begin with, what is economic development? Economic development means many things to many people, it means increased personal income, it can mean low unemployment, it can mean a skilled workforce, it can mean new companies coming into Austin, it can mean diverse industry sectors, it can mean a well-rounded city. In the context of what we're talking about today, economic development is about using city policies, using city policies to increase the standard of living for residents, it's about using city policies to increase individual skills

and education, it's about using city policies to help businesses grow and to help support a diversity of industry sectors. That top part of the graph

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shows economic development policy examples implemented by the city council. Some of those policies include small business programs, investments in the workforce, cultural arts contracts, and business recruitment. All of those programs affect the Austin economy. The fallout of that policy is you have new jobs created in Austin. You have increased wages, you have new business starts, and you have a skilled workforce. The result of those policies is that you will have a better overall economic health of the city and its residents. And some of those economic health indicators include unemployment rate, a decreased unemployment rate, increased tax base, workforce readiness, and increased per capita income. Mayor and council, I'm going to go over some very -- a few examples of how we implement economic development policies. The economic development does a lot more than what you see in front of you. But in order to keep this presentation brief, I wanted to go over a few of those examples. The first example is -- or some of those examples of implementing policy include providing training and low-interest loans for small businesses, contracting for skills training and career development, creating jobs through performance-based agreements, and issuing city-wide contracts to artists and arts organizations. In front of you are a very few program samples, one of those is a small business assistance program. For example, in the family business loan program, which was created in May 2002, we are using \$3 million of a grant from the department of housing and urban development to create a low interest revolving loan program for small businesses. We use that program to help finance small business expansions and since May, 2012, the economic development department has loaned out over \$2.7 million

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to local small businesses, resulting in over 139 jobs created for low to moderate income people. With regard to getting connected, this is an event that is free of charge and nearly 700 entrepreneurs attend this event annually and we provide them access to classes, panel sessions, one-on-one assistance and face-to-face interactions. We also provide them guidance on topics such as business planning, funding, network, accounting and business law. Once again, this is absolutely free to all business entrepreneurs who want to attend. In the realm of skills development or skills training and career development, we have contracts with both Capital Idea and Skillpoint Alliance. Capital Idea helps low income adults get college degrees. And in the 15 years of operation, Capital Idea has helped over a thousand adults in the Austin area earn college degrees. Those degrees are in registered nursing, network administration, recipient respiratory therapist, computer aided design and several other degrees. We also contract with Skillpoint Alliance. Skillpoint Alliance is a non-profit organization that helps low income individuals and out of work adults get technical training or gain computer proficiency skills. Approximately 260 participants per year participate in the Gateway program, which is a program that is on average six weeks and provides technical training. Gateway provides skills training in culinary skills, certified nursing assistants, plumbing, electrical and more. I'm going to drill down to a couple of examples that I just mentioned. The first of which is the family business loan program. Once again, this is a low interest loan program specifically for small businesses.

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I'm going to talk about Sawyer and Company, which is located at 4827 East Cesar Chavez Street. This is

the site of the former arkies grill which was an Austin original in business for nearly 66 years before they closed in 2012. Stephen Shallcross was a frequent customer and he's a local chef. He desired to open a Louisiana influenced restaurant with an homage to arkie's charm and affordable prices. Together with a private bank we provided a total financing package to him of \$1.1 million. The family business loan program was a loan of 519,000, at an interest rate of 1.46%. The private bank leveraged that with a loan of their own of -- of their own of \$635,000. Together, with Mr. Shallcross, he created 19 full-time jobs for sawyer and company in east Austin. The next specific example is capital idea. As I mentioned, capital idea helps low income adults get college degrees. And in the 15 years of operation, as I've mentioned, they've helped over 1,000 adults earn degrees. On average, capital idea enrolls approximately 800 low income students in college courses and they graduate approximately 80 graduates per year who earn on average a starting salary of \$40,000 per year. Our contract amount with capital idea on an annual basis is \$1.5 million. This is a very successful program for helping to lift families out of poverty. I next wanted to talk about some of the problems that we tackle in economic development. To your left-hand side are the more traditional approaches towards economic -- for economic

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development. As a reminder, our department was formed in 2000, with original charge of redeveloping the former Mueller airport. Following the dot-com bust, council added business recruitment, small business and cultural arts to focus on the overall economic growth of the city and to place all of those economic development drivers under one umbrella, the music division was added approximately five years ago. Following the dot-com bust, our charge was to address the more traditional approaches of economic development, specifically we were focused on addressing the city's overall unemployment. In November, 2001, the city's unofficial employment rate stood at 1.8%. A very, very low unemployment rate. With the dot-com down fall, Austin lost over 27,000 private sector jobs. Including 24,000 manufacturing jobs. By January of 2003, the official unemployment rate had skyrocketed to 6.2%. The result was that for three consecutive years, the city cut budgets significantly due to decreasing tax revenue. 31 million in cuts in 2003, \$38 million in cuts in 2004 and again another \$19 million in budgetary cuts in 2005. Our approach was to achieve overall economic growth in the city, stimulate private investment in downtown, support the cultural economy and diversify Austin's industry sectors. More recently, we've begun an equity based approach towards economic development. These programs are not the norm for economic development organizations, but they certainly lead to a more sustained economy and one that allows for greater benefit to all residents. They include access to jobs, living wages, small business access to capital, reducing barriers to employment, and addressing the issues of the working poor.

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I'm going to give you a few of the examples that -- the tools and solutions that we use for both approaches. With regard to the traditional economic development approach, we have several large-scale redevelopment projects under our wing. These include Seaholm, the energy control center, green water treatment plant, Mueller and second street. And since 2000, we have put on the ground 6.1 million square feet of new development, which includes commercial, industrial, and residential space and we have under contract an additional 6.8 million square feet of new development. These developments have various commitments, they include set asides for retail space for local, small businesses, achieving minority and women-owned business goals, achieving sustainability goals, achieving affordable housing goals, and contributing to the affordable housing trust fund. We provide over \$9 million of -- of hotel occupancy tax revenues, to over 200 artists and arts organizations through

our cultural arts contracts. And in the realm of chapter 380, which will be discussed in detail later, we have nine active agreements to create over 7,000 new jobs in the local economy. Those contracts include companies such as Samsung, websense, Visa, apple, hid global and more. In the realm of technology incubator programs, we partner with the Austin technology incubator at the university of Texas. Ati has operated since 1989 for over 25 years and has graduated over 142 companies and they do that through their wireless it clean energy and bioscience incubators and they are located in 25,000 square feet of space at the pickle research center. They provide space, mentorship, capital raising strategies and professional services to the incubated companies. In the realm of film,

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television and digital media productions, we lease the former Mueller airport hangars and now the former National Guard to the Austin film society. And since 2000, the Austin film society has brought over 330 productions to Austin, with total budgets in excess of 990 million, creating over 11,000 jobs. And recently, the city council approved the creative content incentive program, which is for film, television and digital media projects. We recently used this program to secure -- season 1 of the American crime series, which recently debuted. They produced 10 episodes in Austin, and their production ran from July 2014 to November 2014. Moving on to the equity-based approach solutions, as I mentioned, we have the family business loan program, which is new to the city of Austin. Specifically to provide low interest loans in exchange for a commitment to higher low to moderate income individuals. With regard to the chapter 380 program, we have used that program to address the hard to employ, specifically we are able to negotiate a parameter within the agreement for U.S. Ferathane to hire 10% of its new employees from ex-offenders from Travis county reentry round table program. We also used a chapter 380-degree with national instruments where they committed ting aully train 1,000 kids in stem, science, technology, engineering and math careers. We have used our redevelopment projects to create affordable housing units for Austin and to contribute to the affordable housing trust fund, specifically for the green water treatment plant and the energy control center redevelopment projects, the city will be setting aside 40% of the property tax revenue from those projects. We estimate that the property tax revenue over a

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30-year period will generate in excess of \$63 million to the city's affordable housing trust fund. And all of our redevelopment projects are estimated to result in over 1,000 affordable for-rent units and close to 600 affordable for-sale units. Additionally the city council recently made changes to the chapter 380 policy to address living wages, prevailing wages and other equity issues. Recently the city council also amended the workforce development contracts to have a more in-depth focus on economic development. I wanted to quickly go over some of the new tools and solutions we're bringing forward. The first is the commercial stabilization program. We will be working with local small businesses to self-identify commercial corridors that can benefit from the targeted assistance of our departments, initially we will partner with three to four commercial districts as a pilot program and specifically we will meet with business owners in each pilot area, we will identify their needs such as capital infrastructure needs, permitting needs, whether they need loans for improvements or expansions and specific small business technical assistance. Phase 2 of the pilot progra will help those businesses who want to form merchants associations get access to low costs or free legal services to do so. We will partner with other city departments, such as transportation and capital planning, to elevate the priority of infrastructure needs in those areas that are supported by the existing businesses. The Einstein project is a program that we're developing in cooperation with the U.T. Ray Marshall center, ic squared, aid, other school districts and

non-profits. All focused on science, technology, engineering and math. We will explore program together that is focused on ramping up stem education for kids in school, particularly kids in poverty. We will be investigating the

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top 20 technology professions of the future and we will identify curriculum strategies that can influence the paths to these careers. The goal will be to develop the next generation of einsteins right here from Austin that can compete for high-paying tech jobs with the influx of talent being attracted to Austin. With regard to thinkeast, this is a site located in east Austin that is in an economically disadvantaged urban neighborhood. And we're developing this site in partnership with fusebox, a local non-profit which produces the annual fusebox festival. We will be converting a 25-acre former industrial site into a creative district of affordable living, working, learning and exhibition and performance space and from April 9th through the 12th, we will conduct a community input event for the input on this project. For the evening company-industrial park, which is also located in southeast Austin, we will convert 107 acres of an unused city-owned land and transform that space into a hub for recycling, upcycling and reuse manufacturing businesses with a goal of creating over 1200 jobs. The objective is to engage in long-term leases for parcels to companies who will take Austin's recyclable waste and convert it into a sellable product. We will be partnering with capital idea on an internship program. The goal of which is to place our students into technology careers for an intern program, so that way they can compete again with the influx of talent coming to Austin. There are some emerging opportunities on the horizon, some of our panelists will speak specifically to these. The first is science, technology, engineering and math careers. It's estimated 9,000 tech jobs will be created in

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Austin by 2017, half of Austin's job openings in 2014 required stem skills. Stem jobs are higher paying and more resilient. Many non-profit organizations such as girl start and skillpoint alliance have been involved for years in stem education, there is the potential to bring more partners to the table, including the city, to get more of our youth involved in a stem career. With regard to the medical and school -- medical school and teaching hospital, as you may recall, this was spurred by November 2012 passage of proposition 1. This involves the construction of a new medical school and teaching hospital on the U.T. Campus. Of the combined they are estimated to generate over \$2 billion in annual economic activity within the region and to create over 15,000 permanent jobs. And approximately 60% of these jobs are expected to require less than a four-year degree. And recently, Huston Tillotson university and the Dell medical school signed a partnership to help expand mental health services in Austin. These institutions plan to hire a team that will combine for these training programs a new model of care and research to address the needs of east Austin. There will be a faculty member that is jointly appointed by each of the universities that will manage what will be known as the Sandra joy Anderson community health and wellness center at Huston Tillotson university. With regard to the innovation zone, the city is leading the efforts to create an innovation zone adjacent to the medical school. The focus will be to develop an area adjacent to the medical school as an area

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for entrepreneurs, researchers and practitioners to collaborate and exchange ideas. The goal will be to commercialize the research coming out of the medical school and the research facilities. Mayor and council I want to quickly cover the chapter 380 program, authorized by the Texas local government

code. Which authorizes the city to establish a program to promote economic development and authorizes grants to be used for economic development. Specifically the city of Austin has adopted a chapter 380 performance based agreement program and policy and that policy inserts specific community values into the decision-making and the analysis process. The slide in front of you compares the number of agreements that the city of Austin has approved since 2004 when we implemented the program as compared to other major cities and counties in Texas. Since 2001 the city of Austin has approved 21 of those chapter 380 agreements. You can see that comparison to the cities of September, Dallas and Houston as well as other major counties in Texas. The economic development department since 2010 has used the web loci fiscal cost analysis, since 2010 the city will receive over \$29.5 million in revenue after factoring in the incentive, resulting in a 225% return on investment for the city. In 2003, good jobs first, which is a national non-profit watch dog for incentives, provided the economic development department a perfect 100 score for its online transparency practices. And the economic development since that point has continued our efforts in transparency by hosting other programs such as Texas enterprise zone designations, our loan programs and posting all of this in an open data platform. Mayor and council, to conclude, there were several action items that will be coming your way in the next six months. The first is accepting an \$8 million grant from the department of housing and urban development to fund the family business loan program. This is the second source of funding that we will use to support this program. We will also bring forward two other family business loan programs. We will bring forward a public art project for your consideration that's in relation to the women and children's shelter expansion project and a code amendment related to busking.

[9:48:52 AM]

We also have several reports coming to council, those include creating a safe and vibrant environment in downtown entertainment districts, developing business cooperatives and the economic impact of the fashion industry. This concludes my presentation, thank you. >> Mr. Gonzalez, thank you, Mr. Zimmerman? >> Zimmerman: Thank you, Mr. Gonzalez. Once again, I've heard extensive benefits being claimed, benefits, benefits, benefits, and I didn't even see the budget for your department. How much is the department costing us, the economic development department? >> The operating budget for our department is approximately \$13 million. >> Zimmerman: Chronic that includes the -- I don't think that includes the total. Isn't the total more around 40 to 50 million, could you explain that? >> Yes, we also include as a complete picture of economic development, it's on our first page of the budget, operating budget is \$13 million. We have also included the annual incentive amounts, which I believe this year are approximately \$17 million. And then we also include the -- the tif projects for the Mueller and second street projects, combined I believe the number is approximately \$45 million, but we can get you the full list for -- for council. >> [Indiscernible]. >> Oh, I see, what is tif again, Texas increment plan? >> Tax increment financing. >> Zimmerman: Thank you, let me make a quick comments, I know we have other people, I want to hear from them, especially Mr. Rogers. The cognitive dissonance I got out of your presentation, you mentioned a few things, a few of the incentive programs, for instance, you know, film and TV production and creative content. What's interesting about that is that is institutionalized inequality. Because what has to happen, if creative content is going to be incentivized, you mentioned the 45 million of the budget, other people are going to have to pay more to

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incentivize or subsidize or to encourage or promote whatever the words you use, someone has to pay! So in my thinking, philosophically, from a policy viewpoint, this is creating inequality. But I know the economic development department has a solution. It's called equity based programs. You talked

extensively about what I call equity based program. The cognitive dissonance that I have is we create inequalities through subpoenaedzies of whatever incentive is of the day. Then we try to make up for the inequality we produced. I really struggle with this department. When I campaigned in north Austin, I campaigned on a platform of abolishing your department for the simple reason and common sense if we got rid of the economic development department, we would still develop and grow, so those are my comments, but thank you for your remarks. >> Mayor? A quick question. >> Mayor Adler: Yes, Ms. Houston. >> Houston: Thank you, Mr. Mr. -- Thank you, Mr. Gonzalez for your information. I would like to know of the family loans how many went to minority businesses. >> Approximately 50%. >> Houston: Could you give us some examples? >> Sure. Um ... You don't have to do it now, when you find it, will you let me know, please. >> Certainly will. >> Houston: Thank you. >> Gallo: Thank you if your presentation, to follow up on councilmember Houston's, we are talking about economic development being spread equally throughout the city, if we could get an analysis of minority business but also a location of where the family business loans have been in Austin, I think that would be real helpful in the discussion that I think we're getting ready to have. >> Absolutely. >> I'm surprised she doesn't

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ask this question, but what is busking? [Laughter]. >> Houston: I was going to get to that, but I have been to some of those committee meetings, I happen to know that one. If there's a more common sense name, they've decided they want to call it that. But ask him so he can explain. >> What is busking? >> Busking can include various forms and usually they are artists who are interested -- okay. Thank you so much. They are artists who are interested in, of course, performing in a public space, whether it's playing a musical instrument, or whether it's a performance of some type of craft that they have. Particularly for sharing that with the community, particularly in entertainment districts. That's -- that's busking and we've been working with the downtown Austin alliance and the downtown Austin neighborhood association specifically to see how the city can accommodate busking in the downtown area. >> So -- so a question because this is coming up in some of our districts. If we have a neighborhood park and someone is interested in having a musical presentation or playing in the pavilion, would that be included in this? Or would that be a separate policy area? >> You know, I would have to -- to research that question because there's a lot of variables, including whether or not there will be amplified sound because we do have some ordinances with regard to obtaining a sound permit. In the event that they have some type of amplified music. I don't believe if there is amplified sound that there is a permit required but we would have to check on that. >> Gallo: It would be really helpful to know the policy on that. Because if parks and rec is involved because it's a park and there's other ordinances, but that coming -- we're beginning to get that question because I think it's becoming more and more popular and that would be helpful to know. >> Absolutely. >> Gallo: Specifically what can be done, what's not done, who needs -- who they

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need to get approval from. >> Absolutely. >> Gallo: One other quick question, please. On the 8 million grant to fund the family loan business program, how much does the city pay each year for that? And are there any other resources that provide money to us? >> This is zero cost to the city. We totally use the grant from the department of housing and urban development to fund the program. And as I mentioned, the -- the really interesting aspect of this program is that we're able to leverage private lending sources, so the -- so the examples that I provided in terms of sawyer and company, we were able to leverage the private loan as well as the city's loan from the H.U.D. Grant. >> Gallo: Well, a lot of programs that don't cost the city anything and provide such great benefits and so thank you for that. >>

Thank you. Councilmember Houston one of the staff members just provided me the stats on the family business loan program. To date we have provided 68% of the loans to minority-owned businesses. 35% to women-owned businesses. And 71% of those loans have been in east Austin. We'll provide the specific examples of specific locations for those. >> Tovo: Just very quickly, Rodney, Mr. Gonzalez, can you tell us when the family business loan, the two that you mentioned are coming forward? >> I'm sorry. >> Tovo: You mentioned upcoming issues before council, you are bringing two applications for family business loan programs. >> Yes. I'll give you that specific information, I don't have it in front of me. >> I guess that I'm just interested in a general time table. I say this because we did have some interesting conference last fall about the family business loan program and whether additional changes are necessary because we do have the ability, as I understand it, as a local entity of making some change. Adding some additional requirements to the federal guidelines and I -- I would

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suggest that we take a look at that because -- at least one of the family business loans that we approved was for a larger -- for a local ownership of, I believe, a hotel that is a national chain and so I think we should take a look at whether as a city we want to put some additional restrictions on those. And so I was just wondering when those two applications are coming forward. >> Okay. I know that they will be coming forward within the next six months, we'll get you the specific information for that. >> Tovo: Okay, super, thank you. >> Mayor Adler: Ms. Troxclair? >> If you can also provide us the current I guess federal requirements for us to review, that would be helpful. >> We certainly will. >> Thank you. >> Ms. Gallo? >> Gallo: One other question, I forgot to ask. On the approved public art project, is that an art in public places project? >> Yes, ma'am, it is. >> Gallo: I'm sure that you were present when we had the lengthy discussion about trying to make sure that as much money as possible goes to local artists. >> Yes. >> Gallo: Will we be able to have that discussion prior to needing to approve this? >> Yes, you will as well. It will go through the process of going through the arts commission as well before it comes to the city council? >> >> Gallo: Okay. Any idea when that will come before city council? >> As I mentioned in the presentation, we anticipate it within the next six months. I'm not specific about the date that we will be bringing it to council because it has to go through the process. >> Gallo: Thank you. >> Ms. Pool? >> Pool: Mr. Gonzalez, during the campaign a lot of folks in my district told me they were really concerned about the amount of money that at a policy level the city was spending to attract large businesses to Austin and subsidizing their arrival here and staffing and I know this is not -- this is not your area of decision-making as far as how we handle incentives, but I am curious to know what the -- what the amount of money that we have in our

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local small business incentives program, do you happen to have that number, a budget number? >> In terms of our local small business program, of course, we have the family business loan program, which I mentioned was the \$3 million revolving loan pool and should council approve it, we would have an additional \$8 million from the department of housing and urban development. Annually I believe the operating budget for our small business program is \$2 million. >> Pool: I just wanted to let my colleagues on the dais know that when we look at our budget, when we're in the budget process this year, I'm going to look really closely at shifting some of the money that has previously been sent, allocated for incentives for large corporations to move to Austin, are so that we can look at supporting local small business and the various different ways people make -- earn their keep here, earn their living here, from -- from taxis to -- to haircut shops to restaurants, you name it, the whole gamut. So I'm interested in trying to support and elevate our local small business through our incentives program.

Thanks. >> Mayor Adler: Thank you, councilmember. And you'll find in >> Thank you, council member. You'll find in the budget process our small business division is indeed our largest division. In our department we have approximately 14 employees in that division. >> Mayor Adler: Okay. Are we ready? All right. So the first -- next panelist we're going to have speaking, John Jacanos. You're going to talk to us hopefully a little bit, I hope, about the incentive programs, about the 380 performance-based agreements and how they can be used to create or promote job creation, and how the city can maximize the benefit of those tools. >> I will, Mr. Mayor. Thanks very much for having me today. Members of council. I too have a presentation, so I guess I have to see if Rodney will pass me the clicker.

