

City Council Regular Meeting Transcript –04/23/2015

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[11:11:07 AM]

I'm going to go ahead and call to order the meeting. A quorum is present. It is Thursday, April 23, 2015. We're meeting in the council chambers, 301 west second street and the time is 11:10 A.M. We're going to recess -- we're going to move into executive session so as to consider legal issues related to open government matters, private consultation with legal council pursuant to article sections discuss legal issues related to solicitation of public property pursuant to section 551 of the government code, item 48. 49 is discussion -- matters related to large, primary, transition of electric customers, section 551.086 of the government code, and discuss legal issues related to legislation pending in the 84th Texas legislative session, legal section 551.071 of the government code. Then we'll come back out for the consent agenda hopefully before citizen communication at noon. Let's move in the back.

[Executive session]

[Executive session]

[11:17:09 AM]

[Executive session]

[12:06:22 PM]

>> Mayor Adler: We are now out of closed session. In closed session we took up and discussed a competitive matter related to item number 49. We've come back out so as to be responsive to the time certain with respect to citizen communication. After that point we're probably going to take another short break from this dais so that we can reconvene and finish the conversation that we were just having about that -- about that matter. But we are in the meeting, and we're going to now begin with citizen communication. The first speaker we have in citizen communication -- and just by way of reminder, citizen communication, everyone is entitled to three minutes. We have a timer which keeps track of that. We really would appreciate if everybody would stay within the three minutes. If the buzzer goes off and you're in the middle of a thought, you can certainly conclude that thought, but in fairness to everyone that's going to be abiding by the time, if we could all abide by the three minutes, that would be really helpful. The first speaker we have is Joe quintero. Is Joe here? The next speaker we have is Linda Greene. Ms. Greene?

>> Mr. Mayor, excuse me, but Joe quintero is here. I saw him just a few minutes ago in case he comes back into the room.

>> Mayor Adler: Okay.

>> Okay, let's see. So I've been here. I'm with fluoride free Austin and I brought some samples on some fluoride free water.

[12:08:23 PM]

This is reverse osmosis water, not 100% fluoride free but this is what you have to purchase at the health food store that removes about 90, 95% of the fluoride from concur water. There's also natural calcium fluoride in your spring water that people buy a little bit, and topocico is a spring water, there's natural cans yum fluoride there, but the fluoride that the city of Austin puts in our water, as you know, is hydrofluosilic acid, it's a byproduct of big ING are a, mosaic crop, as they like to call. It's not calcium fluoride, it's been scrubbed with sulfuric acid. I hope all of y'all have a copy of a mosaic msds sheet. I'd like to read a little bit of this. This is what's added to our water in small portions but it's dozed to human beings, not to treat the water, to disinfect the water, it's to treat human beings and supposedly mange make their teeth healthier but it also has horrible side effects of thyroid disease and it is a ca rose assist according to the msds sheet, to the eyes, skin, through direct contact, inhalation, may cause burns which may not be immediately apparent, handle with extreme care. Another part of this msds sheet which you should all have is prolonged, repeated exposure or overexposure to fluoride compounds may cause fl. Orosis consisting of osteosclerosis, hardening, softening of bones and by model discoloration of the familiar he will of the teeth if systems occur joint and bone pain, include skin and respiratory disorders.

[12:10:35 PM]

I'm 66 years old and I started speaking about fluoride six years ago, having become a senior senate age 60, and D senior senate 60 and being a skinny white girl subject to osteosclerosis, I thought Austin being such a green city would never add hydrofluosilic acid to our water but in fact it does. And I would hope that y'all would take a serious look at this mosaic msds sheet. The most recent copy I've been able to obtain is revised from 2011, mosaic has an updated version which some of you might have, January 3, 2014. My request is if there's anybody in the city of water utility.

[Buzzer sounding]

>> -- Company they provide us with an updated version of this msds sheet and that health and human services meet on this issue next meeting.

>> Mayor Adler: Thank you very much.

>> Thank you.

[Applause]

>> Mayor Adler: Joe quintero.

>> Thank you, mayor. Good afternoon, mayor and members of city council. My name is Joe quintero with the greater east Austin neighborhood association. I'm here to speak today about the enforcement and the profiling of the Austin police department in our community in east Austin. And this is all part of a conglomerate criminal enterprise that has taken place and I've addressed this with chief Acevedo because we're the ones being profiled and we know the reason why. Because they want to protect the people that are coming in. I had a friend of mine who was parking up to get to a bar, which there's only about two bars in east Austin now, we had five police officers on bicycles pull up and started intimidating, telling him owe you're the one going around rowdy and arrested him.

[12:12:47 PM]

Up to this point, at the time I've been -- and I know my neighborhood, I paroled my neighborhood for five years and I used to work with other police officers, but the issue is that now you can't work with these police officers. I have not yet seen one person that came into our neighborhood who was -- I mean, celebrating here every weekend, get arrested for any dwi or anybody pulling up and arresting them. It's only minorities. So today, as a neighborhood activist, I'm asking the city council to take an initiative and to examine the policies of this profiling. It is time to fire chief Acevedo. He is overdue his time. They hired him to be a police officer, not to be going to legislature and bringing his opinions of what needs to be done. As far as I'm concerned you're fired. I call him. He won't return my call. He doesn't want to meet. I don't know because whether it's a -- he's Cuban versus, what, hispanic, but that's the issue. And so that's the thing that I'm addressing. You're profiling my neighborhood. People are being intimidated. Now we've got code enforcement. Code enforcement was out there now. If you put a nail they're out there ready to, you know, arrest you. Put fines on you. I'll call done case in Alan bourgeois this morning, I said, don, Casey, how is agenda 21 going in Alabama, search the constitution of Alabama and see what we're doing. He said code enforcement came, he had a flat tire. He was going to fix it and they gave him a \$10,000 ticket. He suggested to me, hopefully Mr. Renteria, since you sold the neighborhood out, hop hopefully we can get the funding.

[12:14:51 PM]

He recommended me this, get some cameras in your house and properties, and when these code enforcement come we can constitutionally file a lawsuit against the city.

>> Mayor Adler: Thank you very much for your comments, sir.

>> Thank

>> Mayor Adler: I appreciate everybody, thankful everybody is holding to the three minutes here today. Our next speaker is Matthew wise. Is Matthew in the room? Is Jon long here wanting to speak? I've gotten an indication not. Sarah black. I'm here to discuss how A.P.D. Took \$236,000 from the treasury when I was a witness against them. And when I would call them about treasury, they would file a false police report and when suspect crimes were against me they would file false police reports and somehow in 2008 I learned that they had misspent \$382,000 of treasury funds and they got a waiver from treasury saying don't do it again. One of the employees stole that notebook and that was never prosecuted by A.P.D. But something just happened to me and it shows -- it goes back to the first false police report when they are living in oak hill on white elm drive the employee next door, who was a city of Austin employee, an emt, at subpoint, he miraculously became a department of homeland security employee.

[12:16:57 PM]

I don't know how you make that transition. But he knocked on my door in March of 23 and asked me to file a police report because someone had vandal eyed a car I was used and I had no plans to do that. But when I filed a police report based on his insistence the person made it seem like I was the person who committed the crime. That was the first falsified police report. Tuesday, the person we rented from, he didn't tell us there were rats and when I went to him about it on the fourth of April he said he could call the police and have me kicked off and I thought that was ridiculous. I said go ahead and call the police because I did not believe that anything would happen. Anyway, so I couldn't pay him on the fourth. I did pay him on the sixth and I had a receipt. Tuesday when I called the police because he was still saying he could call the police, whatever, so I called the police. And when the police officer came the crook told the police officer that we were late and so he could put a lock on our locker and the police officer told me he could deny service to anyone. That's not denying service when you take my money. That's for the

whole month. So he didn't deny me service. He took my money and then he didn't finish the contract which is 30 days, for the money, that I paid him. The police officer then said I would be arrested if I did not leave. I called 911 again and I asked for another police officer. I asked for his supervisor and they sent another police officer, a female. And I left my purse in the storage room and the police officer said I couldn't even have that.

[Buzzer sounds] They treat dogs better than they treat some people in this community. It was the police officer denying me service, not that.

>> Mayor Adler: Thank you for sharing with us today.

[12:18:57 PM]

[Applause]. The next speaker is Kennedy. You're up.

>> Good morning.

>> Mayor Adler: So I have been calling you Carol rose Kennedy -- I've been calling you in past meetings Carol rose Kennedy because that was what it was, carolannrose Kennedy, but someone told me that you would rather be called Kennedy.

>> Thank you!

>> You're welcome.

>> [Inaudible - no mic]. Thank you so much. Just Kennedy.

>> Kennedy, you got it. And you have your three minutes now. Thank you very much.

>> Thank you. Sir. And thank all of y'all for serving and being here. It's so comforting. The new council is so different than the

[indiscernible] On the last one. Is there any way, mayor, that I could face my people?

[Inaudible].

>> Mayor Adler: Why don't you face them from where you are because I have people coming up too.

[12:21:03 PM]

And your three minutes is running.

>> ♪ There's a little white duck waltz thing on the water. A little white duck doing what she ought to. She jumped right off of a landfill white pad, flapped her wings and she said I'm bad. There's a little white duck, waltzing on the water. Quack, quack, quack.

♪♪ There's a little brown man, hanging at the border. A little brown man waiting for an order. The kids and their moms screams and cried all night because he packed his bags and he picked another fight.

♪♪ There's a little white man living at the white house, a little white man, running from his fine spouse. He parked his ass on the capitol hill, scheming how he could be like bill.

♪♪ There's a high white tower built inside a boardroom. A high white tower waiting for a quorum. They laughed and they -- they drank and they ate and they laughed and played while the peons worked and became their slaves.

♪♪ There's a longhorn bull waiting at the market, needs to take a crap, don't know where to park it. They all touched down and they throw it up, oops, oh, he forgot his cup.

♪♪ There's a little white girl climbing up the tree, a little black boy, fell from mama's knee. Hungry, find they're so confused. Look at the little we the people being used.

♪♪ There's a little yellow girl born to serve a man, a little yellow girl doing what she can. She reaches up and he slaps her down, and now she's working for a party clown.

[12:23:11 PM]

♪♪ There's a little brown boy on the reservation, wondering what the hell happened to the nation. So he drinks and prays on the city bus, dreaming about what belongs to us.

[Buzzer sounds] One more please!

>> Mayor Adler: Finish real fast.

>> ♫ There's a big drunk leaving off to war. The battles they fight they belong to you, the little white man I believe you're screwed.

♪♪ There's a big white duck floating down the river, a big white duck, got a ways to liver, but she lays her eggs and she cries all night, hoping that a man will pick up the fight.

♪♪ A big white duck floating down the river. Ew, ew, ew.

[Applause].

>> Mayor Adler: Thank you very much. The next speaker is Paul Robbins. Hello Paul.

>> Good evening. I couldn't speak at your Austin energy committee meeting this morning, but wanted to follow up on a couple of topics. Couple of concerns. First addresses the subject of industrial customers and pending discussions on rate breaks to them. I was heavily involved in the last rate case as a volunteer. In the last few days before 2012 city council elections, a settlement proposal was announced. I was personally told by a council office that part of the deal for the settlement was that large industrial customers would be given their preferred cost of service model that would allow them lower rate increases.

[12:25:17 PM]

In return these large customers would not go to the Austin bastion legislature and intervene. My point is that worked well, didn't it? And here we are today being bullied by the Texas senate. So large customers can get a rate break at the expense pornography average residential customers that have already received a rate increase. Now, part of the rationale if rationale is the operative word, is that sense Austin has high transfers to its general fund from the utility, then Austin energy had it coming. And this might have merit but for the fact that other municipal utilities, electric utilities in Texas, like San Antonio and Garland, have higher overall general fund transfers than Austin. As part of your consideration I have to ask about the fairness and legality of the legislature forcing something on Austin that it will not force on other cities. My second concern is totally unrelated, and that your committee needs to meet more. The council seems to want a lot of control over the electric utility, which is fine, and respectfully two hours a month, particularly at the beginning of your term, is not enough. And I know some of you are thinking are there enough hours in the day? And I'm not insensitive, but there are too many things going on with this institution and you should either start letting smaller things pass routinely or alot proper time to analyze them.

[12:27:18 PM]

I say that in respect. Thank you for your time.

[Applause].

>> Mayor Adler: Carlos Leon.

>> Mayor, mayor Adler. Carlos Leon, Austin, Texas on April 23rd, 2015 to speak what's right. First and foremost, gracias for letting me expose evil. After separating the we from the people last week in the 1776 declaration of Independence, look at the prime objective of the 1787 constitution for the united States of America, document on screen. We the people of the united States in order to form a more perfect union, we the people absent from the declaration, but here at the state and written in the most largest font size, shows the we leading the captured people, the wrong but true power imbalance, but

hidden behind their mutual pledge at the declaration's end. Of the United States has an upper case U, not the declaration's lower case U, marking the free and independent states capture by the co-dependent union. Not a nation foreign by article 1, section 8. In order to form a more perfect union is nonsense in a straight man's mind because by definition perfect cannot be more perfect. But in the we, non-male, alien Borg mind, perfect means the queen using and controlling Americans assimilated by the we, like how a Nintendo gamer uses a wii controller to enact a matrix avatar on screen.

[12:29:20 PM]

And more perfect means centrally connecting and coordinating state government representatives to exert greater control over them and their non-assimilated constituents by ordering chaos created by free thinking independent human services. Though some founding father signer may not be the we writers of these foundational documents, the we recognized the righteous manly firmness required to resist and defeat king George, the we and other American enemies foreign and domestic to truly be free and independent under god. That's why traditional christianity and masculinity and American individuality, like olympic champion Bruce Jenner continue being systematically attacked, long-term, large scale. Defeat evil by returning to god, rallying American manhood and getting her done. In Jesus name I pray, amen. Thank you, god and god bless Texas.

[Applause].

>> Mayor Adler: Thank you. At this point the city council is going to go into closed session to complete the discussion, item number 49, large primary and transmission electric customers, pursuant so section a 51.071 of the Texas government code. The city council will consult with legal counseling regard item with items pending before the 84th legislative session pertaining to Austin energy. Is there objection to going into executive session? Hearing none, the council will now go into executive session and then we'll come back out and do the consent calendar. Ms. Gallo suggested that before we convene we should take up the consent items so the staff associated with those, that makes sense that was the mayor pro tem's suggestion earlier.

[12:31:24 PM]

Let's go ahead and do that. Before we do that let me read the changes and corrections into the record. Item number 2, April 20, 2015 was approved by the electric utility commission by a vote of six-0, item 28 postponed indefinitely. Item number 44 and 45 referred by the public utilities commission to the full council with staff's recommendation for approval. Time certain events,. When we come back, we'll -- as we leave, we'll start with a moment of silence, we have zoning matters at 11:00. We have the citizens communication already concluded. That was at noon. We have an Austin housing finance corporation board of directors meeting at 3:00, public hearings set at 4:00. Then live music and proclamations at 5:30, we have some items that have been pulled off the consent agenda. Item no. 4 has been pulled by councilmember Houston. Items 13, 14, 22, 25, were pulled by councilmember Zimmerman. Item 16 pulled by councilmember Gallo. Item 29, 30, 31, pulled by councilmember kitchen. There are three items that have been pulled from the agenda because of two or more speakers. They are items number 9, 10, and 39. We have one speaker here to speak on the consent agenda. Being only one speaker, that's David king.

[12:33:26 PM]

Mr. King, are you here? Okay, so the consent agenda pulled items 1 through 39, with those items that have been pulled either bring councilmembers or by two or more speakers as I have earlier identified,

I'm going to read --

>> Can I also pull item no. 8, item no. 32 and item no. 33?

>> Mayor Adler: 8, 32 and 33. Okay. The items that are pulled -- sorry.

>> And item no. 19. The items that are pulled then are items 4, 8, 9, 10, 13, 14, 20 -- 14, 16, 22, 25, 29, 30, 31, 33 -- 32, 33 and 39.

>> And 19.

>> Mayor Adler: And number 19. And 19. On items that are not pulled, Mr. Zimmerman is being shown as abstaining on 7, abstaining on 11, against number 12, abstaining on 15, an -- against number 18, against number 23.

[12:35:51 PM]

Against number 27, abstaining on number 37.

>> Zimmerman: That's correct, Mr. Mayor, thank you.

>> Mayor Adler: Is there a motion to -- thank you very much, we have appointments to read on item no. 34. This will become an ever increasing part of our meetings as we get closer to that point in time.

Commissioner for women, a temporary appointment for the balance of the term,

[indiscernible] Ruiz that I am appointing, airport advisory commission, Greg Anderson by Renteria. Lewis Mike Rodriguez, same commission by Ann kitchen. Arts commission, Brent Barnes by Casar. Art's commission,

[indiscernible], Renteria, disabilities, Martha Mitchell, Casar. Commission for women, Anna dufretes by Renteria, electric utility commission shude Fath by Garza ... By Garza, the environmental commission, Pam Thompson by Renteria. Ethics review commission, peter Einhorn by Garza, hispanic Latino quality of life resource advisory commission, Emilio zamora, kitchen. Historic landmark commission, Madeleine [indiscernible], Renteria. Human rights commission, Paula Boles, Casar. Human rights commission, [indiscernible], by Renteria, macc, Anna macella, Renteria, music commission, Al Duarte, Renteria, also on that commission, Gavin Garza by Casar. Parks and recollection, bencher Schmidt by Casar ...

[12:37:54 PM]

Robert Mueller municipal airport plan implementation advisory commission, martin Luke by Casar. Same commission, Michael Jones by Garza, zero waste advisory commission, Stacy Guidry by Garza. That same commission, Jose Vallero by Renteria, and the Austin integrated water resource planning community task force, Maryanne Dwight by troxclair, there are no waivers at this time. There were -- there were some waivers, weren't there?

>> Mayor, we were going to bring up the waivers for events, like the [indiscernible].

>> Mayor Adler: That's why he --

>> On 35 and 37 are the fee waivers.

>> Mayor Adler: 35, 36 and 37. Are the ones approving an ordinance. Waiver fees are 35 and 37. What I said that I would do is are there other members on the dais that would like to be shown as -- as co-sponsoring either/or both 35 and 37? Ms. Pool? Which? 35 and 37?

>> Pool: Yes, please.

>> Mayor Adler: Please show Ms. Pool and adjust the books accordingly. Ms. Houston?

>> Houston: 37.

>> Mayor Adler: Ms. Houston, 37. Any of us that would like to be shown as co-sponsoring? Okay. There's been a motion for -- to approve the consent agenda. Could I get a second to that?

>> Second.

>> Mayor Adler: Mr. Zimmerman. Ms. Tovo?

>> Tovo: May I make a quick comment. I notice on our boards and commissions today, we have two nominees for the Mueller -- the Robert Mueller municipal airport plan advisory committee, I want to thank my colleagues for appointing commissioners to that board who live in the area.

[12:40:03 PM]

Typically that's been the composition individuals who live either in the Mueller development or in the surrounding neighborhoods, but that's not really been codified by the city at any point. I wanted to let my colleagues know that I will be bringing forward a resolution on next week's agenda or on our next meeting's agenda, rather, to ask the council to consider making that a requirement, that the commissioners for that board either reside in Mueller or any of the 16 central east Austin neighborhoods surrounding the Mueller, so that we can get people who are -- who are invested in that area. So just a heads up about what's to come that's relevant to that item.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: I just wanted to add my name to number 35 and number 37.

>> Mayor Adler: Okay, Ms. Kitchen also cosponsoring 35 and 37, so adjust the financial records accordingly. We have a motion and a second on the consent agenda. Any discussion? Seeing none, all in favor please raise your hand. Those opposed? It's unanimous on the dais. So at this point then, the consent agenda passing, we're going to go into closed session to take up those two items pursuant to section 551.086, item 49, as we said earlier, pursuant to section 551.071 item 50, the first dealing with large primary transmission electric customers; the second dealing with legislation pending at the 84th legislative session. Any objections? Seeing none, we'll go into council -- into executive session and then we'll be right back..

[1:45:31 PM]

>>> >>> >>>

>> Test test test this is a test,. >>> >>

[1:52:53 PM]

>> Mayor Adler: We are now out of closed session in closed session we took up and discussed a excessive matter related to item 49. We are back in continuation of the meeting. At our last moment when we -- before we convened, we had taken care of the consent agenda. We are now addressing the items that were pulled on the consent agenda. The first item pulled on the consent agenda is item 4. We're going to handle that one first so that our high-dollar lawyers and consultants can take us off the clock.

>> The bond items, 32 and 33.

>> Okay. So we'll take up items 32 and 33? Let's go ahead and take those first so that we can cut off that billing.

[Laughter]

>> [Inaudible]

>> Mayor Adler: Really. We have no citizens that are signed after that. Do we have staff here to speak on item 32 and 33? They're probably in the back room?

>> They're here.

>> Mayor Adler: And, Ms. Troxclair, I think you pulled these items so we'll let you tea it up when counsel comes down. Unless there be any question, the time and value of the time of our own city staff is no less

important to us.

>> Hi. I know we had a brief conversation about issuing these bonds in our Austin energy committee this morning, and I asked some questions then but also had just a few follow-up questions because we're issuing \$500 million in bond debt, and I just want to make sure that I have all my questions answered and the rest of the counsel has all their questions answered too.

[1:54:55 PM]

I guess I want to understand better -- so the purpose of doing the financing this way is that we -- Austin energy can only issue up to \$400 million in commercial paper, and then they come to the council for basically reimbursement through issuing this bond debt so that they can pay off the commercial paper. And the reason commercial paper is short-term, and the reason that we do that is to take advantage of better interest rates?

>> Yes. Ann Lindhart, chief financial officer. The way the commercial paperworks, there's a tax exempt program shared by Austin energy and Austin water utility, and it amounts to 400 million. Then there's a \$50 million taxable commercial paper program used by Austin energy only for its chilled water business. And the way commercial paperworks, it is a short-term note with a maturity up to 270 days, versus our long-term revenue bonds, which carry a 30-year -- typically a 30-year term. With a 30-year term, right now you may get about a four percent, maybe a little higher than a four percent interest rate. On the commercial paper, you get less than one percent, so you get a significantly lower interest rate. The other advantage to commercial paper is that you only issue it as you need to reimburse yourself for expenses on the capital project you've just made. So in the past, in the '80s, we would issue long-term debt in advance of the construction, and we would pay the debt service on those bonds as we spent the money. And, actually, in advance of when the construction money was really needed. So the interest rates were much higher, or the interest cost to the rate payers of both those utilities was higher. The advantage to the commercial paper is, it's the lower interest rate, and so there is interest cost savings to both the utilities until they need to refund into long-term.

[1:57:05 PM]

And right now they've got up to about a hundred -- 200 million for Austin energy that we're proposing to issue long-term debt and use the proceeds to pay off the short-term debt. So that's the commercial paper piece.

>> Troxclair: So if -- you said the short-term debt, the commercial paper is only up to 160 days? How many days?

>> It can be a maturity up to about 270 days. We generally will issue anywhere from weekly to whenever we need to reimburse the projects.

>> Troxclair: So we are saving about three percent interest during the time we're using commercial paper.

>> Yes. Yes, councilmember, we're saving more than the three percent.

>> Troxclair: So then -- but, still, long-term -- so we're saving interest in the short-term, but still long-term we're issuing \$500 million worth of bond debt at a 4.25% interest rate.

>> There -- the piece of it that's the commercial paper, about 200 million, the remainder is refunding for interest savings, similar to refinancing your home mortgage, it's to lower the principal and interest payment. So about half of it is the refunding for savings, and the remainder is the roll to long-term. And, in essence, really, all you've done with the commercial paper is delay the issuance of long-term debt and delay the incurrence of more later. We're paying fees for paper that support the program, so there are other costs related to the commercial paper program.

>> Troxclair: Okay. So, I mean, I think I understand the function of the commercial paper kind of setup and why we use that as a revolving way to fund things, but -- but that still leaves the issue of the \$500 million in the first place.

[1:59:12 PM]

Do we know what -- do we have line items of what that money has gone -- is going to?

>> They are for capital projects that the utility has had in place in its capital program over the last five years. It's all reimburse -- the commercial paper is all reimbursement based, so the utility has incurred the cost, and they issue the commercial paper to reimburse themselves for the costs that they've already incurred. During the budget deliberations, you will pass a reimbursement resolution annually with the budget that covers how much commercial paper they expect to issue over the next fiscal year. So you'll see items on the commercial paper program again during the September budget adoption.

>> Troxclair: Okay. And then I wanted to add also, the commercial paper programs have been in place since the early 1990s. I mentioned that we didn't do things in the '80s, it just wasn't available then.

>> Troxclair: So then how -- do you know how much outstanding bond debt we currently have?

>> Don't know the exact number. For Austin energy, bits about a billion. For water it's about two billion, and I think for the general obligation debt, it's about another billion, but they're all backed by different budgets and credits. They're all separate credits.

>> Troxclair: So is that debt -- again, \$500 million at a time, and I understand that we do this somewhat frequently -- well, I guess I should ask that question. How often do we issue this amount of bond debt?

>> Commercial paper is issued -- is the roll to long-term for both utilities is generally done every 18 months to two years. It depends on the size of their capital program and how much of it is let financed. But this is a typical time frame. I think it was November of '12, the last time that we did an A.E. Sale.

[2:01:16 PM]

So it's about time to do that. And part of it is with both utilities using the same program, we try and keep -- we try and not push it up to the full 400 million limit because that will then shut down their ability to continue to fund their capital program, which is for both of them, is sizable. It's over a billion-dollar five-year program for each of those two utilities. It's very capital intensive.

>> Troxclair: Do we know how much the 4.25% interest rate amounts to over the 30-year life?

>> I don't right offhand. Maybe one of my helpers can do that. I will add that the refunding for the two pieces, the tax exempt and the taxable, will result in about \$20 million in savings over the life of the refunding bond, so that is savings that will accrue to the rate payers of Austin energy over the next -- over the term of the remaining bonds.

>> You're saying that we're going to have \$20 million of savings by using the commercial paper reimbursement?

>> By issuing the refunding portion, which is about half of what we're suggesting that you approve today.

>> Troxclair: Okay. Okay. I mean, just based off did the councilmember Zimmerman pointed out the the other day when we were in our first budget meeting, just about how much of our electric bills are going to pay off debt. And so I just thought that because this was such a large amount of money, that I wanted to make sure that we were all thoroughly understanding it, and because we had such a short conversation about it this morning, I appreciate you answering my questions, and I just wanted to make sure that other councilmembers have an opportunity to ask questions if they still had some as well.