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All right. So Rodney and I were talking a little bit before we started and Rodney said to me, "John, I'm a little concerned, somebody noticed on your first slide it said April 9th of 2003. That's a typo; right?" I said, no, actually it's not. The first portion of this is a presentation I made to city council on April 9th, 2003, when we were first talking about the issues around what Rodney has already referenced, which is, of course, the down turn in the local economy and the dot-com bust and the concerns around what was a fairly substantial loss in overall jobs in general, and then in particular, a significant loss in very, very high-paying technology jobs. And so I was tasked at that point with leading then mayor Garcia's task force on the economy. This was the subcommittee findings of the group that I led in and around what Rodney has called traditional industries. And so I will go through this fairly quickly because he's talked about some of it, but I did think it might be interesting for you all to have some historical context on this. So, really, what we were tasked with looking at were these things. We were supposed to look at overarching policies for using incentives, both recruiting and retaining employers that would provide new jobs here in the Austin area, what kind of incentives should we be looking about. And we were really tasked with thinking, how do we evaluate this stuff? How do we go through and evaluate who we should -- would be contemplating making an agreement with, what should the evaluation process be around structuring that agreement, and how best to analyze both the costs and the benefits to come up with an overall net benefit to the city and the community. And so some of that, again, just by way of background at the time -- apparently it's Alexander Hamilton's fault since he started the process of offering incentives. We know at least as far back as the late 18th century. At the time, it was estimated there were between 20 and 30 billion in state and local incentives being offered across the country, with the federal

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government investing about six billion more. Investing, by the way, was the term of art at the time. We weren't actually allowed to say the word incentive out loud in public so we had to talk about shared investments. And in a 1987 survey, and I think in many communities these would still be two of the most important priorities of the increasing local jobs and improving the city's tax base. Those were the priorities back in '87 of a survey of a little over 300 mayors. So what the committee findings basically said was, yeah, we'll talk about doing an incentive to either a company that's relocating or expanding, but we want to look and we had a lot of detail and report on the following criteria. First and foremost, what is the economic impact and the fiscal impact. And of course those are not exactly the same thing. The economic impact, obviously, affects the entire economy. Fiscal impact, in particular, is its financial effect on the city of Austin. What's the overall effect, what -- not only how many jobs are being created, but what kind of jobs are being created? We went into a fair amount of detail on that. What were the demands being placed on local infrastructure? Was someone going to come here and put an outsized demand on our infrastructure, for example, that might substantially increase the negative fiscal impact

to the city of Austin. So those were some of the big factors. One of the things that we talked a lot about was how did it fit in with the overall Austin economy take existed at the time. Was it building on an existing cluster, for example, or was it potentially going to be a new activity that would address issues such as the hard to employ population. That's obviously something we're thinking about these days as well. Cultural and quality of life considerations were really -- I think this is one of the first times those factors were included in evaluating a company's potentially as a recipient of an agreement, and there's, again, a fair amount of detail about thinking about that. And then, of course, environmental considerations would be some as well. So there was a lot of detail on all those. But those are essentially the

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summary factors that were evaluated that were proposed as being part of the evaluation process. And so how do we do it? Clearly you should do a cost/benefit analysis. Benefits should be measured by the present value of direct tax revenues contributable to the firm of the project. Costs have two components. One is, directly is it going to cost the city of Austin any money, new infrastructure, et cetera. Second, on the indirect side, are you bringing in people from outside as a result are ongoing city expenses going to increase? Are we going to have to hire more police, more folks for parks, et cetera, all that. And the idea would be that you do this kind of careful evaluation first, come up with what the net gain to the city is, and then decide what, if any, percentage of that you want to send back to the potential recipient of these incentives. Sorry. So, at the time, and again this is probably going to seem strange, the us in media was replete with stories of people writing big checks on the come, basically. Famous story about a city up in the panhandle who wrote a major check to a major airline in hopes they would show up and provide a big aircraft maintenance facility, and it never really worked out. So the view at that point, which I think is still absolutely appropriate, the city should never front load anything in these details. All packages should be based upon an agreed structure. The firm pays in their entire tax liability to the extent that they meet the terms of the contract, then they are returned the percentage of their tax liability as per the terms of the contract. Again, we talked about different -- different things. Rodney talked a little bit about chapter 380, and that's the thing I'm here to talk the most about. Chapter 380 is essentially about five sentences in the Texas local government code that simply says the city or the county, if it's chapter 381, may enter into agreements to promote economic development. And so what it really is is

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economic development by contract. That gives the city the authors authorization to sit down and negotiate with a potential recipient of these incentives and say, if you do the following things, we will, in fact, return some of the tax liability that you paid in back to you. And so again, at the time we said, and I think this is also appropriate here, local hire is an important part of this equation because they reflect the level of indirect costs and they should be factored into the overall calculations, along with other actions taken by the firm to the public benefit. So this was about really -- this was all done, again, 12 years ago, about laying out a framework and a structure much of which ultimately became city policy. So where is it today? Again, Rodney mentioned they formalized some of the detailed cost/benefit analysis using the web loci model. Originally it was done ad hoc. It's now through a formalized process. The ripple effects are measured and considered, but they're not part of the overall structuring of the agreement. All projects are evaluated over ten-year period. Again, the benefits and the costs are expressed purely in city of Austin terms, so it obviously includes tax revenues, fees, fines, and of course since we have a municipal utility here, utility-related revenue. And, again, the costs include specific

infrastructure allocated departmental operations, utility related costs, and any incentives that are ultimately offered to a potential recipient. And so a couple of just additional thoughts on this, as we were thinking about this, we were trying really, really hard, you know, to not do bad don't. I think the city so far has been pretty -- pretty good about that. The question, the 64000 or 64 million or 640 million-dollar question on all these deals is, what for? Would the X, Y, Z company have come here absent the incentives? That is one that is very, very challenging to definitively

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answer. The safeguard that's put in place is at least under current policy, you have to show evidence of at least one and perhaps more than one credible, competing offer from another community. And that's the game that is being played. I will say this as an economist, I don't know any who is in the abstract of favorable incentives, if we could by fiat, eliminate them from the equation, it would be a better world. But if we take ourselves out of the incentive game we put ourselves out of a competitive advantage. On the other hand, we don't want to be handing money out sort of willy-nilly, so we try to find safeguards to say if we are going to offer an incentive to a given company, they've gone through this entire process and there are at least one and maybe more than one credible other offers on the table. There's in question that as we sit here, the Austin economy is performing being at a high level. In fact, I would think most of us in this room think we've performed in such a high level, we're now dealing with some of the negative consequences. So part of what you heard from Rodney earlier is a shift in tone and focus. You have a different set of priorities, perhaps, when the unemployment rate is seven, eight, nine percent than you do when it's two to three percent. And so I think that what the city is now thinking about is shifting focus a little bit toward things like, you know, finding economic development opportunities for the hard to come on, and finding -- to employ, and find ways to create workforce capacity that will lead us in the direction of, again, growth somewhere down the road, as opposed to, gee, we've got to go out and recruit a bunch of companies. Having said that this can stay in place even if you don't use it very often. Taking away policy structures like, all of a sudden something comes along and you say to yourself, we really would like to do this deal and you don't have the structure in place to deal with it. So I think, overall, I think a lot of it at this stage of the game is leaving these kinds of policies in place.

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They have -- they have certainly been modified over the course of the last 12 years, as they should be. I mean, as the economic environment we are operating in changes, as relative priorities shift, things should change, but the basic structure I think overall is pretty sound. Obviously, I think so because I helped put it together 12 years ago, so I clearly have a dog in the hunt. But along the way, I think that it really is -- it's a really, really good problem to have, that we are facing. And I'll close with that, that we are facing in Austin right now. Most communities I work with are trying really hard to figure out how to create some economic development. In Austin we are trying to figure out how to spread the benefits of economic development and manage some of the unintended consequences. I think overall that's a pretty good place to be. So thank you. >> Mayor Adler: Any comments or questions? >> Just one question. Thank you. Could you tell us a little bit about the project that you are involved in? I looked on your website, and you do this professionally; right? You do these studies, you're an economist. >> Yeah. >> Zimmerman: On your livelihood, your business is in promoting these incentive programs through economic arguments. So I guess -- I guess I'm happy that you're here, but I'd like to see somebody else on the other side of that fence that says, you know, we really shouldn't be paying people like yourself to come up with these reports because there's -- there's not another competing or another objective view that could be critical of that report, another economist that would agree with your point of view. We

don't do that, pay you to do a report, then pay another economist to take a critical look at that report and say, you know, that doesn't add up to me, in my professional opinion, do we do that? Do we hear both sides? >> You'd have to ask the city staff. I will say, council member, that incentive programs and work with the city of Austin is a relatively small fraction of my

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overall business. >> Council member, maybe if I could add to that element, we use John to look at the economic impact of various industry sectors in Austin to see what opportunities exist in those industry sectors that we can support. And if none exist or if it's just too challenging for us, what are some other opportunities in Austin. For example, we are exploring the manufacturing sector in Austin to see what opportunities exist there, such as that we can bring forward economic development programs for council support to address manufacturing jobs and the lack of manufacturing jobs in Austin. And that's John's role, is to help us analyze those economic industry sectors as you will see okay. Is there another role? There could be another role, a second pair of eyes. When you go to the doctor and he says you have cancer, you might want to get a second opinion. If you're looking for these opportunities and you have a competent economist who says, yeah, we have the opportunity, do you get a second opinion from someone who's skeptical? We have economists who are skeptical of these ideas of economic subsidies. Wouldn't you want to get another opinion, professional opinion? I guess we don't. >> Let me clarify. We're not asking John to develop subsidy programs for us. We're only asking for him to assess the economy in those industry sectors. >> Zimmerman: Yes, but you could get another assessment, a second opinion on those assessments. And the second opinion might say, well, we don't believe those opportunities are there, or we don't think they're worth pursuing, we don't think that the taxpayers would get a benefit out of this, another opinion. But we don't do another opinion, so I guess that's my point. >> Mayor Adler: Ms. Houston. >> Houston: Thank you so much. I want to just thank you for speaking to me in terms that I could understand because as an economist, I know you could do it in a much higher level, and thank you so much for talking for a lay person. >> You're welcome. >> Mayor Adler: Mr. Jacanos. >> Yes, sir. >> Mayor Adler: Thank you for

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the services you do give to the city. When we're looking at the equation that we use to choose economic development activities or incentives, we have the webloci, which quantifies or helps us measure or compare opportunities. Does that -- within that, Dr. Different factors that are considered, I imagine different weight given different factors within that system, that -- if we wanted to focus more or in a different situation than we were in 2003 -- >> Uh-huh. >> Mayor Adler: So we have now a lot of economic development activity, which is happening, we're in a different market, in a different economy than we were then, if we wanted to focus on middle class jobs or training for middle class jobs, is that using the same webloci system? Do we weight it differently? How do you adjust for changes in economy or markets if we want to redirect the activity? >> What webloci is designed to do is to evaluate the cost and benefits of an individual firm coming in. So one of the things that was written into the more extensive report is that you should not, back in the day, and I still think it's appropriate, is not only should you look at the number of jobs, you should look at the average wage, you should look at the distribution of wages, you could look at the distribution of benefits, you could look at the skill sets associated with each one of the individual jobs. So in terms of looking at companies that's potential recipients of incentives, that's one of the factors. And I think it's a factor that's more important today than it would have been, say, you know, some time in the past because we are trying to figure out how to create both middle class jobs and jobs for folks who are traditionally hard to come on. So you might --

to employ. So you might put more weight in that case than companies that bring jobs, 20 to \$25 an hour with good benefits that don't require as much higher education as some other companies might. So that's a process -- weblocis

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a mechanical tool. You, as the analyst, or the city as the analyst, can set a policy priority, then say we will adjust the evaluation process based on that. >> Mayor Adler: And has the city done that? >> I think so. Yes. >> Mayor Adler: Okay. Adjusted in order to -- and is that something that's done in a qualitative way, or is that done on a quantitative way? >> I think it comes out -- I'll let Rodney jump in here. I think it comes out -- potentially when you're talking about a company that you're bringing in, it comes out in the overall evaluation, the scoring, and the ultimate incentive that might be offered to that company. And then, of course, if you're talking about just generally trying to do -- promote growth and jobs, for example, again in hard to employ populations, you're talking about things Rodney was talking about earlier, talking about working with folks like capital idea and skill point and the family business loan program and all that. >> Mayor, if I will, we use a two-part process. The first is a scoring process. The city council approves what we call the matrix scoring process, and any project -- and granted, we only bring on average two projects to council per year for an incentive. Any project has to score over 60 points in that matrix score. We have scoring criteria for the types of jobs that are being created, the amount of wages that that company is paying, and how they compared to the industry sector for those particular wages, and should a company then score over 60, then we'll move to the next step, which is computing the cost and the benefits associated with that project. And the wages that are paid to those individuals factor very heavily into that computation. The higher the wages, then, of course, the more city revenue that's we're going to see in terms of property tax and sales tax, and the lower the wages, then the less revenues to the city. So wages are a critical factor with regard to the analysis because they are part of that

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mechanism. >> Mayor Adler: And I guess that's the question. If we're scoring high, the incentive packages that are driving the high-paying jobs, then a project which is designed to or hopefully encouraging more of the middle class jobs wouldn't score as well on that matrix or that system. >> Actually, as I mentioned, you have to just score a minimum of 60, and so as an example, us ferathane, they scored over 60 and those were manufacturing jobs. The fall I don't tell, though, is when we do complete the web loci analysis, to answer your question, it doesn't necessarily mean whether or not they score 95 or 60. The pass-fail is a 60. And as soon as they exceed the 60, we then move into the next phase, which is computing the financial cost and benefit analysis. But it's during that computation that lower waging -- lower paying jobs don't produce as much revenue for the city as higher-paying jobs. So it's not a factor of the score, but rather a factor of the computation. >> Mayor Adler: So a high level of jobs or the lower paying jobs doesn't show up in the first stage. It's not part of the 60 or the 90 score. >> We look at that, but we look at it in relation to the project. So, you know, if it's a manufacturing project, what are those wages, as compared to other manufacturing jobs in the city. And so we're comparing projects to the industry sector that they're in. If we have high tech -- a high tech project, then we're comparing those wages to the high tech sector. So each project is in relationship to the industry sector that we're scoring. So that's where the scoring is really a matter of the industry that they're in. So as I mentioned -- and I don't know the specific score offhand of us pherathane. They could have scored an 80

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based on everything they do, especially with hiring ex offenders and the way they offer training and promotion programs to their employees. So we're looking at a lot of the qualitative factors, in addition to the wages that they pay. >> Mr. Mayor, may I just follow on that for a second? >> Mayor Adler: Yes, sir. >> Also, one of the things, once you've gone through this whole process, you decide what percentage, if any, of the net gain you want to rebate back to the firm as part of an incentive package. That percentage, in part, could be determined by some of the variables you're talking about. That's obviously up to council. And so especially at a time when you are focusing on creating good jobs at good wages for folks, you might say, hey, our benchmark is kind of no more than 50% of the present value, but because of some of the qualitative factors that Rodney was talking about, in this case, with this company, we might go to 60 or 70 or 80% for the present value of the net gain. So there are places along the way where you can -- you can reflect economic development priorities within this overall structure. >> Mayor Adler: Thank you. Further questions? Ms. Troxclair, and then Mr. Casar. >> Troxclair: Can you talk about the situation that happened with dropbox, who was -- who was offered an incentive and then eventually declined this city's money because of what they said was too high of reporting burdens and this they didn't have the band width to comply with the city's reporting requirements? Can you talk a little bit about what happened there and maybe what changes we're making to address that kind of situation? >> That was the information that dropbox shared with us, was that, from their perspective, that the requirements to stay in the program were too onerous in relationship to the benefit that they were receiving from the incentive. The requirements are in place through council policy. We are not looking at changing

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those requirements. That was council's purview, should you want to change any of those requirements. >> Troxclair: Okay. >> Casar: Mayor, may I ask a follow-up to that question? Is it your understanding that dropbox still received their incentives via the state program? >> I'd have to check on that. The way that the state program works, and it's completely different than the city program, our program is totally based on performance, so there's not a single dollar that is written out or check written out until the company shows their performance and it's on an annual basis. With regard to the state program, it's my understanding they pay a third of their incentive up front, the other third during the middle of the program, then the final third upon completion. But we can find out for you what amount of -- >> Casar: Sure, that would be helpful because I think part of the narrative that's been built around the dropbox issue has been that they dropped out, but it's my understanding that they're still developing here and, therefore, their dropping out means that we just get additional tax revenue to the city. So that's my understanding of that issue. The question I did want to just flag now, because we'll probably be having our first meeting of the economic opportunity committee soon and I'll bring it up with the chair to my right, looking at the economic agreement for us pherathane, I noticed in the economic development agreement we just laid out we wanted good faith or best faith efforts to be made to work with community groups to recruit ex offenders. I know that target number you listed wasn't in the original agreement but I imagine has been developed thereafter. So I'm really interested to see how it is that we are doing when we ask for best faith efforts to be made to hire locals or to hire ex offenders and see what the reality is on the ground, to see if it's exceeding expectations or not, and I think that's something that if we are contemplating looking at economic development as a way to share the benefits of the prosperity that we're seeing

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now, how strict the requirements should be in the agreement, or if we should continue on a path of saying, you know, work in best faith to work with local community groups to see how that's going. So that's something I think will be interesting no many of us. >> Sure. And as a clarification, it's not a requirement in the current policy. We had worked with us pherathane to see if they could add that requirement, and they said yes, indeed they could. So it's not a policy requirement. However, in 2003, at our request, council added it as a bonus provision so that a company that does desire to engage in an ex offender recruitment program, they would get an additional bonus from the city for doing so. >> Casar: Okay. So the updated ordinance must just not be on the website because in the agreement that's currently on the development department's website, that requirement, I guess, was not added, in the one that's posted. So that may just be a miscommunication. >> Okay. And as an update, unfortunately, us pherathane did turn in their agreement as well. >> Mayor Adler: Ms. Pool first, and then -- >> Pool: Thanks. I'm curious, does the city have a program in economic development that takes the incentives agreements that are written and review them so that we can see if everything that has been promised has actually been fulfilled, and if not, do we have a provision for -- I think the term is claw-back funds? >> Sure. As council member Casar pointed out, we post we post all of our annual reviews only and we gauge in -- we engage in hiring a third-party reviewer. It isn't until they indicate the companies have complied that the city will apply for that year's annual incentive. Bcause we operate a performance based program where our money is

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not paid until after the company has performed, then we don't necessarily need claw-backs because the company has met its performance obligations for that specific year, and our obligation for that year is to provide the incentive. So even though these are ten-year agreements, you can actually consider them annual contracts for a ten-year term in which every year the company is obligated to meet its obligationtion, and if they meet their obligations, they will be provided that year's incentive. >> Do they respond annually on the progress? >> Absolutely they do, and all that information is posted on their website. >> Then one last question, are the incentives and the requirements determined by your department based on the policy direction from council, or how much leeway does the economic development department have to have caveats and specific items to be met in these incentive agreements? >> Within the matrix scoring sheet, which was adopted by council in 2013, it does provide the limitations, if you will, of the incentive that can be offered to a specific company. If it's a property tax based incentive, there are some caveats to the percent of property tax that can be rebated, and if it's a job based incentive there are caveats to the limit of the amount per job that we can provide. All of this, of course, is subject to the fiscal impact analysis that we conduct, and if there is no revenue, positive revenue to the city, we will not offer an incentive. We only look at whether or not there is a profit to the city, and from the city, then that then gives us a tool from which to offer an incentive. >> Pool: And that gives me one last question. I don't know exactly how to put it. So let me think about it a

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little bit more. I'll probably have another question or two. Thank you. >> Mayor Adler: That would be fine. Ms. Tovo, then Ms. Troxclair. >> Tovo: I just wanted to mention to those who are serving on the committee that I would like to bring a discussion before the economic opportunity committee to look at an issue that came up at the end of last year. There was a resolution that I brought forward to ask companies that are receiving chapter 380 agreements to commit not to -- well, basically to put a provision in our chapter 380 agreements that if a company lowers its property tax valuation during the

period of the agreement, that it would trigger a review by council of whether or not they should continue to receive incentives. And there were some amendments made that sufficiently watered that down to be almost -- I would say almost meaningless. So I just mention that, that that is something I plan to ask the committee to look at because as we continue to look at our chapter 380 program and how it can best support the city of Austin and our economic goals, I do think it's important that we not -- that we make sure that we're not adding to the property tax issue of commercial properties, or residential properties bearing more of the cost, or disproportionate amount of the cost compared to commercial properties. >> And that was actually the question I was trying to find a way to formulate, so thank you. Yeah. Thanks. >> Mayor Adler: Ms. Troxclair, then Ms. Houston. >> Troxclair: So I guess going back to the dropbox situation in response to council member Casar's comment, they did he understand up coming here, and so it didn't cost the city money through our incentive program, and so that's great, but I think it speaks to the central question of incentives, of would these businesses relocate to Austin without city incentives. And in that case, it seemed to indicate that, yes, they would. So we need to make sure that the bar is set really high. And I know that you all do a lot

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of work to make sure that when we offer incentives, that you do have a lot of due diligence behind there. But I would be curious to hear -- I understand that it's -- council is set -- policy is set by city council, but I would be curious to hear your recommendations, if you do think that there are things we can do to prevent that situation in the future, I would be curious to hear from you. Not -- you don't necessarily have to speak to them now. And then also to the rest of the members of the economic opportunity committee, I think that if this is our policy forum, we will have a deep dive on this particular issue within the economic opportunity committee. So I would say all of us will be requesting probably a lot of information, and we'll do a more thorough policy -- policy -- you know, policy dive where we can talk about potential changes. >> We look forward to the conversation. Thank you. >> Mayor Adler: Ms. Houston. >> Houston: Yes, please. Mr. Gonzalez, on the matrix system that you referenced, do you look at transit, the location of transit and where these -- do you give points for where the industry or the business is located? Because this thing about us pherathane, there's no transit options to get there, so even though we might have people in the district who -- who could benefit from those jobs, they can't get there from here. >> Yes, council member Houston. As a matter of practice, what we do is, if the company has identified location, what we will do is, we will work with capital metro to identify the best routes adjacent to that location to see how well served the location is by public transit, by buses, specifically. Then with regard to your question of the incentives, council in 2003 did approve some

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bonus incentives, specifically to help target the location of some of these projects. Specifically, the bonus wording is that the firm will locate in a high frequency transit corridor, tod, regional town center or neighborhood center, identified by the growth map in the imagine Austin plan, and/or locate within a half mile of a rail or bus stop that is accessible by safe pedestrian and bicycle routes. And then the other component of that bonus is that the firm will develop a program to encourage employees to use alternative transportation modes through transportation demand management tragedies, such as carpooling, flex time work strategies, and subs dieing transit costs for employees. So those are two of the bonus criteria that were added -- >> So U.S. Pherathane received bonus points? Sunday they do not receive bonus points, it was before the council changed to the matrix in 2003. >> Thank you. >> Mayor Adler: Ms. Garza. >> Garza: You all may have already discussed this and I missed it but the ordinance that housed all these is really a matrix and maybe that would be helpful for the other council members

to see, you know, how they're scored, if you could send us a link or copy of the ordinance. >> Absolutely. We can send council the matrix scoring that we used, the blank sheet, if you will. Then as a matter of practice, when we do bring a project forward for council's considering, we post a number of documents for the council and for the public review. And one of those documents is the matrix scoring sheet. >> Mayor Adler: Most troxclair, I look forward to and appreciate your committee taking a look at incentives, and how they or should be used in the city. I have always been a little confused by a debate about incentives that begins with the question of whether incentives

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are good or bad, because it seems to me that begs the question of how do you use the tool. To me, it seems like a tool that's in a toolbox that the city has to be able to drive whatever its values are, and I think that, for me, the more appropriate question will be what is the value, what is it that we're trying to achieve in the city? And then to take a real hard look at all the tools that we have, including incentives, to see whether or not that is a tool that could help us drive the value that we want to achieve. So I look forward to you having that conversation. Further conversation before we go to the next speaker? Thank you, Mr. Jacanos. Next person we have speaking is Brian Rogers. Mr. Rogers, you were going to speak also about what role should incentives to private corporations play in the city's economic development strategies. Thanks for being with us. >> For over a decade I've been challenging corporate incentives, and it's clear to me that the recipient of the funds has their own economic development. The city has their own narrowly defined economic development from the give-get scenario. The chamber of commerce, which is a real estate-dominated trade organization, has their definition of economic development, but the community is completely left out of that conversation. What is community economic development? So I've become -- I've gotten a broad understanding now of economic development through -- I was like a symposium junky going to hear Greg will heeroy of good jobs first, the business of local living economies, Stacey Mitchell, the big box, Feder of big -- I understand how things operate as a breathing organism so I'm going to rapidly go through some powerpoint slides. This is the Ryan Robinson's -- this is the graph, the

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exponential growth of the city of Austin's population. I snipped in this little quote here. The number of microorganisms in a culture will increase exponentially until an essential nutrient is exhausted. So we're a biological organism. What would be the nutrient that is exhausted that stops our growth? Is it water? Is it traffic? Or is it affordability? Because those are the three things that are killing us now with all these new new comer's swapping the east side, driving up rents for commercial businesses, too. We have a million and a half people set to move here by 2035, and here's what -- show me the money. So we have a million and a half new residents, probably 2-5 persons per housing unit. 600000 new housing units are going to be needed. You multiply that I'm just guessing an average of 175000, that's \$90 billion of new housing. You add into that the commercial, and then the campo, 27 billion, we have 27 billion in new real estate development coming our way in new growth rate. So Austin is like a giant real estate play. Population in migration is big money. Corporate relocation subsidies drive that growth. It's an extraordinary market, says, you know, Charles heimsath, unless you're a tenant. Probably 90% of the commercial business owners are tenants, and 50% are local, yet the chamber Pete Winstead says we need to continue these corporate subsidies because it can reduce the tax burden on Austin families. Well, that's not the way it goes. Brian, we need to expand the tax base. They don't also tell you there's also an expense base and a capital base and it's not part of the program. So I did some open records a while back, this is a little bit old, but I fond out that the city of Austin was giving -- we

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gave the opportunity Austin 350000 a year. They used the money -- there's a New York publications firm who puts us out number one list. You can see in March, worked with Forbes on data for articles in rankings. Being think we rise to the top of the number one list organically. We're paying our way that way. The chamber -- I'm picking on the chamber. Step on it, baby. You know, let's -- we need more people. 150 a day? No, they would be happy if 300 a day moved here. There's profits for them, inflation for us. Foder says growth promotion becomes the essence of local government. I think you'll find that, you're going to be pushed to grow, grow, grow, this city. Real estate people don't need any incentives. I'm telling you, here's a whole list of -- I'm in the real estate business, believe me there's years I haven't paid taxes, I didn't have to pay social security income sometimes. I'll let you read the list yourselves, but we're welfare queens. Total accounting, can we stop pretending? This was a hard break -- heart breaker when we took Seaholm and slapped a corporate logo on it. I want to go through it because it could have been -- pushing this button, it's not going. There. It could have been something beautiful, like the market San Miguel in Madrid or Faneuil Hall in Boston. But instead it's a software company. We went through the different web be loci programs. They're telling us, see the benefits up at the top. These people are going to bring sales taxes, property taxes, franchise revenue. We're going to put in as a city 679000 of our money. It's going to net 1.6 million. Isn't that great? Well, that's not the end of the story. What about all the other capital items, like the schools, the

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roads, public transportation, parks, water treatment plants. You know, all of that stuff is not part of their give-get scenario. And I have been -- gone blue in the face trying to get the past council and the current economic development people to put the real Numbers in, the true accounting of what do these things cost. But they're leaving out the capital costs. And I say that's got to stop. It's just not right. So Athena health had 632 employees, half of them coming from outside the city limits. But zero transportation capital infrastructure was allocated for it. So what happens when no money is allocated for this? Does it -- you know, it does come by magic? No. Here's what happens. We either get increased taxes, increased debt, or infrastructure deficit, which we have with our roads now, if we keep bringing these people in with a hundred -- you know, with public dollar deferred maintenance and reduced services. We have all of those because of the rampant growth that we have. Some of it partially subsidized by us. There's a lot of growth related cost that don't make the list, and I'll let you read them on your own. We subsidize this growth in a number of ways locally. I hired an outside consultant to see what is the cost of growth? Because if you're all into bringing people here, you at least ought to know, what does it really cost? And what does it cost for one -- one residential unit to hook up to the infrastructure. So school facilities, roads, water/wastewater, it costs just these six categories, it's \$26,000 of costs that could be offloaded onto the public. The water wastewater, we're able to capture that through impact fees, but all the rest of this is off loaded onto the rest of us, these costs are be socialized, so while people make money on the real estate business are getting big money,

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we're having to pay the freight of it. If you take out just to say capital coccyx costs, Athena would have been in the negative. It stale may have been a good deal but I don't think so. Let's put in the total accounting and put in capital costs it requires to make this project. Really, what is the top ranking reason for corporate relocation? This is their survey. Labor costs, number two, highway accessibility, number

three, availability of skill labor. Advanced internet, occupancy costs, energy availability. Number 13 is incentives. It's an afterthought. That's not what brings people here. We don't need to do these incentive deals. They'll come here anyway. So this is the end of my presentation. You can ask me a lot of questions because there's other things, but, mommy, where do jobs come from? The local elected representatives come out and answer the most basic economic question of where do jobs come from? It's not by industrial recruitment. Thank you. >> Mayor Adler: Questions or comments? Puce pool, then Mr. Zimmerman. >> Pool: Hi, Brian. >> Hi. >> Pool: I am glad you brought up Seaholm. That project, you may know back in the late '90s, council member Beverly Griffith asked me to chair the stakeholder committee that looked at preserving that building because Austin energy was looking at selling it, selling the land. It was up for decommissioning. And at the time in the -- I guess it was like '97-'98, there was an effort that the mayor -- I think it was mayor Watson at the time, was spearheading to get residential downtown. I don't think we had very many, if any, people living downtown, and we've come a long way in that, in that time frame. Think about, Seaholm is such an iconic building and beautiful, and it says a lot about the

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power generated in this community over time. And our goal was to preserve that building. So we had a public stakeholder -- it was public input process, talked to a lot, a lot of folks, and city staff who are still on board now helped with the -- with those meetings, and I wrote the report, and we recommended a science and tech museum for that space. Then of course we had 9/11, and I think two, maybe three fairly deep recessions in the intervening 15 to 16 years. And I just want to say that I am sorry that we never saw that vision complete, which was what the community at the time really, really wanted, a science and tech museum. I think cedar park actually is on opening a science and tech museum, and good on them. I think that's needed in our community. So I say all that just to preface my statement that I'm not interested in going back and regretting, any further than I already do, about what happens to Seaholm, but I will say that the pictures that you showed about San Miguel, Sinclair black was part of the committee to preserve that property, and that was a specific example he used for the community to see what Seaholm, that beautiful building, could have become. And I think you're dead right in saying that we sometimes sell out our long-term future for a short-term gain. And I just want you all to know that I'm really mindful of that and hope that we can have our vision look longer down the future than a very short-term, immediate goal. >> Thank you. >> Pool: Thank you. >> Mayor Adler: Mr. Zimmerman. >> Zimmerman: Thank you, Mr. Rogers, I appreciate that a lot. First comment, I had no idea you had come up with a specific example of how these -- the costs are not being realistically computed. The question I raised or comment

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I made earlier to Mr. Gonzalez about having another point of view, that would be the point of view you just brought up, so thank you for bringing that up. But I'd like you to talk for a few minutes about the domain subsidies. And in particular, one of the interesting things about the incentive programs is, there has to be somebody who measures the performance. And that becomes a political football. Right? Because how do you know you're getting accurate data as to whether the incentive plan is being followed? Who measures that performance? Can you get trustworthy data? And if you don't, what corrective action could you take, if any? So in that, could you tell us a little bit about what's happened with the domain after that? I know the referendum narrowly lost. I voted against the domain subsidies, but if you could talk about that for a few minutes. >> Right. Well, that was quite a long time ago. They -- because it has a sales tax revenue component and a property tax, the individual merchants have to

report what their sales tax is, so as far as what that was -- what is obtained, is legally -- they're bound to do a good job. So I think that what comes in from sales tax and everything is all -- those are all believable Numbers. I think the bar was set low on the jobs. There was no salary, wage level, or any of that. So I think it was pretty easy to meet the goals. I can't really talk much longer on that. >> Zimmerman: Okay. Sorry. Back up to that campaign itself, because the same arguments that we're hearing now were applied back then. You know, we just -- we don't need to subsidize Neiman Marcus in a big, luxury shopping center. And if we hadn't have subsidized it, it probably would have come anyway. >> Right. Well, at the time there were, I think, competing visions for these lifestyle malls, and the Simon malls was there, had maybe another tract of land identified, so I think it would have happened anyway. I mean, companies come, they

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pick Austin, they look at the demographics and they come to cherry pick our demographics, so the decision, I think, is already made to come here. And then with -- with all these companies. And then they just go in and ask later. Because I think if a company is willing to transfer all the way across the country, for instance, one of these tech firms, on the basis of a small incentive package, I don't really think we want them because if they're that rootless and untied in the community where they are, they aren't -- I don't think we need them. >> Zimmerman: Okay. And finally, I guess on the -- you put a slide up that showed incentives as being number 13 on a list, whereas traffic congestion or highway access was number 2. So from a high level piece of common sense, I could say, you know what, if I abolished the economic development department and took the \$45 million a year and put it into roads, road infrastructure improvements, so we could relieve congestion, that would do a better job of attracting people without directly subsidizing them, if they wanted to attract them. But actually, I want congestion relief for the people already here. >> Right. Well, there's -- there's other alternative forms of economic development and one of them he is to build a beautiful city. You know, build the boardwalks, build the things that make it a wonderful place to live, and people will come. But I think you do need an economic development department because there's other things they could do to alleviate poverty and provide opportunities for people. I mean, there's crowd funding, the new democracyization of capital. I think we need a new stock exchange. I'm pushing legislation at the capitol to have that done. There's other ways to grow a deep, resilient economy, and corporate relocation is not the way to do it. >> Mayor Adler: Mr. Jacanos, related to a question Mr. Rogers raised in terms of cost of growth, we live in a city, it's a growing economy, a lot of

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people are coming, national leader in economic development, taxes have gone up every year. >> Yeah. >> Mayor Adler: Where's the relationship? Is there -- is there a growth dividend? I mean at some point is there a -- do taxes not go up if you're doing a really good job of bringing economic development to a city? >> Oh, gosh. Probably not. When you get right down to it. You know, it's an interesting question. I think one of the things Mr. Rogers mentioned was the organism argument, which I actually agree with. I mean the city has to be a dynamic thing. And the fear is that if you stop the process of trying to go as a regional economy, you, in fact, stagnate and you die. And we've tried that a couple of times in Austin, those of us who have been here probably longer than we care to admit, you know, we episodeically decide we need to close the door and not let anybody come in. So far we haven't really been successful in doing that. I think the idea is, you have to be somewhat dynamic, you have to have the capacity to use a number of different economic development tools, and you put different emphasis on different things at different times in the city's business cycle. Having said that we're part of a state economy, we're part

of a national economy, we're part of a global economy, and what we can control in terms of the economy is relatively small. We can think about the medium and longer term future and try to do things that put us in place to best compete with other regions and other states and other countries across the globe, but at the end of the day, we're part of a much, much bigger picture. And it's really -- it's impossible for any city to have complete control over its economic future. >> Mayor Adler: Are there other things you think the city could be doing to help have growth pay for itself or growth better contribute to cost of growth? >> Well, I think that -- I think again, one of the things that we are -- we are starting to recognize, and I believe this council, I think, recognizes that as well, is a more compact

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footprint of an overall community makes a lot of sense, so to the extent that we can keep some of the growth that's coming in a more compact space, it obviously has very positive effects on transportation, infrastructure, and all that it's daunting to think about current patterns of development and sprawl and how we're going to pay for the transportation costs associated with that. So I think that that's one of the things that I think we'll pay a fair amount of attention to over time. >> Ms. Troxclair, then Ms. Houston. >> Troxclair: One of the things I've heard from business owners in my district over the last several months is -- and I don't really know who this is a question for, but I would like to hear anybody's perspective on it, is, that the city's incentive program to bring new businesses to Austin puts existing small businesses at a disadvantage because they're on an uneven playing field. They're trying to compete with businesses who are getting benefits that they're not getting. And I also am thinking of that in light of the fact that we have some iconic local businesses, business owners who have said that they're not ever going to open another business in Austin because of the regulatory -- you know, permitting and code challenges that they've experienced. So I would just be curious to hear y'all's thoughts on that part of the conversation and what role -- because I know we do have -- I heard you talk about the small business loan program that we have now, but the put that for that program seems to be significantly smaller than what we're spending on the larger incentive programs. So just welcome y'all's thoughts on that issue. >> I'd like -- go for it. >> Yeah. As a landlord, I have over a hundred commercial tenants, small commercial tenants, so I pretty much know what they think. And it's -- in occupancy cost, I used to be able to rent a space

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on south Lamar, 1200 feet for 12 or \$1,300, people could start businesses. Now it's \$3,000. It's triple net. Their taxes are going up, mine are going up. So rather than saying maybe these incentives -- incentivized companies compete directly product to product, they're competing for occupancy space, and they're getting driven into different neighborhoods, and these marginal buildings are now selling for 200 a foot, start-up costs are -- the threshold to enter business now is a lot harder and is driving people away. >> Troxclair: I'd like to propose a different way of thinking about the policy. Decades ago, I developed something I called policy cascade, and it is the latest touch of government. So the first thing that matters is getting rid of disincentives. Right? And if you think about some of the problems that the city of Austin has, those are disincentives for companies to grow, and those are local companies, I'm talking about. Let's not talk about relocation. So transportation becomes a disincentive. Code hell becomes a disincentive. If you remove the disincentives and concentrate removing the disincentives, you don't even have to go the next step to the incentives. But let's say that you remove all the disincentives, and you still haven't solved the problem and you have what I would call a market gap, then it may make sense to add incentives in specific places where you're trying to do something. Then if the incentives don't give you enough, then you start thinking about support programs, things like

websites and information systems and stuff like that. And only if the market gap is so discovery that you get -- market

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gap is so severe you get around to doing real programs, you've got a chance of solving the problems because if you go to programs before you fix the disincentives, you haven't fixed anything. You still have the source of the problem. So if that cascade makes sense, think about it in those terms. Remove the disincentives first before you even think about incentives, programs, and spending more money. >> Mayor Adler: Ms. Wilson, why don't you go ahead -- you are our next speaker, go ahead and speak and talk to us about the innovation zone, as -- and stem and that as it relates to the city for economic development. >> Okay. Thank you very much. >> Mayor Adler: And if you could pull that microphone a little closer to you -- >> Yes. >> Mayor Adler: All right. Thank you. >> Thank you very much. It's an honor to be here. Thank you very much. I want to talk about the innovation zone first. Innovation Zones around the world can make a lot of sense. They're really good because we know that when people rub shoulder with other people, good things happen, and that's what proximity gives entrepreneurs, for instance. But we also know that if real estate drives research parks, other kinds of things like incubators, et cetera, they don't work, because real estate is not a sustainable driver. Mission has to be the driver. The value of the zone I have the has to be the driver. And it takes a champion for that to happen. So if the city wants to create an innovation zone connected with the medical school, I think there are some really important actors who can make that a

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dynamic and valuable tool for economic development in the city. But it has to be driven by the interest in commercializing the research that comes out of the medical institutions, by commercializing better tools for the health care industry, and doing things like that to make that >> A part of the whole issue of an innovation ecosystem is having the talent to make it work. And around the world, we don't have enough women in science and math fields. We know that. We saw increases in the U.S., through the '80s in, for instance, computer science, and then they leveled off. And into the 2000s, the Numbers going into those fields by women dropped. Dropped. Part of the problem was that the women going into workplaces where they weren't wanted and they weren't supported, that work gets back to other women and they don't want to work in those places. A friend of mine an aerospace engineer, they loved aerospace engineering. Her comment was "Nobody told me who I had to work with." She's a lawyer now. We have got to make sure, in the entire innovation ecosystem that we have in the city, that we have support for the women and the minorities who may go through a tough path to get into

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science, and then they stay there. They've got to have the incentives to stay there. So there are a lot of different kinds of things that Austin -- that the companies in Austin, that the institutions in Austin can do to support stem education. We've heard about girl start. It's a phenomenal program. It supports junior high girls getting into science and math with very hands-on programs. They started with hundreds of girls and now they're reaching thousands of girls, and now they're talking about expanding well past, and they already are expanding well past the boundaries of Austin. Girl start is just one small drop in the bucket. The companies of Austin need to work with the schools, work with the parents, work with their own employees to identify opportunities to encourage girls to think about careers in technical and scientific and mathematical fields. Or in using those skills in other fields. So there is benefit just in

scientifically literal citizenry, but we've got to take a big step beyond that so that companies will have the pipeline that they can use to hire, and having hired those people, have an environment in which those people want to work. So the city is thinking about ways to provide incentives to companies to hire more women and minorities. And there are a variety of things that can work.

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Mentorship programs, buddy programs. You hire two women, not one. You reach out to the minority communities and you have ways that people work with each other before those hiring activities start so that people begin to be comfortable with the potential of those opportunities. And so that is part of building an innovation ecosystem. We have an innovation ecosystem in Austin. We now have to start anything about broadening the skill base that feeds into that ecosystem, and that is finding the women and minorities and the hard to employee people who could make a difference in making that innovation system a very Austin innovation system. >> Mayor Adler: Thank you. >> Thank you. >> Mayor Adler: Any comments before we go to Julie? >> Houston: Thank you so much. I have just a quick one. I certainly understand being the only one, and so I do support the buddy system. I would encourage us, as councilmembers, as we make appointments, to remember that sometimes as lone voice on any large grouping of people who don't have necessarily the history or the experiences, then you feel very isolated and that's a very uncomfortable way to feel. So thank you for mentioning that. >> Mayor Adler: Okay. Ms. Pool. >> Pool: Ms. Wilson, I'm really glad you brought up girl start. Rachel Muir did a really great job kicking that off 15 years ago or maybe longer. My daughter did summer camp there and the computer skills she walked away with and the -- just it was all girls. You know, it was -- >> It's great. And I think the work that y'all are doing is really good and I agree if there's ways that we

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can support that group and expand on it, I would be very interested in helping with that. >> Thank you. >> Mayor Adler: Ms. Halls. >> Thank you, mayor Adler. Appreciate the opportunity to be here. Julie Halls, president and CEO of Austin tech council. I'm very excited actually to present some information to you today. And I think, frankly, the conversations that we've started in the workshop this morning are a really Grady great lead in. I think before we dive into talk about some of the solutions, education zone, stem education programs, I wanted to provide the council with a baseline of information about the tech community. I think that, unfortunately, because -- I shouldn't say unfortunately. Because Austin has done such a fantastic job of branding itself as silicon hills and as a market that's very friendly to early stage start-up company growth, what we've done, unfortunately, as a result is maybe not pay as close attention until very recently to some of the mid market and even enterprise companies and other activity happening here in Austin. So I will take the clicker, if I may. >> Oh, yes. >> And give you a really short history, but I think, overall today what I want to do is really commute the overall impact of tech, give you a modern-day complexion of what tech means. It is no longer a 1-horse town, we have 16 sectors within technology that we represent. I also would like to convey the scale and speed with which tech has grown and maybe most importantly really convey the commitment that this industry has to giving back to the tech community. There are a lot of misperceptions about continuing because we haven't been as organized until very recently in the past. So there's been, frankly, a lot of lack of connectivity between tech and the broader community. I think tech, because they are feeling some of the pain, hiring pain, here in Austin and not

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just in Austin, any market that has any strength in tech is feeling pain as it relates to hiring the right technically skilled workforce. I think industry is very ready and very committed to making sure that our educators are really clear about what skills are needed. So atc actually was founded almost 30 years ago, kind of crazy when you think about it. We were really founded to represent mostly back then the semiconductor and software sectors. We were really then only focused on networking. If you fast forward 25, 30 years as I mentioned we represent 16 different sectors, we've grown from roughly 60 member companies when I started to almost 300. Tech is responsible for between 110,000 and 115,000 jobs in central Texas, which is a very significant portion of the economy. I can also brag and I can say this first hand, attest to it first hand, I sit on the board of the tech councils of north America with 60 other tech councils have all over the U.S. And Canada. Austin by far has the single largest C suite collection of executives dedicated and engaged. We work with more than 1600c-level executives. So the employees of their companies and those executives are really committed to living in Austin and they're very committed, actually, to councilmember pool's point to, really giving back long-term. They are not in this for the short hall. >> Mayor Adler: So a C executive would be a chief operating officer. >> That's right. >> Mayor Adler: Chief executive officer. >> Exactly right. The CEOs, cfos, ctos are responsible for really driving the direction and growth of the tech companies or member companies. So to sort of prove the point of our tech companies engagement, you'll see here our structure. On the right we have a rough

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illustration of our 280 member companies. In the middle there we have created four advisory councils that help the four strategic imperatives of the tech sector. Within the advisory councils alone we have more than 60 executives that sit on these councils that are meeting on a quarterly basis. They help design data collection efforts for the organization, and they make sure we are doing everything that we should be doing as it relates to supporting the growth of their companies. The board of directors consists of 23c-level executives from industry that represent companies that have ten or fewer employees all the way up to a AT&T and everything in between like hum away. We don't have quite enough time today to talk about the atc foundation but that is a relatively new component to the Austin tech council, critical component. We created the foundation about two and a half years ago to focus solely on stem education. We have a board of seven executives within industry that are really dedicated to standing up efforts that make sense as it relates to connecting tech to stem education. We're in the early stages of collecting information. We anticipate providing the results of two very comprehensive survey for tectal extent long-term stem ed later this year. The four priorities are how bespend our time every single day and as an organization how we invest all of our resources and we've talked a lot today about the access to tectallant. Everyone knows Austin is famous for the talent and talented individuals that we have here in the market. Tech does not dispute that. What tech has a problem with and what they lose lose sleep over every night is access to technically skilled individuals. They have been forced unfortunately in recent years out of market to recruit. That is something that they despise. It is expensive. It is very time-consuming and

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they prefer, as you can imagine, for lots of reasons, to recruit locally. Most of the executives that we work with have students in local school district. I have heard hundreds of times from these executives that their big dream is to make sure that their kids with stay in the Austin market and work for Austin companies. So they're very dedicated. The life sciences sector is a brand-new sector, relatively speaking, compared to software. For Austin we're very excited about the promise that live sciences technology companies bring. Live sciences is defined as biotech technology, pharmaceutical technology, and

medical device technology. Making sure that our companies have access to growth capital is also a really important component for us. And market development, frankly, means that because we've spent the last 25 to 30 years really growing organically, it's really time for us to take a bit more of methodical approach as it relates to articulating what the industry needs and how we can begin to connect the dots. I think we've been lucky in terms of branding and all of the Forbes lists that we've made over the years, but it's really time for us to be a little sophisticated and articulate about the complexity of the industry and its needs. Here is a great example of the kind of data that we like to collect. Very regularly at atc. I know that you're -- we're nearing the end of our session here and there are lots of Numbers on the screen. I'll bring your attention to three categories in particular. Actually, this data is relatively dated. It's about two years old now. The -- and as I report on the updated Numbers, you can see the speed with which this industry is growing here in Austin. Tech is now responsible for \$21.5 billion annually to the local economy, and it used to be that one in four jobs total actually was created or impacted

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by the tech sector and we're actually nearing 30% now. In the -- at the very bottom of the slide, towards the middle, there are some Numbers related to venture capital and investment dollars. That is important because one of the key differences between a tech company and traditional local -- locally focused companies is that most of our companies are taking money from investors out of market, which means they have number one they're on a plane three weeks out of four, right? So they are slippery devils and it's tough to pin them down. That means they're going to engage in civic issues on a totally different level and in a different way than traditional business leaders or local business leaders. It also means that the trajectory and flank frankly the time lines of success and performance metrics they have to abide by are very demanding. So most of our executives will cycle through a company anywhere from two to three years, four if they're lucky. These are not 20-year plays, typically. Life sciences actually, as I mentioned, represents a very important, promising opportunity for our market and also represents a turning point with the advent of the del meld school and frankly with Austin's depth in semiconductor and software technology we really have a very important opportunity, especially as we continue to talk about the innovation zone, to make sure that our life sciences companies, there are more than 200 of them, which was a shock to us when we revealed that data last year, we have to make sure that these companies have the support that they need. They are exactly where software was 25 to 30 years allege. Ago. Even though we're luckily enough to have the Dell medical school it's going to take a few years for that engine to warm up. In the meantime, life sciences is responsible for more than 6,000 jobs and about a billion dollars annually. So these companies are at pretty

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precarious stages, securing funding for these companies is of particular challenge, and so we have to make sure that they're supported. On the top right-hand portion of your screen is something we're very excited about and in the process of understanding this with a little bit more detail, but we understand that even though there are within tech requirements for higher education and in most cases technical training, within life sciences and within med tech we have a very unique opportunity as a market to actually provide standard hourly wage jobs. So look to hear more from atc later in the year on that topic. You'll see on this chart also the overlap, which speaks to the convergence opportunity. I think we have -- we think that we have as a market, as we begin to mature, the software sector and as we begin to move into having a stronger life sciences presence, the great news is we believe there's some overlap as it relates to skills and skill sets. So we as most of you know have a partnership with the city of Austin that we're very excited about. It is a ground-breaking partnership. It is, as I mentioned earlier, in reference to

the tech councils of North America, it is the only partnership of its kind. We recognize two or three years ago that the city and other economic institutions -- economic development institutions were investing in, for example, stem education and other workforce development programs on behalf of tech or to benefit tech. But we also noticed that tech really hadn't until very recently been organized or galvanized or really engaged in those decisions. So we really feel strongly that this partnership is a very unique opportunity for tech to roll up its sleeves and to really help our city leaders understand the industry better and to also really begin to fix that connectivity problem, which we think is -- or could become a competitive issue for us later down the road.