>> One other quick point. I think some of the confusion is that when you have short-term debt, it's kind of usually implied that you're paying for something that has a shorter term life; but, in fact, you can use

commercial paper to fund things that can last 30 years or more.

[2:03:24 PM]

And so we've taken it on what you've told us that commercial paper has been used for assets that have a life of, say, 30 years. And so now by moving assets with 30-year life to a 30-year loan at these pretty low interest rates we have right now, in this particular case, we do save that money over the long term, so -- this instance seems to make sense, but we're just trusting -- because we don't have the details on what all the commercial paper spending was for, but we trust your report that it's all long-term assets.

>> It is.

>> Zimmerman: Hopefully it makes sense.

>> It is. Typically it's for distribution and transmission projects. It could be for generation improvements, something out at the existing plants. For the chilled water business, it's for the long-term piping and customer connections and those things. They are all long -- long-lined assets. We don't issue long-term debt for short-arrived estates. The utility has a cash portion of their capital program and a debt portion, and the cash portion is used for shorter term assets. I would also point out that the refunding that you're seeing today, we are trying to take advantage of current market conditions. There's been lots of talk about the federal reserve raising interest rates sometime this year, and we'd like to take advantage of that and go ahead and accrue the \$20 million worth of potential savings to the utility and the rate payers that we might not otherwise have the opportunity to gain if we don't do the refunding, or if the interest rates increase.

>> Okay. And all of the information about -- the public can access, it's all transparent, but what the money -- what the money -- what the five-year plan is, what the money is being spent on, what kind of infrastructure we're investing in?

>> That's absolutely correct. The five-year capital plan document that comes out in may of each year includes a section on Austin energy.

[2:05:27 PM]

Austin energy's presentation yesterday, they talked about their long-range five-year forecast for their capital program and how much of it would be debt financed and cash financed. They also do a presentation during the proposed budget when it's been presented to council and they're doing departmental presentations, they'll talk about that again. As I said, the council will be asked to approve a reimbursement resolution as part of the budget deliberations to say you can issue up to this much of reimbursement through commercial paper. We bring letter of credit facilities to the council from time to time. I think we recently did one for the airport. So there's lots of opportunity for the public to look at this. The official statement, which is the offering document to the investment community, to the bondholders, is attached as your backup. So -- and we're glad to answer any questions that any of you or the public may have. But we believe that we've met the test of disclosure of the securities and exchange commission, as well as the council's transparency goals.

>> Troxclair: Okay. That's all my questions. Thank you.

>> Thank you.

>> Mayor Adler: Anything else? Is there a motion to approve -- I'm sorry. Is there a motion to approve item --

>> 32 and 33.

>> Mayor Adler: -- 32 and 33?

>> So moved.

>> Mayor Adler: Moved by Zimmerman. Is there a second to the motion, 32 and 33? Mr. Casar moves

second. Is there any objection to closing debate? All in favor, raise your hand. Those opposed? It's unanimous on the dais with councilmember pool off the dais.

>> Thank you, council.

>> Mayor Adler: Thank you very much. We have one item on our agenda which seems to have brought more public folks to come and speak, so I'm going to now go to that item so that the public sitting here doesn't have to just sit.

[2:07:33 PM]

And that would be items 29, 30, and 31. I'm going to pull those all together at the same time. Before I invite the public to speak, I would recognize Ms. Kitchen.

>> Kitchen: Mr. Mayor and councilmembers, I'd like to make a motion and then make a few comments. I think that's the order it has to happen in, if I've got that correct. So I'd like to move that -- I'd like to move that we vote for items 29, 30, and 31, the items in the backup that are labeled mobility committee recommendation, and I want to read those, just to make it clear what we're talking about here.

Basically, each one relates to one of the three cab companies where we currently have a franchise agreement. And so it simply says that the city council extends the franchise, and then it goes on to say: All provisions in the existing franchise ordinance remain in effect. And I also want to emphasize that this is on first reading only. So I'd like to make that motion, and then I'd like to explain it.

>> I'd like to second that.

>> Mayor Adler: It's been moved and seconded. Go ahead and explain.

>> Kitchen: Okay. I'd like to first explain the mobility committee's recommendation, and I am reading from a document that we placed -- that I placed on the message board last night, and also all the councilmembers have. And, basically, that is that, first, I want to speak to our recommendation, then a little explanation about that recommendation. First off, because the charter, our charter requires that we have three separate readings that have to be 30 days apart for any renewal for a taxicab -- taxicab franchise agreement. So what we did in the mobility committee, we voted to recommend that the council pass on first reading only the agreements as they currently exist.

[2:09:38 PM]

And I want to emphasize that that does not mean that the mobility committee supports maintaining the status quo. It simply means that to get the ball rolling, we are recommending that we pass on the status quo, the agreements as they currently exist on first reading only. So our intent then was to recommend starting the franchise renewal process, meeting that deadline for the first reading. We do intend to address potential changes to this franchise agreement and to the taxicab ordinance at our next mobility committee meeting, which is next week, April 29th. And we expect, or at least I expect, and I think the committee members expect to bring forward additional recommendations that may make changes to the franchise agreement and/or the taxicab ordinance, may suggest or recommend changes, I should say, for a second reading. And the second reading will be May 21st. So, now, I also want to say that the committee did discuss, as part of our committee meeting, we did discuss the option of just extending these agreements in their current form for one year in order to allow additional time to consider changes in ground transportation regulatory requirements. We didn't come forward with that recommendation, just because, as a group, we didn't reach consensus on that. We did talk about some discussion, some pros and cons about just doing in a now on first reading. So -- and again, I would just like to say then on background, the other thing we talked about a lot as a committee, we pointed out policy issues which I think is one of the things we wanted to do for councilmembers and the public, as we weighed into this. As you know, these issues are complex, and we have a number of different

aspects to it. We have the franchise tax -- the franchise -- the taxicab franchise agreements, which are the actual agreements with the taxicab companies, and then separately, we have an ordinance, and beyond that even, we have ground transportation regulations, on tncs, charter buses, and other types of ground transportation.

[2:11:46 PM]

So there's different aspects of that. So by way of background, just to let the councilmembers and the public know, we did discuss policy issues including an equal playing field for all ground transportation types and drivers, in other words, fair and equitable regulation. I expect we'll be discussing that more at our next committee meeting. We also talked about safety for Austin residents and access for people with disabilities. So those are the types of -- or that's the policy issues we identified and discussed and probably will discuss at our next meeting and perhaps with additional policy issues. So -- so with that, I will stop. I hope that helps provide some clarification, both on what we are recommending today and also on what we intend to do at our next committee meeting. So ... Can I invite any of my colleagues on the mobility committee to add any comments at this point? Okay.

>> Yeah. I agree with everything chair kitchen just stated. It's -- the simplest form of that would be, we anticipate changes.

>> Kitchen: Yeah.

>> To what staff recommendations -- in fact, I would say we anticipate significant changes. This was purely to meet the deadline for the readings that have to -- there's deadlines, part of the charter. This move was purely to address that. It wasn't -- I understand why there's a lot of people here to speak, and I understand the fear being we're just going to keep -- we're going to do this on second, and we're going to do this on third, and that's going to be the final ordinance, but it was purely to stay with the deadline and the committee, I think we can all agree, thinks there's going to be significant changes.

[2:13:47 PM]

>> Mayor Adler: Okay. Ms. Gallo?

>> Gallo: Thank you to all that have been -- that have showed up here to listen to this conversation, and I want you to know that we have heard your concerns, and we will definitely be addressing those concerns as they relate to equity in the playing field with ground transportation. And once again, just to reiterate, I think what has been said before is that you will see changes from what is being read today on first reading. We are allowed to bring amendments and changes each time it comes up for a reading, so as we look at the second reading and the third reading, those are opportunities for our committee to bring forward changes to what's being proposed at this point. But it did need to be a process that continued to move forward so that those franchise agreements did not expire, and we did not have anything else in place. But please know we've listened, we're concerned about regulating what would affect the health and safety of Austin residents, but I think we all are not -- are concerned with not overregulating the business models and also we have the address -- have to address the disability issues and being able to provide adequate transportation there. So ...

>> Mayor Adler: So I understand then, Ms. Kitchen, that a lot of the continuation that could have been debated here today will instead be debated at your committee when you take up this subject.

>> Kitchen: Yes, that's correct. And, again, as I'd just like to reiterate, we talked a lot about equity, and that means equity and fairness for drivers and for the taxicab companies. So we will have a lot more discussion about that.

>> Mayor Adler: Okay. Before I go to the public speakers, is there any more comment from the dais? Ms. Tovo?

>> Tovo: Yeah, thank you. I appreciate the mobilities committee -- the mobility committee's interest in really diving into this issue and looking at provisions, and I concur; I believe it needs really significant -- that we need to look at some very significant amendments, and that -- and I'll just say that I think that's going to be a challenge in the time frame, and I look forward to being as involved in those conversations as I can be.

[2:16:04 PM]

I don't know that it's -- so far we've had some overlap in our committee scheduling, and I haven't been able to attend any of them, but it's certainly an issue I'm very concerned in. I think we need to say franchises move forward that have -- that acknowledge the transportation system that we're in at the moment. And I will say, as somebody who has been interested in this issue in past years, when we've asked staff about making -- making changes or introducing certain provisions in response to requests from our community members, we've often been told that those were not items that could be adjusted outside of the franchise period. So the period that we have right now is really important. We're not going to have this opportunity again for some time. And so I think -- I think it's -- we've got a lot of work ahead in a very short period of time, and it would be my interest in making sure that we've allocated sufficient time to do that. I am prepared today and have the papers with me to propose that we pass on first reading an extension for a year to give us, as a council, some -- the significant time that I think we'll need to really hammer out some of those -- those points. So if there's other interest in considering that as a place holder -- I understand that we're looking -- that what's been present wanted to us today is a place holder to get us down the road and meet the requirements of the ordinance. I would rather that place holder be one year rather than five. I went back and listened to the testimony. I wasn't sure I understood the rationale for having that place holder be five years, if we all acknowledge that there are changes that would be in the best interest of both the franchises and the drivers, and that there's significant work ahead, I'd be more comfortable passing it with a one-year extension rather than a five-year extension.

>> Mayor Adler: Mr. Zimmerman then Ms. Kitchen, unless you want Ms. Kitchen to answer that question first.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I would just speak to the question about the rationale, why we didn't bring forward the place holder as one-year extension.

[2:18:09 PM]

I will give my perspective and others can give theirs. But from my perspective, there's a lot of implications to a one-year extension, and we may end up going with that. I just felt like it was premature to talk about it on first reading. One of the implications, if we're actually really trying to look at an equal playing field, if we leave our taxicab drivers and companies on a one-year extension and we don't take into account how we're handling other ground transportation, then we've got -- we're tying our hands to some extent on making an equal playing field. So I just want to give us the chance to have some more discussion for a second reading, and then see what we needed to bring back for a second reading, which may end up being just a one-year extension if we find that we cannot get to all the issues in time. But I -- my preference would be to give us that time and just have our place holder be the current status quo. But others may disagree, so ...

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: Thank you. Well, I remember from our discussion, we had pretty good deliberations on this, and I think there was consensus that a ten-year term was way too long, so I think that was rejected.

>> Yeah.

>> Zimmerman: The bigger question we may have trouble finding consensus, to me, the policy direction is we need to go one way or another. We ask the tncs foe become more regulated bike the taxis, or we ask the taxis to be less regulated like the tncs. I think 12 months for something this monitor, 12 months may be the time it takes to figure it out. Also, the issue of the technology I guess is still evolving, and so I would think 12 months would be a reasonable time for us to really know what to do.

>> Mayor Adler: Okay Ms. Troxclair.

>> Troxclair: So there is nothing -- we would still meet our deadline requirements. The requirement is that we pass something on first reading today.

[2:20:11 PM]

The requirement is not that we pass a five-year renewal.

>> Correct.

>> Troxclair: So I tend thank mayor pro tem tovo for bringing up the option of doing the one-year because it seems to me like we have so many members here from the public today who have taken time out of their work schedules to be here and to send a message -- get a message to us, and we're saying we're listening to you, but at the same time, we're saying we're going to pass something that really doesn't take into consideration the serious issues that a lot of them have raised, and that just really concerns me. So my comfort level right now is with the one-year extension, but I don't know how we're going to proceed with --

>> Mayor Adler: We're going to go to the list of speakers that we have in the public hearing, if that's okay.

[Applause]

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I'd just like to acknowledge that the one-year extension -- and I'm not -- we may end up in that place, but it doesn't give us equity for all players. And it may continue to cause difficulties for the cab companies, and it's also not everything that the drivers need. So -- and not everything that's been requested of us. So if we go forward with that, I mean, you know, I'm not going -- you know, that may be the will of the group, and that's fine, but it doesn't get us where we need to be. It doesn't address the concerns that were brought in front of our committee, and it doesn't create an equal playing field either for the drivers or for the taxicab companies. So that's where I'm coming from today, so ...

>> Mayor Adler: Okay. Ms. Tovo.

>> Tovo: I would agree that if we pass this with five years or one year, we're not where we need to be. But I think we need to consider how quickly we can get to where we immediate to be. And as I understand it, we would need to have wrapped up our third reading by June 4th or something like that. Anyway, I know we have speakers here today. I look forward to hearing from you. We've had a task force in place but right now we don't see a lot of -- a lot of changes that have been contemplated that, in particular, respond to some of the concerns that our workforce has raised.

[2:22:19 PM]

And so I concur with councilmember kitchen that that's a very important component, and that is certainly my commitment to making sure that whatever we move forward, that everyone here understands that we're going to be looking very carefully at the issue from the perspective of trying to set a level playing field, and that includes, not just for the franchises and the transportation network companies, but also for our drivers. And so I'm really glad that we're going to have that discussion.

>> Mayor Adler: Okay. Ms. Gallo.

>> Gallo: We have a tendency to be able to confuse everyone, including ourselves here, so I just want to be -- I want to make a statement. If we're talking about the year extension, the year extension would extend the current contract as it is, with no changes. So we need to be very clear about that. What we're talking about doing is coming in in a faster time frame and timeline, going in and making alterations to that contract that are reflective of the concerns and the voices that we've heard. So it's two very different things. A year extension extends the current contract, with all the positives and negatives that go with that. If we make this on first reading, then what we're saying as a committee, we're going to go back before the second reading of this -- of this ordinance and make the changes that we feel like are necessary to make on what's being proposed by staff, to come up with a new contract that would then be put in place in the time frame before the existing contract expires. So just to clarify the difference between the extension and what we've been talking about doing with the committee, so thank you.

[Applause]

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Could I say one last thing? One last thing. Councilmember Gallo. That was more to the point. I want to say I don't want to wait a queer to make the changes that we need to make, so ...

[2:24:24 PM]

[Applause]

>> Mayor Adler: Okay. Ms. Houston.

>> Houston: Mayor, I'd like to move the question.

>> Mayor Adler: If it's okay, I'll just go to the public hearing at this point. Let's just go ahead and do that. So let's go on to public hearing. Each of the speakers have three minutes, unless you have donated time. And the first speaker is Gus peña. You show up on my computer here on item 29, but it could be a mistake.

>> [Inaudible].

>> Mayor Adler: And you certainly don't have to speak on this issue. The next speaker is John Cabell -- or cabelli. John cabelli?

>> Good afternoon, mayor and councilmembers. I'd like to suggest that we complete the franchise renewal process as scheduled. We have always done this after five years, except for one exception. I think that we would have a great deal to lose if we wait a year. This question was brought up recently, and nobody from the franchises was able to speak to this. But we have contract -- new contracts, we have equipment to purchase, we have all sorts of things that would be impacted if we don't know whether we're going to continue. A company that we have a contract with heard that it might take a year before we know, so they said, oh, well then we'll work on the other new companies that are working with us, and we'll leave you, you know, in the dust.

[2:26:29 PM]

So I think sings we have waited patiently five years, I'd like to suggest that we try the second alternative, which is to -- not to extend from one year the same -- the same old way of doing things, but to go for changing whatever has to be changed for a five-year -- at least a five-year period. And I'm happy that we've come to the first reading. And I would also like to suggest that we get serious about the equal playing field -- field, and we were talking more about the tncs the last time, and now it seems like there are all sorts of additional new ideas out there that the drivers have. But why not get really serious about equal playing field between the taxicab franchises and the -- and the tncs. And as Mr. Zimmerman brought up, it's either we go down to the standard of the tnc or they come up to our standards. I would like to suggest in some ways the tncs are more like limos, at times they're more like taxicabs, so we

could look at that and that could help us sort that out. And, obviously, we have been hit pretty hard, but our drivers are continuing to find niches and all sorts of ways to make money. And I think it is incumbent upon the city of Austin to try to support its own franchises. We are a franchise of the city. We're not just a little -- some little private companies out there. So I would like to see that equity or quality taken very seriously, and I kind of like, although I'm to the left of center, generally, I kind of like the idea of having less regulation on the taxi franchises because some of the regulations have hindered us from moving our business models forward.

[2:28:52 PM]

And so I'm very --

>> Mayor Adler: Thank you.

>> -- Looking forward to meeting some of the people to the right and seeing if I can get some support there.

>> Mayor Adler: Yes, ma'am. Thank you very much.

>> Thank you.

>> Mayor Adler: The next speaker is David -- I'm sorry, Ms. Tovo.

>> Tovo: May I ask you just a couple of quick questions? First of all, I wanted to clarify that my amendment would say one year or sooner. It wouldn't extend -- it wouldn't require us to wait a whole year to renew the franchises, if the work is completed sooner. It was just about carving out a more realistic time frame to knock out some of the changes that I think people would like us to consider. Can you give us a sense, though, to that end, of what you would like to see from the perspective of Austin cab, what changes you would like to see to the status quo ordinance that's before us today?

>> Well, my only real criticism is perhaps the purchases measures. I feel that is a bit interfering, and that we have some -- two companies that are small and in comparison with yellow cab, but then our measures, performance measures are the same. So I think maybe we need to tweak that one some -- some way or other because if you have a large fleet of cars, which yellow cab has, then perhaps it's easier for them to meet those requirements than if you have a smaller fleet. And we do have to discuss this issue of having -- our having additional permits and cabs. But I really think if the drivers want to have whatever they are thinking of setting up, I think that's neither here nor there on these cab companies that have been in operation. The old Harlem cab started in 1943, and we've had that company since '84.

[2:30:53 PM]

And, you know, it seems like there's no problem in saying carry on. But not to have some new regulations on our heads when Uber is out there with none.

>> Tovo: So -- thank you. So from your perspective, performance measures and permits would be the top two.

>> Yes, I think so. Testifies okay. Thank you.

>> Tovo: Thank you. >> Mayor Adler: We will continue on. Again, I remind everyone that motion today is effectively to just postpone this issue until the committee can study these questions and then come back. And my understanding of the motion is that we're not going to be closing public hearing today, which means that when the equal proposals come back, which we don't know what they're going to be because the committee hasn't done its work, and the committee is saying, let's just open it up today, put it aside, then we'll have the committee hearings, when we actually see what the proposals are, that's when we're going to really need the public testimony because then you'll be able to comment on what's being proposed and what's not being proposed. And since today I effectively just a

postponement, it's in some respects hard to have a conversation because you don't know yet and we don't know yet what the proposal is going to ultimately be that's ultimately coming to us. Which means, unfortunately, when there's an actual proposal, you all are probably going to have to come back again. But we have the public hearing open today for anybody that does want to talk as we're moving in that direction. So let's continue on with the public hearing. The next speaker I'm going to recognize is David Passmore. Is David here? Is Samir haria here? Samir? Are you here? Yes. You have six minutes then.

>> Good afternoon, council.

>> Mayor Adler: Yes, sir.

>> My name is Dave Passmore. I'm president of the taxi drivers association, and today I would like to speak before you on one particular issue, but we have several, as you all know.

[2:32:58 PM]

First, I would like to address the taxi drivers' income, and seeing as I only have three minutes, I made a prepared document and I just want to briefly run through it real quick. Thank you very much. The number one reason a tda driver --

>> Mayor Adler: And, sir, I have six minutes because you have donated time from someone else.

>> Thank you very much, mayor. Thank you very much. I appreciate that, sir. The number one concern of the taxi drivers association, sir, is the driver's income. The driver's income is below minimum wage. A driver income has decreased even more in the last six months. Driver income has always been low, and it has been low because of the high franchise fees that we have to pay out. Now, we have developed a recommendation to create a healthier tax industry in Austin and help drivers earn a living wage. It is time to create a taxi cooperative and a time to implement real driver protection and recommendations that will limit the cost of being a driver and improve driver income and customer service. Now, I would like to hand it over briefly here to my vicepresident, but I just want to address a few issues. This recommendation that are proposed on the agenda, such as dispatch acceptance, and just around article part 9 and 10 that was proposed is that some of these issues were not even brought to the mobility committee before they got put on the agenda. So the mobility committee really needs the time to actually go over these issues and work out something that is beneficial for all parties, rather than just something that has been developed for one-sided, to the franchises only. The drivers have been coming to the council for the last seven years seeking to get some type of level playing field to where they can be able to make an income to help support their families.

[2:35:03 PM]

We have gone through several lease increases, other high increases, implemented by the companies, and we went through that and dealt with that. But now that there are other people entering into the market, and we are willing to wait to see what the data is for the tncs coming back before we can even say anything about the tncs. We're not here today to talk about tncs, we're here to talk about the taxi driver issues and try to put that on the table so we're able to, you know, have an open discussion with franchises. We are the taxi task force, and we met for the last four months going over some of the issues, but now what I realize is that some of the issues that were discussed at the task force has not even been put forward before the mobility committee, or even the council right now. Part 9 here in our document says dispatch acceptance. What that is doing is putting too much control in the hands of the franchise over the drivers. So if we go and look at where the franchise is asking that you accept every dispatch trip that comes to your terminal, drivers don't make money unless we pick up customers. The franchise gets their lease whether you work or you don't work; you still have to pay. And I just want to point that out. So if we are going to tell drivers that you have to accept every dispatch call that comes to

your terminal, no matter whether it's traffic condition preventing you from making that u-turn to get to the trip in a reasonable amount of time, the dispatch system has been broken. The previous council has asked the franchises to install digital dispatching system so that they'll be able better to collect better Numbers from the franchise. Staff can tell you, there have been problems getting some of the reported Numbers from some of these franchises.

[2:37:08 PM]

Ms. Cabelli just told you how long Harlem cab has been in operation. If you've been in operation that long, and we've been coming to you for seven years, and you can't fix a simple problem such as meeting demands of the general public and putting a driver in contact with the customers to get them in a reasonable amount of time, I don't know how much more years you're going to need to actually fix that system. But the dispatch system is broken. There are times when we are unable to communicate with base. We understand that there are problems that can occur within the software, but there has been -- this system has been installed in our cabs since 2012. We are now in 2015. If you can't iron out a software problem in three years, we need to either change that system to better improve the service to the customers and the drivers. Like I said, there are many drivers here today who are willing to work to pick up the customers, but when you're unable to communicate with base, there's no communication between the drivers and the base. So we need to address these issues also. I mean, I'm glad you're looking into taking more time to go over this because as I was here last week, week before last, I asked you to please take your time. Don't be rushed into this -- you know, to be told that because there's a timeline -- we understand the timeline, that if the city doesn't move forward with this timeline, that there could be repercussions or it could have caused some other problems, you know, that we don't need to go into right now. But, please, we really do accept your proposal of a one-year extension to be able to iron out some of these problems that exist and have existed for the last two or three years. So if I may just -- oh, my time is up.

>> Mayor Adler: It is.

>> Okay. Thank you very much, and I really appreciate your time.

[Applause]

>> Yes, mayor.

>> Mayor Adler: Excuse me. Mr. Zimmerman and Ms. Kitchen.

>> Zimmerman: Yeah.

[2:39:08 PM]

Quickly, we've heard some testimony about some taxicab drivers basically going over to Uber and Lyft, just like I'm going to go drive with these guys. Is that happening, and how do you see that, and what would stop them all from just leaving and going and driving with the new apps?

>> Thank you, councilmember Zimmerman. Yes, we do have drivers that have gone over to Uber. Now, why they have done it, some are looking at a potential of a better earning. However, I want to point out that if they are going over just because of a better earning, or is there a better service, this is the two distinction I would like to separate. Better earnings, probably, yes, because they don't have that fee that they have to pay at the end of the week. They're using their own private vehicles. The insurance is an issue on that, and I'm quite certain that council and staff will work around that. Also, that [inaudible] Still at the capital right now, like I said, we're willing to wait for the data to come back and see what the date is. Uber reported I think in the month of December 133000 trips picked up in downtown, and 5,000 out at the airport. 133 and 5, you do the math, it's 138,000 trips that drivers have lost to the tnc. 138,000 trips. We're not saying that Uber can't enter into the market. And as I said before, they can

come into the market on their -- a level playing field structure. So, you know, we just need for you to take your time, instead of being rushed into this. And like I said, we do understand that there is a timeline that has to be met for the franchise renewal, and we are not fighting that in any way, shape, or form. Yeah, but you do need time to look into these things because they are very complex issues. They're not fixed overnight. Like I said, we've been coming here for the last seven years. So we see where staff made some recommendations on the agenda here, around part 9 and 10.

[2:41:11 PM]

Dispatch acceptance and performance measures. Whose performance are you measuring? The task force was put in place to vet the franchises, not the drivers. The franchises. And there is -- there has been a problem and there continues to be a problem, and you can't reward someone for bad behavior. You don't reward your child for bad behavior, so why show additional 100 permits thinking everybody is going to be happy? It doesn't work like that. You know, there's plenty of smart people on the council that knows that. So if you have any other questions -- councilmember kitchen.

>> Mayor Adler: Councilmember kitchen.

>> Kitchen: Thank you for -- what was the question I had? Sorry. Thank you so much for -- I've had the opportunity to visit with you, and I appreciate --

>> Yes, ma'am.

>> Kitchen: So I think you understand, I just want to make sure, I want to apologize for any confusion that was caused, but there was some miscommunications with what actually went on the agenda. The section 9 and 10 that you're referring to I hope you understand that that is not part of our motion.

>> Not right now. Yes. I know.

>> Kitchen: Well, nights part of our motion, it's not something that, as you pointed out, it's not something that the committee has recommended, so --

>> Okay. I really appreciate that. Yes.