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And I believe that we're -- I'm happy to provide more information, obviously, in individual meetings later down the road. I know time today was limited. >> Mayor Adler: Thank you. >> Thank you. >> Mayor Adler: Pretty broad view. >> Yes. >> Mayor Adler: Thank you. Any questions from Ms. Halls? I do like the idea of getting new minds and new approaches and different ways of thinking to the challenges that the city is facing, transportation connective, affordability issues, a lot of the issues we have over the course of the last 12 years it became apparent to me there are a lot of people in this community that would like to get more community, civically, or socially active, and there's not an easy way en route to that process because a lot of these folks are not people who are likely candidates to join boards and commissions. So we need to figure out how to get those perspectives and minds and ideas. We need easy ways in and easy ways out so we can take advantage of that. >> I'd like to counter that. I think they are some of the people you want to get on to boards and commissions. They just need to be asked. With the city. They're too busy running companies but if you invite them I think they're willing. >> I don't want to dive too deep into the details but I do think that the cultural differences and the speed with which tech moves really does impact the way that they engage in the civic process. So we have, as I mentioned, an overwhelming sense and, frankly, a lot of horsepower within the tech industry as it relates to wanting to get more involved in the civic process. Having a tech executive sit in a committee meeting every week or even every month two to four hours at a time is not a

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possibility. It doesn't mean they don't want to get engaged. Even for the tech executives that are currently involved in board leadership, you will find that because of the demands in -- demands of their careers and their travel schedules, they simply are not able to be present in this market as often as others. It does not mean that they are not engaged. In fact, Athena health is a great example, actually a client of atc, and I know the argument was about incentives but we've spent the last six months with Athena health in long detailed conversations about how they can get their employees engaged in local nonprofits. They've been provided a list of nonprofits that are stem ed and socially related and socially focused. So it's not a matter of them not want being to be involved. We have to be really specific about the way that we get them engaged. They're very committed to Austin. >> Mayor Adler: Thank you. And I'll adopt in any way possible approach. [Laughter] >> Mayor Adler: Ms. Houston. >> Houston: Yes. May I ask a question? Mr. Gonzalez, so the city of Austin contributes \$295,000 to this opportunity? >> Yes, ma'am. City council at last budget year adopted a 1-time funding source for this program. That funding source expires on September 30 of this year. >> Mayor Adler: Okay. All right. We'll now go to Nakia reno. I'm sorry, were you -- that's okay. You can go. Sir, please continue. >> All right, thank you. Good morning, mayor and council. Thank you for inviting me to speak on the panel today. Let me first say I'm speaking to you today first and foremost as one of Austin's working musicians. I'm an artist. I write songs. I record them. I perform them. And while very little in this world satisfies me as much as

performing my songs for an audience, I do like making money

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from them. Like so many others, I moved to Austin to pursue my dream of being a professional musician. I arrived in the fall of 2002 and I immediately began seeking out venues to play and an audience to listen. I quickly discovered that despite having worked in the music industry behind the scenes for many years, I wasn't quite prepared for the realities of being an independent artist. Luckily, the same year that I moved to town, the Austin music foundation opened its doors and began a variety of programming for artists like myself. I also threw myself into the music scene here, going to countless shows, introducing myself to anyone playing music or involved in making music happen. Quickly, I found some allies and began to carve out a place for myself here in the Austin music scene. What I also discovered was being a musician was not enough. I had to work full and part-time jobs to make money, but I also had to do many other jobs that I could not afford others to do for me just yet. Music and the arts are historically considered last when budgets are created and often the first things to get cut out when numbers are crunched. Sadly the economy of free is a reality to most consumers today who are being consistently taught you do not have to pay for music, movies, photographs or even comic books. One of the world's largest corporations, McDonald's, flippantly confirmed this week they had no intention of paying artists that performed at their south by southwest event this year because as far as they were concerned it was business as usual in the city of Austin during south by southwest. In a city where most artists must work multiple jobs in order to afford and work here we look to you to help us tell the world that enough is enough. Art has value and must be paid for. Mayor Adler said it best in his vision in the music of -- in his vision for music in Austin on his website where he says "We must raise public awareness of all the benefits music brings to the city, not just cultural, but

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also its huge economic impact." Austin is home to a billion dollar music industry made up of thousands of people working hundreds of different jobs, yet it seems that the city has yet to truly understand not only its economic impacts but more importantly, its economic potential. I believe a common misconception among folks who buy music, attend concerts and festivals and listen to music on their radio or mobile devices is music just happens. As you begin shaping policies, I would encourage you to study what goes into making music happen. To help provide a visual examination let's take an album release show. A quick search of the chronicle will yield multiple release shows happening any given week in Austin but to keep the focus on economic development let's take a look at the number of different jobs required to record and release a new album at an Austin venue. This will take up a moment or two so while counting up the jobs on the screen I'll move to another area I feel like might need improvement in our business. Businesses based in music and cultural -- sorry, businesses based in music and cultural arts are almost always owned and operated by independent entrepreneurs, many with fewer than ten employees. The current permitting system is counterintuitive for anyone to navigate, especially for small businesses who cannot afford to hire experts to secure all their permits. Currently someone who wants to start a new live music venue serving alcohol and any type of food prep has to acquire a minimum of ten separate permits. Many of these from different offices scattered throughout the city. In September of 2014, city council adopted a resolution with several proposed solutions to issue space by tight night economy businesses. This included an entertainment license to help with the sound ordinance enforcement and working to consolidate permits.

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The creation was a good start however it does not come close to solving P problem. I strongly urge council to consider utilizing that license to begin streamlining the process, bringing it up to date with current technology and most importantly making it affordable and easier to navigate. I would encourage council to review the resolution provided to you today and meet with stakeholders to begin message. However, updating our permitting system is only a minor piece of a much larger puzzle. We need to maintain businesses that -- need to build and maintain business that's support musicians and artists. One of the duties listed in the by laws of the Austin music commission is reviewing matters that may affect the music industry in Austin and enable Austin's musicians to achieve national status while remaining in Austin. I encourage the council to adopt that mindset when considering economic development as it's relate todays the cultural assets like music and the arts. Austin does not have a historical legacy of major labels, publishers, performing rights organizations or other key pieces of music-industry infrastructure. When musicians like Gary Clark junior or cat Edmond son go from playing the elephant room to signing with major labels and performing on David Letterman they have no choice to leave Austin to find Theis to support their growing careers. The same could be said for many of Austin's blotched composers, painters and sculptures. Sadly we lose these Austin residents to cities with better infrastructure already in place. Austin is a self-proclaimed life music capital of the world and for many years the city and technology companies have used that slogan and our culture of creativity to lure businesses and employees to our city. We should be actively seeking out companies currently providing artistic and I was bringing them to Austin. I believe this is paramount to the growth of Austin huge community arts community and I believe it will help keep Austin

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artists in Austin. Programs like the music venue assistance loan program create jobs by employing length transitions, accurate and many other involved in upgrading venues to improve sound -- it creates good economic expense outlines my earlier point that the music disciplinary and arts are support bid a large number of professionals not normally associated with the products that consumers end up enjoying. Embracing the culture of basking, recognizing the world over as a timeless tradition that enriches the lives of communities not only makes sense but can be achieved without a large financial investment from the city. I encourage the city to develop new programs and find new ways to support artists and small businesses, incentive advise developers to include advise for cultural arts and attract much needed infrastructure. The spring -- this brings me back to where we started, jobs in the music industry and the arts. Who is doing them? How many are there? Whose district are they located in what do they do is this what are they missing? As you can see from the screen, we can easily fill up a whiteboard with over 50 job titles associated with putting on an album release show. This idea would easily translate to somebody putting on a music festival, studio tour, gallery opening or new work being premiered at the ballet. The good news is one of the initiatives the music office has taken on is a ground breaking census, first of its kind, that hundreds of people have worked to make a reality and thousands have reportedly participated in. I implore council to take this study very seriously when released later in the spring. The data that has been collected and is being processed now will be very important not only to the future of Austin music, but I believe it will be a tool for the music industry as a whole to study and learn from. Music is Austin's heart and soul. We have a responsibility to protect our musicians and artists, setting an example for the whole world to follow. Thank you again for the opportunity to speak to you

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today. I hope that each of you will scan the chronicle this weekend and find a new band to see live, a

gallery opening to attend or create some art of your own. Austin's artists need your support, but we are also here to support you. >> Tovo: Thank you so much for that presentation nap was really that was really fascinating. Colleagues, questions for any of our panelist brothers we hear from other voices? >> I have a question about busking. I imagine that like when you go to -- I forget the squire in New Orleans and they have musicians and artists, does -- I guess does that help a musician's reach? I mean I feel like a lot of times I -- as a tourist you go enjoy them for that moment, you put a couple dollars in the thing and then you leave and is it -- so how does that help our local musicians? >> First of all it helps them pay their rent. >> Okay. >> What most don't understand about busking, the it is an actual job that people do. People travel the world busking. There's an actual busking circuit. In fact especially in Europe, it's -- it's not only encouraged but the cities and the governments there get involved in helping to see it thrive. There's many cities in the United States that do the same thing. And it's definitely an issue that has seen a lot of confusion, but I personally believe that with the right amount of adjustments to the ordinances and policies in place and the information being educated to the folks who are enforcing it, and partnerrring with the stakeholders like the downtown alliance and those businesses in the entertainment district, that it's actually really good not only for the artists who are getting to participate in it, but it's

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fantastic for the city because, again, there's something just really special about being able to take a moment as you're walking from one appointment to the next just to be drawn out of your everyday routine and have a moment that is enriching in a cultural way like that. I think you can really change things. >> Garza: I agree and enjoy doing that. I guess that was my question, was does it -- do they make enough money to be able to support themselves? And so you're saying that they are able to do that? >> Councilmember, just to inject here, we did work last year for the city of Chattanooga Tennessee, helping them to figure out how to promote their music industry. Busking was a key piece of it. One of the things they're contemplating is dovetailing their busking program with a musicians in schools program. There were frankly some safety concerns about musicians in schools, unregulated, unlicensed, whatever, so it was kind of a nice combination. If you were willing to go and answer some basic background questions and prove that you were sort of a safe individual, you would be authorized then to be a musician in schools potentially and you also got a busking license at the same time. >> Mayor Adler: Ms. Houston? >> Houston: Yes. And thank you so much. I've enjoyed -- tell me about busking. Where did that term come from? Because people like me, I'm used to street performers in Seattle and San Francisco and New York, but regular people don't know what pucks busking is. So when I heard that conversation in the commission meeting several months ago, I'm thinking people are going to have to learn what that is. Street performers we know. >> Sure. >> Houston: What's the difference? >> Well, why I think from my understanding the term is actually very old and does come from a European background.

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So that's really all I can say about where the term comes from. I'd have to Google it to give you more information. [Laughter] >> But I will tell you that the key component, one of the absolute key components that I believe we are facing with busking is misinformation and lack of information. And the ability to educate everybody. I mean, obviously, you know, this is -- there's been three questions, one even before I even had a chance to speak about what busking is, coming from the council here. So you can imagine, as you're -- I'm sure are imagining, that there's a lot of people who don't understand it. And I think most people have the misconception that it's just some loud, you know, musician who is not good, that are just standing there, you know, trying to force you to give them money, whatever. When the truth is it can be -- there's an amazing mentallist who does busking on south congress and you can

walk up to her and she can have you look at a magazine and then tell you exactly the sentence that you read in the magazine and it's hundreds and hundreds of pages. That's an example of busking. A living statue is an example of bangs. >> Houston: Right. I'm for all of that. So you don't have to convince me of it. I'm just saying that in order to convince the general public, you're introducing a word that is from Europe into a culture not from Europe and they always have questions when people try to do that. And, again, I think for the downtown people and, again, I sat in on the meeting, it's how do you determine a street performer from a person who is asking for handouts because that's all they get too? So I think those are the issues for the people. >> And I understand that completely. And I agree. I think something that -- and I don't want to speak too much from the music commissioner standpoint because I am here as an artist, but something that as a stakeholder I definitely am in

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favor of is an actual busking license, or a busking card that will enable, you know, basically city council to say we know these people are -- have applied to be buskers and paid the nominal fee it takes to be a busker, we sent them a card, laminated, they can show it. We mow in entertainment district it's allowed and this is what it is. And that -- I think that will really improve our ability to accept it and get it out there. As far as the information is concerned, something that I have heard spoken about and, again, this was in a commission meeting, but there has been talk of the city working with the police department to sponsor a busking festival, where not only will people be able to come and enjoy buskers in a set zone for the day, but while they're there, they can be educated about what busking is, people who want to apply for the card can get it on-site. And the police can also learn more about who is supposed to be doing it, who is not. >> Mayor Adler: Thank you. Ms. Pool, Ms. Tovo, and then we have five other speaks. >> Pool: I just wanted to make a point that we're not talking about street performers who are panhandlers, right? There's a real difference. >> That is -- and that is -- there's definitely -- there are ordinances already set up against panhandling. >> Pool: Right. >> That is part of what we really need to clear in the code and from my understanding, the resolutions that's been backward and forward between the music commission and city council previously concerns clear up that absolutely. >> Pool: If it turns out that the term busking creates some obstacles to understanding the concept of street performers then I guess we could find a different term or educate the community on what the term

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means. I know when I'm in New York City and subway there's specific Zones where performers are and they're highly coveted spot. >> Waiting list for them. >> Pool: Exactly right. There's a waiting list for them and it's tremendous to have that kind of lightness and -- lightness in something that's otherwise a really heavy industrial place in a subway. And on the streets and everything like what you were saying, to have -- just walk down the street and there's someone playing, just it doesn't require anything of us. We're not required -- >> So true. >> Pool: We're not required to do anything. We can simply enjoy it as something that's part of the landscape and we're really lucky to live in a community where people are feeling an inspiration and imaginative spark and it's not just in music or art but it's in the technology community and it's in our educators and it's among folks along the dais where we think big and we think freely about how to improve our community and the quality of life here. >> Thank you. >> Pool: Thanks. >> Mayor Adler: Thank you, Ms. Tovo. >> Tovo: So I want to say that I think what -- the ideas in particular about the program and -- in Chattanooga that combines a school's bus with the busking ordinance and the idea of a busking festival, all of that is really intriguing to me. I'm very glad about the work the music commission in particular is doing on it and supportive of it. I have to ask, though, does it contribute to the problem you mentioned when you started, Nakia, of a sense of -- a sense in the

community that music and art can be had for free and that we don't need to support it financially. You know, if nothing is required of the pass passersby who are experiencing and enjoying the music, did it that exacerbate the problem you communicated

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about businesses and others expecting musicians to perform for free? >> Let me let John start before I respect. >> You know, it's an interesting thought and one of the things that -- one reason 847,000, why I like living in Austin, I'm fortunate enough to have one of the easiest board jobs in the world, president of the board of Hyde Park Theater. It takes almost nothing for me. One of the interesting things we do is for our own shows we have a set ticket price Fridays and Saturdays but we have pay what you want Thursdays where we literally say to the community you walk in the door, you pay us whatever you want. If you want to give us a nickel, give us a nickel, 50 bucks? Give us 50 bucks. Consistently through good times and bad our pay what you want Thursdays have exceeded the average per ticket revenue of our posted ticket prices. That's just an anecdote but I think it speaks to a spirit in this community which does value art, does value creativity, which does value street performers, particularly if they're pretty good helps. People are willing to say, you know what? I should pay for that, you know, I just throw that out there as sort of one anecdote in the equation that perhaps can shed a little light on this conversation. >> Mayor Adler: Thank you very much. >> I don't know if I could have said that any better but I will add that the spirit of that, especially when the performer is providing such a high level of entertainment, I feel -- I know for myself personally that since I was a child and traveling the world that if I saw a musician somewhere when and I was moved by what they were doing, even if I didn't have the money, I would ask, daddy, can I have a dollar? You know, because I understood even then the importance of it because you can see very clearly that what they're doing is being paid in donation. So I think it's a great question, and certainly one that we want to address as we move forward. >> If I could ask a quick question. Can you sell your CDs while

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you're busking. >> That is something that we're in the process of trying to clarify. And, again, as far as I'm concerned, as an artist, I feel like that that is definitely something that is a plus and is something that I would like to see included. I will say that in every instance that I've researched other cities who do this, merchandise is available from the person who is performing. And it's always viewed as a positive aspect of it. >> Mayor Adler: We're going to move forward from other voices and panel if there's a comment that comes up we'll give the panel one last time to comment at the end of these other voices real fast if you want to stay it Bob Batland come -- I'm sorry, what? >> Sorry can I ask a quick question? >> Mayor Adler: Yes. >> Troxclair: So I appreciated what you had to say about kind of leveraging Austin's current status as a live music capital in order to attract bigger labels or producers or record companies because we have Austin talent that's forced to leave once they get to that point. When I think about our music scene, I know the thing that comes to my mind is, you know, everybody likes to keep Austin local and keep Austin weird. So that comment kind of did -- it didn't occur to me that that would be, yes, a natural fit for our city and that the local musicians would appreciate -- >> Keep Austin Austin. >> Troxclair: But do you know what has been -- what has been done to -- because it does seem like that would be a natural fit for a sector of economic development that hasn't maybe been explored yet. Can you tell me what -- if we are exploring that? What has been done? What the challenges the city is facing in attracting some of those kind of businesses. >> I'll tell you my perspective on it is that up until now, as I stated earlier, previously the city has not really put the

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investment into the music office to actively seek out those companies, and this new census where we are literally identifying, you know, what everybody is doing, where they're doing it, who they're doing it with, will help identify real core needs that we know that we need. Then I definitely would urge council to really proactively invest in the music office to specifically go after those needs and try to bring them into Austin and I'm sure that Mr. Gonzalez can speak a little more to that if he'd like. >> Thank you. Yes, we, through don pits and a local consultant, we've surveyed the local music industry, including artists and businesses and very pleased to say we got over 4,000 responses in the Austin community. So we're assembling toast had responses and will compile a report we'll release publicly. More importantly we'll take that information and bring it back out to the community to show it to them and say, okay, this is what you said that you need and that you desire in the Austin arts community. Help us understand how we can implement some of this and how we can achieve some of this. So that way it really is truly an organic method of getting to the needs that are out there in the Austin artists community. >> Mayor Adler: Thank you. >> I hope that helps. >> Troxclair: Yeah. And this kind of parallels with a presentation that I saw from Austin music people that I think showed the dispersion -- well, how because I think mostly because of the cost of living, you know, musicians are being forced to move further and further outside the city so we're losing a lot of the people that are a huge part of that soul of our city. >> Absolutely. >> Troxclair: Although the cost of living is a different issue I would be interested in anything we can do to help make sure that musicians are able to have the resources that they need to continue to live in Austin. >> I agree. And I really am glad Rodney

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brought up that number because I did not know the over 4,000 number. I will say it is my understanding that musicians alone in this city outnumber both police and fire department. We're very large group of constituents. >> One more thing if I could add, earlier I had mentioned the think east program being led by our department in conjunction with the fees box and it addresses exactly those issues you talked about. Affordability in Austin, not just from the sense of where they live, but also where where they work as well. We think that will be a very good project once it comes up, 25 acres of mixed-use home to over 800 artists and 450 spaces for the artist community. It follows again another needs assessment survey we had with art place America. They came in here and they asked us questions about artists, what are your needs, what are your wants? And affordability rose to the top of that list. >> Troxclair: Thank you for your work on that. >> Mayor Adler: We're going to go ahead and proceed. I'm trying to preserve the council 15 minutes or 30 minute break between when the next policy conference starts. Mr. Batland Mrs. . >> My name is bob batland member of temple Beth shalom and board member of capital idea. I helped the city improve its economic incentive policy. The -- pay construction workers at minimum its so-called living wage. The lowest amount paid to a city employee. Despite dire predictions, companies still move to Austin. And market forces generally drove wages for laborers above the below city standard. A stakeholder task force exists to determine what it takes to live in Austin, and make recommendations to you relative to the city living wage. This should have a broad focus. The task force will have human

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resources data, but needs direction if it is to make recommendations at reasonably balance city values, needs, and budget considerations. Separately, economic development supports an outstanding workforce training program for low-income adults called capital idea. You've heard that. The chamber,

Austin chamber, says that tens of thousands of jobs remain unfilled for lack of trained candidates. Capital idea works with employers to understand the skills they need, ACC and others provide education. Austin interfaith finds deserving low-income adults, the city, county, employers, foundations and most gratifyingly its graduates fund the effort. Capital idea provides tuition, books, fees, and extensive support services. The average age of participants is 30. Annual earnings on entry is \$14,000. Earnings on placement is 40,000. And 97% receive job placement within six months of graduation. A study of children of graduates indicated that 90% completed high school, 7% received a ged, and 75% go to college. The marshaller in at UT Austin studied the impact on taxpayers, reduction in things such as welfare and food stamp payments and increases in taxes paid yield 165% return on investment for the first ten years and 501% over 20 years. While capital idea graduated nearly 1200 students since starting in 1999, the needs of employers, potential students and the local economy dictate that the program expands. ACC has committed to fund a

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pilot growth plan called the career expressway, partners are needed. Stem graduates in particular need experience to qualify for the best jobs. Capital idea is thrilled that Mr. Gonzalez and economic development will help with paid internships. Thank you. [Buzzer sounding] >> Mayor Adler: Mr. Batland, thank you. Perfect timing. I think the challenge with capital idea is figuring out how to scale it. You know, incredible results but 80 graduates and the challenge for this city is going to be to try to figure out how you scale that. How do you -- what do you do with costs? What do you do with the Numbers? And that's our big challenge there. >> We have a business plan a skeleton business plan for what we call the career expressway which does a 10x scaling over a number of years. We had hoped to get great funding from that from the tax cap proposal that was defeated last year. ACC is going forward within their budget to get us started. We need help. >> Mayor Adler: What's the cost per student now compared to the cost per student when it's 10x? >> I don't know the answer. >> Mayor Adler: Okay. >> I'll get it. >> Mayor Adler: Thank you. All right. Thank you, Mr. Batland. >> Thank you. >> Mayor Adler: Ccgr ache. And then gretag. You have three minutes as well. >> Thank you, mayor, council, for giving me the opportunity to speak to you today. I'm ccg., vice president of the Austin gay and lesbian chamber of commerce.

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The aglcc is the only organization in the region that provides programs and services to the lgbt business community. Our membership is made up of 350lgbt friendly businesses, small to medium sizes companies, professionals, nonprofit organizations, corporate partners and individuals. Our chamber is a per of the economic development engagement. For the past few years we've been working with EdD to support its initiatives in small businesses and reviewing policies of companies applying for economic incentives under chapter 380. This year our work will be expanded to support business supporting recruiting efforts, nationally, internationally, participating in a job -- cosponsoring a job fair, creating a job bank, increasing support of services to the lgbt business community and promoting or working -- and it also promotes a working relationship with the other minority chambers which I'm really excited about this partnership helps our chamber expand or improve our programs and services that we currently offer. This helps us achieve our mission of cultivating and promoting the well-being of lgbt business. The lgbt business movement is new to the scene. We're proudly only about 11 years old. I know for a fact that Austin is the only city in the U.S. That has actively engaged an lgbt chamber in its economic development initiatives. Because of this, we are really excited to work on the expanded contract. Thank you. >> Mayor Adler: Thank you. Any comments? Questions? Thank you very much. >> Thank you. >> Mayor Adler: Ms. Goldsby and then Patricia Hayes. >> Good morning, mayor Adler. Mayor pro tem tovo,

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honorable members of council. My name is Greta Goldsby and I thank you for the opportunity to speak here today. I'm a share holder with the local law firm, Winston PC, proud parent of an aisd student and today I'm here on behalf of the Austin chamber of commerce as a member and investor in opportunity Austin. A good friend recently recommended that I read the book the need geography of jobs by M.M. The book focuses on the fact that today there are three Americas. The first extreme is comprised of brain hubs of which Austin like San Francisco, Boston and Raleigh Durham is one. In these brain hubs workers are able to find creative, productive and well paid jobs. The other extreme is comprised of former manufacturing hubs like St. Louis, sadly, rapidly losing jobs and unable to replace them. The rest of the country falls interin between and based on how they embrace or fail to embrace strategic economic development will determine which -- in which category they fall. The research conducted by Mr. M. States you do not have to be a scientist or engineer to thrive in a brain hub like Austin. In fact carpenters, taxi drivers, nurses and other local service jobs are created at a ratio of five to one in brain hubs, raising the standard of living and quality of life for all. I'm so proud and grateful to be in the first category, but as Mr. Moretti points out it's up to us to keep it that way. We must remain focus and resolute in our efforts to retain and attract the best jobs and continue to generate the best talent to fill those positions. Come placesy is our enemy because as you all know we are not a perfect city. We have our issues, traffic and factor being those two -- two of those that no longer remain our little secret. Other cities in the united

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States are based biting at our heels and using our weaknesses against us to attract jobs and talent away from the city of Austin. The chamber's economic development initiative focuses on justice by devising a five year strategy to retain and attract jobs that fit within within our innovative and creative city, tackles our city's most pressing issues and keep us on top. The city is a key partner in expanding opportunities to Austin residents today and tomorrow. Without the city's partnership and participation and interaction, inclusive of continuing to adopt an economic incentive program, those efforts will -- will continue to make possible the number of large and small businesses comprising the -- the Austin chamber are for nothing. The decisions that you will make have direct impact on affordability and access to opportunity for all types of workers and wage earners in Austin. The public and the private sectors must work together. The initiatives of the chamber of commerce. [Buzzer sounding] >> Thank you. >> Mayor Adler: Go ahead and finish. >> Appreciate it. >> Mayor Adler: Go ahead and finish your thought. >> I was just going to say that the initiatives of the chamber of commerce and the city of Austin will ensure that my children who are now four and seven will want to come back here and will be able to come back here and have jobs and call this great place home. So thank you very much. >> Mayor Adler: Thank you. Thank you very much. Our next speaker is Patricia Hayes. And then Stacey duceron. >> We are a couple of minutes away from good afternoon so I'm going to say good afternoon. >> Mayor Adler: Good afternoon. >> -- To you you all. I am Patricia Hayes, an attorney and owner of a consulting firm here in town, pvh consulting group, on behalf of the black chamber of commerce, which I serve on the board.

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Really quickly wanted to make sure y'all know and y'all know and are aware of some of the things the

chamber is engaged in and to first state that we're fully engaged in supporting economic development in this region by encouraging entrepreneurship and facilitating collaboration and partnership within the growing business community. We've worked collaboratively with other local chambers and the city to participate in economic development missions and trips around the country and internationally. As well as in career fairs and business networking opportunities. The comments that Wilson made are right on point. The chamber is working to facilitate those relationships, recognizing that there's a need for helping African-Americans and other minorities to engage in the business sector at a higher and increasing level and not to be left behind. So in one of those things we do help support that is we host annually the state of black business in central Texas. Our last one we had was several hundred people in the room from small business owners to large corporations who were there to help talk about the issues that affect African-Americans in this region and from the business perspective. We also have an extremely active black technology council, which provides support to African-Americans in the tech field. This council has received local and national recognition and with opportunities for replication are being sought and has resulted in a relationship with south by southwest where they've created a program -- excuse me, a section that's focused specifically on blacks in technology. We also host monthly office hours to allow small business owners access to expert consulting and information. And additionally we're exploring opportunities for creating an

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entrepreneurial and innovation incubator through the chamber. So with the small staff we have, we have great big ideas and lots of energy that we want to continue to work together with the other chambers, with the city, in helping to build and to recognize all folks who are living in -- having business in the city of Austin. Thank you. >> Mayor Adler: Thank you.. >> Houston: Thank you so much for being here today. Can you tell me how much you all receive from the Austin chamber? Do you receive funding from the Austin chamber -- funding from the Austin chamber? >> From the Austin chamber, I don't believe so. If we do, it's like -- if they are a member, we join each other's chambers in support of that, if you are thinking about some type of funding source, I don't believe we do. >> Houston: Let me ask Mr. Gonzalez. >> Councilmember Houston, I don't believe that the black chamber of commerce receives any funding from the greater Austin chamber of commerce. Their funding comes from us. Not all of their funding, but a sizable amount of their funding. >> So the city funds -- what about the other minority chambers? >> The same thing holds true, ma'am. The Austin chamber does not fund the other minority chambers. The majority of their funding comes through the economic development department. >> Houston: So how much does the economic development department provide to the Austin chamber? >> The economic development department provides 350,000, 250,000 of which is for the opportunity Austin program. And another 100,000 is dedicated for one person for clean energy recruitment. So that's a total of 350. >> Houston: Thank you, thank you. >> Thank you. >> Mayor Adler: Okay. Um ... Stacy dukes Rowan. >> Hi.

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>> Good afternoon, mayor and council. Thank you for taking this opportunity to meet with us about economic development in Austin. I've been here for a very long time and I've watched Austin change a lot. I've seen the high tech growth and also the growth in the music industry and these discussions probably are long overdue because many years ago, when Austin first started out with the high tech industry, I believe it was under mayor Watson, that we had a major event called greater Austin at work, if any of you remember that event. And it was to help Austin bring individuals to a -- to one place, to talk about how we could create opportunities for training for high tech jobs in Austin. And so over the

years, it seems like we've put a lot of heart and a lot of effort into doing that and I think it's been great. However, as I have come to work in big Austin, which has been around for more than 20 years, we recognize that -- excuse me -- today maybe those businesses who really serve to show to be the heart of Austin, what makes Austin special, are being left behind. And that's not just only for minorities and for women. But that's for small business at large. I think. And so I'm glad we're having this discussion today and I'm sorry that I'm a little bit late coming in here. We just found out about it this morning that we would have the opportunity to talk. But, you know, last year the aspen institute did a research study that said if -- in America, if one in every small business hired one employee, that America would be at full employment. So what does that mean to us? That means that for us to be at full employment in the city of Austin, and that means for those minorities, for those women, that means small business has to thrive. And how do they thrive? It's by getting money and capital and resources and training. And so that's what we do at big Austin every day. The kind of clients that I work with, and that my staff work with, they struggle,

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they struggle very hard because 95% of all very venture capital goes to high tech businesses, mainly male owned businesses. That means 75% of all venture capital goes to women-owned business. These women, these minority businesses come to us every day. We make loans. We make loans up to \$50,000. We provide training. We provide all types of assistance. But we struggle to help these guys because, guess what? We don't have a lot of money! But what I would suggest to the economic development department, one of the things that we did the past few years is instead of doing greater Austin at work, we do small business at work. And that means small businesses putting people to work and we focus on particular industries, like the health care industry. We did fashion, arts and business. We do construction for contractors, because these guys need skills and training, not just for their businesses, but for their employees. And so as we focus on quick quick -- on economic development in the city, I ask you to look at the little guys, the guys that own the daycares, restaurants -- I guess my time is up. But if we can look at those little guys who work right this in our community every day, who those high tech folks go to every day to get their nails done and their hair done and their babies taken care of, I think we can make a huge difference in this city. So I ask for you to continue to support these organizations that help these guys get employed, organizations like ours who yes, we do receive an amount of funding from neighborhood housing to help business owners, but we want to continue to see this type of effort from Austin and we would love to continue to participate in this. Thank you. >> Mayor Adler: Thank you very much. Ms. Pool? >> Pool: I have one real quick thing to say. Is that our last speaker. >> Mayor Adler: I was going to give our panel a chance to comment. >> Pool: One person who I guess either wasn't able to make it today or we missed was Rebecca [indiscernible] With the Austin independent

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business alliance. I know she works really hard, Stacy, thanks for your comments about local small businesses. I agree with that, we had talked about that a little bit earlier, too. I wanted to give a shout out to aiba they work with the economic development department here at the city and do good work as well. Yeah, it's a very interesting statistic to say that if every local small business would add one more person to their ranks, that we would eliminate unemployment. That's -- that's pretty astounding. Thanks. >> Houston: Mayor, before we have a chance to -- let me say one wrapup comment. I appreciate everybody's participation but I'm going to channel by colleague don Zimmerman, it seems like it's such a bright forecast here. And I know that in my district I have double digit unemployment. I know that I do not have the same kinds of resources or the recruitment of businesses and industries in

my district that we're doing all over town. I know, and I said yesterday, that innovation is organic, it doesn't have to be downtown where we're already congested. We have to start developing other nodes for businesses and industries and so why not put them someplace elsewhere there is someplace for them to grow and where people can get jobs and where there's transit. Although you all are presenting a very great picture, some not so great, thank you so much for that, Brian. It's not as great as you all think. The reality on the ground is that Austin has divided and it's obvious that it's very divided on economic and racial grounds and ethnic grounds and poor people. We've got a lot of poor people in this city that we never talk about. And I know there are people out there trying to help people get jobs. I'm not discounting that. But the reality is we're not focused on that. We're focused on a different class of people and when we talk about sprawl, we're talking about a different class of people. The class of people that are

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sprawling now, are the poor people. And they are being sent out of this city in droves because we've not attended to this and, sir, when you talked about the infrastructure, you are absolutely right. We didn't think about what was going to happen when we focused and concentrated all of our energy on the high tech industry. And so now we're faced with a problem and we sometimes talk about it and sometimes not. But I think we need to bring it out in the open and we need to address it as a community and not hide it under a bushel basket. Thank you again for being here. But those are my comments from councilmember Zimmerman. [Laughter]. >> Mayor Adler: In my anyone on the panel have any other thoughts. >> We do consider aiba a very strong partner and Rebecca is a wealth of work with regard to small businesses and we're glad to partner with her and the other small business organizations. We do firmly believe that small business is big business. Councilmember Houston as I mentioned the other day in the work session, we will make it a priority to get into east Austin, into target specific areas that have been avoid of economic development. It matters to us. We know the Numbers. We've seen the Numbers. You know, I think I tried to speak a little bit about poverty. But we could go for days about the disparities that exist in Austin and you're right it's time we had those conversations. >> I do want to tell the councilmembers, if they do want to hear about alternative economic development models, I have a whole other conversation that I can have with you to do with crowd funding, and I would love to come to your office and chat. >> I have more things than I could possibly say that I would like to say. But what I would like to say that Austin is an innovative

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city. And that innovative capacity can spread across the city and I think the new council 10-1 system is part of the answer in getting some of these ideas out into other parts of Austin that don't think they're connected to the innovation hub that we are. That's going to take a lot of effort and coordination, but I think the system that's set up right now is going to help tremendously. The conversations that we're having right now -- [lapse in audio] Are part of that entrepreneurial enterprise. We could do without any other industrial attraction activities and still grow dramatically because what we have here right now, but we have to attend to the basics in the poverty issues, in diversity issues, and in spreading the capability and the interest across the city, so that more of Austin can be part of that innovation hub. >> Gosh, again, how many hours do we have? Not many, apparently. I guess that I would say that as you think about the future of the Austin economy, most of what you do that is outside this conversation will actually determine the future of the Austin economy. The quality of our transportation infrastructure, our policies on physical development, our efforts to provide recreational amenities of all different kinds for the citizens who are here. Really the basic fabric of our community is what ultimately makes Austin

most attractive, really to the people who choose to live here and build their businesses here. There's a widely cited statistic that 80% of all jobs are found in small businesses, that's true. This really isn't -- our

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explosive growth isn't about corporate relocation that's been incentivized. Rodney talked about 20 deals over the last 10 years, an average of two a year. That's a piece of the equation, but a fairly small piece. What's happened is that Austin has become perceived to be an extraordinarily high value proposition for people who have decided to move here. So the future of our economy is really about our ability to accommodate that growth, respond to it and then what we have differentially talked a lot about here is finding ways to look people up who aren't benefiting from that. Those are the things at the end of the day that really determine our long-term future in the sense of the things that we can have some influence on. We can't help what happens to the dollar, you know, there's not much we can do about that. But we can have some effect by taking care of some of those basics. That really is the ultimate determinant of the Austin's medium and -- immediate and long-term economic future. >> I would just really want to reiterate that data is very important. Especially location data about where people are doing business and where they are performing and where they live when they're not performing. And as this census comes to light in the spring, to really -- to really take that census seriously and utilize the music office for the ability to find the cross-sections between music and the arts and the existing issues that we're facing with middle class and the poor. Because I think they make up a lot of that sector as well. And I think we're going to see that come to light in this -- in this census that's coming out. And I would also encourage you, as you're beginning to make appointments for the new music commission, to really work with the stakeholders that have been helping out so far to -- to find the people in your districts that are -- that are truly interested in making a difference for your

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district and for the city of Austin. And especially in regards to busking. We've done some serious, serious work on this issue. And it's going to come back your way really soon and I really want to see that move forward. So I'm here to help you in any way possible. >> Mayor Adler: Great. Thank you very much. And panel, thank you very much. Sorry for the delayed start this morning. I appreciate you hanging in with us. [Applause] And, council, we are back in 16 minutes for the next policy conference. We'll be in recess. [Recess].

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>> Mayor Adler: Thank you so much, panel for joining us. I apologize for the delayed start. But thank you for being with us. This is an opportunity for the council to touch on issues. I think we're getting two reactions from the people that are participating. One is -- as we can thankful for the opportunity to engage in high-level conversations on these issues, a certain measure of frustration because there's not enough time to do justice to anything that we will be talking about today. But we still appreciate the opportunity and the time because it's valuable for us to get that high-level look. So we'll follow the same kind of process that we have. We're going to ask the city staff to address this issues first for us, and then the panelists with respect to the policy issues that have been identified. But there's also an opportunity

to comment on what other people have said. And we have a council that is not shy about asking questions or engaging in conversations so conversations that will be happening as well. We'll have other voices that will speak for a few minutes each at the end and conclude back at the panel to be able to make final comments. So, again, thank you for the time and being with us. And then I think we'll start, then, with staff, Ms. Robinson, on demographics. >> Can I do this from the table, mayor. >> Mayor Adler: You can do it from the table. That's fine. But you need to press the on button on your microphone. >> Shall I do this from the table or come to the podium? >> Mayor Adler: Wherever you would feel most comfortable. >> If it's okay I'll stay seated and probably get excited and jump up. Before I begin I do want to say from -- on a personal and professional level, it is an

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absolute thrill for me to be in front of this historic council. I've been with the city for 25 years, I've been worked this issue one way or the other so it really is just kind of mind-blowing for me to be here so thank you very much for having me. Austin's demographic story continues to revolve around three primary fundamental themes. First one is of course long-term sustained rapid job and population growth. That's the one that's in our face every day. It's driving so many of the issues that you guys are grappling with. The second major theme is, excuse me, profound diversification. And when I use that term as a demographer, you know, I'm primarily talking about racial and ethnic diversification but it impose way beyond that. Our city is so much more heterogeneous today than it was 30 years ago, economically, socially, politically. And that diversity, that heterogeneity is a huge strength for us as a city. Stubborn socioeconomic separations, clearly that's a big issue. It is an issue that has become bigger because of our rapid population growth and because of our profound diversification and then I would like to close -- for me this will be the challenge, how to see our new district through the lens of these big three themes and so I think one of the easiest things I can say is the district are very different from each other, right? But that is a strength. I think that we as city staff and you as council can leverage those differences to really come up with a synergistic result that exceeds the sum of the parts. So first theme -- I'll probably turn this off. I apologize.

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I know that you've been shown lots of population graphs. This is one of the city of Austin. I start in 1900, five-year data points. What sets our trajectory apart from other cities is the deep exponential bend that kicks in. It's not a linear growth by any means. Couple points, Austin is an open city. People come here. There is a wide variety of places for people to land when they move into Austin. They can come here and really sort of proceed to do what it is that they want to do, whether it be an entrepreneurial effort, whether it be to be part of Austin's fitness scene, literary scene, art scene. There's so many places for people to fit, and I think that's one of the reasons why we grow so much. I think that our growth is a direct testimony to how fabulous we are as a city. Austin is a magnet for entrepreneurs. The chamber talks about an entrepreneurial ecosystem and that we have entrepreneurial DNA. And I believe that. And that's -- that is only gaining momentum. Austin is an international immigrant gateway, almost one in five austinites is foreign born. This is a huge strength for us. Cities that are open to immigrants are growing. They're far more sustainable than cities that are closed and not accepting immigrants. Austin's cultural vibe ransy has become one of our biggest economic development engines. And the final point I think we have to be eyes wide open and ask ourselves are all of Austin's communities participating fully in this economic and cultural vibrancy. And I guess my super do you believer executive summary would be, yes, this is boom town u.169a., yes we're a fabulous city but I think that final question is something we can spend a lot of time looking at,

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that's quite a challenge, to where every community in this bondful city is fully participating in this vibrancy and has access to it. That's information from the consensus bureau, verifies we're fastest growing by quite a bit of measure. Austin emerged as the great recession as a member of an elite but small group of cities that has now surged ahead of other great cities that that's one reason our growth rate has been so rapid, certainly you can say the collection of Texas cities the differential has been huge, yes, we were last in first out of the recession, and we've been booming and other parts of the country are getting back on their feet. So that listening of the differential is good, means our growth rate will slow a little bit and means other parts of the country devastated about the by the recession are finally looking a little healthier. We are now the 11th largest city in the country, I think that's interesting of course because I've been here so long. 27th when I came back to town in 1990, climbed up that ladder, we were 11th in 2013. We could very well become the tenth largest city by 2025. I will even step out and say that it's inevitable we will join that top ten. We're growing at a faster rate than San Jose. It will take a while to catch them, not that it's a race, but I think one of my points is that we will become and remain one of the largest cities in the country for decades. Okay. Profound diversification. I go back to this point that cities many this country that are diversifying are growing. Cities that are not diversifying are dying on the vine. This diversification is a huge positive for us and yet it comes with a challenge. There's a local economist by the name of John Roberts says it well, wordy quote but I like it, a city's level of sustainability is in direct proportion to its ability to integrate its

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diversity. So as an economist, again, he talks about the strength of that diversity but also challenges cities that if you don't integrate that diversity, you're not taking full advantage of it. So I think we have to ask ourselves, are we as inclusive as we are diverse, are we as integrated as pluralistic and clearly I think the answer is no so that's an area that we have to work on. A simple way to try and drive this point home, as recently as 1990, we were in overwhelmingly non-hispanic Anglo grow community. That has changed rapidly. By 2010 we joined every other city by becoming a minority majority city, this forecast is probably one I need to revise because our affordability pressure has become so great that it will probably jeopardize this index move towards a more and more diverse city. That certainly has happened in the central and I and you can map it, show, and you can document it. How do we look right now. 2014 is my own estimates, few months old, hispanic share of total 26%, non-hispanic anglo dropped to 47. Look how similar the share of total from the African-American community and Asian community. More than likely the Asian community will become a larger community within the city of Austin. I expect that to happen within the next few years. But this next graph I think says something that's so important about what comes with that diversity, and demographically it comes with a huge age differential. So at the very top bar you can see, again, our total racial and ethnic reach, repeat of that pie chart. Look as you did he extend down through those cohorts, you basically have a smaller and smaller share coming from non-hispanic anglos and larger share coming from our communities of color. That is so important from a

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policy aspect, planning aspect. I mean, look how different that youngest -- the youngest austinians are from the oldest austinians and so that to me is something -- one of my major takeaways is you get a big, big age differential and of course you see this across district as well. My clicker is a little sprinkling.

Stubborn, structural and socioeconomic separations. Couple of ways to look at this. I'm going to go Murdoch and show a data table. Couple of things to say about poverty rates from a social science standpoint it's an ancient measure, created in the Johnson administration, spend our monies differently in households today. Greatest weakness there is no accounting for cost of living so the poverty rate is the exact same in Manhattan, as it is in Austin, Nashville, California so that is a weakness. When we look at our own communities it's a strong measure to use, and so overall population poverty rate is 17.8, significant drop from last year and I'll get into that in a second in a couple of slides but I want to use this as a way to highlight what I think is a very, very large socioeconomic gap. Let's look at the poverty rates of toddlers. African-American toddlers and hispanic toddlers. African-American toddlers under the age of five, almost 52%. Staggering figure. 33 percent for young hispanic children. Keep in mind that hispanic community is significantly larger than the African-American community. So compare that with a poverty rate of 5.4 for non-hispanic white and 9.6 for Asians. Simply put if that's not evidence of a. Gigantic gap in our city I don't know was. We can take that further and look at the population, define

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our own universe. You live inside the city, you're underneath the age of five and what does that population look like, that 75% hispanic. I think that's what the social scientists would call a concentration of poverty, structural poverty. You can see the spatial manifestation of those concentrations and yet that's part of the poverty equation that's changing. I will try and show you that. So we're looking at poverty rates by age and we're looking at the 2012 distribution, the overall poverty rate was 20.3%. You can see that big spike in the 18 to 24 year old cohort, coming for two reasons, college students and sort of marginally underemployed young people. It's not that that's not real, but the poverty rate is calculated by two simple variables, how many people live in the household and what the household income is. So when you map poverty, you see really, really high poverty rates over the university of the Texas. Not that it's not real but a little bit of an inflation of that poverty rate. But the poverty rates that are what I want you to look at are those poverty rates of the children. Under five, age five, six to 11, 12 to 14 and 15. That's the same as looking at family poverty. So we've got new data from the consensus bureau for 2013, excuse me, the poverty rate dropped from 20.3 to 17.8. I was that close to picking up the phone and calling my city manager saying we have something to celebrate. Then I that you recollect wait a minute, let me look at the neighboring jurisdictions and when I found the change in bass drop it blue me away during that same period of time the poverty rate in bass drop county immediately to our east went from 10% to 22%. So the lesson for me is we're not just displacing our poorest, we're pushing them way out because they're going to land where there's housing. There's an interesting connection between the wildfires of 2011, the fact that there was lots of vacant housing stock,

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some vacant housing stock. To me it's a direct connection, it's all about affordable housing. So as we act as a centrifuge as a city, you know, it's not just pushing people to the evenly of the city but significantly into counties where there is no transit, contrary to what Gardner the statesman think, they're food December desserts, right? He would know that. We've been there. These are very different territories outside, once you're outside the realm of the city. A way to show this cart graphically, a couple of things, look at zip codes, and this is really trying to show you the increase in S.F. Stands for single family, not kike an acronym but I want to define it. I can main this map two ways, I can map absolute increase, if I did that you'd see 7815, 78750, 31s, you'd see those screaming off the map. I'm going to map it by percentage increase because I think that's a better way to measure pressure and that's a pretty phenomenal way to map to me. The collection of central city zip codes experience steep increases.