>> Kitchen: I want to make sure -- I just wanted to clarify that.

>> I recognized that through reading it last night, it did not make -- it did not come out in our committee meeting, so I was surprised to see it on the agenda, to be honest with you, councilmember kitchen.

>> Kitchen: Yes. That was a miscommunication. We weren't expecting it on the agenda either, so --

>> Thank you very much. Thank you all very much for your time. Appreciate it.

>> Mayor Adler: I'm sorry, hang on a second, please. Ms. Troxclair.

>> Troxclair: Thank you for being here.

>> Yes, councilmember. Thank you for having me.

>> Troxclair: Yeah. Just so I have a better understanding of how the system currently works, the city approves the permits. The franchise holds the permits. And do you know how much the franchise -- so the franchise -- then the franchise pays -- or the franchise buys the permits for 400 and --

[2:43:19 PM]

>> 450 from the city.

>> Troxclair: \$450. And that's per year?

>> Annual. Yes.

>> Troxclair: Annual. So how much does the driver pay to the franchise to utilize the permit?

>> To be honest with you, councilmember, there are no standards for one or another company. Each company charges a different price. The company that I work for, if you're leasing a car from that company, the weekly fee for a 12-hour lease is \$408.

>> Troxclair: So a lease is \$408 --

>> A week.
>> Troxclair: A week.
>> Yes, ma'am.
>> Troxclair: And what if you use your own car? Because I didn't realize a lot of drivers use their own cars.
>> Yes. There's a difference. If you own your own car, you're paying a terminal fee, and with an additional increase last March for another \$20, it has gone up to \$315, even if you own your car, it costs you \$315 a week.
>> Troxclair: So how many hours do you have to work per week to make up that \$315?
>> We have drivers working six, seven days a week, 10, 12 hours a day. So we're looking at probably about, average, 70 hours a week, just to be able to take some money home after you have to pay your lease and all that. So if you're leasing, you see where you're coming up with \$408. If you own your car, you're paying \$315 for a terminal fee only. Now, mind you, if you're a new driver and you don't have what's known as a driver's bond, which is what you pay up front, \$2,000 for your insurance, if you don't have that, then you pay an additional \$35 a week on that 315.
>> Troxclair: So the franchise doesn't provide insurance. You have to buy your own insurance.
>> Franchise say they have a bond, yeah, but in the ordinance it states that before the franchise can hire someone to be an independent contractor/driver to drive a ground transportation vehicle, the franchise owner should provide insurance to that driver.

[2:45:24 PM]

Now, there are three provisions under that insurance requirement. Per accident, the amount hundred to 300,000 per accident, property damage, and pip of 25\$00. The pip is personal injury protection and I have yet to meet a driver who has actually been involved in an accident covered by pip. The pip part has been left out for some reason, I don't know what, but the bond that we have is very vague. Because if we're involved in an accident, the customer is covered, if there's a customer in the car. The vehicle is covered to provide the repair for the vehicle. The driver is not covered. And we see when we talk about tncs that drivers -- one of the concerns of the past council was that drivers are covered by the tncs' insurance, as opposed to them carrying their own personal insurance.

>> Troxclair: Okay. So you're paying 315 a week --
>> If you have a driver -- if you have your driver's bond in place. If you don't have a driver's bond, you're paying an additional \$35 a week.
>> Troxclair: So plus \$35.
>> Yes.
>> Troxclair: And this is all if you on own your own car so I'm guessing that's on top of gas, maintenance, repairs.
>> Yes.
>> Troxclair: Does the company cover repairs to your car.
>> No, the company doesn't cover repairs, you have to pay for your repairs.
>> Troxclair: Okay. So is there anything else that you're -- any other costs that you're responsible for.
>> Yeah, we have plenty of out of pocket expense. You pay for your own gas, you've got to pay for your own criminal background check and all this other stuff. So there's a lot more charged. But like I said, there's no one standard for the entire industry. Each franchise does business the way they see fit.
>> Troxclair: Uh-huh. And then you're independent contractors, you're not employees.
>> We are termed as independent contractors, yes.
>> Troxclair: Okay. Okay. So -- so then -- so the timing issue we're discussing, councilmember kitchen, we would have to have this -- the mobility committee would have to consider this, then we'd have to do

second reading when?

[2:47:32 PM]

Next month?

>> Kitchen: Our second reading is may 21st. We've already had -- you know, the mobility committee has already started considering this. We have a meeting next week on the 29th, and I'm not -- I don't want to speak for the committee, but my speaking is, we will -- we've been thinking about and addressing some of the changes, so my thinking is we'll talk about changes at that meeting. So -- and then our second reading is on may 21st, then our third reading is on June 4th. So that gives you about a month to -- it seems like there are a lot of big issues that haven't been addressed. And I understand that the mobility committee is already in those discussions and is taking these issues very seriously, but in your opinion, is a month enough time to craft something that is going to address all these big issues, or do you think that you will need more time?

>> A month is pushing it a little bit because the issues are so complex, so -- we would -- depending on how many hours we spend in a meeting, we probably have -- a four-hour meeting, we could iron out some of these in a quicker duration of time. But if it's just an hour meeting, it might take more time to iron out the issues, because they're very complex issues. With a new council hearing some of these things for the first time, it will take time for you to do some research and look back and contact staff and other folks and just finding out exactly, you know, what has been done and how it's been done.

>> Troxclair: Okay. One last question. So if the -- like I said, I did not realize that so many taxicab drivers were using their own cars. I just assumed that those cars -- and I know that some are provided by the franchise, but some aren't.

>> Yes.

>> Troxclair: So who -- so do you have to of a certain kind of car, and do you -- who paints it and what happens to it after you're not a taxi driver anymore?

>> Ooh. I'm sorry. I can't --

[applause]

>> I'll address all of those. A car can only be a taxi in this city for a seven-year timeline.

[2:49:32 PM]

>> Troxclair: Okay.

>> After seven years it has to be removed from service. So if you're a driver that owns your car, you have to be saving on the side so he that when that seventh year comes close, you have your money already put to the side. But like I said, addressing the driver's income, you know, all these things taking into consideration, it is very, very difficult. Okay. The other addition of painting the car, I'm not sure. Like I said, there's no standard for any one company. I'm not sure about the other two companies, what they charge, but I can tell you at my company what they charge. To paint a car, to make it become the color, scheme that the franchise uses, \$1750.

>> Troxclair: And that's paid for by the franchise?

>> No, ma'am, the drivers.

>> Troxclair: \$1700.

>> \$1750, yes, ma'am.

>> Troxclair: Then what happens if you have a career change and you want your car repainted?

>> That cost is also assessed to the drivers, and the company will retain the permit, and you remove the car from service. But it wouldn't be hard for the company to put one of their cars back online and have that permit to occupy that car and put on a 12-hour shift for each driver. If you're driving \$408 for a 12-

hour shift, we're only getting \$816 off a perms that's paid for by \$415. It's very high cost to the driver was. It's not easy. So, you know, we try our best, serving the customers and trying to make a living. It's not easy, especially the months of December and during the summer when the university is closed, we sit at the hotel cab stands at the airport for hours. I heard in a committee meeting the past two weeks that drivers are making how much an hour? We can do a test to that. A very simple test. If we're making that much an hour, let's switch it around. Yeah?

[2:51:32 PM]

See if the company wants to pay us that amount for an hour, to just sit in the car and not getting a trip. Now, I understand there are certain things that are not oath agenda -- are not on the agenda today. I don't want to get into that. Thanks for the correction, the councilmember kitchen, on that. So we'll just leave that till we have other meetings. There's several, several other issues to be discussed. One of the things we were told by the past council is that they've always heard from just the franchises, and they were happy to know that we have come together to organize and bring our issues to the forefront so that now that they're hearing from both sides, just like you're shocked about the cost to paint a car, some of the other council members were also shocked to know we were paying such can exuberant fees.

>> Mayor Adler: Okay. Thank you. And I would point out to the council again, in order to be real respectful of everyone's time who's here, as well as making sure we have enough information, there's at least two more public hearings that will happen, so this will go back to the committee for the committee to do its work. There will be a public hearing in in front of the committee. Since it's going to be a closed meeting without public hearing, the public hearing will be open when it comes back. So we have a whole group of people ready to testify. I want to make sure that we give them an opportunity to do that, and to not do the committee's work here at the days here today. Ms. Tovo.

>> Tovo: Thanks. Mr. Passmore, I know you participated in the taxi -- in the taxi --

>> Taxi task force, also the tnc stakeholder group meeting. Yes, ma'am.

>> Tovo: I appreciate that, and all of your work on those issues. I think you spoke to this. One of the challenges is that the issues that you and the taxi drivers association have raised over the years are very complicated. Several -- we have a history of council resolutions and council requests that -- that we get some actionable steps that would address some of the issues you've raised from the perspective of drivers with regard to insurance, with regard to dispatch, with regard to the option of actually getting your permit directly from the city.

[2:53:42 PM]

And so it appears to me that the taxi driver task force that was looking at this didn't necessarily come up with any action able items that are ready for us to move forward.

>> Right. Yes.

>> Tovo: Is that -- would you say that's your --

>> That I was 100% correct, councilmember mayor pro tem tovo. Yes, that is 100% correct.

>> Tovo: And I'm concerned what you said about the staff recommendation did not incorporate any of to say recommendations that had been discussed.

>> That is correct.

>> Tovo: So I think in the weeks ahead, it would also be useful -- I know long-term issue of interest among the taxi drivers has been the ability to get permits directly from the city, either on an individual basis or in the form of a separate franchise, and so to the -- I think there's a lot more work that needs to be done in that.

>> Yes.

>> Tovo: -- Arena, but it's a high priority of mine to consider that, and I really would like to do that in the context of these franchise agreements because it is important that we create a level playing field for the franchises and a fair system for the drivers and have it operate within a transportation ecosystem that now includes tncs as well. And that's no easy --

>> No, no easy task.

>> Tovo: -- Task.

>> That is correct.

[Applause]

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: So you have ideas and specific actionable proposals that we might consider either for a cooperative franchise or for a system that would allow permits to be sold directly to drivers, that would be helpful.

>> Yes, we do have that, and we'll put that proposal forward within the next week or two.

>> Kitchen: Councilmember tovo, I'd like to let you know and the rest of the council know that we have discussed these. We talked about it at our committee meeting and we appreciate you bringing forward the recommendations with regard to permits directly for drivers, chauffeurs' licenses that are owned by drivers, co-op.

[2:55:50 PM]

>> Yeah.

>> Kitchen: So we've started down the road in discussing that. We had some discussion in our committee meeting, and we think it's a very important thing for us to consider, and we'll have further discussion on that.

>> Thank you very much, councilmember kitchen.

[Applause]

>> Mayor Adler: And certainly consistent with our rules, any councilmember that wants to be part of those conversations, as they go into detail on those, has the opportunity to ask the witnesses questions when they're present at the -- at the committee meeting. Thank you very much.

>> Thank you very much, mayor.

>> Mayor Adler: The next speaker is --

[applause]

>> Mayor Adler: The next speaker is mirga gameda. Is Ollie here? Kerry? Thank you. You have six minutes.

>> Thank you, council, for letting me stand before you and speak.

>> Mayor Adler: Would you pull the microphone a little closer to you?

>> Yeah. Speak about the drivers. I'm the vice president of the taxi drivers association. Many of the issues, I want to read to you already the president said, but I want to start from the lease can a cab. The lease cab -- the lease cap, the reason the drivers ask the lease cap is, when you give the franchise the permit, that a payment is capped, a payment is fixed to \$450 a year. But when this permit goes to the drivers, like the president say, they all have different values, from 250 a week as a terminal fee, to 816 as a lease max. All this multiplied by \$52 is really a burden on drivers and is really getting into drivers' pocket.

[2:57:57 PM]

The drivers are not able to make a livable wage. They have families. They have children. They are like

everybody else, but they can't make a livable wage. By working 60 hours a week and paying 16,000, 17,000, up to 40,000, if it's 816 a week, it's up to 4,000. You multiply by 52. So the drivers are not making a livable wage. So that's why we need a lease cap. There are major cities that implemented this lease cap, and

[inaudible] We aren't asking to do that. We've been asking for this for almost seven years, and hopefully something is going forward. Another one, due process, due process is -- you know, everybody want to be secure in their job. They want to make sure they have a stable job. They want to make sure they're going to come to the job tomorrow, next week, a week after, if they get sick, if they can't pay the bills, if they can't go to work. They can come back to work, and in taxi driver, there's no due process. You can work -- you can make -- you can't work 20 years taxi, 15 years taxi driver, ten years. You talk about equity. There is no equity. Once you've made two mistakes, two accidents, that equity is gone. His profession is gone. His family is gone. And every time the leases go up, every time the leases increase, because the driver's income is capped, we only earn what you let us earn in the middle. We can't get anything. Year after year, we get the same amount.

[2:59:58 PM]

It's capped. What the franchise pays to you is capped. Only what we pay for the franchise is not capped. It can raise every year, every two years, every three years, over so many decades, you've been cutting, dipping into drivers' pocket, it's almost pushing the drivers to the poverty line, under the poverty line. Another one that I want to mention is insurance. Insurance has been mentioned.

[Inaudible]. This insurance, I was personally -- had accident last year, and I went to the doctor, chiropractors. They said, do you have insurance? I say no. No, no, no, there must be some insurance with your company. She called my company several times. Does this guy have some kind of insurance? They say no. She say, I don't have insurance, but it's in the ordinance. So the drivers have no insurance. You know, pedicab, they have insurance, tncs, they have insurance. The drivers can't have -- they don't have insurance. We keep speaking. Drivers have many -- they are the combination of many nations. If you ask the citizens where they come from, it can be 50, 20, even in here, and what do you do for the drivers here? It's not stay here. You go all over the world. But what do you do for the franchise? It's, stay in Austin, just making somebody's pocket bigger and bigger and bigger. So what the drivers want is just a plain, plain equality, have some income, have a right, have to say -- some saying. Like when we say independent contractor, if I don't have anything to say about my independent, if I don't have anything to say about my lease increase, if I don't have anything to say about my insurance, what is my independent.

[3:02:04 PM]

And if you -- the franchises coming to you for more regulation, in this field who is more regulated? Only the drivers. The driver for dispatch, the drivers for more pay, the drivers for this, the drivers for that. The only drivers are more regulated. So we need equal regulation. Everybody should be regulated. The company should be regulated. The drivers should be regulated. The tncs should be regulated. So we know we're all on the same page. But if only the drivers -- tickets come drivers, like this proposal, accepting dispatch, in Austin, I have the interest of picking the customers. Thank you. Thank you so much.

[Applause]

>> Mayor Adler: The next speaker is Angela Timm. I don't know if I pronounced your last name correctly, sir.

>> Good afternoon, councilmembers. My name, anglo atm, a-t-e-m. I'm a taxi driver. I think most of the

things we are here today very much has been touched by [inaudible]. And the point I'm trying to talk about at this point here is issues of the drivers. The franchise has been existing for a long time, and the reason for them to exist is the drivers because the drivers who are out there to save the public, and then bring the money and pay them. Even when we pay them \$250 to \$800, we're treating like we do not exist.

[3:04:12 PM]

That is the problem. So what we are asking is what the council mentioned a while ago. Why do the city give us a title of independent drivers, and then gives the remote control to the franchise to control us? [Applause] Are we not able to serve the people? There are people who are driving here 30-something years, they know the city, they know the people they serve. They can do better jobs if you give them the permit directly, not through the franchise.

[Applause] I'm a taxi driver. I have full coverage. The vehicle damage, [inaudible]. But if I hit someone on the road and it's my mistake, and I end up in the emergency room, the bill, it has to come out from my pocket, even though the city council has an ordinance to say they have to provide hazard insurance. Is that the business will have? No. So, this reason, and these demands are a test to the renewal of the franchise, and that's why we are asking you, take your time and address our issue, and then when you have it all, you can come up with a new regulation that is actually considered all the stakeholder, the franchise, us, and the tnc. So the idea that you're going to extend it, a new one for one year, is appreciated from our side. And then you can go ahead and start the issue at our concern.

[3:06:15 PM]

>> Mayor Adler: Thank you.

>> Hold on. I got my note here. There's one note. And other things I would like you to consider -- okay. Other things I would like you to consider, the technology is new. We are the drivers. We can drive anyway. Why don't you allow us to use the third-party option so we can make more money, because if I have this up in my hand and I'm waiting from the franchise taxi company to give me a trip, and I don't have it, and someone needed service there, can I be allowed to make that service?

>> Mayor Adler: Right. And that's the kind of thing that the committee is going to discuss, so you need to make sure that you're part of that conversation. Because the committee is going to be looking at exactly that and the other issues as well.

[Applause]

>> Thank you.

>> Mayor Adler: Thank you.

[Applause]

>> Mayor Adler: The next speaker is James del galle. Mr. Del galle.

>> Yes. Thank you very much. Respected city council members, thank you for giving me this opportunity to talk to you, and you're listening to us. And this is the first time that we believe that something's going to happen. So thank you very much for this opportunity, again. I'm talking on behalf of the taxi drivers association, and I'm a board member, and also talking in regards to [inaudible]. We know [inaudible].

[3:08:19 PM]

The co-op will serve the drivers, the city, as well as the community. So we, the drivers, we have the knowledge of the city, customer orientation, and [inaudible]. So these 405 members, if it is given to us,

we will do it exactly the way that you want us to do, because --
[applause]

>> The second is the high cost for the car to be given to us. That will reduce the cost that the president and everybody talk here would use it, and that money will go to our pockets. We can serve the families, our families, we can put our children through the school, et cetera. The city want [inaudible]. Each one of you I believe want car. Therefore, the co-op is the only solution to this complexity of the business in Austin. Let the co-op go to the drivers and the Numbers go to the drivers direct. We have the technology in place now, and we are ready to demonstrate to each one of you how we can run this co-op. We have it in place. So give us time, and we can be able to demonstrate this process to you. The other thing is, also, I would like to emphasize, is, we are getting a response from you, and that give us hope, hope of going independent, not to rely on the companies.

[3:10:31 PM]

Just imagine [inaudible] Last week, and now I'm paying, today, without anything else.

>> Mayor Adler: Thank you, sir.

>> Thank you very much.

[Applause]

>> Mayor Adler: Solomon casa.

>> Good afternoon, mayor and councilmembers. Solomon casa, president lone star cab company. I am speaking in support of staff's recommendation to renew our franchise. Lone star cab company is one of the three franchises that have been operating since July 2007. Currently we have 100 fleets, including five wheelchair excesses of vehicles, that operate 24/7 in the entire city of Austin. Our services are available for those who book online or from the land line or mobile phone, pay cash, or credit card, use wheelchair excess of vehicles. Our passengers can also request the service by downloading the smartphone app called curb. Curb, previously known as taxi magic, is a nationally known cab company like Uber and Lyft. And like Uber and Lyft, curb chose the platform of licensed taxi companies throughout the United States. Like Uber and Lyft, curb users have 24/7 access to our taxi service, including wheelchair access vehicles, option to pay cash directly to the driver. Why we rely on 100 vehicles to deliver the technology we invested in, Uber and Lyft have advantage of responding to requesters with unlimited number of vehicles. The service of the tncls is not technology, rather, number of vehicles they control at almost zero cost.

[3:12:34 PM]

I strongly support the citizens access to different mode of transportation, and welcome any competitions that improve service. However, what we are facing is unfair competition. Taxicab companies have regulations and those rules and regulations are in place for the safety of the riders. We are not in a business like tncls. We're committed to provide a safe, affordable service for the entire citizens of Austin. We would like to see the playing field be leveled for everyone. In order to continue in the business and to deliver a commitment, I'm asking you to consider per staff's recommendation a ten-year renewal. The reason I'm asking a long-term renewal term is, we are in a rapidly changing industry, and we have to continue to invest in technology, replace all the vehicles, green fleets, add more to our fleets. As a newer company, especially lone star rely on borrowing from financial institutions. The term in our franchise becomes a factor to determine the operator of that loan. Secondly, the additional hundred permits would help us to compete with the tncls and their response to the city ride requests in a timely manner.

>> Mayor Adler: Hold on one moment. Is mulu getta in the room? All.

>> Mr. Mayor, I almost wrapped up my concerns, and if there are any questions, I'm more than happy to answer. Thank you very much, and god bless you.

>> Mayor Adler: Okay. Thank you very much, sir. The next speaker we have is subhash P atel.

[3:14:40 PM]

>> Thank you, mayor. Thank you, council, thank you for giving me an opportunity to speak up. Please protect all drivers because all taxicab are overcharging and it's hard to make a living today. So create another company, completely complete the [indiscernible] And also put a cab on a -- franchise charges so that way we can make the money and survival because this is the times, too many unregulated companies in the market and it's very difficult to taxi drivers please, I'm requesting, that's only I wanted to talk about. Thank you.

[Applause]

>> Mayor Adler: Thank you, sir. The next speaker is naez achmad.

>> Thank you, mayor and councilmembers for giving me the opportunity to speak. I'm a cab driver, and I would like to know the councilmembers, do they know the difference between the cab companies and the driver? The difference between the cab company franchise and the driver is this, cab companies never lose money because they get paid by the drivers no matter what. Whenever there's a competition and where are they're requesting for more permits, the reason they do that, because they make the fees from the drivers. They don't make fees from the customers. They care for less if a driver had two customers in the whole day or one customer or the driver was sick and couldn't work for a week, the driver still has to pay them for the fee.

[3:16:49 PM]

[Applause]

>> That's why they're requesting that. Second of all, whenever there's a competition, no matter what, whether it be cab, tnc, this and that, has it affected any money on the cab company franchise? No, zero. It's the cab driver that loses money. Whenever the cab company's request for renewals because as soon as they get a \$450 permit they are done because there's no councilmembers or anybody who is looking into whether they are doing their jobs and providing the drivers the protection and doing something for the customers. Because there's no task force for that. Nobody looks into it. I have a new recommendation for the council over here. You -- this is going to make money for the city of Austin. You charging the cab companies \$450 a year for the permit. We the drivers are willing to offer you \$8,000 a year for the permit for that because at \$450, at \$450 a year, 756 permits, that's -- you're getting the city of Austin \$320,000. We are offering you \$8,000. That's going to bring city of Austin \$6.6 million. So what is better for you? As far as like the thing is we work seven days a week. How many franchises people and all that stuff, cab company people are working seven days a week? Zero. We work 24 hours. Do they provide us anything for 24 hours? If my car breaks down at night I have to wait for the money until it gets towed because I'm losing money. They provide us \$2 a confound we break down for 24 hours. Who are you for, \$6.6 million or are you for \$320,000?

[Applause]

>> Thank you. Our next speaker is Antonio rohas.

[3:19:09 PM]

>> Hello, city council, I'm an knownio rohas, Mr. Mayor. I would just like to talk about our way of seeing fair competition, the continuation of this industry. Costs have to be dropped out some. Our alternative is

a co-op. Through the co-op, our prices for the drivers will be reasonable so that we can have a living wage. Furthermore, it will set example. We are in contact with other cities. We know and can provide you with the Numbers of omni, who can help us with the technology. We're in advanced negotiations. We can continue this industry in the only viable way, which is to keep costs reasonable for both the public and the drivers. This is our contribution to this city. We live here, not like some drivers that are imported from other cities for events to take money from the people that live and work here and pay taxes here. And we ask for the opportunity to fulfill our pleasure to serve the city of Austin in the best way possible. Through a co-op. Thank you very much.

[Applause]

>> Mayor Adler: Thank you very much. Edward cargbough.

[3:21:12 PM]

>> Good afternoon, councilmembers. Thank you for the opportunity to present before you today. I deviate from my prepared statement just -- I want to start off by saying you have to ask yourself the question, if the situation was so bad, why have so many people chosen to drive cabs for so long? There are tnc auctions out there, people could drive a limo, I think Wal-Mart pays a minimum wage that's \$8 or \$9 an hour. There are other opportunities so people are making a choice to drive a cab. What we do is self-service to independent contract drivers, small business owners. We don't lie to anybody up front when we enter into that agreement with them. The reason people continue to drive with us is because their return on investment in 2014 was 537%. Drivers pay a \$15,000 lease to us on an annual back, which is about the average. Their return on investment was 537%. People have choices. We love the contractors that we do business with, and we know that they're not going to drive for the tncs because we provide the best option. It costs a lot of money to provide the on-demand service required by the city of Austin and for 30 years we've done that and done it well. As an on-demand service provider we're required to be available and able to serve every citizen and visitor to Austin. The service that we provide doesn't come cheap, as there are millions of dollars required to fund the infrastructure to get it done. A fleet of wheelchair accessible vehicles, a 24 hour, seven day a week call center, the insurance that is provided to the drivers. The drivers deductible in an accident is \$2,000 in they're at fault, if they're hit, there is no deductible charged. All of that money goes back to the driver and they leave and are never involved in an accident.

[3:23:14 PM]

The technology required in and on the car and last but not least we go above and beyond the requirements to create a safer environment for the passenger and driver by investing in safety features to deter crimes. I know you have a lot of questions. I look forward to answering those. We look forward to the opportunity to serve Austin for 30 more years, but we ask you to make the same long-term commitment to us so that we can appropriately staff and finance this business and run it in the nondiscriminatory, accessible manner that this city has required of us. That is our agreement with you. That is what the franchise agreement is. We take the stress of providing on-demand transportation, accessibly and in a nondiscriminatory manner to every visitor and citizen to the city of Austin. Thank you for your consideration, and I'm happy to answer any and all of your questions.

>> Mayor Adler: Thank you very much. Ms. Tovo.

>> Tovo: Thanks for your comments. Are you in support of the ordinance as it has been or are you speaking in support of the staff recommendation which is not what we're considering today?

>> As we've discussed, we are certainly in support of renewing the franchise for ten years. If that conclusion is to keep the rules in place as they are and limit the number of permits as they are, over the

course of the ten years and make the changes along the way, we're certainly happy to do that, but we have to finance a business that you guys require us to run to provide service to the citizens of Austin, and that's why we're asking for the long-term commitment from you. We've done our job for 30 years. We've done it well, and we look forward to continuing to do that.

>> Tovo: Thanks.

>> Mayor Adler: Thank you. And you understand what's being considered today were I'm not sure anybody has abidicated in continuing the existing --

>> We absolutely understand over the course of the next 30 days --

>> Mayor Adler: The committee is going to be looking at this, considering all the related issues. Thank you.

[3:25:14 PM]

>> 100%, yes, sir.

>> Mayor Adler: Thank you. All right the next speaker we have is Zina mirsha. Is Mr. Mirsha here? Zina mirsha? All right. Okay. Thank you very much. Those were all the speakers we have. There's a motion on first reading without closing public hearing to extend the existing contracts for five years.

>> Wait. Let me just say, we didn't recommend a particular time period. That's just --

>> Mayor Adler: Extend the exiting contract on first reading so as to preserve the status quo, recognizing that the committee is going to be looking at this issue and then coming back before second reading with a recommendation to the committee.

>> Kitchen: Right.

>> Mayor Adler: Is there any discussion with respect to that? Mr. Casar?

>> Casar: Certainly. I understand the difficulty about the 30 daytime period so I'll support this on first reading. I'll do my very best to make it out to the mobility committee. I'll have to move a couple things around so in case I can't I just want to very briefly summarize sort where have I'm at on this. I think that everybody in the room seems to agree from sort of all over the industry that we need to rethink the way that we're regulating ground transportation. I think the good news is that there's very clearly consumer demand, and I think in the case that there is consumer demand that means there is money to go around because people are willing to pay to not get in their cars and to get a ride. And so my view on this is that we should come up with a regulatory framework, and I don't know if we can do that before third reading or not, if that will take the intervening year or if we can get it done this month, but what I'm interested in is finding out how we can have a regulatory framework for cab companies and tncs that rewards consumers getting picked up and that rewards our drivers who are valuable parts of our community being well-taken care of by those companies.

[3:27:32 PM]

[Applause]

>> Casar: And I think as we've seen with a lot of the other work this council and city has done, we can, you know, reward those businesses. I understand it's very difficult to build a business interest the ground up or to keep a business going in this city, but we should since this is a, you know, city-related enterprise, we should encourage things we want the business doing, which is getting as much customers picked up as possible and make sure the benefits of what that customer is paying is being shared amongst our community, and I think that we can create that baffle having fair come -- balance of having fair competition among the companies, customers getting picked up safely, as quickly as possible, and our drivers being well-taken care of.

[Applause]

>> Kitchen: Mr. Mayor?

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I just wanted to say for my fellow councilmembers, I know that a -- schedules can be difficult and I invite to you participate in the meeting but I know that you may have difficulties coming to the mobility committee meeting. So I will make sure and work with my colleagues to make sure that we post information on the council message board and we welcome all of y'all's input either before or after the meeting. So we'll try to make this as inclusive as possible, whether or not you're able to come to the mobility committee meeting.

>> Mayor Adler: Ms. Garza.

>> I wanted to say in an effort to make this as simple as possibly we really unintentionally muddled the waters and that was our incident. If you could put up that slide. The whole purpose of recommending this as-is was to follow this time line. That was it. It was just to bring it before council today to keep the process going to, keep this discussion going because we -- I mean, the drivers are amazingly organized, and passionate about their -- what they want, and we want this conversation to continue.

[Applause]

>> Garza: To continue going, and so on behalf of myself I want to apologize for confusing everybody on this.

[3:29:40 PM]

We didn't want to put a placeholder of any term because we didn't want either side to think we were going one way or the other. It was purely to keep the conversation going, to have these discussions at the committee level, to ask these questions that are being asked. So a couple of speakers have come up and said -- have mentioned the 1-year thing and said we think that's a great idea, one year, and I don't want to confuse people further to think that's where we're going. It's going to change -- I foresee this changing dramatically in a month from now and this was purely to keep the process going and to keep the discussion going. So thank you, though, for all being here.

[Applause]

>> Mayor Adler: Ms. Gallo.

>> Gallo: And I want to say thank you for being here also because I know as you're sitting here and sharing with us your concerns and your statements, that you are not in your cars on the street making a living, and that is really dedication, and we really recognize that and appreciate that.

[Applause]

>> Gallo: So thank you.

>> Mayor Adler: Ms. Tovo.

>> Tovo: I actually have a question, two questions for our staff about what is before us today. And I appreciate if there's no term specified, then that is good way forward, but it's my understanding that if - that the ordinance before us that extended the franchise would extend what is currently in the ordinance, which is five years. So can you clarify for us the mobility committee recommendation? Were this to pass as-is on second reading and third reading, what would be the time period? What would be the period of the franchise?

>> Councilmember, Roberts, director of transportation, I'm not sure how to answer that right now I think other than to reiterate the fact that the process to renew the franchises is codified in the charter, and we know from past experience that when we've renewed charters in the past, that the charter that is passed on third and final reading is often very different from the first.

[3:31:50 PM]

And so the charter requires us to start the process, and so everything from the time period of the franchise to the criteria of the franchise, et cetera, can be changed between the first and the third, and so the fact that the first reading is being proposed by council without a time period is essentially a time period of zero that can then be adjusted in the second or third reading to a multiyear franchise.

>> Tovo: Okay.

>> If that makes sense.

>> Tovo: So as I understand it -- yes, I'm well aware it can change from first to second to third.

>> Right.

>> Tovo: And I understand that's the incident intent of everyone on the mobility committee and those of us who don't serve on the committee and have talked today. What is before us today is extending the franchise, all provisions in the existing ordinance remain in effect and would go into effect 60 days after passage. So isn't there a provision in the existing franchise ordinance for a time period, or are we really passing something today with a zero time period? It's my understanding it just defaults back to what's in the ordinance, which is five years.

>> So, councilmember, the current provisions would expire in August, but you're still taking a first reading, and so you're -- I guess I would put forward that you're extending the current ones through their existing date, but you've succeeded in taking a first reading and starting the process.

>> Tovo: What is the time -- I don't mean to keep asking the same question.

>> That's all right. The current ones expire in August. So the current franchises, two of them expire I think in August.

>> Tovo: Yeah, I understand that. I understand.

>> It's not going to fall back on five years.

>> Tovo: So it would extend them just to --

[3:33:50 PM]

>> To existing dates.

>> Tovo: What we're taking action on today would extend -- would kick back into the provisions in the existing franchise ordinance --

>> Which would expire in August.

>> Tovo: Which would extend the franchise beyond August but not for any specified length of time?

>> I think, yes. My legal counsel said yes to me, yes.

>> Tovo: So okay. That's curious. Video.

>> It's curious. I would suggest that you've still met the requirement of the charter to have your first reading, & that you can correct that time period.

>> Tovo: I see, okay. That's fine with me. If there's not the existing franchise ordinance we are leaving in effect in part two doesn't specify a time period --

>> That's as I understood it.

>> Tovo: Which I would be surprised if the existing franchise ordinance doesn't specify a time period, but it sounds like we have on the record that what we're doing Dade is extending it through August for no period of time and so I'm okay with that. I guess, though again I look forward to the conversation and it has been a very complicated discussion around what it would be like to envision other -- other kinds of ways of working with cab drivers directly, but I'm very hopeful that it can be accomplished between now and June, and I look forward to revisiting these issues and working out franchise agreements that work well for the companies and the other players in them, importantly the cab drivers. I will say, unfortunately, I will be unable to participate in at least Wednesday's discussion, overlaps with another committee, but I'll do my best to convey my ideas outside of the committee meeting.

>> Mayor Adler: Is there any further discussion or should we go to a vote on the --

[applause]

>> Mayor Adler: -- On the placeholder motion to extend?

[3:35:55 PM]

Mr. Casar.

>> Casar: Very briefly, I do want to get an understanding since we had a lot of discussion today on many items about what is best addressed in franchise agreements versus of versus what is best addressed in our ground transportation ordinances? I made a quick list of lease caps, cooperatives, authorization to more permits, Ada compliance, tnc regulations. I think that, you know, these things live in different places so I think it would be very helpful for me to get back from staff just in a simple chart, grid, sort of where we can best address those since there is probably a good list I'll be able to post on the message board of at least a dozen ideas brought up today by both drivers and the representatives of the taxi companies so I'll make sure to post that.

>> Yes, councilmember, we provided I believe binders to all the council offices that have much of that information but we're happy to go through again, absolutely.

>> Mayor Adler: Any further debate or discussion? All those in favor of passing this placeholder please raise your hand. Those opposed? I think it's union unanimous on the dais, Mr. Zimmerman not sitting. Okay. Thank you. I would point out that the committee hearings, when they're held, when the issues are discussed, will also be televise sod anyone not able to come here will be able to watch on TV the committee hearing as well. I thank everybody for showing up and -- showing up and expressing your view.

[Applause]

>> Mayor Adler: The next item -- the next item on our agenda is going to be item number four. Ms. Houston, I think you pulled this one. Did you pull number four?

[3:38:03 PM]

>> Houston: Mayor, can I wait until the noise gets down?

>> Mayor Adler: Wait just a second.

>> Mayor Adler: If y'all could goad and exit the chamber so we can keep our business going. It's hard to hear up here. Thank you very much Ms. Houston.

>> Houston: Yes, mayor I pulled this because I read through the conversation for interlocal agreement and there was some things I did not find and I was wanting to ask the public information office about where those things are located. Perhaps I didn't -- was unable to see it. Is that good?

>> Mayor Adler: I'm sorry.

>> Houston: That's okay, don't worry about it. Did you hear is this.

>> I did.

>> Houston: Thank you, sir. I didn't find anything in the documents that I read that talked about how we were going to do outreach.

>> Well, it's important to differentiate between what's in front of you and the contract itself. We can provide you with a copy of the contract, which outlines a little bit more of the roles and responsibilities that leadership Austin and the parties have. What you have in front of you is the interlocal agreement between the public agencies that are involved in the program.

>> Houston: If we're going to try to reach out to a diverse group of people, isn't that a demographic group, shouldn't there be something? The interlocal agreement that speaks to how we're going to do that? Perhaps you're right and I need to see the contract because to me it doesn't -- it's missing that piece. We've got a lot of performance measures that talked about how we're going to measure outputs

and demographics but it doesn't say how we're going to get people gauged so that's the piece I'm also interested in, how do we do that initial outreach so that people from different cultures are able to pretty in the process?

[3:40:04 PM]

If we don't do that well our metrics are going to be wrong.

>> I think some of that is addressed in the contract itself, the agreement that we have with leadership Austin. To make the differentiation, the contract is the agreement for service. So that was the agreement that we entered into with leadership Austin, specifically to run the program. So that's something that we -- that we can execute on the operational side. The interlocal agreement outlines the responsibilities of the public agencies that are involved in the replacement and by charter all those interlocal agreements have to come to the council for approval. So it sounds like you may have some questions specific more to the operations and to the contract itself.

>> Houston: So if I could get a copy of the contract I would appreciate it.

>> Absolutely.

>> Mayor Adler: Maybe in this kind of thing where there's a contract that's so related maybe it could be made part of the backup materials so that it's available.

>> Understood.

>> Mayor Adler: All right. Thank you very much. Is there a motion to approve item number 4? Mr. Renteria, is there a second? Misgarza. Any discussion? All in favor please raise your hand. Those opposed? Ms. Houston is abstaining since the -- off the dais is Mr. Casar, Mr. Zimmerman, the mayor pro tem, and Ms. Kitchen. We'll now move to the next pulled item, which is item number eight.

>> Troxclair: Mayor, I pulled that item.

>> Mayor Adler: Okay.

>> Troxclair: I just -- in reading through this, I just -- you know, was -- this issue is really near and dear to my heart. It's -- I've been involved with organizations for a long time, raising money and doing charity work for groups that are providing services to women and children who need help, and I just -- thinking back to the conversation about our art program and whether the percentage -- a blanket percentage amount is always the right amount or the right thing to do in different situations, this example I think really helps to demonstrate where those questions came from in my mind because -- so we -- you know, we had a bond that was supposed to go to urgent repair, safety upgrades and providing increased family or family groups in our Austin shelter for women and children, and because of our 2 percent art in public places program we're then required to spend \$68,000 on public art for that facility.

[3:42:59 PM]

\$68,000, I just couldn't help but think how many more beds that could provide, how many -- how much more services, how many more women or children they would be able to accommodate at that facility for \$68,000. And not to say that art isn't important, but -- and wouldn't add to the environment of that facility, but is there a way that we can see if art can be donated and allow that facility to spend the \$68,000 in a way that they think would be most beneficial for the facility?

>> Excuse me, Megan -- losing my voice, Megan wells, art in public places administrator. We are restricted somewhat by the parameters of the bond language as to how that money is spent. If the 2% were deemed by council to -- if they waived the ordinance and did not apply that 2% to our program, by law it would only be able to be spent in the scope of the construction, the capital improvement project. It could not go to services or anything outside the scope of that construction. So I don't know if that goes to part of your question.

>> Troxclair: So that money, \$68,000, if they had -- if they could use that \$68,000 in the constructing additional facilities or additional -- use it in a way towards construction that would provide additional services, we would have the discretion to do that?

>> Well, you have the discretion as the holders of the ordinance. I would think that you would, you know, want to think about how that would impact the -- the enhancements that the artwork would be planned to provide. In this case the goals of this artwork project were specifically designed to enhance what is already planned for the construction area and the playground area for women and children, and to augment what that landscape architect is planning for that area. So the artwork is bringing an additional value to that specific area.

[3:45:02 PM]

So without that, the scope is smaller. So we're actually helping to accomplish what that scope of work is for adding play elements and recreational area and areas of healthy, positive, friendly interaction for those residents of the facility through the artwork.

>> Troxclair: Okay.

>> Mayor Adler: I'm sorry, Ms. Houston.

>> Houston: So can you describe what the \$68,000 is supposed to provide the women and children's shelter?

>> I can recap the goals of the project, if that's helpful. The artist is not yet under contract for design so we don't know exactly what she's going to be proposing. We choose artists based on their qualification and in this case there was an interview with the artist but we don't ask them to provide design until they start working with the project team and start getting stakeholder feedback and immersed in the project more deeply but I can recap the goals of the artwork project, to commission the work of contemporary art that compliments the healing aspects of the shelter, provides or contributes to an exterior children's discovery area that encourages sensory interaction and integrates the artwork in a natural setting that fosters awareness, healing, and growth, which are compatible with the mission of the facility.

>> Houston: And I toured the facility just this past week, and there was someone from the city who had plans of what they were thinking this was going to look like, and I was hoping they would be here to help explain that because they do have -- have configured some water features and some other things but I too was not sure what the artist was going to do to enhance that. Is she going to design the play areas and the areas for play? Or is this going to be some monumental kind of thing she's going to construct on the property?

[3:47:06 PM]

>> We envision her role to be a collaborative partner with the landscape architect specifically but also with the larger project team to contribute an artwork compatible with these goals, but I don't know exactly what that's going to be. I don't suspect it's going to be a monumental piece. It will be integrated into the landscape, most likely.

>> Houston: But we don't know.

>> Don't know at this point.

>> Houston: The only thing that I can say is they're going to add 20 additional beds, they're going to upgrade the current facility -- the current facility was the old tuberculosis hospital and there's some ADA compliance issues that they've got to remediate, and some, you know, just how do we separate families with large -- moms with a large number of children, including some teenage males from other folks and getting showers and things. And it looks like a beautifully landscaped idea, but I wasn't sure exactly what she was going to be doing either. So I'm supportive of the project, but that's not what's here. This is

about the artwork. So . . .

>> Mayor Adler: So I would add -- and probably there will be a better time and place for this council to discuss and debate the concept of art in public places, you know, the policy argument can be made that we shouldn't spend any money on art and that we should spend it for direct delivery of social services, and then there's a continuum that comes off that, and we need to find the balance. Cities are great because they take care of the people that are in most need among them but they're also great because they provide to the community a measure of art or poetry or culture, exposure and growth.

[3:49:07 PM]

I mean in some respects that's how cities define themselves. That's how cities are known through time. And there are -- Austin is not alone as a city trying to be a great city that has programs like this art in public place program, where a certain percentage of construction projects are devoted to art. The way those contracts are always done is to commission an artist based on the specifications of the project or the goals you're trying to achieve. And then you hire the artist within certain -- and then you provide certain parameters and say now go create art and the artist probably may not know themselves what's going to be created until they do it. But that's how art at this level is done. So I welcome the conversation that this council will ultimately have on how we set those parameters, but I just wanted to speak up just for a second and to express how important to a culture, to a community, to not only the community that's going to be inside that space or near that space or pass that space, but the cumulative impact it has on quality of life in a city.

>> Houston: And Mr. Mayor, I think that it's important for everyone to understand for people who have been traumatized, women and children, art is a way for them to work through some of that, that trauma, and so it's not -- it's not that I don't understand. And these kids more than anybody else need to see art and be exposed to artistic expressions and how to work through some of their anger and frustration in a more positive, creative kind of way. So it's not that I don't understand that, it's just the amount and me not understanding what that's going to buy for center.

[3:51:12 PM]

>> Mayor Adler: Okay. Ms. Gallo.

>> Gallo: Thank you for being here. And I really want to mirror some of the comments that have already been made already. First of all I want to say thank you for awarding this to an Austin artist. I think we had this discussion when we were talking about the art at Bergstrom that we really want to look at this program and understand how it works, how it's determined, where artists can come from and our efforts to talk about supporting local artists and the issue of affordability. We can help with affordability if we can help making sure our local artists have job opportunities. So I think that's really important. But the other part of this as we look at art in public places this is a perfect example of perhaps a situation where an artist perhaps could have been asked to work with the residents that are there in developing some type of art program where perhaps they are the ones that produce the art that goes in the playground. So it has a double benefit. It's showing that community that they can be involved in art and help enhance their surroundings. It would help pay for a program like that. I think of Laguna Gloria and the art classes and the kids that made the monster figures that went down to the lake and you just -- you know, I think this might be an opportunity to talk about in particular places in this program that perhaps there's a better choice than hiring an artist to do something, but encouraging and participating the residents that live there in the process.

>> And I think the artist would be open to doing -- to working with that population. We would certainly encourage her to do that, to get more input in to how her design develops.

>> And just participating in the artwork. It's such a good opportunity as councilmember Houston mentions that's a really important process in the healing.

>> Mayor Adler: Do you want to say something?

[3:53:13 PM]

>> Mayor, Bert Lumbreras, city manager over community services this is one of the projects very important to the community, \$3.8 million and certainly we're stretching as many of those dollars as we can for this facility just to even get close to the 20 additional beds, and what we do now is that we have a tremendous backlog that this is only a drop in the bucket. What I was going to suggest is exactly what councilmember Gallo mentioned, is that in other projects, what we've done is had the artist actually work very closely and I think we can easily do with that with the residents there, possibly even to the extent of focus groups and get their ideas and feedback and incorporate the art element into the improvements so -- similar to what we are doing with our new central library. I know we've had a lot of work done with trying to focus with families and children strategies and part of that is creating interactive type elements, in other words not just a -- an art wall or a stationary element that folks cannot be able to utilize it, but something that the kids could utilize, but then also have an art element to that. So I think what councilmember Gallo mentioned is something that is very easily doable here because we have an artist that we can work with, to work with the residents and achieve what I think the council is referring to here.

>> Mayor Adler: Okay. Mr. Renteria and then Mr. Zimmerman.

>> Renteria: You know, it would probably help because Virginia necks has done a lot of artwork with children facilitates if you would bring some of her work or put it as a backup and that way peck can see what she's done in the past so that way we can see what she's doing.

>> Mayor Adler: Thank you. Mr. Zimmerman.

>> Zimmerman: I appreciate my colleagues bringing this up. I'm going to be voting against this definitely because I think it sends the wrong message. I'm sure that the \$68,000 could be better used on the facility itself.

[3:55:17 PM]

And as councilmember Gallo had pointed out, I think the probability that really meaningful artwork would come out of the people that were helped by this facility would be very, very profound and probably be gladly don'ted and I'd rather see that kind of artwork come forward in the months and years ahead from the people actually helped by the center and I want to see that money go into the center for it's not needed to have it go back to our property taxpayers.

>> Mayor Adler: Ms. Houston.

>> Houston: I'd like to make a motion if it's in order.

>> Mayor Adler: Yes.

>> Houston: I'd like to move this item be moved to economic development committee for further discussion.

>> Zimmerman: I'll second.

>> Mayor Adler: There's been a motion to refer to committee, second by Mr. Zimmerman. Is there any discussion on the motion to refer to committee? Help me, if I could understand why? The -- we could send to the committee the policy of art in open spaces. This particular one is in a process and it's --

>> Houston: I don't know what the time frame is on that process? Is there a drop dead date we need to be aware of.

>> I don't have the current schedule with me. Kimberly Maddox chief administrative officer for health

and human services. Councilmember Houston, the current process is in design phase at this point. We are hoping to have a contractor and start construction either late 2015, early 2016. So we're about a year out from construction, maybe a little less than a year out from beginning ground breaking. We're working with salvation Army who actually operates for the facility for the city to try to mitigate interruption as much as we possibly can by having a large construction project on the site at the same time.

[3:57:24 PM]

>> Houston: I'm not necessarily talking about the construction, the expansion of the facilities and the mitigation. I'm talking about the artwork. What is the time frame on that?

>> -- We dovetail with the construction schedule so that the artist would have a chance to collaborate with the consultants on the team. In this case most likely the landscape architect. So if the project is in design, we would like the artist to also be in design so that they can collaborate and actually impact something that if it needs to be built into the construction documents it can be -- do so at the right time. So it is not an optimum time for us to be involved with an artist.

>> Houston: So the artist is going to be working with the landscape architect to make this design.

>> Yes.

>> Houston: Come to light?

>> Integrate into the site, yes.

>> Houston: So after you execute this agreement, then the artist will start talking to the families and children?

>> We will -- yes, we will put the artist under and the we will talk about how her design process will evolve and work with the department to see what kind of access we would have to the facility. We -- I would just want to be careful that we're abiding by the rules and any confidentiality and that sort of thing, but yes.

>> Houston: The concern is that we get these things from art in public places and we don't know what's going to happen, we don't though who is doing it, we don't know if they're going to engage the community, and there are some personal confidentiality issues that you'd have to work through with Salvation Army, but that's never thought of up front and I'm wanting people to start thinking of that up front rather than waiting until it comes here with a \$68,000 price tag. That's why I'm trying to get some feel for how do we get started on the right foot rather than getting where it's either voted up or down and we don't know what we're buying for this amount of money. I thought if we had some time to talk about it in a committee, then maybe we would feel more comfortable about it and then vote it out, but that's just my motion. So you can vote it down.

[3:59:28 PM]

>> Mayor Adler: Any if you recollect discussion on the motion to postpone? Ms. Gallo.

>> Gallo: So it seems like the -- that I think what both you and I are asking, councilmember Houston, is a discussion on the art in public places projects or the ordinance or how it's determined, and I hate to stop this that's already in place, but perhaps instead of taking this to the committee, that ordinance could be brought to the committee for discussion so that we really can start making changes in the areas that we want to make changes to for moving forward.

>> If I may offer that we do go through a thorough process of vetting the prospectives, which is actually the document that leads to the call to artists, with the departments that involved, as well as our community stakeholders, in this case it was the Salvation Army and the -- Austin arts in public places before the call is released to make sure we have good input on those goals and during the process

where by we're vetting those qualifications in this conveys we had an interview to ask the artist what kind of ideas they had, why they were drawn to the project, but we don't necessarily ask for a full proposal because we don't want to ask an artist to give work for free. We would rather select them and then pay them for their project.

>> Gallo: I think we're talking more about the policy areas of how that money is spent more than the artist' criteria. I mean, the artist criteria is some of it because we've talked about making sure local artists are supported but I think it's more the policy direction of the art in public places policy that I think I'm hearing that some of us would like --

>> Mayor Adler: Might be both. I hear Ms. Houston also saying she would have liked to have heard some of the stuff that you say you've gone through and done.

[4:01:30 PM]

But when we sit up here at the dais, we don't know that it just comes out as kind of a one-line item.

>> Right.

>> Mayor Adler: To the degree you were suggesting that the committee look at the broader policy issue I'd also like the committee to take a look at what is the reporting that should be coming back to us on the dais so that we know more about what it is that's happening? Ms. Troxclair.

>> Troxclair: I was just going to add that it did seem like there were some questions that were unique and specific to this project, and it also doesn't seem like there's a drop dead date as councilmember Houston said, and I would be happy to consider this as quickly as possible in the economic community committee. I think it would be helpful for us to not only examine the policy as a whole but to have a specific example so that we are not only answering questions that were unique to this issue, but also giving us a little better framework -- this project is significantly different than like the airport project that we've approved a couple months ago, so I guess all I'm trying to say is I would be happy to consider this in the economic opportunity committee. I think we could do that, get back to council quickly and hopefully get everybody's questions answered.

>> Mayor Adler: If this particular contract was delayed for a month or so would that still work with the construction scheduling timetable that you have?

>> We could probably delay for a month or so. I would hate to lose that window of design time for the artist to talk with the consultant while they're also in design. That's my only concern.

>> Mayor Adler: Okay. So to the degree that this motion were passed, it would be specific to this particular item. I would also refer to Ellen's committee the larger, broader issue separately so that one might be able to move back real quickly while the other one might take a little bit longer period of time to take a look at. The motion is to send back to the committee. It's been seconded.

[4:03:30 PM]

Mr. Renteria?

>> Renteria: I think we should divide -- this one should come back quickly but there's a lot of questions going on in the commission, and arts and public places, and I've heard some really, you know, horror stories about how when one project starts, doesn't get complete so the money gets -- part of the money gets compensated then there's just little smaller pocket left and the second person ends up getting the project and there's not as much money left so we don't get as much. But I would like to find out more how that process works so that would be one of my chances that I would be asking nine arts in public places -- the arts in public places.

>> Mayor Adler: I'll refer the second question, more policy questions that have been generated to committee separate and apart from anything that we do on this motion. But my personal deal is hearing

that there's not a delay in Ellen's promise, Ms. Troxclair's promise to move it quickly I'll probably support the motion to have the committee take a look at this one because of the specifics. Mr. Casar.

>> Casar: Mr. Mayor, I'd like to ask councilmember Houston if she would be all right with just making sure we also include a postponement of this item for the may 21 council meeting so we know we'll hear it in a month regardless?

>> Mayor Adler: Okay. Any objection to that amendment to call it back time certain on the may 21 meeting? None. Added. Any further debate? All those in favor of referring this to committee coming back to the council on 21st, please raise your hand. Those opposed? Unanimous on the dais. Thank you very much.

>> Thank you.

>> Mayor Adler: Next item that we have pulled by speakers is Mr. Pena still in the room, Gus Pena? Sorry, item 9. Is James Langford here? Number nine was a health and human services contract. Would anyone move passage of item number nine?