We've building a bubble of livability but that bubble of livability is extremely expensive to live in P.M. The sequence much two more maps, I'm going to take the poverty rate and double it, 200 percent F.P.L., red shaded, 40 to 50 percent is low-income. Shaded more than half of that population is low-income P.M. Look what happens in just a two-year period as we move from 2011 to 2013. Does that work? Do y'all see that? You see almost no movement on the west, but you see significant movement on the east and you see that suburbanization of poverty.

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It's one of the issues that demographers and socialologists are talking about all across the country, our own manifestation of it is you see deep urban pooling and shush urban sprawling of our powerrest households. [Lapse in audio] >> If I can being presumptuous to say to this council to leverage that district. Let's keep in mind the district came to uses as a result of an incredible, unprecedented agreement. This is one of my personal favorite maps of the hundreds of maps I've made in my career because it says two things pretty well. You can see the small collection of neighborhoods that wanted to keep the state us quo, that should be no surprise, but look at the deep agreement that you see around the rest of the city, blue and the deep, deep [indiscernible], such a desperate collection of neighborhoods that all say we want something different, of course that was geographic representation. So this is, again, I think it's just an unprecedented level of agreement where almost everyone across the city, maybe for different reasons, but they said we want to do this, we want to do things differently. Of course that's the map that we got. I think it's a great map. And I want to then close with just a few slides. Of course these district were created to be almost exactly equal to each other in total population but that's where the equalness ends. Every other thing you look at they're different, right? Size, square miles, of course -- [lapse in audio] Back to age, look at district 4, almost one in five residents of district 4 is a child, right? And you can see the variation there. So let's look at the other end of the continuum.

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Let's look at seniors in district 10 and you can look at variable after variable after variable and you see this rich, rich differentiation. Now, quick couple of slides to show you how I'm going to show you median family income. We'll start at the consensus tract level, urban Austin, let's put district on top of it and then that leads me to be able to make this. So, again, I just sort of, you know, am going to run out of ways to describe the different variations but that's a big difference between district and then follow up with poverty rate, you can see district 9 which contains a whole lot of college students. That's what's driving that big, big -- for the most part that big, big poverty level. And I'll close with a complicated map, but I think it's a map that gets back to a lot of the issues that I've been hearing you guys talk about over the past couple of weeks, and [lapse in audio] So just as an example, councilmember Houston, you have four district that touch your boundary. Councilmember Zimmerman you have three different district that go into your district. All of you guys have got either three or two. It's aerator when you only have one. So, again, I think we can leverage this new relationship, you know, go beyond a level that we've been at before. Mayor, that's all I have in terms of slides and we can pick up and however you guys want to handle this >> Mayor Adler: Let me ask a quick question. When you say one in five austinities are foreign born, does that include [lapse in audio] >> Domestic migration MIX. >> Mayor Adler: How did that number compare to other states? >> We have one of the highest,

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and it's something that we looked at, where as a city we're in the top ten in terms of our share of total

that's coming from international immigrants. And I really can't emphasize enough of when you along at cities that are vibrant and growing, that's a big component of their population. >> Mayor Adler: So in the top ten you would also see Dallas and Houston and San Antonio. >> Mayor Adler: Surprisingly not Dallas. Houston I think is close there. The cities that have huge populations are San Francisco, Los Angeles, New York, and I have that list and I can provide it to you. But Dallas is not on that list. >> Mayor Adler: I'd like to -- >> Houston: Houston is a truly come poll tan place. >> Mayor Adler: I'd like to see that list. Can you pull up the slide that had the poverty rate by age? >> Yep. We can -- might need some ctm help. Why don't we just go quickly back to that so the data table, Mr. Mayor? >> Mayor Adler: Yes your Murdoch page. >> Yeah. He's awesome, he can show table after table. >> Mayor Adler: So I'm looking at another number that seems real striking so I'm looking at the under 18 poverty. On the report that you listed last time, the hispanic number was 44%. So it's gone from 44% in your age 18 poverty was like 44 and the under age 18 African-American was 53. >> Well, I was trying to get you guys to look at the under five so there's the overall and then there's the 51.8 and 33. >> Mayor Adler: And so 53 going down to 52 isn't that big a jump. And it was close to being 53 for under five African-American on your table from last year. >> Oh, okay. >> Mayor Adler: That one is close. The number that seems -- that your under 18 number for the African-American population

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went from 53 to 35%. That number just -- maybe you could look at that later, look -- I don't understand - that is a bigger jump than all of the other Numbers, which I can't explain as I sit here. >> Okay. >> Mayor Adler: Any other comments? Ms. Poop pool. >> Pool: Wanted to ask economic opportunity, if we might include Ryan for another maybe even deeper presentation. I'm always intrigued and really, really inspired by your presentations, Ryan. Thanks. Maybe we can -- thanks. >> Mayor Adler: Ms. Tovo. >> Tovo: Yeah, I completely agree. I have one quick question. Ryan, can you tell me, on the charts looking at income level, in district 9, is it also a factor that there's a large [lapse in audio] Poverty rates as well? >> It actually probably does not because of the way the consensus bureau counts people, and so it's -- people who live in households and have household income and then there's a another other category called people who live in group quarters, which of course you've got a ton of, dormitories, ser errorities, fraternities, but the homeless are in a third category, so you could have a big, big homeless population, which do you, but that's not going to be communicated or -- the income figures are not going to be setbackative to that population, simply because of the way the bureau goes about it. They're good at counting people if they live in a household. They're not nearly as good about counting folks who don't live in a household. >> Tovo: Thank. I appreciate that. I've been looking at the housing works one-page data sheets for each of our district, and that explains that number. >> Those are great profiles.

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>> Tovo: Very, very useful. Thank you. >> Mayor Adler: Mr. Zimmerman and then Ms. Houston. >> Zimmerman: Thank you. Very interesting stuff. Could you put the slides back on. I have another question too about the pie chart with 75% hispanic on it. >> Okay. >> Zimmerman: And the context I think of poverty. And the question is what is the percentage in there that are non-citizens? >> That's a good question. So let's -- let me back up. >> Zimmerman: This is the one right here. >> Yeah. Maybe I can step into this. So if you look at the 36% of the total population of the city that's of hispanic origin, we don't know with precision how many of those individuals are international immigrants without proper documentation. But if you take a state-wide figure, that's about 35%, and so I think that Austin probably mirrors the state. Now, then to take it a step further and answer your question, I think I'd have to go back and do some mathematics, but in general terms, again, 25, 30, 35% of our hispanic population is

going to be made up of international immigrants without proper documentation. Again, that's a hard number to know. >> Zimmerman: It's something you can't know with much accuracy but if you said maybe that it were one-third. Another question too. I grew up in San Antonio. I was born and raised there. I was in an urban public school system, and my life experience is growing up with blended families. So in the '60s and '70s I thought a lot when I was a kid. I said to myself, you know, I know families where the father is south of the border, the mom is anglo, from the north, and vice versa. And I could never wrap my head around the concept of, well, what does that make the kids? And why do they have to be one or the other?

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Why do they have to be Ang anglo or hispanic? Why can't they be texans? >> Good point the the consensus bureau keeps up with describing the very population you're talking about and they're behind. In 2000 they add aid category called multiracial so they're attempting, but at some point our population is going to be so plurallistic and so diverse inherently that these categories will become meaningless. >> Zimmerman: Great. Why can't we; is that right earlier instead of later. >> Okay. >> Zimmerman: I see a meaningless, yeah, to a lot of this in the blended races and we're, as you said, struggling. Why are we struggling to divide people ethnically. That's austral have you struggle -- I thought we goat over that in the' glimpses couple reasons. The voting rights act is still something that's very necessary and important. Again, this is something I've thought about a lot. Could we forget about racial and ethnic categories, could we move beyond that? Are we a post racial society? I think we're anything but post racial. And so I see the point about increasingly being plurallistic but I think we still need to have an accurate handle on who we are as a community and because it's one thing to say can't we just be color-blind but it's difficult to say that, in fact maybe I can get some support from folks on the panel -- >> Zimmerman: Let me give you a final point. We are color-blind in one area. University of Texas football team, okay? What we care about in the UT football team is excellence. >> Winning. >> Zimmerman: We care about winning. And we don't object to the color of the UT football team not reflecting the color of the student body. What we care about is excellence, we care about winning. I'd like to see that value, you know, put in other places besides just a football team. >> With all due respect, councilmember, I would say that's what we are talking about, we're in a better

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position for winning as a city because of our diversity. >> Mayor Adler: Ms. Houston. >> Houston: Mr. Mayor, thank you so much. And councilmember Zimmerman, with all due respect, at the university of Texas, it was not about winning. It was about color. And so it took a long, long time before the university of Texas would admit students of color and then football people who even later, before they would have a football player who was of a different ethnicity. So that didn't hold water for me. But let's go on to the next thing. Could the reduction that the mayor is talking about in the percentages of African-Americans be because we're leaving? I mean, I'm not sure why that dropped from -- what did you say, mayor, 54% to . . . >> Mayor Adler: To 36 for under 18. >> Absolutely, councilmember. When we look at the sort of exodus of African-Americans from the city, it's been African-American families. And when you slice that and look at above 18 and below, the city had an increase in African-American adults from 2000 to 2010 but we had a decrease in children, which is all about African-American families leaving the city. So that could be a partially explanatory to the variation the mayor is referring to. >> Mayor Adler: Mr. Cesar. >> Cesar: Hi, Mr. Robinson, thanks so much for your presentation. I appreciate what you have there. Quick question which has to do with, for example, for you to notice that poverty rates were decreasing in one area and then seeing poverty rates increasing somewhere else, you can infer that there's movement of

people. And something that I think our economic opportunity committee will be concerned with is also social exponential economic mobility upward. Because I know that there have been a lot of demographic snapshots about the per capita income increasing but that

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doesn't necessarily mean that those making a working-class wage improve their job outcomes with increased job opportunity. And so I wonder if at some point you can help fill us in on what tools we may have to be able to track the economic mobility and upward mobility of existing residents as we develop. So how do we create opportunity when we develop and how do we know if we're doing that well or not? I know that's harder to track at a -- at a zoomed out level, but that's sort of seems to be what it is that we need to do to analyze some of the very issues you're alluding to. I don't know if you have any ideas on the tools available now or if you want to share them with us later. I think that's something we're all struggling with. >> Yeah, I'd like to go back and talk to my backup folks and then come back and we could have a meeting with you and your staff. Because that is a tough nut to crack because it's -- income equality is one thing but if you have economic mobility it's not that dire of a situation. That's what the economists talk about, is that we have this huge amount of income inequality without a corresponding level of economic mobility. >> Mayor Adler: Class would be helpful for all of us if you figure that out. >> I'll work on it. >> Mayor Adler: Thanks. [Laughter] >> Mayor Adler: The next panelist that we're going to hear from is the assistant city manager, Anthony snipes, talking to us about ways that the city is working across departments to address quality of life issues. >> Mayor, thank you very much. It's indeed a pleasure to be before you. One of the things I wanted to share, because as you know, we have three commissions currently. One of which has been around since 2005, and that's the African-American resource center. So of course a large amount of interaction with departments and external partners has been realized since that time but there are three commissions that we'll talk about briefly today. One of course the African-American resource

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advisory commission, the Asian quality of life commission, as well as the hispanic Latino quality of life commission. I think these three commissions really serve to advise you, the council, on issues relating to the quality of life of those communities. And more importantly, recommend programs that really address a number of the -- address not -- not only address but alleviate some of the inequities that Macon front their communities, whether that's on a social, economic or vocational perspective. You'll see across each one of these areas initiatives that target healthcare, housing, affordable housing, homeownership, homelessness, entertainment opportunity, the list goes on. And one of the things that you will find across the board, there are some similarities. One, as Brian -- Ryan talked about, reviewing data relevant to those communities, community engagement, engaging those communities to try to get an idea what are some of the relevant issues that need to be addressed. And, more importantly, creating commissions to provide finer oversight on whatever comes from the work of the quality of life initiative. To oversee and facilitate a lot of these efforts, the city of Austin has established three executive leads for the Asian resource commission, areana has provided, Burt L. And ray for the Latino and Mike McDonald prior to his departure provided leadership and I will be providing going forward support and leadership related to the African-American resource commission. I think it's important to note

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that to facilitate coordination with our 30-plus departments and our 13,000 employees, it takes really coordination with our department directors and the executive leads to try to provide insightful support and perspective to the various commissions. We've been very fortunate to have a large number of external and internal partners. I can say the Austin convention bureau has worked with -- I know the African-American resource commission, as well as hispanic commission and how we can market to try to get conferences to our city, work with the arts community, as well as the tourism in general to make sure that folks know that Austin is a place, a designation of choice, and bewe welcome them to come to our community. We have a fruitful relationship with the school district, we've worked with a number of the heritage district to get an idea how we can engage their communities, we've worked with Seton family hospital, central health, number of other health providers to address mental issues, as well as to provide mobile units to go out into those llpive communities to provide key services from economic development, our department is really focused in on how can we provide small business loans, how can we allow these communities to have access to capital. So from the city of Austin standpoint, practically, if not all of our departments, have some hand in working with the various commissions as needed. From an external standpoint, I think going forward, we continue every single year because these issues are never the same. Some of them are. The core issues are across the board the same. But there are new issues that each of the commissions deal with. And I think because where each is from a time line standpoint, as I stated earlier, the

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African-American commission started in 2005, last March the hispanic commission was established, and most recently, in September, the Asian commission was created. So of course we don't have a large amount of deliverables related to the hispanic and Asian traffic forces, but each one of those executive leads work very hard to try to coordinate with each to provide support as needed to make sure that, in the end, we can ensure services are provided to those respective communities. So that's a general overview of our approach. I think because of the importance of each of these initiatives, the city manager has felt the importance of having executive leadership from his office to be a liaison with the commissions to ensure that we had a level responsiveness from each of our departments to address the issues that they have brought forth, not only to you, but also to the city in general. >> Mayor Adler: Thank you, sir. >> Sure. >> Mayor Adler: Any questions for Mr. Snipes? All right, thank you. So now we'll go to the panel. Francis D. Of center for public policy priorities. >> That's a mouthful, yes. Good afternoon, again, my name is Francis D., associate for research and planning is he center for public policy priorities. We are primarily a state based organization, working at the state capital. On issues affecting low and moderate income texans. What I'm here to talk to you about today is research we've been doing over the last 14 years, looking at how much it actually costs to make ends meet in each of Texas' metro areas. I feel like Ryan and >> I feel like Ryan and I coordinated beforehand. It's really just great minds think alike here.

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I'm going to be building on things that he talked to you. The first being poverty. He mentioned the antiquated measures of poverty, based entirely on the cost of food, based on an analysis that was done in the late 50s, right? So at the time, the cost of food was about a third of a them's income. And they -- a third of a family's income. They didn't factor in childcare, they didn't factor in kind of health costs, they didn't factor in housing, all of these things that are major pieces of a family's budget for today. Back in 2001, we started looking at well, if poverty is not sufficient, this is really before you may have heard about the supplemental poverty measure, which the census bureau looks at, before this became kind of

popular. We started looking at how much does it actually cost for families to be able to make ends meet, when you factor in all of these key components to each family's budget. And we also know, as Ryan mentioned, not only does the cost of living differ from New York to Harlingen to Los Angeles to Austin, but it differs within Texas as well. So we actually did analysis and we're on our third revision, we'll be doing a fourth one this year. Looking at what does it actually cost to make ends meet? So we factored in all of these different pieces that are left out of the poverty measure, cost of housing, cost of rents, specifically rent, not home ownership. Cost of health care. Other basic necessities, let me say that we tried to make this estimate very conservative. Let me back up here just for a second, for rent we actually looked at section 8 housing vouchers, what you would get if you got a section 8 housing voucher. We know good and well in Austin, you can't get a good apartment for actually what a section 8 housing voucher will apply for you, right? That is what we based it on for different family sizes. We looked at health care and we based it on the sweet, sweet deal that the state employees get, right? Which is you get 100% of your premium paid, plus 50% of your dependents' premiums

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paid, which nobody gets anymore, right? So we based health care costs on that, assuming your employer provides it. Other necessities, basic cleaning materials, not cell phone, cable, basic clothing, basic local phone service and a newspaper because we feel like you should be informed. Childcare, the cost of childcare, depending on which family structure you have. It's usually a child who is in full daycare, but is not an infant because that's the most expensive. And we based it on transportation, which is looking at how much does it cost for you to actually own your car outright, you don't have a car payment. And your mileage is going to be just going to the grocery store, church, work or school, you don't get to go visit grandma, if you want to visit grandma you've got to walk or ride your bike, in our budgets. These are very, very conservative budgets that we tried to put together. What we found, let's take different family sizes, two parents or one parent in a family based on our tool, one, two or three kids, or no kids. We will take a kind of nuclear family. In Austin, I'm sorry that says Texas cities, but actually Austin data, the cost of parent for two parent-two child family in Austin, assuming they get this sweet employer insurance deal, is \$50,000 plus. Just a little bit over. In order to meet all of these basic needs that we say families need, housing, food is included in that as well, basic necessities, insurance, childcare, in Austin, you need to make \$50,000 to be able to cover all of those basic needs. That's with our conservative budget. That comes out to needing for two parents, each parent needs to make about \$13 an hour to be able to cover that. Okay? So then we were really curious, we said, well, what does that mean when you actually look at what jobs in Austin are actually providing? So we looked at the five most common jobs, which cover a little over 50% of the jobs in the Austin area. They are in rank order by the most common, so office

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and administrative support is the most common type of job, it's about one of every five jobs and it pays \$16 an hour. For this two parent family, if they had jobs in that arena, they would each make median is \$16 an hour, they might likely make what's needed. Sales and related they might make what's needed. Food prep and service which is our third most common job does not pay enough for this family to be able to make things meet. Education, training and library, computer and mathematical. People think those are probably the number one jobs in the area, but they are actually four and five. But they do pay a lot more. Those families if they had those jobs would be able to make ends meet. Now it gets really interesting, when you start looking at our single parent families in Austin. So now let's take a look at what does it actually cost for a single parent with two children in Austin? Same set of needs. Housing,

health insurance, a little bit less on food, a little bit less on clothing because you only have one adult. But what we find is that for a single parent with two kids, you need to make \$41,000 a year to be able to make ends meet. Now, that's less than the two parents, so that's good, right? The one parent needs to make overall less income than the other household, however now you've got one adult trying to make all of that by him or herself rather than two people going together. When you factor that out in terms of an hourly wage that's needed, what you see is that a single parent needs to now make \$21 an hour in order to make ends meet in Austin, rather than the 13 if they were joining together. So there's a significant cost burden on single parent families in Austin. Now, I'm sure all of you are thinking, you know, Ryan just showed us earlier what the median incomes were for our districts, most of them were a lot lower than that, several of them were a lot lower than that. Our families have housing and our families have transportation, why are you telling me that people can't make it? Well, here's what the problem is: Hang on. We'll look at the jobs, too. So if the same jobs, same

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pay, but you look at it for a single parent, three out of five most common jobs don't pay enough for that single parent to make ends meet. What I would like to point out is that the two jobs that do of the five most common jobs are the ones that require higher education, they require additional training. Eater some post-secondary but certainly possibly even a higher ed degree and a master's field. So that's a real big limitation. A real big economic opportunity break for families. Now, when we look a incomes since the recession, since 2009 after our lowest point, what we see is that why this matters is that 2/5ths of Austin households actually saw a decline in their income. For our lowest fifth of households in the Austin city area, they actually saw a decline since 2009 and their mean household income is \$12,000. The next one, the average household income is 33. And then the top 3/5th, actually do see an increase. But I would like to point out that 2/5th of our family is losing income since the recession and they are not able to make our basic family budgets is a huge chunk, as Ryan showed they are probably concentrated in several of our specific districts. So what does that mean? We come back to this discussion about \$50,000 generally is what you need to get by in Austin. How are families doing it then? Well, they're having to make really tough choices. You figure out how to get by all the time. You make the tough choices you need to make based on the budget that you have. But then you're going to make choices about maybe sacrificing quality childcare or having your older children be a latch key kid, which may be perfectly safe for one kid, not so safe for another. You also make judgments about health insurance. In this day and age, if you don't have health insurance you are not going to have a medical home, you are not going to have access to health care, you are going to be putting yourself at

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risk and you are rolling the dice. Also when adults go without health care, their children are more likely to be without health care as well. Kids who do not have preventive maintenance or preventive care are not likely to be rated as excellent or very good health. So I leave you today with the understanding of what it takes to actually be able to make ends meet and reiterating what Ryan said earlier. When we usually think about what it takes to make ends meet, we think about poverty, we think if you have above poverty you can actually get by. What our data shows is in fact poverty is pointing out those who are in most need in our city, really need our attention, there's a huge group of people still struggling every day to make ends meet when we talk about quality of life, we need to talk about helping families to meet their basic needs as well. >> The Numbers that we saw earlier on your chart with respect to poverty, are those the same poverty Numbers or were your poverty Numbers a percent of -- 200% different -- how would your chart look if you were using -- >> It would be the same, mayor. And I think

that -- that Francis makes the point, I meant to say it, the poverty rate for a family of four is \$23,800. That's a grinding level of poverty. So to double it, is what practitioners are doing, it becomes 200%, the same data. Most recently released from the American community survey. >> Mayor Adler: So you were using 46,000 as opposed to the 50,000 number. >> For a family of four. >> Correct. >> It varies based on size of family. And it also varies based on how many children you have in the household versus adults as well. But -- but what's interesting it with our family budgets, on the whole, it is -- the families range between maybe 190% of poverty, which is just under the twice the poverty level

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that Ryan talked about to being able to make ends meet to about 250% of poverty, which is two and a half times the poverty level to be able to make ends meet. It depends on where they live. Austin is the most expensive city, based on our budgets, in Texas. Compared with Harlingen, which only requires about 38,000. >> Mayor Adler: Thank you. Questions, Ms. Tovo? >> Tovo: Yeah, I really appreciate your presentation. I think it's very important to the work that we're doing here. I wondered, you know, in looking at -- there's a lot of discussion out there in the community around transportation costs and that transportation is often the topic -- the second expense, you know, in doing some research about it, maybe even on your website, it looks like in some areas childcare has actually surpassed transportation as a family's highest cost. And I wondered if you could make any assessments or if you could point us to some information that would show what that's like in the Austin area, where are we in terms of Austin families, where does childcare rank on their -- on their family monthly expenses. >> It's a really interesting question. It depends on a lot of factors. I'm trained as a social scientist so I'm going to give the standard answer on the one hand and then on the other hand. So ... But childcare is by far the -- is the second largest expense, assuming a family has health insurance through their employer. If a family has to buy health insurance out of pocket, particularly if they fall in the coverage gap and they do not have access to subsidies through the federal exchange, then health insurance is going to be by far the biggest -- the biggest expense. So it really depends on what the family is actually paying for. But assuming they have all of the pieces of the pie there, childcare is going to be the second most expensive and then transportation based on our analyses. Now that said, we don't include any personal travel in our analyses as well.