[4:05:36 PM]

Ms. Pool. Is it seconded? Ms. Tovo is there any discussion? Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. I'd like to speak in opposition and I guess the issue here is I'd like to see, again, kind what have we were talking about with the art, that some way to get to better metrics on, you know, how this money is being spent, how we know, you know, for a fact that we're getting our money's worth. So it's probably just a more broad policy question, not something targeted at this particular project. But, I mean, without having a way to refer to to committee or voting against it, I don't know how I would get a review of the policy.

>> Mayor Adler: Let's you and I talking about crafting a policy that we can send to a committee. Any further discussion on item number nine? All in favor of passing number 9 please raise your hand. Those opposed? You're opposed?

>> Kitchen: No.

>> Mayor Adler: Unanimous on the dais. Mr. Zimmerman voting no. The next item is number ten, also pulled by speakers. Item 10 has the same two speakers we had just a moment ago. Mr. Pena and Mr. Langford. Not here. Is there a motion for passage of item 10? The mayor pro tem, seconded by councilmember pool. Any discussion on number ten? All in favor of number ten please raise your hand. Those opposed. It's unanimous on the dais. That moves us then to item number 13, pulled by Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. I have a numbering of questions, and I think I've got an overhead, if that could be put up. I went and did a little homework on this, and I looked up September 18, 2014 meeting which affects I believe these ponds, and actually it was put on the agenda in September 18, 2014, it was put up at \$20 million and now I see it's \$25 million.

[4:07:58 PM]

That's one of my questions. So it's kind of hard to read from here, unfortunately.

>> Zimmerman: Thank you. If you could may be lay this out and I'll ask a couple questions kind of on the organizations of the companies, who created whom, who these partners some of them we weren't able to find them, in particular we couldn't find Ryan Springdale LLC.

>> Sure. Betty Spencer, director neighborhood housing. I'm going to invite the attorney for the developer to come up and speak to that. Are they here? I can real quick on -- when you're original question on it was \$20 million several monthsing and now it's increased -- months ago and now increased. The costs of the projects have increased over time. I do want to clarify this is not -- the city is

not issuing this debt. The Austin you housing finance corporation shot the issue we are to this debt. The housing authority subsidiary is issuing the debt. There is no financial impact to the city of Austin on this debt. So the -- regardless of the amount, it is not debt that the city confidential is issuing. That doesn't answer your question. I just wanted to clarify. Do we know if the attorneys are here yet?

>> Zimmerman: Okay. So I was a resident of Houston Texas during the enron scandal -- actually I guess I just moved to Austin, but what had happened in that enron scandal is the creation of a bunch of companies and subsidiaries, and what enron was able to do is all crooked but they were able to create these companies on paper and offload certain losses and debits and they offloaded those to the shell companies that didn't really exist, and that bass -- that's what enabled them to make their own balance sheet look really good.

[4:09:59 PM]

And they drive their stock price up. And this shell game went on for years, and so I've heard what you told me and I've read this in here, but if all that's true, it wouldn't make sense for this to come before us. If we have nothing to do with it and the taxpayers are not on the hook.

>> Sure. The internal revenue code requires when there's an issuance of bonds within this jurisdiction, that it come forward to this body for approval. That's just an irs tax code.

>> Zimmerman: Okay. Again, there's a reason for that. That didn't happen in a vacuum. The congress doesn't wake up one day and say, oh, I'm going to make these people get city approval for their bond. It doesn't nap vac happen in a vacuum. There's some rationale behind all this and we don't know what it is, I don't think.

>> I'm sorry, good afternoon, council. My name is Ron [indiscernible], vice president of asset management and housing development for the housing authority of the city of Austin.

>> Zimmerman: Okay.

>> I can maybe speak to this. I'm sorry, our attorney was here until 3:00 and he had to go, but the reason this was -- I mean, from what we understand, the irs makes us do that because as an issuer of bonds we have to have public comment through this tefra hearing. As an added precaution the irs then makes the governing body, the council here, certify that we actually did have this hearing, and so it's another -- I guess it's another -- a step further to confirm that we did what we were supposed to do and they require y'all as our city council to certify the in fact we did hold this tefra hearing. That's basically the understanding and rationale that I understand.

>> Zimmerman: So our responsibility for governing is just to have a hearing? If we're the governing authority, what do we govern?

>> Your responsibility is to approve or at least certify that the issuer of these bonds, the Austin affordable public facility corporation actually held that hearing.

[4:12:11 PM]

Those are done by submitting to you the documentation that we've submitted, you know -- that is required by the irs

>> Zimmerman: Okay. Could we please put that overhead back up? I appreciate that. Toptop.

>> Zimmerman: We tried to do checking on some of the companies and it looks like we had companies that were affiliated with partnerships that had partners and pores of those partners.

>> Right.

>> Zimmerman: So it looked like the \$25 million if we approve that it's going to go to the reserve at Springdale limited partnership?

>> Right. Those are newly formed corporations. Every time we do -- you know you do a development we

form this liability -- the lp, and then the lp is made up of -- if you charter very correctly what, you know, what thosants are that make up that lp.

>> Zimmerman: Okay. So who are the people? You know, corporations are not people, Mitt Romney sets they are people but I don't think they're people.

>> The reserve is Springdale limited partnership, the partnershipant building the reserve at Springdale. Within that are the general partner, an affiliate of the housing authority, Austin affordable housing corporation, which is our affiliate, then you have the limited partner, which is the investor to be determined, and then you have the special limited, which is our development partner, Ryan companies.

>> Zimmerman: So the people are -- who is Ryan Springdale LLC? That's a limited liability corporation. Is it in the state of Texas? Is it -- because I can't find it. Hey, maybe somebody knows.

>> Dave -- hello? Yeah, that's me or my company, which is hear back in February with y'all. So that's a limited liability corporation that's anant of Ryan companies, which will be registered with the secretary of the state at the time of development or at the time of the closing on the property.

>> Zimmerman: So it doesn't exist yet because you haven't created it yet.

[4:14:13 PM]

>> That's correct.

>> Zimmerman: Okay. No wonder we couldn't find it because it doesn't exist.

>> I'm happy to send you the information once it's officially created.

>> Zimmerman: We're making progress. Thank you.

>> You're welcome.

>> Zimmerman: Couple of other questions we had -- don't go away yet, please. So the cost of the project was -- it was in this document here at \$40 million, so has that cost gone up to \$45 million, \$50 million? What is it.

>> I hope not, not in the time I've been sitting here but it's approximately what you have there, about \$41 million right now for the total project.

>> Zimmerman: Do you know why the -- base -- from the September meeting why did it go from \$20 million to \$25 million since September?

>> There's been increases in cost, also kind of further refining for us of our budget for the development, and further clarification on the total cost for the project.

>> Zimmerman: Okay. So when you do these projects there's typically some margin you operate on, right, when you develop the property out of the money that we're awarding here, there's going to be a certain payment per unit to develop the property. So if you do a little math, 290 units and you're talking \$40 million, did inferior \$1 million that works out to what, over 100,000 per unit, \$110,000 per unit, just so people know what we're spending on this?

>> Right. But this isn't -- this isn't the city. We're not taking money from the city. This is -- these bonds are issued through Austin affordable public facility corporation. And they're bought by investors. I mean, the city has no direct impact to what we're doing here. I mean, it doesn't impact the city. It doesn't impact your finance coring or anything. The sole reason we're here today is because the irs requires the closest or the highest unit of government within the jurisdiction where these bonds are issued to certify that we have done what we've done to initiate a public hearing which we did for people to come in&have an opportunity to ask questions or anything about what we're doing with tax exempt bonds.

[4:16:31 PM]

And we held that hearing, and then the irs makes us now come to you and say, yes, they held the hearing. We've submitted the documentation that we have, and we just need your basically approval

we've done what we were supposed to do and it's an IRS rule.

>> Houston: So allow me to give some context. Councilmember Zimmerman, if you'll remember the first -- one of the first cases we heard as a new council was an appeal about Springdale, and when -- reserve and when they first came they were kind of far apart. They were able to very graciously negotiate closer to what the neighborhood asked. They're going to do some live-work units now, put in a quack with ginger bread, build a sidewalk. Because of some of the things they were able to come negotiate with the neighborhood for I'm sure that has additional costs. I'm trying to help you. This is not a new thing. This is an ongoing process we've in since last year.

>> If I can clarify something else, the bonds, it will actually act as a mortgage. So it's a mortgage on the property. The revenue from the property will pay the debt service. That's, again, why it's not an impact to the city's debt. The property itself, it's basically a mortgage, and the property revenue will pay that debt.

>> Zimmerman: Okay, that's the plan. Let me go back and look at the reserve at Springdale Ip. So that's the thing selling the bonds, right? So they're responsible for paying the bondholders? Yes, no? You have to pay back the debt, right.

>> Austin Affordable is issuing the bonds.

>> Zimmerman: They pay the bondholders, right?

>> No.

>> Who's your lender.

>> Once your bonds are bought by investors, the PFC is out, there's no liability, no resource act to the public facility corporation.

>> Zimmerman: Wow, I think the bankers need to find out about this deal.

[4:18:31 PM]

>> This is a very common structure that's done with housing authorities specifically, but the debt then becomes the liability for the debt then becomes the property and the collateral for that is the property itself. There's no -- in fact, the -- why we go to the attorney general when we get this approved is there's a statement in there that basically says that, that there's no resource or liability -- recourse or liability to the public facility corporation once those bonds are issued and sold to the investors. So that part of it goes away. The debt does -- it does transfer into debt and the collateral for that debt is the property itself, and that debt is paid by the cash flows of the property, which is underwritten and scrutinized by investors and syndicators and the TDHCA and a slew of people that make sure our numbers are correct or at least as close to, you know --

>> Zimmerman: See the reason I don't buy that is because no one is assuming responsibility for what happens if this deal goes bad.

>> Yes --

>> Zimmerman: You're telling me you don't have to worry about it.

>> There is responsibility for it. If the deal goes bad the worst thing that could happen is the property gets foreclosed on and the collateral for that debt is the property itself.

>> Zimmerman: But if the property is not worth the amount of money borrowed against it, what happens?

>> The investors lose.

>> Casar: Mr. Mayor, I'd propose we end discussion.

>> Mayor Adler: Is there any further discussion? There's been a motion to end debate. Is it seconded by Ms. Houston? All in favor of ending debate please raise your hand. Those opposed? We have the two-thirds to end debate. All in favor of this item number 13 please raise your hand. Those opposed.

Unanimous on the dais. Mr. Zimmerman voting no. Which doesn't make it quite unanimous. And we

have an abstention from Ms. Troxclair.

[4:20:32 PM]

Passes.

>> Thank you, council.

>> Mayor Adler: That gets us to item 14. Mr. Zimmerman you pulled this one as well.

>> Zimmerman: Thank you, Mr. Mayor. So the question on this one was we did a little checking on it, and the Numbers worked out to about, I think, \$16 a square foot or so for the space. And it seemed to check out. The only question I had was the -- there's some kind of -- was there a cpi on this, some automatic increase in the lease rates over the years? A built in automatic increase of the rent is that right?

>> Yes, councilmember. In this lease extension, there is a cpi index increase propose
[l]led,&ed,ed,d,[e]ed,ked propose[l]led,&ed,ed,d,[e]ed,ked ,ied,id,ed,id,d,ed,ed,ed.

>> Zimmerman: Because we don't normally do that, right? We've done several leases and lease extensions and we haven't seen this before. Does anybody remember seeing an automatic cpi build in increase? I don't think so. What's different about this situation?

>> In this -- the leases are -- well, first Lorraine Reiser, officer of real estate. All the leases are negotiated differently, depending on the owner of the building and the situation. And this lease mirrors what the other tenants in the building that are paying and how they're paying, which is APD, Travis county. This is a conglomerate of several agencies together, and this is what's -- this reflects also what their leases are that they are paying.

[4:22:41 PM]

So . . . But it's not off. A lot of leases do have cpi indexes built into them. That's not in a lot of the commercial leases.

>> Zimmerman: Well we checked around and asked some commercial brokers and they said that did look unusual. That there's a annual increase built into every single year, that that was not Normal. So I don't know what to tell you. If you tell me it's microorganism and my commercial reality friends say it's not Normal, who would I believe?

>> Mayor Adler: Is there a motion to adopt number 14? Ms. Pool. Second Ms. Tovo. Discussion? All in favor please raise your hand. Those. 10-1, Zimmerman voting no. Form apparently requires us to actually read into the record the language in item number 13 when we pass it in order for us to go back and do that we need a motion to reconsider so we can tee it up and do it right. Ms. Gallo moves to reconsider. She voted in favor the last time so she can make that motion. Seconded by Ms. Pool. All in favor of reconsidering raise your hand. Those opposed? 10-1, Zimmerman voting no. We're now reconsidering number 13, which I will now read into the record would you read it please?

>> Sure. I apologize I forgot to let you know we had two minor mistakes in the posting instead of 290 units there are 292 and the address we have listed at 5601 Springdale it's actually 5605 Springdale. So we need those corrections made. I apologize.

>> Mayor Adler: With those corrections made, is there a motion to approve item number 13? Ms. Pool makes the motion, seconded by Ms. Tovo.

[4:24:41 PM]

Any discussion? All in favor raise your hand. Those opposed? 10-1, Zimmerman voting no.

>> Thank you.

>> Mayor Adler: Does that get us where we need to go? Okay --
>> Troxclair: I abstained the first time because I had questions --
>> Mayor Adler: So 9-1-1 is the vote, with Ms. Troxclair abstaining, Zimmerman voting no. That gets us then to item 16. Pulled by Ms. Gallo.
>> Gallo: We pulled this -- I pulled this because I feel like that this is another one of the buyout questions that I would like to recommend that we refer to committee. It's my understanding and hopefully staff is here to address this, but staff, it was indicated at the work session that staff is working on our buyout policy, and my understanding is it's probably going to be at least a month before that is ready to be presented to us. So my recommendation would be that it go to committee and be heard at committee when the staff's presentation for the buyout policy can be presented to the committee.
>> Mayor Adler: Mr. Zimmerman, you want --
>> Zimmerman: You'd like to make a motion we refer the item to chi.
>> Mayor Adler: It's been moved item 16 be referred to committee. Pending the larger conversation about policy on these things. Is there a second to that motion? Ms. Garza. Ms. Pool?
>> Pool: Just curious. Which committee would that be to?
>> Mayor Adler: I don't know. I'll take a look at it.
>> Zimmerman: Up to you.
>> Garza: Pressure off mic [.
>> Mayor Adler: Let me take a look. I'm not sure. It's been moved to refer to a chi. It's been seconded. Any discussion?

[4:26:41 PM]

Mr. Casar.

>> Casar: I wanted clarification from councilmember Gallo's comments if you wanted to hear the items specifically heard in committee or the broader policy presented by staff and if you have a presence of one or the other.
>> Gallo: I think committee needs to definitely hear the broader policy, but also needs to hear this particular item in committee when the broader policy is presented. So it doesn't need to be heard in committee before the policy is presented. It would need to be heard in committee at that point.
>> Casar: So my understanding we would get a briefing and whichever committee it was sent to on the broader policy and beneath that we could have a particular item and a recommendation could come from the committee.
>> Gallo: Yes.
>> Mayor Adler: With that time, Ms. Reiser, present hardship here?
>> The family themselves, the -- does have some issues with waiting on this. They were trying to move forward with the contract on another home. She is an elderly woman and is having some struggles. She fell and broke a rib and some other issues, and that's why we're bringing it forth on the agenda now.
>> Mayor Adler: Okay. Further discussion on this item? Ms. Tovo.
>> Tovo: For that information, Ms. Reiser. What -- do you have a sense -- what time line are we talking about with the postponement? I guess that's my first question. Are we talking about seeing this back --
>> Mayor Adler: It sounds as if the policy --
>> Tovo: Staff have rolled out a policy in month? So two months.
>> Mayor Adler: Sounds like it would be two months. The policy would come back in about a month, briefing of the policy and then this would be considered. So sometime in the next four -- it could be as soon as four or five weeks, assuming it came back in a month and it could be set on the same day.

[4:28:41 PM]

So it would probably get back to the council in about that, month to two month -- month and a half to two month frame.

>> Tovo: Ms. Reiser can you tell us how long you've been working with this particular property owner and having these discussions?

>> We've been having these discussions with the property owner for probably a year and a half, two years.

>> Tovo: Thank you.

>> Mayor Adler: Ms. Pool.

>> Pool: Could we not possibly approve this today to get some closure for the homeowner and then raise the larger policy issue? So that there's also a little bit more time and we're also not pushing that unnecessarily as well?

>> Garza: I certainly feel for this family, especially hearing the story behind it. But my concerns are, there's -- I don't know why this is getting -- I guess I'd attention when -- and I said this during work session. The Williamson creek families are contacting my office every day and asking when are we going to be bought out. And the money is there. And, so I mean there's so many people in this exact same situation, and to me it feels like an equity issue. Not really -- sorry that I'm looking at you, but -- this conversation is more for my colleagues. I feel like it's an equity issue, and why are we piecemealing these purchases and then the broader Williamson county -- I'm sorry, Williamson creek people are still waiting. They're still waiting for that policy. The onion creek people had to wait over a year. So I would like to see this vetted in a -- in one of our committees.

>> Mayor Adler: Mr. Zimmerman?

>> Zimmerman: Thank you. I look at this on the map, and as the crow flies, there are at least eight other homes within 200 feet of the center of this residence.

[4:30:54 PM]

And at least eight other homes. So are there going to be others that are going to be brought up in the weeks and months ahead because they're? Such close approximate I willty to this property?

>> Councilmembers, I think at some point we are, once we get the voluntary programs, we want to bring that forward. What brought this sensitive and wanted to bring it forward, let me talk about that a little bit. We've done over a thousand relocations. When you start dealing with somebody over 75 years old, there are issues in the stress of relocating them, and whether it's a successful relocation, and that is why we're bringing this one forward and how that we saw that it might be different. But I want to clarify, we did not negotiate a contract like we typically do. We haven't done anything. What we wanted to do was bring this to you and get -- if we would want to move this forward, because of this particular situation.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: It would be helpful for us to understand a little bit more of the details. So -- and you may have mentioned this in work session, I'm just trying to remember, but 124 is is this a home that can't be repaired? Why are we buying it out, I guess is my question.

>> Yes. This is an area where appear tends to pool. It's not in a floodplain. The first time it flooded was about seven years ago, and I can have somebody from watershed pinpoint it exactly, but she's owned the house since the '70s so she's owned it a long time before it even flooded for the first time. And it's flooded five times now. And after the third flood, they quit fixing it up. And that's when they started talking to us about a buyout. And what we wanted to do is to have the bigger, broader policy brought to you.

[4:32:57 PM]

It's just taken us a lot longer to bring the policy back to you than we originally projected, so that's why, with the family -- one, she fell and hurt herself, and the family came back to us. That's when we decided we wanted to go ahead and bring this back and let the council decide.

>> Mayor Adler: Ms. Gallo.

>> Gallo: Thank you. I certainly want to say that my concern and suggestion that we take this to a committee and encourage staff to move as quickly as possible to come back to us with the policy on the buyouts is because, as we've gone through this, there's so many complicated issues that are attached to it. And as councilmember Garza said, my concern is that I don't think this is the only event that's happening in our city that has these parameters, and I just want to make sure that we deal with everyone in this community on an equal basis. And it is not to say that my heart does not go out to this family because I know they've been struggling, but their house was bought from a builder in the '70s, and the house first flooded in 1981. So they've been dealing with multiple times that the house has been flooded. The first time might have been a situation where the builder could have been held responsible. But setting that aside, you know, we asked questions at the work session. You know, we've been asked by the citizens of Austin to be very careful about spending money because Austin is becoming so unaffordable. And when I look at the situation and I look at the fact that what city staff has recommended the buyout be is 43% higher than the Travis county appraisal value on the house, and then there's also a large amount for relocation, you know, I just -- it just seems like these are so many policy areas that we, as a council, need to address before we start implementing those in different areas.

[4:35:02 PM]

So, once again, it's not that I'm not concerned about the people in the district that this has happened to. The topography in my district really enhances these situations because I can tell you there's lots and lots of houses where the driveway goes down, and you get a substantial rainfall, and all that water goes towards the houses. So there's many situations like this. I just would recommend that we take this opportunity to look at policy and determine what those policy areas are and how we structure the buyouts because these are the citizens of Austin that would be funding this, and I think they've asked us to be very careful with their money. Ms. Kitchen.

>> Kitchen: I think we talked about this at work session but I would hope we refer this to our folks in health and human resources department to help with the issues the woman is experiencing. That would be really important, regardless of what we do here, that would be -- hopefully there's a way in which we can help them with the other issues.

>> Mayor Adler: Furs discussion on item number 16? There's been a motion to refer this to committee. No further discussion, all the favor of the motion to refer to committee, please raise your hand. Those opposed? 11-0. We'll now move on to the next pulled item, which I see as being number 19. Number 19 was pulled by Sheri Gallo.

>> Gallo: I just have a quick question on this one, and it was really related specifically to the difference between the prior year contract and this proposal because it looks like the prior year was 400,000?

[4:37:02 PM]

Am I reading right in? I'm looking at my notes. There's such a substantial difference, could you please explain?

>> I'm Jerry Caulk, fleet officer to the city. You're correct, actually that's 400,000 over the last three years we spent on this contract. When we put one of these contracts forward like this for repairs and services

or parts and service repairs, we typically put a dollar amount in it that exceeds what we expect to spend because we want to be able to deal with contingencies that may come up, unusual anomalies. And I'll give you an example. Back two or three years ago when we had a hard freeze here, some of these Vactor trucks incurred damage that exceeded the -- repairs competed \$60,000 per truck. So that was a very unusual situation, but if we don't put enough money, enough dollars in the contract when we put it forward, then we get into a situation where we're having to come back for contract amendments and so on, and it can significantly slow down the repairs on one of these units, which impacts, obviously, the department that uses it and needs it for their day-to-day mission. So while we put this dollar amount in there, we actually do not expect, necessarily, to spend that much. What we actually spend against the contract is on then as-needed basis, as we need parts or we need repairs by the vendor. So at the end. Are -- as we go through the closeout at the end of the year, any encumbered funds are backed out and so on. So, yes, the dollar amount that's in there exceeds what we've expended over the last three years, but it leaves enough flexibility in the contract to be able to meet the customer's -- our customer department's needs as they may come up and can be unusual.

[4:39:03 PM]

>> Gallo: Then I have one other budgeting question that goes with this. So it looks like this contract does not actually -- that what was budgeted last year did not cover enough to cover the amount that would be needed for this year. Is that correct?

>> I believe we have enough in the budget to cover the remaining portion of this year, and I think the statement is in the -- in the rca that further -- you know, subsequent years are going to be dependent upon funding approved by the council for those subsequent years.

>> Gallo: So we're being asked to pass something now that will also be part of the budgeting process?

>> It will be. As each year's budget comes up, we predict our budget based on the dollar amounts that we plugged into these things. That's -- that's why, typically, a fleet comes in under budget, by some amount every year. But our major concern is providing the needed services to our customer departments, and you can have single repairs on one of these units that far exceed what is the norm. And we want to have enough money, enough flexibility in these things to be able to respond to that in a timely manner.

>> Gallo: Okay. Thank you.

>> Mayor Adler: Okay. Any further discussion on this item 19? Is there a motion to adopt item number 19? Motion to approve? Ms. Pool, seconded by Mr. Zimmerman? No? Mr. Renteria? Second. Any further discussion? All in favor of passion, please raise your hand. Those opposed?

>> Abstaining.

>> Mayor Adler: Abstain. It is eight, one with the abstention, with two folks off the dais, troxclair and the mayor pro tem.

[4:41:09 PM]

That gets us then to the next pulled item, which is item 22. 22 was pulled by Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. The questions I had here is just to -- I couldn't figure out what this was. I've worked on a lot of software systems in my 25 year in the software industry, and I was struggling to figure out what it was. So could we -- could we talk about what it was? All the airlines spend staggering amounts of money on their I.T. Systems. They live and die on their I.T. Systems so I was trying to figure out more what this was if you could tell me.

>> I'm Jim Smith with the airport. The airport leases out Gates to the airlines on a proprietary basis. The airlines build their own I.T. Equipment into poetups and use it for landings and take-offs. As I explained

yesterday in the overview for the five-year forecast, effective this June, the airport is full at peak periods. So we have every one of our Gates being occupied to the point where we have to move some flights off. One of us ways that we can increase efficiency in the airport is by taking Gates back from the airlines and taking them over ourselves so we can run them at the full efficiency. A gate -- you can get about eight to ten turns out of a gate on a daily basis. Some of the airlines, on a proprietary basis, will only do four to six turns, but yet they own that gate and we can't put somebody else on it. So that's not an effective way of running the business when we're getting to our full capacity. So on an incremental basis, we have been taking Gates back from the airlines and putting in a shared use system that we run, and then we schedule, depending on the needs of the various airlines who want to put additional services into the airport.

[4:43:21 PM]

So it's an efficiency move, and we increase efficiency by taking the system over ourselves. Now, the airlines eventually pay for it because we bill what it's costing us to buy this equipment and service this equipment back to the airlines on an annual basis.

>> Zimmerman: One of those airlines is Alaska air. I use that a lot. They have one flight per day, all right, out of their gate. So this is what you're talking about, the gate, if it's used once in the daytime, you could take that back, and this software system helps you manage that gate to make better use of it. Is that what you're telling me?

>> Yes.

>> Zimmerman: Okay. Thank you.

>> Mayor Adler: Any further discussion on this item 22? Is there a motion to approve item number 22? Renteria second, Houston, any further discussion? All in favor of the passage of 22, please raise your hand. Those opposed? 11-0. The next pulled item is item number 25. Item number 25 was pulled by Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. This is yet another one of those maintenance and custodial service contracts which incredibly, in spite of having a 21.6% increase, we still couldn't find a minority-owned business that would bid on it. And so I'm looking for help, again. I think we've done this several times. I'm like, if there's any opportunity, you would think something like this would be it. It's a big jump in the price and why, once again, we have zero bids from a minority-owned business? Could you help me understand that?

[4:45:22 PM]

>> Councilmember, James Scarborough, purchasing. This particular item would consolidate, actually, two existing contracts. One of them is expiring relatively soon. When we solicited our offers in response to this solicitation, we posted the solicitation as a formal procurement onto the city's website. We also contacted vendors that were registered with the city who have indicated to us through the selection of commodity codes which types of products and services that they sell. So of the vendors that have registered and notified us what they sell, and of those companies, which ones are certified as mwbe, we identified and noticed 480 companies. Of them, 35 were mbe and seven were WBE. Of the offers that we did receive, we received no offers from mwb and wb. So if you have any questions, I'll be glad to --

>> Zimmerman: I do have a question. If you're a minority-owned business, you bid over and over, you're doing your best job, you think your excessive, you bid on them and bid on them, and you don't win, you don't win, you don't win, wouldn't you be smart enough to say, you know, why are we wasting our time on this? Because we never see it come forward. If I were them, I think I'd give up, after just so many times, you never get awarded. So I guess I just don't understand.

>> Councilmember, that's an ongoing concern in purchasing, both here and across the country. We always seek opportunities to increase the contracting that occurs with our certified firms. And to this -- in this specific example, when our colleagues at snbr analyzed the scope of the contract that was being contemplated, they were looking for subcontract opportunities, and, therefore, because the work is of a nature that's generally provided by a single firm, those subcontract opportunities were realized; therefore, no goals were applied to this particular opportunity.

[4:47:32 PM]

But we do look for opportunities to examine the scope of each one of our solicitations. We have each one of our procurements reviewed by snbr to see where they are opportunities. And we also examine, on a procurement by procurement basis, under the thoroughly threshold, to see where we can make awards to certified terms. But it's an ongoing challenge and one that we actively engage our colleagues with. We also reach out periodically to the business community to feed their feedback and attempt to improve our program.

>> Zimmerman: And a final question, just one more?

>> Could I add to that before -- I'm sorry.

>> Mayor Adler: I'm sorry, I apologize.

>> I'm the director of small minority business owned department. Just to add to what the officers were speaking to, I think this is something we've discussed before at a previous meeting. I think what we need to work on as a department is a way to outreach to the firms that were solicited and ask why they didn't solicit, find out a little bit more information, quantity of information as to why the situation is the way it is, and something that we can work with council moving forward.

>> Zimmerman: Okay. So final question, approval justification point B, it says purchasing office concurs with Austin water's recommended award. So we're duplicating the purchasing function? I guess we have two purchasing authorities who are in concurrence so why are we duplicating the effort to award contracts?

>> Councilmember, that's probably not the clearest choice of words. When we -- when we conduct the solicitations, we bring the recommended offer to the customer who we are representing, and they reply back to us whether it's within their budget and it's something that's going to meet their needs. So when we conveyed that recommendation to you, we probably could have said it in a more clear way.

[4:49:35 PM]

We'll definitely make that more clear with rcas.

>> Kitchen: I have one question.

>> Mayor Adler: Yes, Ms. Kitchen.

>> Kitchen: And I apologize if I didn't hear all this, but what is -- you mentioned that opportunities were reviewed to determine whether there were opportunities for minority and women-owned businesses. Right? I heard that part right? You have someone that reviews that.

>> Yes.

>> Kitchen: What is the criteria they use? You don't have to go through all that now, but if you can provide that to us, that would be helpful.

>> Absolutely. We just sent a memo on us out this morning, I realize it's a busy day, but we sent a memo discussing how we evaluate this. The process for determining goals is housed at smbr. We do look at the scope of work the procurement agent puts together and we're looking at that to review it to make sure there are no additional opportunities than the main scope. So in this particular case, this is a janitorial service contract, and it purely is janitorial services. However, what we're speaking to is, we have the

opportunity to set goals, but we also look to award contracts to mbes and wbes as primes as well. It's an ongoing discussion and certainly a process we're willing to make improvements to.

>> Kitchen: Well, the thought just occurred to me, perhaps the problem is in the criteria. Maybe it's not broad enough. Even when you sold source contract, sole source in the sense you're choosing one company, that company buys things to be part of what

[4:54:43 PM]

39.-%-@are they here?,, is there a motion to improve item 39? Is there a second? Any discussion on item 39? Those if favor of item 39, please raise your hand. Those opposed? The vote is 10 in favor, with in the Gallo off the dais. That does it for our consent agenda. We're on the non-consent agenda. Gets us to item number 40.

>> I'm jerry with the planning and zoning department. Item 40 is case 214, 21417 for property located 8529 burnet road. This is to approve the ordinance on third reading. On second reading the council approved mf-6 Co zoning with following conditional overlays. The height of 60 feet, would mean 225, living the development intensity, no more than 2000 trips a day, limiting far to 2.1. The case is ready for your approval on third reading.

>> Mayor Adler: Is there a motion?

>> Mayor Adler: Mr. Casar.

>> Casar: We received some information about possible project with mf-6 Co zoning with the conditional overlay of the maximum 300 units and 2.7 to one floor to area ratio with still a maximum of 60 feet high and 2000 trips here day limit so I'd like to move approval of that zoning on third reading.

[4:56:50 PM]

>> I'll second that.

>> Mayor Adler: There's been a motion to approve mf-6 Co zoning the conditional overlay maximum 300 units, 2.7 to one floor area ratio, 60-foot in height, 2000 day trip limit. And seconded by Mr. Zimmerman. Is there discussion? Mr. Casar?

>> Casar: Mr. Mayor, I childhood on this case quite a bit, and it's almost humorous to say that it's no secret that our council is still trying to figure out our policy on how it is we manage our growth and where we fit new housing and new people in the city, especially as new residents come in with higher incomes, they tend to push up housing prices and also bring their cars. And I don't think that the zoning case is going to solve those issues, but I'm trying to address this case with those very pressing issues in mind. So I think that this project, especially at the 300 units, but still within 60 feet first creates multifamily housing in an area that has not had multifamily housing in quite some time and creates a place for professionals with some income to live so that they don't put demands on existing apartment stock, which I believe increases prices when there's dozens of offers going into older apartments, I don't think the construction of this project, in my view, raises prices by its existence. I think having some of the competition amongst landlords will stabilize our prices. And then also, I'm happy to see that there has been a letter about some of the affordable units that would be included in this project, at 15% of the units, that's over 40 units, and also at a MIX, at the MIX committed, it seems it's almost two-million-dollar investments over the ten year period in affordable units. Furthermore, I know there's real concerns about traffic. I think that it's not realistic, necessarily, that at the cs zoning we would have the max out level of traffic, but even at a moderate development at cs zoning, would generate more trips per day than an F 6 with the overlays and height limit that I've described.

[4:59:04 PM]

I think importantly, I take the neighborhood's concerns very serious about cut-through traffic. It affects my district quite a bit and that's the city's responsibility. I had a workshop with my constituents about traffic mitigation inside neighborhoods. Our funds for this year have already been fully depleted, I think that's something we need to work on and look at. So I do take the cut-through traffic seriously, but I also take the traffic issues that are clogging up our major arterial seriously, and Burnet Road does have our bus lines. So I think that if we're going to be fitting new people somewhere, Burnet Road is one of the best places to do it. This still caps the project at 60 feet. I think that's an important statement the neighborhood has made. We want to make sure as we build out their neighborhood plan and their plan for this corridor, that we not try to set any precedent for buildings higher than 60 feet without having a conversation with them. I have a lot of respect for the active members of the North Shoal Creek neighborhood association. I've had several conversations with them by phone. I appreciate your commitment to working on the issue, and as you develop your neighborhood plan and this corridor plan, regardless of how this zoning case goes, I'm really committed to working with you all, and I don't think that this one particular case will set that corridor up on its own. I think that whatever we decide together as a community, as a council, will set that up. So I think that this is the best of the projects that's been presented to me. I have to vote my conscience and my district, and when I've heard from so many people, hundreds and hundreds of people after knocking on thousands of doors personally, that affordability in terms of the rent and good transit and good city planning is what I was sent here to work on. And I don't know -- I think we're all still figuring this out as we go, but this is my best attempt on this zoning case to meet those values.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor, and council.

[5:01:06 PM]

Earlier this afternoon, I talked about how a developer was able to work with the neighborhoods to make some kind of common ground about how we could live together. And it concerns me that I think it was last Thursday, if I'm not mistaken -- the days go flying by me -- the developer indicated that without going through this process is making it harder for him to do what the -- what the neighborhood deserves. And so it seems contradictory to me that he knows what's best for the neighborhood and not the people in the neighborhood. And so while I was pleased on the one hand to have that very positive experience, I was very disappointed on this hand to see that they were not able to come to some kind of middle ground, recognizing and respecting that neighbors have rights, too, especially developers who have not even bought the property yet. The other thing that concerns me, when I looked at Pillar Elementary School, like many of the schools in my neighborhood, there are many children who are on reduced fares and reduced lunches, and that means that their parents are not able to -- at a high resource level, able to provide the necessary supports for them. So I'm concerned that this development will impact in a very negative way the people who actually live in that neighborhood, that go to Pillar Elementary School, who will not be able to afford this -- anything in this development, even though we talk about affordability, we've never even talked about accessibility. That's one of the things about smart housing, is, is it accessible. So of these 300 units, are there going to be any for people who have disabilities so that they could also live in this new area and have an opportunity to live here.

[5:03:10 PM]

So I'm still not going to be able to support this resolution as it's presented because of those reasons. Again, I'm very disappointed that there was not a more genuine attempt to work with the neighbors to

come to some resolution.

>> Mayor Adler: Further discussion on this item? We have a motion --

>> Mr. Mayor, addressing her question about accessibility, I am bad at remember being what the letters stand for, does it stand for accessible, could we get some clarification from staff as to what that implies?

>> Sure. Betsy Spencer, neighborhood housing. Yes, the a stands for accessible. We require 10% of the units be accessible. Federal guidelines only require 5, but here in Austin we actually require 10, both with our program, any program that we fund, and/or smart housing. The other thing I'll let you know is that all ground floor units, this is a code requirement, are adaptable, which means that they would be easily adapted to be accessible if needed, above and beyond the 10%.

>> Casar: Thank you. And, again, just to clarify because I did say a bit of a mouthful there in my comments, and for those listening, the motion that I made includes 45 units at the 80% mf-I level as described, and I believe that some of the questions we asked earlier in first and second reading about unit MIX were also answered in our backup. And it's very clear to me, looking at the monthly savings one receives on the efficiency units, which is what I think would most likely be most of what we get on -- on the zoning as passed in first and second reading would only be 15, 20, \$30 a month in savings on those units, but on the larger units with multiple bedrooms, there's sometimes a thousand, 1500, \$1,700 a month in savings on those units.

[5:05:16 PM]

So that is a substantial difference in what was proposed on first and second reading, versus what I've motioned for right now here on third.

>> Mayor Adler: Is there further discussion? Ms. Pool?

> Pool: I have some questions on that maybe Mr. Rust Hoven can help me with. Earlier there was discussion about an approach to this project that would provide more certainty for affordable units, because that is the direction this council is looking in. The smart housing does not provide any real certainty of affordable housing because we can't require it. It is strictly voluntary. So the concept that, as I understand it, is, what's considered as csv, and I was hoping Mr. Rusthaven or some other staffer could explain that to us and what that would look like at this site, and how that might fit into the neighborhood.

>> Okay. The csv would allow for the existing uses that are on the property because the cs zoning would remain. It would also have the V overlay, which would allow the developer, would not require him, but would allow him the opportunity if he so chose to take advantage of that program. It's a density bonus program. What it does is, it requires the developer to provide affordable housing -- I'll give you more detail about it in a second. It allows -- requires the developer to provide mixed use. That's not an option. On the ground floor. It would give the developer a limited density, which is what mf-6 does also. It would give the developer reduced parking. It would give the developer reduced setbacks.

[5:07:18 PM]

It would leave the far at 2.0, so the far could not be increased. Right now the motion that's on the table would increase it to 2.7 from 2.0, which is what the motion was in second reading. And I think that that 2.7 is needed to get the units up to 300. So V is something that you have two things that you're required to do, affordable housing, mixed use, and it gives you three things, limited density, reduced parking, reduced setbacks. It's entirely a voluntary program. It's a density bonus program, like downtown. If you did csv, what the developer could do, the you're is allowed under cs, then if you wanted to do residential, the only opportunity to do residential under the csv scenario would be to participate in the V program, which he would do those two things and get the three things. However, if -- I can go into more

detail on affordability real quick. At one point, probably about seven or eight year ago, the council had this thing called opt in, opt out vmu process, whereby along certain transit corridors that were identified in an ordinance, the city council said the V applies to these entire streets, and the neighborhoods kind of went through on a parcel by parcel basis and asked for certain ones to be taken out. But they also determined affordability level. So the affordability level is 10% of the units at either 80% mf-I or 60% mf-I, depending upon which specific transit corridor they're at. This stretch of road was not identified as a core transit corridor, although it has excellent transit service so we don't have a 60 or 80 number established. If they wanted to do csv, we would have them to specify when they chose the 60% or 80% mf-I affordability level. If the council wanted to do the csv, the staff would be required to renotify the case because today it's notified for multifamily category, and csv is considered to be more intense.

[5:09:20 PM]

So we would actually ask that you postpone the item. We would renotify it and we would bring it back at the first available opportunity, probably about four weeks away, because we have to take out a newspaper notice and go through the notification process we would also have to have the public hearing again because the whole purpose of notifying is to have a public hearing. So really, we'd be back at first reading. Now, that doesn't mean we couldn't do all three readings at that same time, if there were seven votes, if we had the ordinance ready. But we essentially kind of -- we would not be coming back at a third reading stage, we'd be coming back at a first reading stage, with a proposal for csv.

>> My colleague on this, colleagues, would be to, if you're interested, would be to offer this as a substitute motion to the one that Mr. Casar has laid out, and I would, in search of the affordability factor, which is important to this council, I would like to investigate -- my preference would be a 60% mf-I, because I think that would reach into the economic demographic that is our -- from a policy perspective, the middle income and the missing middle that we're looking for would put certain and predictability in the number of units that would be, in fact, considered affordable. Can you speak a little bit more specifically to that?

>> Yes. With regard to the affordability, right now with the standard mf-6 zoning case, we cannot require affordability as a condition of zoning --

>> Pool: You say you can or cannot?

>> We cannot. That is because of what's known as the prohibition against inclusionary zoning, also the Baxter bill. Texas state will you. The vbu is a density program, an option thing that you would choose to take advantage of if you wanted to. So when we have those type of programs, then we can require affordable care act because you're voluntarily entering into the program. So like I say, we already have an established 10% at either 60 or 80 for vmu projects, for a 40-year term.

[5:11:28 PM]

What the developer is proposing right now, with the motion that our councilmember Casar has made, is that the developer is offering to participate in the smart housing program, at the level that's outline in the left R letter that you all have, with the 15% unit MIX, et cetera, but that, again, is voluntary option about whether he wants to participate in that program. However, we cannot make participation in that program a condition of the mf-6 zoning. And when I refer to the unlimited density as well in the csv, by unlimited density, there's not what we call a site area requirement. However, the number of units would be capped by other factors than site area requirement. So the far, height, impervious cover limits, parking, et cetera, et cetera. By unlimited, I don't mean you could put up a thousand units, it would just be -- it wouldn't be a site area requirement.

>> Pool: And with the csv, we would have the community benefit of commercial retail on the first floor.

>> There would be a requirement for mixed use. May be retail, may be restaurant, but there would be a mandatory requirement for mixed use if you chose to participate in the V.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I'm sorry, just to clarify -- just to clarify, if we were to vote to approve this type of zoning, the csv, then the developer -- it's not voluntary in the sense that the developer can choose to go forward, but he would be developing under that. Right?

>> It would be -- it would not be voluntary -- I'm sorry, it would be voluntary in the sense that he could still take advantage of the cs zoning. So he could build anything that would be allowed under cs zoning, which frankly is what the property has today. So essentially talking about maintaining the status quo with regard to that. If he chose to do any type of residential project, if he just did csv, the only way he could do residential would be to participate in the vmu program.

[5:13:36 PM]

>> Pool: So it --

>> Kitchen: It gives us certainty on the affordable housing where as we don't have certainty on the affordable housing under the smart housing program.

>> It would give certainty to the extent that if he were to choose to do residential, he would be required to do affordable housing.

>> Kitchen: That's right.

>> Under the mf-6 zoning, he could participate in the smart housing program but he is not obligated to.

>> Kitchen: So what we're getting from this, as I hear it, is an additional level of certainty for affordable housing. Okay. Thank you.

>> Mayor Adler: Ms. Tovo, Ms. Garza, and then Ms. Gallo.

>> Tovo: I've got a couple of questions, then I wanted to talk about -- just speak to the csv option. But if this council was interested in exploring that option, it's my understanding the case would not need to go back to the planning commission. It could come directly back to council. Is that correct?

>> That's correct.

>> Tovo: And usually there's a fee associated with notification that's paid by the applicant. Would we have the option of waiving that fee so that there's no cost to the applicant?

>> Yes. It's -- the council directed us to renotify, we would take that as a city initiative, not something the developer would say requesting.

>> Tovo: Great. So that cost would not be borne by the developer, potential developer.

>> That's correct.

>> Tovo: I think this is a real interesting option to consider, and I would be supportive of this motion if it gets a second. I think it allows the -- it allows the developer to do what he has said he wants to do, if he purchases this tract, which is to develop residential on it, and it does, as has been said, provide some flexibility in terms of parking, easing the parking restrictions, but we know that if he moves forward with purchasing the tract and moves forward with creating residential units on that site, that those will be affordable and they'll be affordable for a longer term than what would be available under smart housing, and potentially available at a lower level of affordability.

[5:15:43 PM]

So I think that would be a real benefit if what we're trying to say there is a mixed income project, of which a substantial -- or a component is affordable. I think this provides us with certainty, as has been said, smart housing is an option that the developer can opt to do, on up to the last minute. So that's -- you know, the zoning today would have no impact on that. So I'm very supportive of moving forward

with the csv.

>> Mayor Adler: Okay. I think the next speaker was Ms. Garza.

>> Garza: Just for the sake of discussion, I'm confused on -- I feel like we really muddled the waters here. I was on board with the 225, the way it was presented, the way it was supposed to be on third reading, and I understood the neighborhood's concerns, but then I was also getting feedback on -- from other neighbors and other business owners saying we support it. So I'd heard -- I feel like I'd heard equally from some members saying they didn't support and some members saying they did, and I always like to see, you know, if both sides are being reasonable and how we're figuring this out. And now with this csv option, it seems like this -- if there's retail on the first floor, that's -- that's a traffic issue. That was one of the biggest concerns we heard from the neighborhood, was traffic. And in my limited time of understanding these zoning cases, when you add a retail option or commercial option, you're increasing trip counts. And so -- and then there's no cap on density, with the csv, or -- I think it's V. I'm just -- we're going in a direction, it seems like, I thought we were coming here, now we're going way on this side with adding more units. So I just -- I don't understand why we are not staying with the third reading, which is what I am supportive of.

[5:17:47 PM]

>> Mayor Adler: Ms. Gallo.

>> Gallo: Thank you. You know, I, too, am going to support the motion for the third reading on the Ms 6. This -- it seems like we've had this discussion so long, I can't really remember what I've said before and what I haven't said before and I hate to keep repeating myself, but this project came to us as a market rent project. And we addressed affordability in this town, which everyone keeps saying we have an issue with, and we do have an issue with, but we address it on two fronts. You know, there's the market rate affordability factor, and its supply and demand. On as we can produce more supply to meet the demand, then the market rate affordability improves. And that is what this project will do, absolutely. The developer, the potential developer has come forward and offered, as a component of this project, affordable units, which also address our desire to be able to provide more affordable units throughout all part of Austin, not just certain parts of Austin. You know, so the voluntary aspect of that, I really do appreciate. We have heard, as councilmember Garza said, I've heard from lots of different voices, the neighborhood association, I've heard -- and they, when I asked the question of how many renters were actually participating in the neighborhood association, it was minimal, and I've heard from renters in the neighborhood who would like other housing options. It's a very dated, older housing stock in this area, and there is a good portion of our community that would like newer housing, March more modern housing with those amenities, and this addresses those concerns and desires. I've also heard from businesses up and down burnet road who say they need residents in the neighborhood to be able to support the restaurants and the businesses that are up and down that corridor. It also addresses the fact that it's in a core transit center, and we talk about trying to do things that help reduce traffic on our streets, you know, the bike -- it's a biking distance to a lot of different features.

[5:19:50 PM]

It's very close to a lot of employers in the area. And the bus route is very close. So on so many different levels, this is really a good project that I feel very comfortable in impassing, and I think we have a lot of support from the community for. And I know there are people that do not support it, but we've heard from a lot of other people that do, so thank you.

>> Mayor Adler: People who haven't had a chance to speak yet, Mr. Renteria.

>> Renteria: Thank you, mayor. I'm going to be supportive of this resolution, and I really want to tell the

people in the neighborhoods that, you know, we have a tool in the city council, that the city council gave the neighborhoods, and that's the contact team. You really need to use this tool because through the contact team, you can make decisions of what you want at a local level, but you have to be open. Contact teams are not neighborhood associations. Contact teams are groups that -- people that are open, they go into a public meeting and decide what they want for their neighborhood. And those are the tools that I recommend to communities to start taking advantage of. But I am going to support it because I support affordable housing. Thank you.

>> Mayor Adler: Okay. Ms. Troxclair?

>> Troxclair: I guess I just want to echo what councilmember Garza and Gallo have said. I feel like we have had this conversation a couple times now. I feel like the developer had made amendments to his original plan based on what the council directed of him and asked of him and the concerns of the neighborhood, and I don't -- I feel like we're going in a completely different direction with this new -- I mean, it's such -- the new proposal is such a significant change from what the original or the current project that's in front of us. We would be starting this process all over again, and on top of that, I don't know that adding retail and increasing traffic is addressing the neighborhood concerns.

[5:21:59 PM]

So I just do not want to start this project all over again. I understand and agree with the interest in making sure that we have affordable housing, and the developer, although he's not obligated to provide affordable housing, he has agreed in writing, and he's committed to this council that he will. And I'm sure that if he wants to do more projects in the city, he's going to have to make good on his promises so that the next time that he comes before us, we trust to take him at his word. So I just would -- will support the resolution in front of us.

>> Mayor Adler: Ms. Pool, do you want to move to amend, to make it csv?

>> Pool: Yes, I do, and then I wanted -- and let's see if I can get a second.

>> Mayor Adler: Is there a second? Ms. Kitchen.

>> Pool: And then I wanted to respond to just a couple of things. One -- Mr. Rust haven, did you have --

>> I misspoke a little bit, and my friends corrected me. There's a scenario on your csv where they could build residential and not be required to do affordable housing. That would be if they chose not to take advantage of the -- call them the goodies, or bonuses the V gives you. So if they were not doing -- taking advantage of the element density, not taking advantage of the parking or the setbacks, then they could do residential without affordable housing. But they would not receive those -- those benefits. So the unlimited density probably being the most important.

>> So you're now telling us that the -- there's no requirement for the larger number of affordable units here and that -- because I was interested in the 60% mf-I and having a larger number of affordable units in the development.

>> I'm saying that he could come in under csv, not take advantage of the density bonus provision, not take advantage of the parking reduction, not take advantage of the setbacks, and still do residential.

[5:24:02 PM]

If he wanted to take advantage of any one of those three things, then he would be required to do the affordable housing. The unlimited density is what he is asking for with the mf-6. And it is what he would get with the csv. If he chose not to use the unlimited density of the csv, or the parking or the bonuses, then he could do residential, but he would have less residential that he could do because he would not receive the same thing he's getting with the mf-6, which is no site area requirements.

>> Pool: I think you understand that.

>> I'm sorry, it's very complicated.

>> Pool: So I just wanted to make it really clear that the original motion is for 300 units, with no certainty on MIX or affordable housing. This substitute motion would -- and the far is 2.7 to 1, which is how you get the more units. Under csv, the far is limited to two to one, which is what this proposal was originally, and it limits the number of units, because of the far, to --

>> That should not limit the number of limits per Se, unless you chose to put a cap on it. However, the far limit, the height limit, which would be 60, which he's also agreed to with the mf-6, the far, the height, et cetera, would provide a natural cap on a number of units. So there would not be an absolute number, if you were to take advantage of the V program, but it would, of course, be limited by those other factors.

>> Pool: But in the conversations that we had earlier today, it sounded like that number was closer to 225, which is what the applicant had agreed to on second reading. So this proposal effectively moves us back to the number that he had agreed to on second reading, which is what I was aiming for after feeling like this proposal had gone the wrong direction.

[5:26:09 PM]

>> Yes. I would believe that because the far would fall back to two, today, the proposal on the table, right, was walking in the door, was 225 at two to one far. And the motion councilmember Casar made is for 300 at 2.7 to one far. So when I spoke to you earlier, I made the presumption that if it goes back to 2.0 far, which is the max you can do under csv, that the units would probably, again, fall back to 225. Maybe even a little bit less, because you'd have to provide for the mixed use.

>> Pool: Right, the community benefit of having commercial on the first floor.

>> Correct.

>> Pool: I'll also speak to the traffic issue and the commercial because that is what it's currently zoned. And the neighborhood is fine with continuing to be the existing commercial zoning, and they would welcome -- and they don't have a problem with the traffic that is generated by that. That's what they have currently. I also wanted to make one correction. This neighborhood does not have a contact team. The reason the neighborhood doesn't have a contact team is because they have not yet had a neighborhood plan done, so they are limited in the -- I mean, they have done their own organizing, and they are attempting, as best they can, to speak as clearly and as inclusively as they possibly can, given the limited number of tools they have. I think that north shoal creek had wanted to have a neighborhood plan done by now. There were shift in-house. Staff were assigned in the planning and development review department in previous -- in the previous year, which put the staff over on the burnet corridor study. So they were cued up to do the plan and would have had a contact team, but they don't. So this is their best efforts and mine to try to help them, and also to bring a quality asset to that part of the city that would attempt to balance the desires of the developer to -- to make his finances on this and to bring a newer product to that part of the city, but recognizing that what's there now is not quite up to that level of sophistication or cost, and it will have some very real effects on the affordability for the people who currently live there, as it raises the appraisals in the surrounding area..

[5:28:54 PM]

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: I'm going to support this, and I want to make sure I'm understanding this. From what I'm seeing, is the developer is not losing anything. He's actually going to be getting the same things he would get if we had passed the same thing on third reading that we had on second reading, and that -- that what we get, we being the public, or we being from my interest standpoint, is greater certainty on

affordable housing. Now, I know I probably oversimplified that but it's sounding to me like what he's getting is the same number of units and the other aspects of it that we passed on second reading, that what is being proposed on third reading is actually not what we passed on second reading.