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And it's based on an I.R.S. Reimbursement rate, which is pretty high. It's a pretty good reimbursement rate. But so it doesn't capture the fluctuations and gas prices when we see something spike or we see something fall, so that's certainly going to have a big impact on families, yeah. >> Tovo: Sure. I really appreciate that level of detail. But I think -- with all of those details in mind, I think it still speaks to the fact that we don't necessarily in our policy discussions recognize what a huge cost burden that is. >> It is a huge -- >> Tovo: Childcare. I think we're there with transportation. >> It is. >> >> Tovo: In terms of our -- >> We, with the childcare block grant that we receive from the federal government, we max out our slots all the time. So there's a much greater need for additional childcare subsidy so that low income families can actually access childcare, hopefully, quality childcare, there are some minimum standards required in order to be able to access that block grant. But we don't make decisions to really fill that gap. We get our block grant, our big bag of money from the federal government, we spend it, we don't choose to add a whole lot more on top of that to be able to help out the additional people that maybe didn't get into the initial slots. That would go a long way to helping families. Not only with that cost burden in their family budgets, but also to being able to get and hold a full-time job. >> Mr. Casar. >> Thanks so much for making that presentation, I know this council talked a lot about affordability and the

two sides of that equation, how do we increase incomes and reduce overall costs. What interested me, I think maybe we could be in touch about this ongoing is you mentioned that in Harlingen that the cost of living is at certain levels and I mean that you have that broken out by area, whether that's transportation or housing, et cetera. I think that's something that -- that would be very helpful for us to compare across cities as a council because we need to know where it is that we can make the most impact and

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oftentimes we talk about affordability, we head to the easiest place that we know that we have an impact, which is taxes or fees, because we can change those easily with one pound of the gavel as opposed to different kinds of regulations that may impact housing costs, may impact childcare or transportation. And I want to see where it is that we can have the most impact and I guess looking at other cities and how their housing costs compare to ours, transportation costs compared to ours, we might find more opportunity for reducing the cost on an everyday family in those categories than perhaps in some others that may look easier. So I would be really interested in seeing those comparisons, not just the cost of living across cities, but how those are broken out into the -- into the different major monthly bills and -- that maybe help inform us about where it is that we should be targeting our efforts. >> I would love to come and share that more detailed information with you. What I do know is that you hit the nail on the head. It's housing. When I say housing, it's not just the cost of housing, it's the cost of kind of property and land as well, which then impacts either rental rates or your housing costs, if you are buying a home. Because that impacts childcare, too. Because they are paying for the facilities and either they are paying rent or they are buying property and they have to factor that into the -- into the fees that they chargeback to families for childcare. So that's one of the other big, in addition to housing, is the childcare costs that differ across the state. And I think that really is about their kind of basic expenses and being able to keep the building running. >> Casar: That would be a really interesting level of analysis is how much more do groceries cost, how much more does childcare cost based on your land costs and, you know, leasing costs for those businesses as well. So that would be really helpful because I think this council is really committed to really trying to tackle the affordability question and for us to do that we need a solid -- as solid of Numbers as we can get comparing to other places, so thank you.

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>> Mayor Adler: Okay. Erica sands, thank you very much. >> Thank you, Mr. Mayor. >> Mayor Adler: Go ahead and pull that closer to you. I actually serve as associate vice president for community and external relations at U.T. Austin. Part of our community engagement mission is to serve our community in different initiatives and organizations, one of which is the community advancement network, which I'm representing here today. I currently serve as chair of the network and am here to talk to you a little bit about what we do and also how it impacts the particular topic that you're looking at this afternoon. >> Mayor Adler: Let me again by apologizing for stealing Vanessa away from you. >> Oh! You know, I am here today because of -- because of her connection to obviously this organization and now our ability to leverage those -- and connect more of those dots that we've been working on for years now in making sure that we work together with our city and county and all of our central Texas area to better opportunity and equity for our whole community. So we're sad to see her go. We are going to be looking for a new executive director. But we are very happy for the opportunity to keep working together. As you may know, it is a partnership of government, non-profit and private organizations. We leverage resources to improve social inequity, this year for 2015 we have the pleasure of having councilmember

Houston and [indiscernible] Serve as your council reps on the board and on the county side we have commissioner Shea and commissioner Gomez who are serving. To give you an idea about who our can partner organizations are, here they are before you, we have representation of a great variety of groups. We have a local government represented here, education entities, health, workforce and business, community partners, and all of the different areas that work together to -- to

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collaborate on -- a lot of different initiatives. One of which is our community dashboard. This year will be our sixth anniversary of publication of the dashboard which will be published and released in pay. So you will good it that information here shortly. We track 17 different indicators that measure our movement in our community for certain goals that we have set for ourselves, those are the four goals that you see in front of you. Are we safe, just and engaged, our our basic needs met, are we healthy and are we achieving our full potential? For 2014, every year the can board has a work plan. We identify issues, initiatives, that we want to focus on for any given year and then with all of our partners tackle each of those. For 2014 I wanted to give you a really brief overview of what we accomplished during my vice chair year. We had quarterly safety net forums where we gathered information around various topics. We had cross-walk of the quality of life initiatives that you heard from assistant city manager here earlier and looking at some of those overlaps and commonalities of those quality of life initiatives. We also, have, of course a community council that does work on all of these issues throughout the year. In -- in collaboration with the larger can body. What we learned and what speaks to what we're discussing today is looking at how we are providing all of these services for all of the different categories of areas that we're looking at with a person-centered approach. There are lots of organizations and units that do this, aid calls it student centric, some health partners call it, you know, person-centric or other sort of terminology. But really we are looking at about adding person-centered approach of working these areas. So we have across the blue, purple, green, red lines the

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four different categories that we measure in our dashboard indicator. What we have done really is cross them, cross-reference them with person-centered themes. How to get a good start, which speaks to early education and the like, childcare. Considering my whole family, providing services where I am, developing a system that works for me and empower me to improve my community, respect me and talk to me in a way that I can understand. Talking about not just diversity, not just inclusion, but cultural competence as well. And creating neighborhoods where I they can access opportunities. For 2015, our main question that we're looking at is, you know, ways that the city can cross departments and can work across departments with other community partners to address those issues that we're looking at in the dashboard. Things that we're focus okay that were planned for 2015, one of which is a really big for us, around cultural competence, diversity and inclusion. Ken has a work group that I chair that works in this area. In fact we've launched today our first training session, a session or a series of four that kicked off today for leadership training around this area of not just diversity and inclusion, but cultural competence as well. We're doing some work in interpret language services, translation services as well, we have a survey and a forum coming up here next month that looks at those issues, also looking at atcic based development training, asset based community development training, food security, partners in del valle and manor and also looking at having some place-based planning meeting in those partner areas as well, del valle, colony park, dove springs and rundberg. In the fall we are planning a regional policy summit to talk about the topics that we are addressing today as well with that population moving out of the city core, how that's impacting our neighbors and how that's having us look at all of the work

that we do in a regional area, not just a city and county area. I wanted to end by sharing with you a video that you

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all may be familiar with already, but really addresses and talks to and speaks to the issue of mobility and in America what that picture looks like and this video is I think really user friendly and explains mobility in a very simple and impressive way. So it's three and a half minutes, I would like to share it with you now. >> We are going to talk about inequality and opportunity in America. Let's start by dividing the population up into five equally sized slices. If you are boring like me, you might call them quintiles. In an actually equal society where everybody has the same amount of money, each fifth of the distribution would get a fifth of the money. It would look like this. Of course, that's not how it is. In the real world, the bottom quintile, the bottom fifth gets 5% of the money and the top fifth get more than half the money. But I think in terms of fairness and certainly in terms of American fairness the question is less what's the gap between the bottom and the top and it's more what are your chances of making it from the bottom to the top? How mobile is society? How far does where you are born on the ladder affect where you are end up on the ladder? So now a perfectly mobile society, an opportunity utopia being born down here in the bottom quintile would have no effect on where you ended up. You would be equally likely to make it to the top as to stay at the bottom. But now I want to show you what it's really like. Right now, for the people born at the bottom, more than one in three of them will remain stuck at the bottom and just one in 10 are going to make it all the way up to the top. That is bad enough. But it's even worse for certain groups in the population. If you are born in the bottom quintile and you are

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a black American, you have a 50% chance of remaining stuck at the bottom and just a 3% chance of making it all the way to the top. This is the picture for black America. For white Americans, the picture looks close to that utopia. With roughly the same chances of making it to the top of the distribution as being stuck at the bottom. Those who are born at the bottom and are raised by parents who are never married and for that group, the odds of making it to the top are pretty slim as well. For them, it looks like this. For those raised by married parents, it looks like this. Again, it's pretty close to what you might hope for in a perfectly mobile society. Those who were born at the bottom if they are raised by married parents have a pretty good chance of making it to the top. So if you don't complete high school, there's a 50% chance you're going to stay stuck at the bottom, if you were born at the bottom. And a one percent chance that you are going to make it to the top 20% of the income distribution [indiscernible]. So for them, looks like this. If you are born at the bottom, born at the bottom fifth but one of the few born down here, you manage to get a four-year college degree, transforms your chances of moving up the income distribution. Go to college. We can have a long argument about the gap between the rich and the poor. But I think we can all agree that we don't want to live in a society where where you're born determines so strongly your chances in life of where you end up. America has a dream of equal opportunity. And we're a very long way, right now, from that dream. We have a big problem and we need big solutions.

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>> Mayor Adler: Thank you. >> Thank you. >> Mayor Adler: Any questions? >> Ms. Pool. >> Pool: I was wondering where we could get a copy of that, do you have it linked up on your web page >> I believe we do have that on our can page, we would be very happy for council to have that. >> Mayor Adler: Thank

you, thank you very much, reverend Horton? >> Good afternoon, Mr. Mayor, to the council. My name is Daryl Horton, I do serve as the chair of the African-American resource advisory commission, but I am here today as a citizen and as a stakeholder in the quality of life here in the city of Austin. I did bring today just four small slides, just to try to impress upon you what I conceive to be the issues facing our community here at this time in the city of Austin. One of the issues that we have not talked a lot about today is based on a slide that comes from the Austin american-statesman that they posted it and it was actually a presentation done by deputy director Shannon Jones for the health and human services and it talks about the African-American community and how our community is nearly first in all of the causes of death. And so it explains to us that in our community health is a major concern and I think that these are some areas in which the city can help and continue to help to -- to reduce some of the disparities that are happening in the African-American community. You will notice from this chart, even though the information is from 2009 to 2011, I don't believe much has changed here in 2015, but again you'll notice the Numbers for cancer, for heart disease, for stroke, of course, for diabetes and for other ailments that -- that our community is leading the charge. That is not something that we want to brag about, not something that we want to continue to see, but our health concerns in the African-American community are a huge concern. I would also, which I thought was really nice, that Mr. Robinson also used

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this chart, but this also ties into not only health being a concern, but also for economic development and so this is the same chart that we've already seen that describes the median family income by zip codes and you'll notice that as you go east of 35, and look at the east Austin area, that the median family income is much less than you will see on the west side of Austin. The reason I bring this up is I think if Austin is going to become a better city, I think Austin has to become more intentional about giving intention and giving direction to the areas on the east side of town. I think there are a lot of areas that give promise, that give the possibility of being developed to provide opportunity for the persons that live there, but I think there has to be an intentional effort to show that community that we see you, that we recognize the needs that are there and that we place some development there to make lives different for those individuals. One of the things that we can do to change that is that here's another one that I found from the sustainable food center here of central Texas. And what you will notice on here is that it talks about the foodland scape and you will notice that I-35 goes straight down the middle and to the right of 35 you will notice a lot of the orange-colored dots. What those represent are stores that are not full-service grocery stores, whereas the red dots or crimson dots are full service. You will notice from this map that the majority of those stores are going to be riding I-35 and going west. So part of the conversations that we've had today already is how do we expect families to make it when they cannot have access to fresh foods, when they do not have access to full grocery stores, but yet they have to go to convenience stores to buy groceries, where we know that the cost is going to be escalated and we know that the nutritional value of what they can receive will not be the same as if there were an H.E.B. Or Costco or main chains where people can get this food. They asked us to limit the number of slides today, some of the things that you will notice, there are food deserts, other issues on the eastside of the city that

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could be addressed. We haven't even talked about transportation. For those that have these minimal jobs that are not making the income to make it, what if they don't have a car that has been paid for? What if they cannot afford a car? Some of these places in the eastside of our city, didn't even have bus routes, they don't even have transportation. There's a compounding issue that I think Austin can

continue to address and it has to do with economic development and at least giving a people to chance to survive and to make a living here in our city. I do understand the presentation that's have been made, that Austin is an international gateway, that Austin is a fast paced city where people are moving in. But my concern today is that everything is moving past the traditional and long temperature, long-serving citizens of our city. As you go into the east side of Austin, you find people, families who have been there for 60 and 70 years and they can no longer afford to keep their homes. I think one of the messages that we send, whether it be intentional or not, can be discussed. But there are areas of that side of town where improvements have been needed but the improvements don't get made until the demographics of the city changes. I think that's a message that we've to stop. It's a message that we have to pay attention to that for 60 years the roads have been bad, the parks have been damaged, but yet when the demographics of the neighborhood change, all of a sudden everything gets improved. I think that's something that we need to pay attention to, because it sends the wrong message to the citizens of Austin that you are not important enough to make those changes beforehand. I also think when it comes to health, that we can do some grassroots things about putting people on the streets who can actually go to the places where health concerns are needed. We know that there are hospitals, we know that there are emergency rooms, we know that there are care clinics. But do we have enough clinics in the neighborhoods where they are actually needed? There are some programs where I understand where you can put nurses on the street where nurses have backpacks and they actually go from community to community. Knocking on doors to see what the health situations are in the homes, able to provide input.

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I think that there's a lot of leeway. A lot of room for improvement where we can help and help the eastside of Austin to mirror the opportunities and the access that's available in other parts of town. So my encouragement for the council today would be is that we just need to be intentional in the message that every person in our city of Austin counts. That every person is worth the development. Every person is worth the investment that they might become all that they can become. I would also encourage collaboration between the city of Austin and non-profits, between churches, between all types of organizations that can help be at the grassroots of where the needs are. We understand through other presentations that transportation is not always available, access is not always available. So we may have to step out of the box and start to bring resources more to the people where they are. So that it can not only be convenient, but that it can also be helpful. And so, mayor, that's my presentation. >> Mayor Adler: Thank you, reverend. Ms. Houston? >> Houston: Thank you, reverend Horton and amen to all that you said. If you could put that last slide back up for me, please. The one with the -- that one right there. If you will look on the map, you can see I-35, the last full service grocery store is on 183. There is absolutely nothing, nothing east of that location. And it's been that way forever. And that grocery store is a -- west of 183 in the Loyola shopping center. That's H.E.B. But people have to drive, if you live in del valle, you have to drive down to pleasant valley and Riverside to get groceries. If you live over off of Decker Lake, you've got to drive. I mean, it's just ridiculous. This is not the first time these slides have been shown. Shannon Jones has done a great job advocating for more health care services and if you had a map of

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where health care services are located, there would be none. We are trying to get something going on at -- at the Turner-Roberts Center, Recreation Center. But Central Health has not been engaged in this conversation about the lack of health care, where the majority of people who have critical and chronic

health needs are. So thank you for bringing this visual so that people can understand what we're talking about. >> Mayor Adler: Thank you. >> Mayor, I have one question. >> Casar: Reverend Horton, thanks so much for coming. Will you flip back to the slide with median income by zip code. Are you able to do that for me? So I think one of the real challenges that I want to work with you and with this council and with others on, a good example is you can look at 78752, which is that little triangular one, that long tie that comes down the west side of I-35, 78752, you can see it's one of the lower median family income zip codes in Austin, but it's a really wonderful community. It's got the old saint John neighborhood, highland area with the highland mall redevelopment happening there. Working poor folks all the way through middle class folks, it's a great part of town. I think the challenge that we'll be facing, for example as the highland mall redevelops there, we bring major technology employers there, we may see the median family income go up as we bring the development to a part of town that hasn't seen development in a while as you referenced. We may get parks and other things because we've got the redevelopment of that mall. But if the technology jobs are -- employ folks other than the folks that live there, we may see that median family income go upward, but are we seeing upward mobility of those long-serving residents as you referenced. I know it's a constant tension. I just want us to see that sort of nuance and that

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difficulty there as we try to bring folks the services that they -- that they demanded while also -- and perhaps on a map may one day see a darker shade of blue in the zip code, but does that necessarily mean we've helped folks out that we intended to help out in the first place. So I hope you all will work with us to -- and everybody here on the panel I know will work with us to -- to handle that inherent tension and we want to improve incomes, but we want to improve incomes for people and not just move folks around. So I -- if you have any response to anything that I've said, feel free to talk. I'm just making a comment about what I was thinking about when you were showing this map and what it is that keeps me up at night. >> Yes, sir. Well, thank you for that comment. I would just say that I'm a strong proponent of education, I know that is also an issue that we have is that a lot of our children, for whatever reason, we're dealing with a generation that seems not too apprized or takes advantage of education, I think the highland center is a great opportunity for our children to go and get an education. I think we have to change the mindset and help them understand like the slides were showing before that it's hard to move from this place to the next place if you don't get yourself prepared. And so I think that opportunities for education are a great way for us to help move people, not just out of different districts to another place, but that upward mobility that we talked about. >> Casar: That's why I'm particularly supportive of that development, because it does have that educational component. Thanks so much for thinking that through with us. >> Yes, sir, thank you. >> Mayor Adler: Then housing, too, I think that area you identified around rundberg is probably the ground zero for gentrification happening out front. Unless we figure out a way to be able to land bank the class B and C properties so they can be maintained in an affordable way or to do the homestead preservation districts or something where we get out in front of that. So I welcome the opportunity to join working with you and

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with councilmember and his committee on housing, I think that's the other side of that issue. Councilmember Renteria. >> Tovo: I appreciate your comments, reverend Horton, specially this most recent back and forth about education. That reminded me, me Robinson of a comment that you made in a youth summit at the city. You were talking about the growing income disparity in this community as being one of the region's greatest challenges. And you made the comment at the time that one of -- that

youth programs offered some hope for helping bridge that disparity. I don't know if I'm summarizing. I've quoted you a lot since then because I think it's just such a valuable perspective. And it's something that we do as a city. We have youth programs and can utilize them in just that way. I don't know if you want to comment on that. But it's just a very -- both reverend Horton's point about education and then kind of more central to what the city has responsibility over, the programs within our parks and recreation program. >> Quick comment would be that our city manager created a position, a coordinator who is filled about I a very knowledgeable person, Dr. Chiquita, as I know her, her job is to coordinate all of that outreach and to try again to maximize the effect of that. So it all comes back to education. >> Mayor Adler: Thank you very much. >> [Indiscernible]. >> Thank you, mayor Adler, thank you to the city council for holding this policy workshop today. I want to start out by saying that I walked in, saw this massively large screen and realized the tactile error of not bringing slides. You'll be seeing my photogenically challenged face for a long time. I'm going to start out by saying that one thing that I

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noticed about the many interesting facts in Ryan's charts is that the multi-racial or multi-ethnic category is now as large as the African-American community and the asian-american community in Austin. And that is an area that is very underaddressed and I know someone else made mention before, but I hope that that's an area that we look at going forward as well. In terms of the needs and services that are or are not being provided. I wanted to -- to go back and talk about what the asian-american community needs are as far as we're able to -- can we bring up reverend Horton's chart on the cause of death? And I want to use that as an illustration, if it's still available. I think the greatest need in the Asian American community or the pacific islander community is just recognition. We see charts like this all the time that chronicles certain categories and the asian-american and the Asian pacific islander population is left out. I would say this is the largest problem whether we discuss quality of life or affordability, if you are not in the database, if it's not sorted to include you, there's no ability to have a policy discussion or to figure out what services are lacking or need to be provided. Now, as the chair of the asian-american quality of life commission newly formed, in which capacity I'm not here today, I'm here as an individual, that's one of the issues we're trying to address with the asian-american quality of life survey, is to provide some foundational data so we can get a start on this.

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The quality of life commission along with arc non-profit has already done a couple of surveys on health and we've started to provide some of that data. So I think the words that I would use are identification, consideration, and participation as to kind of the foundational points or the bedrock points that need to be kept in mind for the asian-american and pacific islander communities. I also would like to say that's true for all immigrant communities. I know the hispanic-latino quality of life commission deals with the same issues. That is that there are certain needs for language minority communities that don't necessarily depend as much on what race you are or what ethnic background you have. When we talk about quality of life and when we talk about affordability, one thing that's not considered and I'll say Brian and Francis's points about the data on poverty, income, et cetera, there's no classification there, either, for language minority communities because within the hispanic-latino community and the Asian community, there are segments that are fluent in English and their experience can be radically different from the language minority communities and one demographic, which I love Brian and the depths that he goes to, to dig up data. So I would challenge you to see are we able to generate data on language minority communities as a classification in your research? And the same to Francis as well. So I'm using the iPhone, to it takes a little focus for me here so I apologize. Another area is refugee communities.