>> No. What's being proposed right now, councilmember Casar's motion would increase the income from 225 to 300 and far from two to 2.7.

>> Kitchen: Under the motion on the table, the reason I'm supporting, second reading would be 2.0, this will give them 2.0.

>> Yes.

>> Kitchen: And the 225.

>> It would not specifically give them 225 but if you chose to participate in the V program he would get the unlimited density, I don't know exactly what the number would be, I'd presume similar to 225 because the far would be the same and unlimited density would be the same.

>> Kitchen: So from my perspective, I do feel it's -- you know, I know we've been down the road on this case, but I do feel like we are not taking away anything from the developer and we're offering another option that we can proceed with relatively quickly that will provide more certainty for us as a city in terms of affordable housing.

>> Mayor Adler: The motion is to --

>> Casar: Process question about since I made my -- this is an honest question. Since I made my motion first does it was seconded and there's another motion seconded in which order --

[5:31:01 PM]

>> Mayor Adler: I'm treating it as an amendment to your motion. It also can't approve the csv because that would require notice so what it is in essence is a question to postpone this so there could be the future consideration of the csv. It's been seconded. Any further discussion? Those in favor of pursuing the csv trip please raise your hand. It is -- the mayor, pool, kitchen, me, and Houston. Those opposed raise your hand. Delia, one, two, three, four, five, six. It's defeated, gets us to the mf6 vote. Any further discussion on mf6?

>> Pool: I have one other question, commercial design standards, I just wanted to get some certainty that they will be followed with this -- if this happens to pass, that is a deep concern.

>> Councilmember, the commercial design standards would not be required under the mf zoning.

>> Mayor Adler: Ms. Tovo.

>> Tovo: Would it be possible to require that in a denial overlay to the mf6?

>> That's a -- I'll ask the law department to answer that question.

>> A conditional overlay is allowed in a zoning case to make an existing condition a requirement more restrictive. A blanket condition requiring commercial design standards does not do that. You'd almost have to go in one by one and decide what you're doing.

>> Mayor Adler: Any further discussion?

>> Casar: Well, if it's a serious concern, I'm happy to discuss it further just if there are any other creative ideas around commercial design standards, I wouldn't want to move to a vote without having talked about it a little bit more, if it's the councilmembers' desire.

[5:33:19 PM]

>> Mayor Adler: Further discussion, mf6? All in favor --

>> Zimmerman: I'm going to call the question.

>> Mayor Adler: No further debate. All in favor of approving mf6 5 mf6 please raise your hand. Those opposed. The no votes are the mayor pro tem, Ms. Pool, Ms. Kitchen, Ms. Houston. The others voting

aye, mf6 is approved on third reading with mf6 Co is approved.

>> Thank you, mayor. That includes your zoning items tonight.

>> Mayor Adler: Thank you. Item 52, public hearing is being proposed for postponement by the appellant and the staff, applicant and the staff. We have the option to let them do the consent postponement quickly instead of having them stay the extra hour or so. So council before we move any further we have a public hearing both staff and applicant requesting postponement. We can move on that, couldn't we, Mr. Gonzalez?

>> Mayor, council, the mayor has mentioned that the appellant and the applicant are both consenting to postpone the item so we certainly would entertain the motion to postpone until may 7.

>> Mayor Adler: Okay. Moved to postpone. Item number 52 to may 7. Is there a second to that motion? Ms. Houston. Any discussion? All in favor raise your hands. Those opposed? Unanimous on the dais. I think also number 46 is something we could move through quickly. Item number 46 is the decker lake issue. As we discussed about in the work session, I think the desire was to postpone this so the committees could catch up.

[5:35:27 PM]

Is there a motion to postpone 46? Ms. Houston. Is there a second? Mr. Zimmerman. Any further discussion on item 46? All those in favor of postponing it, raise your hands. Those opposed? It's unanimous on the dais so 46 is postponed. I think the next item is item number 41. Mr. King, do you want to come down?

>> Mayor, mayor pro tem, councilmembers, thank you, David king, zilker neighborhood. I'm here to ask you consider updating the plan to include a review of the fee in lieu for sidewalks and parkland dedication fees to an audit of those to see where those fees are -- how much those fees are generated and where those fees are spent and to see how effective those programs are. Also, to look at planned unit development to see if -- how the value -- you to do the values of the attempts granted to the developers compare to the value of the amenities provided to the community. We need to look at those P.U.D. Agreements that have already been approved and see how have they worked out. Have those amenities been delivered as promised? Also, you know, what happens if they don't follow through? Is there any claw back provision to say you got these increased entitlements. The taco P.U.D. On 211 south Lamar that was very concontenten miscellaneous, I understand know the high end condo building is no longer going to be built because of financial considerations.

[5:37:39 PM]

What happens with that? Do we not get the kind of development that was promised? That the deal was based on? So I think we need to look at those p.u.d.es and see how are they working out over the long-term? The developer has already -- that property is already turned over and millions of dollars made off of those increased entitlements. What has the community gotten to this date from that development? Just measly affordability that was reduced greatly to make that deal go through. So I think we need to look at those P.U.D. Agreement and see if the public is being made whole and if we're getting a good deal. The other thing I think we need to look at is Austin energy excess revenues we've been reading about in the paper. Those revenues I understand they're important to help us provide services to our community and things that we want in this community, but how are they being expended? Are they being expended equitably across our city, in areas that really need them? I think we need to look and see. If we're going to have an entity that produces profits, if you will, excess revenues, then we need to see where those revenues are going to. Are they helping us meet the critical needs of affordable housing? Are they helping us in areas of our city where we have chronically high unemployment? We

need to see if we're -- how those funds are being expended. Then I'd also ask that you look at the transportation fees to see are those fees -- we've already had several cases where the fees are so low that we can't do any improvements to intersections. The case after case after development case we hear of traffic problems and yet we don't have the fees there to help mitigate those problems and do upgrades to our intersections.

[Buzzer sounding]

>> I think we need to audit that program as well. Thank you very much.

>> Mayor Adler: Thank you very much.

>> Casar: Mr. Mayor.

>> Mayor Adler: Yes.

>> Casar: Original points, Mr. King, we will be taking a look at the -- getting a briefing on the density program and how it's doing on fee in lieu and affordability, along with our smart housing programs, I think it's a week from today.

[5:39:47 PM]

>> Thank you.

>> Casar: We'll make sure to notify you of that.

>> Thank you.

>> Mayor Adler: We're on item 41. Is there any further discussion? Is there a motion to adopt 41? Ms. Tovo. Seconded by Ms. Houston. No debate. All in favor raise your hand. Those opposed. Unanimous on the dais with Ms. Pool off. That gets to us our 5:30 music and proclamations. We'll go ahead and do that and reconvene. I've been calling it back at 6:00 that doesn't work. 6:15 doesn't really work either. Should we shoot for 6:30, see if that works? We'll reconvene the council meeting 6:30 let's do music and proclamations.

[5:47:39 PM]

>> Mayor Adler: So ladies and gentlemen, bavu Blakes --

[applause]

>> Mayor Adler: Bavu Blakes has packed the house, I think.

[Laughter]

>> Mayor Adler: And he's also deliberately walking through the intersection of hip hop and education and spirituality, the founder of hip hop group and scholarly MC is a seventh grade humanities teacher who tutors and mentors and leads MC workshops and men's fellowships, hosts community events and food and concerts. The UT Austin broadcast journalism graduate is also an award winning hip hop artist whose studio collaborators include grammy winners Adrian casade and Gary Clark junior, as well as people's champ Paul wall. Mr. Blakes has rapped and sunning on 16 vinyl records, performed in music festivals, including Austin city limit and south by southwest and has freelanced a bit for the Austin American statesman. Please join me in welcoming bavu Blakes.

[5:49:40 PM]

[Applause]

[Applause]

>> I'd like to thank these young people for coming with me today.

[Applause]

>> You all ready to rock? You all stand up. Stand up, stand up, stand up.

[♪ Music ♪]

[Music]

[5:52:43 PM]

>> Y'all better take some kind of bow from decker middle school. Take a bow. Yes, sir. All right. We're still doing this next week too, Mr. Adler?

>> Mayor Adler: Regular gig here. We've never sold out.

[Laughter]

>> Mayor Adler: The club has never sold out like this before.

>> The club is jumping tonight.

>> Mayor Adler: It is, it is. So is there like a website people watching on TV or otherwise could go to to find you?

>> Absolutely.

>> Mayor Adler: What would that website be?

>> Mayor Adler: Bavublakes.com.

>> Mayor Adler: Say that again.

>> I rely on Google a lot since I'm the only bavu in American history.

[Laughter]

>> Mayor Adler: Thanks, mama.

[Laughter]

>> Also there's bavublakes.com.

>> Mayor Adler: Great. And if people wanted to purchase your music, where would they go?

>> Well, rely on Google a lot but iTunes, wherever people buy music and you can listen at no charge at spotify and places like that or boot leg spots you can steal it completely.

[Laughter]

>> Mayor Adler: Where's the next giving where this grew is performing?

>> Tonight at the long center. Right?

[Applause]

>> Am I wrong? Where is the decker kids performing at the long center?

[5:54:46 PM]

Oh, their next gig is at the long center. Tonight. Whoops, my bad.

[Laughter]

>> I just read the website.

>> Mayor Adler: A proclamation I'd like to be able to read. Proclamation, be it known that whereas the city of Austin is blessed with many creative musicians whose talents extend to virtually every musical genre and whereas our musical scene thrives because Austin audiences support good music produced by length expends our local favorites and newcomers alike and whereas we are pleased to showcase and support our local artists, now, therefore, I, Steve Adler, mayor of the city of Austin, the live music capital, do hereby proclaim April 23 of the year 2015 as bavu Blakes days.

[Applause]

[Applause]

>> The mayor is in a bball stance. Yeah.

[Applause]

>> Can I say something for 30 seconds? About eight years ago, I had a chance to do something exactly

like this but on a different day, different year.

[5:56:47 PM]

And I turned it down because I thought it was corny. Like why would I go get my own day some then I'm going to go to waffle house? Doesn't make sense. So now I understand and I really confirmed it coming here today, that it's really about the bigger picture, like, to bring a whole community and different generations and different states and stuff like that.

[Applause]

>> So if any artist ever comes in here by themselves and kind of takes it for themselves, you should snatch it back, sir. Because we are representing for Austin as a whole and really just the whole country. So bavu Blakes day is just a -- it's a representation. So thank all of y'all for being here.

[Applause]

>> We love you, bavu.

>> Mr. G. Love you too. Mr. G, the mayor said if you holler at him, he'll come by the school. So let's make that happen. Thank you, sir.

[Applause]

[Applause]

[5:59:01 PM]

>> Mayor Adler: I'm -- so I'm going to go ahead and -- I'm going to go ahead and read the next item as soon as the folks -- okay, thanks. Before we get to the scheduled proclamations that we have today, I just want to read into the record a city of Austin distinguished service award to someone who just recently passed away who services are being held tomorrow night and memorial service at 10:00 on Saturday. There may be another opportunity to present this in this room, but just in case I wanted to read this into the record. This is a city of Austin distinguished service award, it's in people more yum for lifetime of service and advocacy for the city of Austin, the state of Texas, and Austin's Latino community, this is a -- being awarded to Andrew R Ramirez senior, he's most deserving of public acclaim and recognition. As a native east austinite and he spent his entire career working to make Austin a better place, a Navy veteran and graduate of the university of Texas, he worked for the governor of Texas during president Lyndon B John's war on poverty initiative. He was a leader in the economy furniture strike, which was a defining moment for fair wages and economic justice for Austin's Latino community. And he also served the city of Austin as the director of human services department where he spent his time dedicated to securing grant grants and funding to improve the lives of east austinites and all those in need throughout the city.

[6:01:08 PM]

And he worked the past five years promoting Latino culture and music in Austin through the B e-mail. Lazartes alliance. He will be remembered for his tenacity, currently, intelligence, dedication to the city of Austin and its residents. This certificate is issued in recognition thereof this 23rd day of April in the year 2015 by the city council of Austin, Texas, signed by Steve Adler, mayor.

[Applause] All right, we have a proclamation for the national infant immunization week. You want to come on up?

-- Immunization week. Come on up. We have a proclamation. Be it known that whereas giving babies the recommended immunizations by age two is the best way to protect them from 14 serious childhood diseases and whereas the -- currently the United States has the safest, most effective vaccine supply in

history and whereas vaccine preventable diseases still circulate here and around the world so continued vaccination is necessary to protect everyone from potential outbreaks, even when diseases are rare in the United States, they can be brought into this country, putting unvaccinated children at risk. And whereas when people who are unvaccinated outbreaks of diseases like whooping cough and measles can and will do return.

[6:03:12 PM]

And whereas during infant immunization week we encourage parents to make vaccinating their children a priority and to talk to friends and to family about protecting their children with vaccines. Now, therefore, I, Steve Adler, mayor of the city of Austin, Texas, do hereby proclaim April 18-25 of 2015 as infant immunization awareness week. I'll present this to Colleen. Would you like to say something?

>> Thank you, mayor Adler. National infant immunization week has been celebrated over 20 years, we've seen immunization rise over 20% in some cases though we still do see measles and whooping cough especially in areas of Austin. As we continue to increase immunization like this little guy back here who we're doing our best to protect we're also lowering cases of disease in the area. We like to continue this momentum and educate media about the importance and effectiveness of immunizations. Thank you.

>> Mayor Adler: Thank you.

[Applause]

[6:05:48 PM]

>> Mayor Adler: We have a proclamation. Be it known that whereas window film provides a safer, more secure environment for homeowners, for public buildings, and retail establishments, and whereas window film helps to screen out dangerous solar rays from impacting the health of commercial drivers and to protect them from skin cancer and their eyes from solar capillary and whereas window film has proven to be one of the most cost-effective means of reducing our carbon footprint through energy savings and whereas window film is installed by hundreds of small businesses in Austin, thereby providing economic benefits to our community and our community, and whereas we join the international window film association today in honoring those involved in the manufacture, in the distribution, and in the installation of window film, now, therefore, I, Steve Adler, mayor of the city of Austin, Texas, do hereby proclaim April 30, 2015, as national window film day.

[Applause]

>> Thank you so much for having us today. We are so thrilled to be a part of such a great green city as Austin. We've been -- we're members of Austin energy, the Austin energy rebate program. My husband, Russell, started this company, sun tint, in 1982. And we're just so happy to have been members of this great community for over 33 years now. Three -- over 33 years now.

[6:07:51 PM]

Thank you very much.

[Applause]

>> Mayor Adler: This is a special award because it goes -- it gets awarded for here women here -- heroism so it's an important night you're all gathered. This is a city of Austin distinguished service award for his historic actions following a traffic accident on fm812. Steven Reveille is deserving of public acclaim and recognition.

[6:09:53 PM]

A car exiting the toll road failed to stop at the stop sign and collided with another vehicle. Mr. Reveile was the first to arrive at the scene of the accident and found one of the cars upside down and on fire. Mr. Reveile kicked in the back window and removed a man, a woman, and a child from the burning vehicle. As he carried the woman away from the car, it exploded and singed the hair on his head. He then found two children who had been ejected from their cars face down in the rain-filled ditch, unconscious and not breathing. With the help of a nursing student, who had also stopped, Mr. Reveile removed mud from their mouths and performed cpr. All of the passengers survived. We are pleased to present this certificate albeit belatedly in recognition of Mr. Reveile heroic and self-less actions that night. He is truly a credit to our city. This southeast is presented with the admiration and appreciation for his selfless acts on the 23rd day of April in the year 2015. The city council of Austin, Texas, signed by Steve Adler, mayor.

[Applause]

[6:12:31 PM]

>> Mayor Adler: Always nice to give a proclamation to someone that waste former client of mine in my prior life when I was a lawyer.

[Laughter]

>> Mayor Adler: This is a proclamation. Be it known that whereas the city of Austin is proud to pay tribute to H.E.B., a Texas company, on the occasion of its 110th anniversary this year, and whereas in its second century of operations, H.E.B. Continues to be an innovative retailer, setting new standards for convenient service, for low prices, for quality brand products and healthy fresh food, and whereas H.E.B. Employs more than 85,000 dedicated, responsible partners and contributes to the economic development of our city by providing sales tax revenue, competitive wages and a superior shopping experience, and whereas H.E.B. Is a roll model for ethics in business and corporate citizenship, the country contributes more than 5% of its pretax earnings to public and charitable programs. One of the few companies to give at that level. &One that's been supportive of many, many programs locally. Now, therefore, I, Steve Adler, mayor of the city of Austin, Texas, do recognize h.e.b.'s contributions and do hereby proclaim the year 2015 as h.e.b.'s 110th anniversary celebration. Congratulations.

[Applause]

Speaker1: Let me introduce Leslie sweet from H.E.B.

>> Thank you, mayor. We brought some of h.e.b.'s finest.

[6:14:33 PM]

This is our fantastic soco store, Phyllis Jones our unit director, mark kraal our operations director and ed novice our perishable leader, one of the 7,000 employees member hats in Austin with 24 stores. Do we have any H.E.B. Fans with us here today?

[Applause]

>> All right! We don't take your loyalty and your business for grant -- granted so here here to say thank you for 77 great years in Austin. We've been here since 1938 but we're also here to tip our hat and say a great thanks to Florence butt in 1905 her husband was ill, he had tuberculosis he had three young children and she needed a way to feed her family, saved up \$6, moved her family up stores and opened a little bitty grocery store. She taught her children how to sell what they could and give back everything else. She's continued to lead a legacy that we try to Cher rich cherish and keep up with at H.E.B. We wanted to say thank you for having us, thank you to our many community administrators let us

participate in community. That's a really important piece at H.E.B. We can't run great stores without you, without participating in your schools, supporting your children, our children, all the many nonprofits in Austin and thanks to Jill and James and the twirl of lights foundation here supporting us today. It's an honor to serve you here in Austin. We hope to have another great 77 years. Thank you.
[Applause]

[6:18:48 PM]

>> Mayor Adler: This is pretty exciting. You know, I -- as I get to the certificate of congratulations, this destination imagination program, I understand that you have a challenge that is near and dear to my heart. See, Austin is an innovative city, full of imagination. When I gave my speech to the city on the state of the city just a week ago, I talked for a long time about the need for the city to try and live up to one of your challenges because I talked a lot about intentional improvisation. And don't you guys have a challenge with respect to improvisation?

>> Yes, sir.

>> Mayor Adler: So there's a lot -- while you're here I need to you talk to the other councilmembers because we're all doing this together.

[Laughter]

>> Mayor Adler: You know, so we can send you out as ambassadors to the whole city, but we have for the five teams here today a city of Austin certificate of congratulations. I'm joined up here by councilmember Gallo, and together we want to read this and present this. It's a certificate of congratulations for advancing to the destination imagination global finals.

[Applause]

>> Mayor Adler: In Knoxville, Tennessee.

[Applause] We have five teams. We have merchison middle school team Grisham middle school team, bridge point elementary school team, we have the river place elementary school team and harmony school political science team.

[6:21:00 PM]

[Applause]

>> Mayor Adler: All of these teams are deserving of public acclaim and recognition. Team members compete in creative team building and problem solving in the areas of science and technology, engineering, service learning and the arts. Competitions combine leadership skills and improvisation.

[Laughter]

>> Mayor Adler: We are especially pleased to congratulate each of these teams on the prestigious honor of representing our school districts, some the first aisd schools ever invited to the global finals.

[Applause]

>> Mayor Adler: These young people are our future innovators and I want you to know that we wish each of them and you well at the global -- at the globals. So I'm presenting this, this 23rd day of April in the year of 2015, signed by the city of Austin -- the city council of Austin, Texas, Steve Adler, mayor. Congratulations.

[Applause]

>> I just -- I want to say how proud I am of all of you. Congratulations and job well done. You know, the connection to some of these schools is pretty amazing. I actually was a merchison madidor and Lamar Scotty and my grandson goes to bridge point. Congratulations not only to those schools but to the rest of you also.

[6:23:19 PM]

.

[6:26:17 PM]

[Applause]

[6:31:12 PM]

[Applause]

>> Houston: Good evening. My name is ora Houston, and I represent the 77,000 good people of district 1 here in Austin, Texas. I drew up with thelonious monk and miles Davis and I know every November there's jazz at St. James episcopal church so it's my pleasure to present this proclaiming. Be it known that whereas jazz born in a multicultural society of America is considered one of America's original art forms, it fuses together African and European tradition and includes rag time, swing and B bop and whereas international jazz day encourages enenthusiasts to learn about its roots, raise the need for intercultural dialogue and reinforces international cooperation and whereas the united nations educational, scientific and cultural organization officially designated international jazz day to highlight this international art form and its diplomatic role of uniting people in all corners of the globe and whereas this special day is a culmination of jazz appreciation month, which draws public attention to jazz and its extraordinary heritage, now, therefore, Steve Adler, mayor of the city of Austin, Texas, does hereby proclaim April 30, 2015, as international jazz day.

[6:34:13 PM]

And I present this proclamation to Keith Braithwaite.

[Applause]

>> Thank you. Thank you very much, councilmember Houston. We've come bearing gifts. We have a poster both for you, your office, and for the city council.

>> Houston: Thank you.

>> It was modified from the international jazz day poster and morphed into something that was Austin. So we give that to you. And thank you for this proclamation, and I'm going to introduce the president of the Austin jazz society, Mr. Tom van tassel.

>> Thank you, Keith, mayor, city council. On behalf of the Austin jazz society board of directors we thank you for the proclaiming. We also would like to announce that it is our objective, this is the fourth day -- fourth year that this has been celebrated. First one was in New Orleans. The second one was in Turkey shall, last year it was in Japan, this year it's in Paris, France. We're looking forward to bringing it here to the live music capitol of the world in Austin, Texas. Thank you.

[6:36:19 PM]

[Applause]

>> Tovo: Good evening, mayor pro tem Kathy tovo representing district 9 and it's my pleasure to present a proclamation to open doors preschool celebrating its 40th anniversary this year. In 1975 an Austin couple who had two children searched in vain for a child care program that would accommodate both of their children and allow them both to be educated together. Their toddler had down's syndrome and his preschool age sister, also they were looking for a child care program that would incorporate both of

them. So in their determination to find a quality preschool program led them to found open doors, an inclusive program, high quality program, that focuses on serving children with emotional, economic, and at risk challenges. So on behalf of the city of Austin, it's my pleasure to present the following proclamation to open doors. Be it known that whereas open door preschool was founded with the mission of providing a quality preschool program to students of diverse abilities and backgrounds in a safe, nurturing and stimulating environment whereas for four decades open door has operated with the concept that the segregation of children with disabilities is as harmful to the child as segregation by race, age, color, religion or sex. All people benefit from interaction with others who are different from themselves. And whereas open door was the first preschool in Austin to be accredited by the national standards of education of young children and all three of its current sites are newly accredited and we're pleased to recognize open doors preschool for their 40 years of service and we wish them continued success in their mission. Now, therefore, I, Kathy Tovo, on behalf of Steve Adler, the mayor of the city of Austin, Texas, do hereby proclaim April 25, 2015, as open door preschool day in Austin.

[6:38:29 PM]

Congratulations on many years of success.

[Applause]

>> Thank you.

>> Tovo: I'd like to invite open doors executive director Larry Elstner to the podium to say a few words.

>> Thank you. I just want to say that our success over the last 40 years is really because we are of the community and have the support of the community. This early child should be an issue that's much bigger than the children we serve and the parents that we serve, the families that we serve. It really is a community issue, and early childhood education is the best anti poverty program there is, and I hope that the community as it moves forward and the city council as it moves forward keeps that in mind. But thank you so much for this honor.

[Applause] .

>> Kitchen: Come on down.

[6:40:30 PM]

Come on. Well, I'm so excited. I was a girl scout. I'm not sure if I ever did anything as important and meaningful as you guys are about to do. I did sell a lot of cookies and I had a lot of badges but I'm very excited about what you guys are doing. So I'm honored to present this proclamation to you all. So be it known that whereas girl scout junior troop 471 is made up of seven fifth graders and one eighth grader, dedicated to following girl scout law make the world a better place and whereas exploring environmental issues the girls discovered that climate change is a major worldwide problem and one that impacts children's health and needs actions now, right? Needs actions now to keep conditions from worsening and whereas for their girl scout bronze award project troop 471 chose to plant a children's climate March to the state capitol to help raise awareness about climate change and the need for clean air and energy and to put pressure on elected officials to take action and whereas troop 471, though small, has big ideas and hopes, through this March to make an impact on their world through their own actions and through encouraging others to take action. Now, therefore, I, Steve Adler, mayor of the city of Austin, Texas do hereby proclaim April 25, 2015, as girl scouts troop 471 climate March day. I would like to say I have no doubt that you guys will make a difference from now and into the future.

[6:42:36 PM]

[Applause]

>> Garza: I just wanted to add that I'm so excited to be sponsoring this with councilmember kitchen and I'm so impressed with your organizing and Facebook activity and getting the word out about this March on Saturday starts at 9:00, we meet at the south steps of the capitol. So I hope that my husband and I will be there, and I hope that everybody watching and everybody -- those here will also join us on the south steps of the capitol this Saturday.

[Applause]

>> Thank you for allowing us to be here. I'm jasmine. And we are troop 471 and we want to make a difference in our world. And I'm excited for -- that we have come this far and together as a group we have done all of this. Thank you.

[Applause]

>> Thank you.

[Applause]

>> Well, if y'all would like to come, it's this Saturday, April 25, and it's going to be at 9:00 until 12:00, and we are hoping that people that come will realize the problem and help because we can do a lot just as a troop but we can't do all of it without other people's help.

[Applause]

>> Due to our research, we found out that we will be the first to have a children's climate walk. And we will have many activities like make your own board and we will have many contests.

[6:44:43 PM]

Thank you.

[Applause]

>> We also did this because we don't want like Santa Claus to die because the polar ice caps are melting. So we will have Santa there and it will be a lot of fun. Oh, and we'll be elves as his helpers.

[Applause]

>> Okay. So I've watched these girls grow up and I'm very proud to be a part of this troop and see them come this far. I think it's very important that as young ladies they see what they can do and how much they can make a difference. Not just in this city, but in the world.