Again, I know, you know, there are a lot of things in common here with the latino-hispanic communities. The refugee population is another area where -- where they may come from war Zones

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and have very specific needs, and, again, those may not be cataloged in the data that we have now or considered. The question was posed earlier: What does rapid growth mean for the asian-pacific islander communities in Austin. I would say in this period of time what it means is recognition. Because as a kind of a -- kind of an artificial hybrid community, we're being recognized for achieving a certain size and now, hey, you know, what needs do you have? And as we have hit this point, I would like to try to remember, for instance, the African-American -- their significant population of west African immigrants here, certain European immigrants from eastern Europe, there are communities that still are under the radar, and I would encourage the city council to really think about those communities at the same time because I think that we do need to be as inclusive as possible when we discuss these problems. So in terms of the recognition, what we've seen is that the growing population here, as Brian mentioned in demographic terms of foreign born, a lot of times that means a lot of asian-americans moving here, a lot of entrepreneurs that are providing energy but at the same time there are a lot of seniors, young children, people who are not well off and who are forgotten, including communities or populations that suffer from abuse. We work a lot with Asian family services of Austin to ensure that there are services provided for abused spouses, children, et cetera. But, again, the recognition that these communities exist, that the model minority myth is not true and that we should, in any of these considerations, in

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any attempt to research data, consider these points. I've got some detailed points on health, because there's been more work done in this area than any other by the -- by the asian-american resource center, non-profit and other groups. We are looking -- but this can be a template for all of the other areas that are involved. Number one is improving outreach to the asian-american subupon sub-- subpopulations. As many of you know, because I've worked with many of you guys on different issues, it's not monolithic, there are many different languages, nations. We will look for culturally and linguistically appropriate outreach, using specific media, social groups, religious houses, focus on prevention. So again prevention in many ways requires the data to understand what your -- that population segment suffers for in terms of health problems. So prevention also requires increased awareness of health risks in key subpopulations if you have the data on those populations. Increase of access. This is the biggest points I think for most language minority communities is are there translations or interpreters available so that you can first understand that services are available, and then, too, we talked about transportation. Do you have an understanding of how to use the public transportation system? I know capital metro is looking for increased ridership. I think improving communications so that people, language minority communities understand how to effectively use the public transportation system might be a great way to increase participation there. And overall, in terms of health care, providing culturally sensitive health care. Public housing is another area that's little thought of, as far as asian-american community is concerned. We no anecdotally that are

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cases where people have been turned away from public housing and they are not able to advocate for themselves to get on those rolls because of language issues. Public transportation I've already mentioned. Other city services, so this will be my last point, particularly since I'm addressing city council,

I want to raise this point. The biggest way to improve access is to hire more asian-americans and pacific islanders in city government. One of the things that happens for all communities is once people from those communities are part of government, they take leadership roles and make sure that those agencies provide relevant services to their communities. It's just natural kind of thing that happens and so I've encouraged that. And as a last point, I would encourage that the city council establish an office of Asian and pacific islander affairs because it is such a -- a diverse community. I think it's necessary and I think actually for all language minority communities this may be necessary, to have someone in city government who can continue to pursue these issues over time if these populations aren't represented by city -- elected city officials or others in power, these issues can sometimes be pushed to the wayside because it's not a large or significant population. And, again, I mean, I -- I listened to some of what reverend Horton says, I know that I am going to agree in certain ways with my colleague from the hispanic quality of life mission. A sustained effort not to be forgotten in policy discussions and to have real information, not just anecdotal or what a couple of people tell you, but real data involved is really important. So again, I would encourage,

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as -- as exists in cities like Washington D.C. And others, an office that deals with these issues so that populations aren't forgotten. And I've gone over time. I apologize, I thank you very much. >> Mayor Adler: Thank you. Thank you very much. Mr. Martinez Mercado. >> Thank you mayor and council for having me here, I serve as the vice chair for the hispanic quality of life, I'm here as a private citizen just to voice some concerns, just to give you a little bit of history, we were built off the quality of life task force. Who put forth several recommendations we are simply building upon those recommendations, predominantly because several things have come up since the report was first filed. We have several focus areas, which include cultural arts, education, youth services, housing and community development, economic development, health, civic engagement and transportation. And I believe in several of these focus areas you're going to see that we agree very much in line with both my colleagues here. So we are using the quality of life task force report as the baseline for initial recommendations, updating information where needed and incorporating new initiatives. We're hearing public testimony and meeting with stakeholder groups, as well as recommending budget screening by city of Austin staff for cost estimates, duplication and feasibility. A big issue that we have seen with several of our representers from the city is that they are able to present those Numbers as to what is being spent but not the effect of that money being spent. What I mean by that we're not able to draw out what effect it had on the African-American community, the Asian community or even the Latino community. And we see that as being extremely important to see the actual effect of the money that we're spending as well as now breaking it down geographically so that we know how the Latinos in certain different parts of Austin are being affected. And so some of our policy recommendations have been housing and community development. Ensure the surplus of

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properties is made available to non-profits. Tax relief through property tax exemptions, design of policy should reflect two goals, one to protect a homeowner from unaffordable property tax bills and, two, to allow local government to raise adequate revenue. The mac is also very important to us, consider sustainability through additional financing mechanisms standalone enterprise fund status. As you all know the macc has been extremely contentious as far as the property around it. We are extremely concerned it will be covered up by another high rise, we want to be sure that doesn't happen. We fought very hard to have that built. The medical teaching hospital and Brackenridge hospital repurpose,

ensure that the anchor institutions adopt the mission of improving the well-being of their surrounding community in multi-faceted ways. The Latino population was affected by the Halloween floods. We endorse the council resolution to seek funding for flood buyouts. We put in that recommendation previously as well. Minimum wage, we are urge the creation of a task force to create a plan to implement short and long term pay increases for minimum wage workers. Implement a hispanic-latino data resource center. Conduct annual hispanic-latino quality of life conference. Establish feasibility study on forming community economic development corporation and ensure that the departments' budget are allocating sufficient resources for Latinos. In conclusion Latinos are the fastest growing population in the country, in the city of Austin. It's important to address challenges that this community faces. Well-documented that Latinos face significant disparities in health, health care, education and economic indicators. In addition to the city's current efforts, adequate resources must be allocated to address gaps for Latinos. Closing the gaps will make the city of Austin more competitive and stronger in the future. And I just wanted to reiterate that something that would go a long way into helping all of these issues is assuring that the people that are out there in the community are also culturally competent. That is extremely important to us as well as every other community that's represented

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here. >> Mayor Adler: Great. Thank you very much. Comments or questions, Ms. Houston? >> Houston: Well, assistant city manager's snipes is gone, but would you take a message back. Sometimes resolutions are raised up from the various advisory commissions for some reasons they don't get where they are supposed to go. I was at a round table the other day, evidently a statement about equity, we always talk about equity how that needs to be woven into everything that we do. I found out that the latino-hispanic what are you all? Task force? >> We're a commission. >> Houston: Commission. Had written a statement about equity, be-- >> Our parity principle. >> Houston: Parity. Okay, that never got up to a level where council could act on it, I don't think. Am I correct? >> I believe so. >> Houston: Okay. So I don't know where those things go to die, but I need to resurrect them. >> We, too, would like those questions answered. >> Mayor Adler: And you already have with the rules that we adopted, any recommendations that come from a board or commission at this point will now get referred to a committee and put on a committee's agenda. So that will happen as a matter of just practice based on the -- based on the practice that we've set out as a group. >> Mr. Mayor, if I may also respond to that. One of the things that I've requested as well from councilmember pool is to take a look at outstanding resolutions from the past that are still being worked on. And so we're putting together such a list, which may have some of the items, at least from a council perspective, but again reflecting on the mayor's comments, items that come from the advisory commission certainly now have a venue to get to a committee for further vetting and certainly we would expect to see and work with those

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kinds of activities at the committee level. >> Mayor Adler: Mr. Renteria? >> Renteria: Just for correction, I just want to know. I've been advising all of the chairs of committees that -- like the community development commission, when I'm meeting with them, I said -- I'm informing them that they through the committee or the commission, they can -- they can send a resolution directly to that committee -- >> Mayor Adler: They can. We have multiple doors into our system. >> Renteria: I've been telling them that, I want to make sure I'm telling them the right thing. >> Mayor Adler: No, no, that can work, too. All of the committee chairs can put things on their agenda. But just to make sure nothing ever fell through the cracks, to the degree something does come from a board or commission, it will also get sent to a committee. >> Renteria: I hope y'all take advantage of that because this is the first time in Austin history

that I know of, and I've been here quite a long while, that you are given the power to actually take a resolution directly to a committee. So really take advantage of that because, you know, you're our ears and our heart. So I -- we need that information for -- and if somehow you think that the staff is not delivering that to you, we would want to know because this is a whole new process. And I hope that the -- that the committees that are listening to, are going to listen to this presentation. I want to inform they, they can do the same thing. Because we have a lot of commissioners that always have complained that -- we have sat there nine, 10 months, we have submitted our report and it goes nowhere. And I -- I was -- I served 14 years on a community development commission and I have seen times where we made our recommendation and it didn't go nowhere. You know? And so that was my big

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complaint when I was serving on those commissions. So I wish that -- I hope that all of y'all take advantage of that. >> Mayor Adler: Okay. Thank you very much, panel. We're going to have some other voices and then we'll come back to the panel for concluding remarks. Dr. Banner. Joycea banner. >> Good. >> Good afternoon, and thank you so much for allowing me to speak to y'all today. Again, my name is joy banner and I'm an assistant professor of business at Huston Tillotson university, and I just want to say that I was here for the discussion this morning on economic development, and after hearing this discussion, I think that it embodies a lot of the dissonance that I feel, in that Huston Tillotson university is located in east Austin, in a part of the city that is booming with technology and innovation, yet I'm dealing with a population of students that are facing a lot of the issues that you are talking about today. May lead a representation of minority women in stem fields we talked about this morning and entrepreneurship and also innovation, and one of the things I just wanted to emphasize is that this morning we also discussed this partnership with Dell and with Huston Tillotson and with UT, and I'm so happy about that partnership because it shows the rest of the community the partnership opportunities that we have as an institution, as the oldest institution of learning in Austin that are available at Huston Tillotson. And I think that those partnerships and those opportunities are often overlooked. And a lot of that goes to the

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fact that we are historically a black college and I'll be honest, I think in the majority city, even though it's a minority majority, there are a lot of people, a lot of transplants to Austin who don't quite understand what is a historically black college, why in 2015 are we making a distinction of having a black university or even some of the organizations that we're all representing here. So I just wanted to say that we are inclusive of everyone. We want to partner with as many people as we can. We are proud of our heritage, but we emphasize and we are supportive and understanding of some of the challenges that our students face. So, for instance, I can tell you that I graduated from a majority institution, and I taught at a majority institution. My syllabus that I use at a majority institution, I can't use that same syllabus at Huston Tillotson universe, for instance my attendance policy, I had to make changes not because my students didn't want to come to class but because they didn't have transportation like everyone else. In my syllabus I intentionally don't require books until the third, fourth week of class because of some of the poverty issues y'all have discussed. Again, I want do offer an innovation invitation, we're looking for partnerships and especially entrepreneurship and small business and innovation, so if you are interested in those opportunities, again, my name is joy banner I'm at Huston Tillotson university and please feel free reach out. Thank you. >> Mayor Adler: Dr. Banner, thank you very much. Thank you. Teddy Mcdaniel. >> Good afternoon to the mayor and council. Again, I'm teddy Mcdaniel, president and CEO of the Austin

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urban colleague. First I want to applaud the mayor and council for having all of the different backgrounds and commissions and neighborhoods represented today. I think it's a step in the right direction. There were a couple of things that were said, and I want to add a little context when it comes to the African-American community. In transplants, I happen to be one. I've been here three years. So it's interesting. One of the comments that Ryan Robinson made was there's a wide variety of places to land in Austin. And it's interesting. It's a great quote. But with the African-American community, especially when those folks are moving there, that's typically not the case. When move movie to cities, whether from Dallas or small towns in Texas or from Phoenix like did I, when they come here they say where do the black people live? That's what they ask. And so even though there are lots of places to land, we typically go to where we see our own, whether they are college graduates recently or approvals come. Professionals that come. We have to talk about education more. Reverend Horton by the time it got to you, y'all you were saying when is something going to bring this snap because when up? Because when you look at the minority population, especially families, you have to look at the school systems. I know that mayor Adler and many of you races you talked about education and I know y'all know Dr. Cruz well, aid and we're working hard but we've got to talk about some statistics. They bear repeating. It's 85,000 students in aid. 60 plus% economically disadvantaged families. Three magnet programs, maybe there are a few more, but there are not a lot of options within the district. They've got to get better. And when African-American

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families and parents look for where they want to live, they look at affordable housing. It's important. But they are looking at these school district. So one of the best slides I saw also was the surrounding school were seven close to district 1 and 2 maybe. So if you're a parent and I'm talking about middle class, working class, you look at pflugerville, brown rock, aid, and the parents know, they do the quick math on Google now, they know what schools are doing well. They talk to other parents in their organizations, fraternities and sororities, how are you doing in pflugerville? How is Round Rock? Outic,otomy is Austin. A lot of that choice on where they live is based on that school district. So this council, I implore new your policy discussions, you've got to be intentional on getting Austin public schools to improve. And I'm very supportive of some of the things that are going on there, but I think it's critical to the health of this city long-term. The other piece is economic development. I know you had a session this morning, and I'm glad that reverend Horton mentioned the grocery access. You do have lots of areas east of I-35 which essentially have no places to go. And I'll remind the council that on the 130 corridor, a lot of those areas are city annexed, they don't have grocery stores, they don't have job centers. So for people who have left Austin and are moving out there, where do they work? They have to come back in. And if we have larger grocery stores, those are also employers, in addition to the fresh food piece. But we also need to make certain

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that economic opportunities in those farther east areas in Austin are addressed. I know there's a focus on downtown. It's not unimportant. But we've got to have economic centers all over this city so that people aren't forced to have to drive specifically into downtown and they can work closer to where they live. Okay? Thank you for your time. >> Mayor Adler: Thank you. Dan Pruitt. And then peach Reynolds. >> Mayor and council my name is Dan Pruitt. I'm the president ask CEO of wheels on wheels and more

for seven years I was the director depart director of capital of the food bank, I'm here as a private citizen. I was really pleased as I listened to the panel, they made some incredibly important statements and points about what we need to do and think about in this particular, particularly those touched on by reverend Horton and his comments, what we get to do in the nonprofit world everyday is live the reality that we're talking about here when we talk about quality of life in this community and serving people who need our help and support. If you'll look at meals on wheels, for example, if we were putting push pins on the map and looking at where people live in this community, just a couple years ago when we expanded our facility east of I-35 on fifth street we really thought we were in the heart of the area for the clients that we serve. Boy, is that changing. They're moving out. It's flaggerville, manor, Dell valley. Our routes are longer, ability to get to clients is tougher and I think what we're losingfuls, is we're losing this vibrant group of people that have been part of this community for so long and they're moving out. It's just not affordable for

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them to be here and it makes it so much more difficult for to us reach them you have so many challenges in front of you when you lower taxes it helps everyone. And I know that's a big issue and important issue. The one thing that concerns me a little bit is so many of the things that we're talking about are long-term. You must think about those things. There's no doubt about it. Short term, when we talk about basic needs support, they're here, now, they're present, they're immediate and I just hope that this council -- and I know you will -- will look at the immediate needs of people in our community who are living not just at the poverty rate, we have people we serve that are living on \$835 social security every month. Think about someone like that. Worked all of their lives, played by all the rules, raids their children, did everything right and now are living on social security. So difficult for them. We need to make sure we have food on the table, utility assistance. I have the pleasure of serving on a task force working Austin energy and we're looking at utility rates. Talk to the folks at United Way 211 about the calls they get and so often for folks, primarily east of I-35, we've got to get utility assistance, food assistance and basic housing and a roof over the head of these sweet people who work hard, do the right things, and play by the rules. So thank you y'all so much for your deep dive into this issue. It's incredibly important. Thank you. >> Mayor Adler: Thank you very much. Thank you. >> One other thing. Mayor, I know you're delivering meals on Monday so I'm looking forward to that. >> Mayor Adler: I'm looking forward to it too. [Laughter] >> Mayor Adler: The next speaker we have is peach Reynolds. >> Hi, mayor. Ailedder -- >> Mayor Adler: Jose Ramirez. >> I've got to say, I really am glad I was here this afternoon to witness these presentations. I was pretty impressed and, you know, it was an eye opening thing to see the charts and everything on the board.

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Pretty revealing stuff. One small component of the cost of living and quality of life in Austin is property taxes. I represent austinites for fair taxes, a grassroots group of neighbors across Austin that began meeting in may of 2014. We are united around the concept of adequately funding necessary public services in a way that does not displace a disproportionate burden on low to middle income persons by way of overwhelming property taxes. Last week we held a public workshop with approximately 100 attendees. The people that attend the workshop represented every district in the city, over 60% of them identified affordability concerns that have caused them to seriously consider whether they could continue to live here. Their concerns have caused them to cut back on their lifestyle, 5% are considering moving. The chart just is a little dot chart that we had at the meeting where people that came put a dot more or less where they live, and, you know, it was a small gathering but it represented a good cross-

section of the city, I would say. Centrally located neighborhoods were more represented than the outskirts but none the less we got a good cross section. We've also collected surveys from neighbors and found many older neighbors, some lived in their homes over 40 years and have strong ties with their neighborhood are now founding the home they paid off years ago is too expensive to stay in. The idea of aging in place is simply not an affordable option for many older austinites. At the city level we hope that the city council of stop incentive advising new businesses to relocate in Austin. Growth should pay for itself. Austin's past has shown that the larger a city becomes the more money per capita it takes to fund the same basic services, not to mention the increase in traffic congestion. There is no savings in scale. Just the opposite. What attracts companies to Austin is not city incentives but our culture of creativity.

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We hope that the city of Austin will lobby the state to close significant loopholes that allow commercial property owners to shirk their property tax responsibility. Currently homeowners are bearing an unfair portion of the burden. While any city homestead exemption would be welcome, we feel that a dollar amount per house how old would be more household would be more appropriate. Currently this is not allowed under state law and would encourage the and I to lobby for that state-level change. Over the past ten months we have worked to educate ourselves about our current property tax system. We've discovered that there are real inequities at the state level. The city council has limited powers over the tax structure itself but powers to set priorities that influence costs. >> Mayor Adler: You can finish your thought. >> Time is up. >> Mayor Adler: You can go ahead and finish your thought. >> Anyway, with that in mind we hope that you will keep affordability in the forefront of your decision-making process. We truly appreciate the opportunity to voice our concerns to you and look forward to your informed and inclusive decision making. We believe the quality of life in our wonderful city is in serious jeopardy if multiple steps are not taken to address these and other affordability issues. Thanks. >> Mayor Adler: Thank you. Why -- you asked the question about the homestead exemption. >> Yes. >> Mayor Adler: Previewable if preview previewrable if we had a flat amount as opposed to a percentage? >> I think it would benefit more of a cross-section of town, the less advantaged people would benefit as much as the more advantaged people, I guess. >> Mayor Adler: I agree with that. You also recognized that the state hasn't given the city the opportunity to do that yet. >> Yeah. >> Mayor Adler: My hope is that the legislature will pass something where they can, but it was an interesting number that came to us from the city staff here over the last couple of weeks, from the finance director. I think the cost to the city of doing a 20% homestead exemption

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was \$35.6 million. >> Right. >> Mayor Adler: If we could do a flat amount, 75 thousand dollars thousand dollars, which would mean that only the first 350. \$5,000 of value receive the exemption, no value above the 375, it still costs \$31 million to do, which means that 85% of the benefit of the homestead exemption, even at 20%, is falling just to that first 375. Just an interesting number that I hadn't seen before. Thank you, sir. >> Sure. >> Mayor Adler: Then the last speaker that we have is Jose Ramirez. >> Thank you, mayor Adler, councilmembers. Again, my name is Jose Ramirez, and I'm an attorney with the workers defense project. Just thank you for inviting to us speak I wanted to take a few minutes of your time to give you a little background on what we're about and how we are interested in being a part of this quality of life initiative here in Austin. We're a membership-based organization cysing low-income workers with employment and workers rights' issues. We advocate for safe and dignified working condition for all Austin workers but specifically and primarily we support economic policies that assist low-income workers working in dangerous jobs and dangerous industries to be able to improve the

conditions of their working environment and to allow themselves the opportunity to move up and beyond their current situation, which is -- I think what everyone wants ultimately. We do want to draw attention to the fact that very recently as Austin has continued to grow and has continued to expand and this is a good thing in many regards, the inequality has sharply risen as well, and it's important that

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we keep in mind that while every effort should continue to be made to draw growth and draw companies and draw business and people to move to Austin for X, Y, Z reasons, at the same time we don't want to ignore the people who are oftentimes the very people who are actually literally building the city of Austin from the ground up and who are responsible for pushing this growth at the ground level, at the foundation level. And that's where we focus our time and that's where we invite other like-minded originals to join and help in this regard. We have plenty of examples and we can go over this time and time, again, but I can give you the recent example of a construction worker in Houston, he fell while working on a roofing project, broke his back, paralyzed from the neck down. His employer did not have workers' compensation so his wife had to quit her job to take care of him full-time, their daughter had to drop out of school to help support him and the cost of his healthcare. While ultimately a settlement was issues in his favor, he ultimately received a fraction of that, which did very little ultimately to improve the quality of his life or the situation that his family was facing. This story repeats itself time and time again in Austin, throughout the state and through the throughout the country. We want to make sure as Austin continues to grow and as we continue to see positive change in that growth, at the same time we want to stress very strongly that we support that, but not at the expense of the people who are actually pushing the engine of change forward. And we want to make sure that everyone is allowed to share in the prosperity and in the growth of the city so that this doesn't ultimately become a playground for wealthy elites. We want everyone to be a part of the community and everyone ultimately to share in the success of the city as it continues to grow. Thank you. >> Mayor Adler: Thank you,

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Mr. Ramirez. Anything else? Thank you very much. We're back to the panel for any concluding remarks that any of you think we should hear. Yes. >> Something I want to know from the quality of life, we would like to see our demographer get help in getting these Numbers together. He's one person doing all of this so we would like to see that office grow. >> Mayor Adler: Okay. >> I'll second that. [Laughter] >> Mayor Adler: Any other comments? Mr. Snipes. >> Mayor, I failed to be in my seat when councilmember Houston I would say called me out. I wanted to make -- I did talk with staff. The action actually occurred at the previous council, and that council did receive the report as of the last five minutes we've forwarded a copy to your office, councilmember, and we will do that as well with the other new councilmembers just in case mayor pro tem tovo needs a copy we'll do that as well. But our approach typically is for staff that are assigned to the commissions to provide that information to the council or the chair of those commissions have the ability to directly communicate to the council if they so desire. So that's how -- our current process. If there's situation where's council is not receiving it, please let us know and we'll make sure to be responsive and get that to you as soon as possible. >> Mayor Adler: That would be great. >> Renteria: Mayor? >> Mayor Adler: Yes. >> Renteria: I want to get ahold of that chart for the health, where it has all the -- that chart where all the health because what I'm facing is this Wednesday we're going to be at montapas rec center and we're trying to convince the citizens there to build a rec center with also attached to -- a clinic to it so that it could all be in

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one facility. And we're getting a lot of push back and misinformation that they don't want a clinic there, which is beyond what I can -- I just can't understand that. But there's a big need in Montopolis right now for a clinic so I need to get some information to the people at Montopolis so they can see there is a big need in East Austin for this kind of facility. So if I can get ahold of that chart it would sure help me making a presentation on Wednesday. >> Mayor Adler: Good to do that and I think the clerk is posting all of the powerpoint presentations on the agenda for today's meeting so you should be able to go right back in and pull all the presentations down. >> Renteria: Thank you. >> Houston: I just want to say -- make a comment about silos. As I was campaigning, I talked about silos in our community and how we just are unconscious of how we live, work, play, if we attend a place of worship, where we go to that. We're not integrating this way, but we're more siloed and I said that perhaps the city has the same kind of silos. But one of the things that each of the three ethnically represented groups here today in their plans have asked for is performance space. Everybody has asked for additional performance space. And so we're going to have to -- we're going to think about that over the long-term about is that creating additional silos because one of the things when we talk about property tax relief is that we pay property taxes for the city and for the school district. The school district just built -- and I was in just a couple of Sundays ago this massive facility that they cannot use every day. I mean, and so we're going to have to look at the scale and the expense of being able to do

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things. I know that's going to be difficult for people, but I think we're going to have to start saying how can we communicate and use the facilities that we've already paid for and use them efficiently and effectively and not have to build this one and this one and this one, which does not do anything about breaking down or dismantling silos but creates more of them. That's where my head is at this moment. >> Mayor Adler: Okay. Panel, thank you very much for being with us today. It was a great help. We then stand adjourned until next week. Have a good weekend. Thank you. [Meeting adjourned]