[Applause]

>> And we're worried about how the future generations and younger kids and kids that will be born in years from now won't have the great experience that we do today, and if we don't do something --

>> Okay. When I came here, I came with a picture that really inspired me, and it said -- it was a picture of polar bears in dry land and it said homeless family, please help, god bless, which meant that in the future we won't have any polar bears because they will be extinct and we won't have them anymore. In Florida is already getting flooded as we talk.

[6:46:47 PM]

>> And also the about how big the flood can be.

>> Thank you.

[Applause] .

[6:58:18 PM]

[Recess

[7:00:54 PM]

>> Mayor Adler: Number 42, the economic opportunity committee. Staff, do you want to present? Do we have staff here for the item?

>> Mayor and councilmembers, James Scarborough, purchasing. Item number 42 is for the purchase of electronic displays, essentially monitors, for abia. The purchase is in two increments. One is for the initial purchase and installation of 65 monitors immediately upon the award of contract. Secondly there are annual estimates for purchase of subsequent monitors for the remaining life of the contract. There was a question before the council previously with regard to this contract and the application of the local preference policy. This was discussed and vetted subsequently at the economic opportunity council committee. And it brought forth a recommendation. So would you want me to reiterate that recommendation or should that come from the chair?

>> Mayor Adler: Would you, please?

>> The recommendation that was provided by the council committee was that in lieu of authorizing the contract with the two one-year options at the conclusion of the initial three-year term to go back to the market and seek competition earlier. That council only authorize the initial three-year term of the contract and then at the time we would go back out and seek competition and perhaps have another opportunity for local firms to compete.

>> Mayor Adler: Ms. Troxclair, do you want to comment on this one at all? Since it came from economic opportunity?

[7:02:59 PM]

>> Troxclair: I think you did a great job summarizing the committee's findings.

>> Mayor Adler: Okay. So the original proposal was the contract with two 12-month extensions. The recommendation from the committee was to enter into the contract with --

>> Just the initial term.

>> Mayor Adler: Just the initial term?

>> Yes, sir.

>> Mayor Adler: Ms. Troxclair makes that motion. Is there a second to that motion? Is there any discussion to the motion? All in favor raise your hands? Those opposed? You know, let me back up for a second. Only because I'm very mindful of having recommendations that come back from a committee that we just vote on very quickly. So I want to ask a question. Is there any danger in entering into a one-year contract as opposed to a contract that has two options?

>> Mayor, councilmembers. That would be a question that we would probably want to discuss with our colleagues at law. The solicitation was advertised with -- and contemplated with a three-year initial term. So the offerers submitted their bids, and this was an ifp, with the initial thought that it would be a term of three years. So it would be something that we would probably want to discuss with our colleagues at law to determine the risk to the city.

>> Casar, Mr. Mayor, I think the recommendation was for three years without the extensions. Mayor for three years but without the two extension periods.

>> That is fine. That is what we competed. We competed for a three-year initial term with optional two one-year extensions. So the recommendation came back that we would just not go forward with the two one-year options.

>> Mayor Adler: My question was, what I meant to say, obviously not very clearly, but if you enter into a contract with an initial term like that without option periods, does that put you at a disadvantage or anything in the marketplace by just proceeding with the primary term without options?

[7:05:10 PM]

>> I don't believe so, sir. I think we're fine. Because of the period of time that we committed to when we advertised the solicitation was based on three years, we would assume, and the contractors would be fixed to the price that they established during that period. Because we utilize bilateral extensions when we extend the contracts in optional terms they would have the ability to come back and ask for any he market sensitive price increases at the time. So because the prices are locked for that first three-year period I believe we're fine.

>> Mayor Adler: Good. Thank you. Yes, Ms. Troxclair?

>> Troxclair: Just to refresh the council's memory, this issue came about because there was a company that was located within the E.T.J. Who submitted a bid and they were really close to the company that was ultimately chosen, but they were not eligible for the local benefit -- the local points benefit because they're in the E.T.J., not in the city limits. So the thought was we'll go forward with the three-year term because we didn't want to hold the project up, but maybe after three years we will have examined the E.T.J. Local benefit issue and that company would have another opportunity to apply. We could possibly get those monitors from a local source.

>> Mayor Adler: Thank you, that's helpful. Mr. Renteria, did you want to say anything?

>> Renteria: Are you going to look at a way to give some extra points for people outside the E.T.J. Or the city of Austin limits?

>> Troxclair: There was conversation about looking into that issue and looking at it more. There were a couple of questions I think about the taxes and the tax rate and the amount of -- is there a difference between the taxes that a company within the city limits is paying versus the company in the E.T.J., so would we want to give them the same amount of points or give them half the points.

[7:07:21 PM]

We didn't make any final decisions, but I think that will be contemplated in the future. And councilmember Zimmerman, did you have a resolution, were you planning on putting toward a resolution dealing with that issue?

>> Zimmerman: We did. We had something and we ran it by somebody in legal. I don't know where we left it. I thought we put it on the council message board, but I don't remember where we left it. It's been a couple of months.

>> Troxclair: Yes, councilmember Renteria, we'll continue to run with that issue and see what we can come up with.

>> Zimmerman: Incidentally, we did some research and we found somewhere in Arizona that a judge had actually overturned a local preference law under the 14th amendment. I brought that up in another case about equal treatment under the law and -- but it's Arizona state, they struck down a local preference rule. So it's all over the place. Some people do it by a county area, some people just city limits like Austin, others -- the whole state, some people think it's great, some people think it's terrible. It's all over the place.

>> Troxclair: Just like a lot of other things in our work there. It's always more complicated than you think it might be at first.

>> Mayor Adler: If it was easy you wouldn't be earning the big bucks.

[Laughter]. So we'll now go to a vote. All in favor of approving item 42 raise your hands. Those opposed? 11-0. Next item is item number 43. This comes to us from the health and human services committee.

>> Thank you, mayor and councilmembers. My name is ray air ranio, I serve as the liaison to the

American quality of life study. For your consideration is a proposed interlocal agreement with the university of Texas to assist the city of Austin in conducting an asian-american quality of life study.

[7:09:22 PM]

And I will note that you have before you the interlocal, which was provided late by -- we didn't get into your backup materials, but you have it in front of you at the dais. The objectives of the study are to conduct a facilitated discussions of asian-american quality of life discussions, discussed findings, a quality score card and a community health assessment. Report back to council with recommendations for enhanced or new city programs or practices. This initiative was established by resolution on October 2014th, 2013. The counselor also adopted an other than for the asian-american quality of life committee at that same meeting. The original due date to report back to council of the December of 2014. However due to the complexity of the work and the time to identify a qualified consultant, staff requested extensions most recently in November 2014. We are very fortunate to have identified Dr. Uri Chang as our primary partner in conducting the quality of life study. He is well versed in the asian-american quality of life issues and was involved in the asian-american health assessment. Also we have the community engagement consultant with the city's communication and public information office. Ms. Sanchez will serve as the city's project manager working closely with Dr. Chang in developing branding and outreach efforts that should improve community acceptance and participation. The interlocal contemplates a scope of work with a questionnaire and translating it into the five major languages of Chinese, Vietnamese, hindi, Korean and [indiscernible], administering to 2500 participants, 500 for each of the major ethnic groups and performing the analysis and developing a report. This is to be conducted over a 12-month period at a cost of \$139,758.

>>> The asian-american quality of life quality commission recommended approving this to the full council on its meeting of March 17th.

[7:11:27 PM]

This item was presented to the health and human services committee on April 6th, 2015. It subsequently campaigned the committee's recommendation of approval to the first council on April 15th, 2015. That concludes my brief and we're available for questions. In the audience is Dr. Chang as well as Mariel Sanchez.

>> Mayor Adler: Thank you. Ms. Houston, do you want to talk to us about this?

>> Houston: Like accommodation, I think he did an excellent job so I would proof adoption.

[Laughter]

>> Let me ask a quick question. And the reason for that is -- the reason for this is that in order for us to follow the rules that we have to be able to operate the way we operate as committees we need to make sure that things that come back from a committee are not rubber stamped by the council, which is why we can't handle these items on consent when they come back because they come back -- while I would personally believe that it's not rubber stamping just by virtue of the fact that we did not put it on consent and we had someone talk to us about it, just a quick question. The 139,758, where does that come from?

>> That amount was developed by Dr. Chang, taking a look at the scope of work that we envisioned and the amount of effort in terms of developing the questionnaire, translating those questionnaires into the five languages and assembling a group of individuals that would be versed in the different languages to be able to go out into the community and be able to perform the questionnaires. One of the difficulties in this particular effort, which is the third in a series that began with the African-American quality of life

study, then the hispanic-latino quality of life study, the challenges of this particular one have to do with the fact that there are -- that the asian-american demographic is not just one demographic, but really comprised of many different cultures.

[7:13:31 PM]

So in our city we've concentrated on the five major groups. That being said, the languages certainly are a challenge, burr not only that, but the cultural differences between each of those different groups is a challenge. So we have to be able to accommodate for that. And as well the challenge of having to go out and reach into these groups that aren't necessarily as willing or even accustomed to being asked about their preferences and their issues. So all of that combines to the level of effort that the university of Texas has come up with in terms of the pricing for the study.

>> Mayor Adler: Thank you. Report is obviously very important as well as the other two reports. And we need to make star we actually follow through with these recommendations as well as the recommendations that were in the earlier two reports, both the specific recommendations as well as the statement of intent that was contained in those two earlier reports.

>> Houston: Mayor, I think it's critical bassos our Asian population continues to grow we must grow with them and make sure that we have outreach to the various communities in languages that they understand and that they feel welcomed into the process. So I think this is a good first step.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: I would be liked to speak against so we're definitely not rubber stamping it because I'm voting against it. I want to see our city and our policy move to something I call texan-americans. So no matter where you came from, we're here, we live together, we work together. I want texan-american values to be advanced. I'm going to vote against this. And arab-americans, Indonesian, german-americans, whatever the hyphen is, I'll vote against it consistently.

>> Mayor Adler: Any further debate. Someone move passage of item 43.

[7:15:32 PM]

By Ms. Houston, seconded by Mr. Casar. No further debate, all in favor raise your hand. 10-1, Mr. Zimmerman voting against. That gets us to item number 44 from the public utilities commission.

>> Evening, Bart Jennings with the Austin water utility and item 44 is dealing with water service to a particular tract and item 45 is dealing with wastewater service to that tract. Last year Austin water utility reviewed approximately --

>> Mayor Adler: For the record let me call up item from 44 and 45 at the same time.

>> Last year Austin water stilt reviewed approximately 2000 water applications. Of that staff approved approximately 10%, 199 of those, that needed additional engineering analysis, which we call a service extension request. Service extension request is generally applied to when our city infrastructure is more than 100 feet away from the proposed development or that the infrastructure that is adjacent the development is not suitable and sufficient for the type of development that is being proposed. Austin city code requires certain service extension requests to be reviewed by city council. Those are -- those service extension requests that are located in the drinking water protection zone outside the corporate limits of the city or if there's city cost participation involved. In this particular case there is no city cost participation but the tract of land is located in the city's E.T.J. And in the desired development zone. This particular tract had proposed development back in 2008 for a gas station and some other mixed retail. There was significant public opposition primarily due to concerns about the traffic and the gas station itself.

[7:17:36 PM]

In 2013 the developer of the tract obtained an approved site plan from the city of Austin for an office complex and they have the ability to use a well for water and to use on-site sewage facility systems for wastewater. They have come back to us and requested centralized wastewater and centralized water service. The item has gone forward to watershed protection staff who have recommended it. The environmental board who also recommended the service extensions both water and wastewater, to be approved. The water and wastewater commission recommended it. The public utilities committee also recommended it back to council. And most importantly, the environmental -- not the environmental. The neighborhood association adjacent to this tract is also giving it a positive recommendation for council to consider. I'm available for any other questions you may have.

>> Mayor Adler: Mr. Zimmerman?

>> Zimmerman: I would like to move approval of service extension request 3424 and 3525.

>> Mayor Adler: Items 44 and 45 have been moved for passage. Is there a second? Mr. Renteria. Is there any discussion? All in favor of this please raise your hand. I'm sorry, did you want to -- I missed that, I'm sorry.

>> We did talk in the committee about how in this particular case if everybody is on board, neighborhoods, commissions, boards and staff, maybe we could set a policy it that those kinds of -- those situations don't get referred to committee. So this is one of those. I know we're all learning the process and that's why this might have gotten sent to committee, but this was a case where everybody was on board, so we think it's a good idea. If that's the case then we don't refer -- these types of cases to committee.

[7:19:38 PM]

>> Other than cost participation.

>> That's right, thank you. Unless there's cost involved. And if there's cost involved before the public utilities committee.

>> They did tell us, but I can't remember. Maybe you remember --

>> Yes, ma'am. I can provide information about the water and wastewater commission. There are a couple of members of the water and wastewater commission who I would say are very, very, very concerned about the drought and it's their perspective that. Practice if they are serving anybody else it should not be recommended. On the other hand, Austin water utility staff feel very strongly that, yes, we are in a drought and we recognize its severity. That we have it well in hand in terms of the types of things that we're doing, not only in the short-term, but in the long-term to address our water supply needs and manage that so that the city can continue to economically prosper and grow.

>> Mayor Adler: Okay. Any further discussion? Hearing none, all in favor of passage of 44 and 45, raise your hands? Those opposed? It is 10-1 with Ms. Kitchen off the dais -- 10-0 with Ms. Kitchen off the dais.

>> Thank you.

>> Mayor Adler: Thank you. The only two things we have left are the housing two that are also in the Austin housing finance corporation meeting. Is Gus Pena here and Rob Jones here?

>> Mayor, can I comment on one other thing that the public utilities -- I know we've already postponed the Decker Lake issue, the public utilities also heard that issue.

[7:21:45 PM]

And I encourage you to read the recommendation that we made that it was basically no recommendation, but with the report of why we had no recommendation. And I believe our city

manager Goode whose office did an excellent job of coming up with the summary why we decided to do that. So I'd encourage my colleagues to read that report regarding the water issue. And we tried to concentrate just on the water with regards to Decker Lake and then we didn't want that to hold up any future vote so that's why we pushed that through to the council and now we're waiting for the other two committees to report back to council.

>> Mayor Adler: Good, thank you. Ms. Gallo?

>> Gallo: I've got a question or comment on agenda scheduling. As I'm looking at this as we get into this council committee recommendation coming back to the council agenda, it just seems like because we have all of these tagged on at the end of our agenda that there's staff that's having to stay around for a long time. And I know we can't take them on consent, but maybe we could at least be scheduled with the other part of the agenda closer to the beginning that's in the same department areas. I don't know. It just seems like --

>> Mayor Adler: It makes sense to me too, rather than grouping them by committee that's been returned, group them by the department, but we need to note on the agenda that those items are items that are returning back from a committee. That might make more sense. Make sense? Point well taken. The next item that we have then would be item number 53. Do we have someone from staff to tee up 53.

[7:23:53 PM]

Item 53 and 54 are a little different.

>> Good evening, Betsy Spencer, director of neighborhood housing. These are just two public hearings, items 53 and 54?

>> Mayor Adler: Correct.

>> Correct. So these are public hearings that are required. These are for development that you will also hear about in the Austin housing finance corporation --

>> Mayor Adler: Let me ask this question. Is it better for us to take the Austin housing finance corporation meeting first and then come back to these two?

>> That would be helpful.

>> Mayor Adler: Then let's do that. Then let's go ahead and we'll now recess the meeting of the Austin city council and call to order a meeting of the Austin housing finance corporation board of directors. We have five items to consider. There are two public hearings. And then two matters related to those public hearings. Ms. Spencer, would you please brief us?

>> I do think there were speakers. I'm not sure that they're here.

>> Mayor Adler: I just called for their names and they were not.

>> Good evening, Betsy Spencer, treasurer of the Austin housing finance corporation. We have five items for you tonight. I'll read brief descriptions of each one. For the first item if approved, this item would authorize the finance corporation to negotiate and execute a loan agreement in the amount of two million dollars that would fund the acquisition of property in the Robert Mueller municipal airport for this development. Under the partnership proposal from the developer the Austin housing finance corporation would take title to the land and lease it back to the development. Under the Austin housing finance corporation's ownership this property would be tax exempt, which along with the two million dollars will enable a development to provide units at 30% and 50% median family income. The second item is also related to the previous item. If approved this would authorize formation of a non-profit corporation affiliated with the Austin housing finance corporation. The non-profit corporation would act as managing member to -- of a to be formed limited liability company that would own and operate the Aldridge 51 development.

[7:26:02 PM]

In other partnerships in which the Austin housing finance corporation has an interest, particularly when low income housing tax credits are involved or if hud is ensuring the mortgage on the property, it is a requirement that an entity be formed that will own the development and nothing but the one development. In that way the liability is limited strictly to the single development. The third item, if approved, this one will provide construction funding for 11 houses to be built by the Austin habitat for humanity. The homes will be sold to low income buyers, completing habitat's program. Not only is there a Ben at this time if to the home buyer whose home home has an affordable mortgage, it increases the tax base has these individuals will pay taxes. The fourth item is a public hearing which meets the requirements of the tax equity financial responsibilityability or tefra. The tefra hearing allows the Austin housing finance corporation to receive public input for the issuance of up to the \$16 million in multi-family housing non-recourse revenue bonds to provide interim and permanent financing for the rehabilitation of the cross departments. And the fifth item is also a public hearing, similarly a tefra hearing that would allow for the finance corporation to receive public input for the issuance of up to \$20 million in multi-family housing non-recourse revenue bonds to provide interim and permanent financing for development of the Aldridge 51 apartments. We have bond counsel here available for questions and I believe the developers are as well. But I do offer these on consent. >>

>> Mayor Adler: Ms. Houston?

>> Houston: I'm sorry, are we going to take 54 at different time.

>> Mayor Adler: No, we'll be 54, but these are related here.

>> Houston: I don't want 54 to be on consent. I need to talk about that.

>> Mayor Adler: Okay.

[7:28:02 PM]

So which one of these items relate to item 54, which is the --

>> I apologize, 54, the public hearing, which is item number 54, that particular project, is not related to one of these items. It is only 53.

>> Mayor Adler: Okay. That said, does anyone want to move passage on consent item?

>> Zimmerman: Mr. Mayor, I would like to pull from this ahfc, items number 1, 2, item 4 and item 5 off consent.

>> Mayor Adler: Okay. Our consent items will consent of number three. Any objection to -- anybody want to discuss the consent agenda, which is item three? No? All in favor of item three please raise your hand? Those opposed? 10-0 with Ms. Kitchen off the dais. Then let's consider the ones that were not pulled beginning with item number 1. Mr. Zimmerman?

>> Zimmerman: Thank you. I'll go ahead and let Ms. Spencer briefly lay out number one for us.

>> Did you have particular questions?

>> Zimmerman: Yes. Again, we're talking about a loan of two million. And this loan is not being issued in the form of bonds, right? This is just loan money that's already in which of our affiliations here? Is this haca or aapc or --

>> This is the -- this is the Austin housing finance corporation budget. So this is -- we administer these funds through the rental housing developer assistance, so these are our general obligation bond funds. So this is in fact a loan to the project. It will likely be deferred and forgivable so they will not likely make payments to us unless there were a default, but it is in the terms of -- it is a loan.

[7:30:05 PM]

It is debt to the property. But it is the G.O. Bonds that we administer through the finance corporation.
>> Zimmerman: To it's more like a grant. So there's no interest rate on it and no requirement for it to be paid back.

>> Not unless there's a default. It is a loan, though. I do want to be very clear the tax credits require that it be in the form of debt, but it is generally deferred forgive annual so there aren't often regular payments.

>> Zimmerman:, again, it's like a grant because a loan has the expectation it will be paid back. A grant is that it won't be paid back. No interest rate and no term. It can't be a loan.

>> There are deferred, forgivable loans. It is -- there will be legal instruments and it will be a loan. But you are correct, there's not an expectation of monthly payments as long as they maintain the requirements. It is a legal loan.

>> Zimmerman: I don't have any more questions.

>> Mayor Adler: Further debate on item number 1?

>> Troxclair: I have a question. I have some questions about item number 2. I know that they're tied. I'm trying to figure out if I have concerns about item number two, do -- should I ask them now?

>> Sure.

>> Troxclair: Or can we pass item number one without passing item number two?

>> Mayor Adler: Go ahead and ask your question.

>> Troxclair: Okay. I know -- so item number two is basically creating a new entity, a community housing development organization, and I know that it's getting late and we don't necessarily need to get into it tonight, but from working on affordable housing issues at the capital, I just know that there have been some serious problems with these kinds of organizations in other parts of the state and the legislature has had to get involved and try to intervene and there are still some unresolved issues. This is creating a community housing development organization is kind of a complicated relationship and it does involve some liability for the city and so I just -- my preference would be for number two to go to -- my question is really for the issues that have arisen in other cities have more to do with the financing structure of it and how the money is handled.

[7:32:22 PM]

And who takes care of the money rather than the housing part of it. So my recommendation -- my request would be that number two be sent to audit and finance for a little bit further discussion.

>> Can I respond? We're not creating a choto. It is a separate legal entity. We have several of these. If you remember in our policy workshop we talked about a land trust model. So this is very similar at the multi-family level of a land trust model. So we have several other partnerships that we have created and we've not experienced any problems with ours and so we would have a level of responsibility and oversight obviously, but we've not had any -- in our experience -- I think we have four or five, but it's not a chodo. We're not creating a choto to be clear, but it is a single assettate in an effort to be able to maintain -- have a ground lease relationship with the developer, which as I stated earlier, does keep it off the tax rolls. By the property not paying tax it is helps the project maintain lower rents for low and moderate income families. So I -- all of the items are related in the sense that we need to create the entity that can hold title to the property to be able to complete the entire transaction. So in that sense they are mutually dependent on each other. Or they need each other.

>> Mayor Adler: Further debate or discussion on item number 1 before us? Mr. Zimmerman?

>> Zimmerman: Going back to page two of the dma exhibit a, just a couple of pages later, I want to go back to what you just said about the tax exemption. I think I'm understanding better. So the reason all these little companies are kind of being created, as it says here, the ownership structure is expected to generate ad valorem tax exemption what you just said.

[7:34:22 PM]

But I want to reemphasize for my colleagues that every time another project depose on exempt from property taxes, it necessarily means that all the people that are going to live in this tax exempt project, other people have to pick up the tax bill for the police service or the fire, the ambulance, everything that these people are going to need is going to have to be paid for by everyone else. So by definition that hurts the affordability of everybody else that's not subsidized. Do we understand that? Somebody has to pay. So they're not paying property taxes, the other property taxes have to pay more. So they become less affordable. Right? The people that aren't subsidized.

>> Mayor Adler: For me I think I understand and I would find this a good expenditure for the affordable housing results.

>> Zimmerman: So where is the impact? We have an education impact study, right? So a new unit comes in, new development. We do this impact study for what it means for the schools. Where is the impact study for what this tax subsidy means for the rest of the taxpayers? Why isn't that study done? To quantify how much everybody else is going to have to pay because this project doesn't pay? Have we ever done those studies?

>> We can easily let you know what the taxes that the -- the foregone taxes are. We can provide you with that information.

>> Zimmerman: Okay, thanks.

>> Mayor Adler: Further debate on item number 1. Ms. Tovo?

>> Tovo: I would like to move approval of the item, mayor.

>> Mayor Adler: Okay. If there's no further debate, Mr. Renteria seconds that motion. Any further debate? Okay. We have a motion and a second. No further debate, all in favor raise your hand? Those opposed? It is 10-1 -- 9-1 --

>> Troxclair: I'm going to abstain because I have questions about number two.

[7:36:26 PM]

>> 9-1-1, troxclair abstaining, Zimmerman no. That gets us to item number two. Someone move adoption of number two? Ms. Tovo does. Seconded by Ms. Pool. Any discussion on item number two?

>> Troxclair: Yeah. I would love the opportunity -- we're taking in so much information about a lot of different subjects, and I think we need to have a better understanding of the land trusts and how the -- how that relationship and the liability and a lot of other things that relate to this creation work. I would respectfully request that we have the opportunity to talk about this in the audit and finance committee.

>> Mayor Adler: Ms. Gallo?

>> Gallo: This is all a learning -- figuring out how to do all of this experience. I appreciate your questions, but we had a really good presentation in housing on this issue and the different subjects. And I know that our schedules are so complicated sometimes it's hard for us to attend the other meetings, but if it's -- it would be available, I assume, recorded?

>> Mayor Adler: Yes.

>> Pool: It would be --

>> Gallo: It would be worth watching that. It would answer a lot of your questions. If we could help each other know when the committees have really good presentations so the staff doesn't have to do it again, but it really was a good presentation that they did before housing. Thank you.

>> Mayor Adler: Do you want to move referral to committee?

>> Troxclair: Can I ask if there would be any adverse impact if we took a couple of weeks to hear this in committee and bring it back to council as soon as possible?

>> I'm going to refer to the developer if they've got any other additional -- these have been waiting for awhile.

[7:38:27 PM]

We have been working on these deals for awhile. And so we delayed bringing a lot of them forward in the first three months. We brought forward the nine percent because they had very strict time limits. We delayed a lot of these in an effort to give everyone some more time and so these deals take a long time to put together. The developers are often spending their own resources for engineers, architects and a lot of other professionals to put these together. I believe they've been working on this deal for awhile. So time is money, whether it's a non-profit -- this is actually a for-profit developer. So time is money and putting these together. And so I think it's important that we can move forward. I don't know that it's a deal breaker. I will ask the developer to stand up and see if she's got any other comments.

>> Diane [indiscernible] With limited voice today. Dma development company. I think that if we're talking about no later than may 7th, I would be fine with that. I think from our standpoint and the development community as a whole, I think it's really critical to Austin that you all be comfortable with these kinds of structures, that you understand what we're doing. That you see that these are not shale corporations. If you understand -- I personally on this development will be guaranteeing the entire cost for years. I will be guaranteeing personally the delivery of those tax credits, cost overruns, operating deficits. So I want you all to understand # our world is not an easy world.

[7:40:28 PM]

It a very rewarding world what we do, who we serve. What we can accomplish is extremely important and extremely important to the city of Austin. So from an educational standpoint if we delay it we have another issue on the agenda may 7th. I'm more than happy to have that particular item heard on may 7th as well if you want to postpone it. I'm fine with that. Let's continue not just this educational process on this particular issue. I know your issue with choto's. That's a whole other thing in the state of Texas, but this is not a choto. But let's be clear, let's be educated and involved. I'd love to work with you, be part of work sessions because it's so important to the city of Austin. Not just this development, this is 240 units at Mueller. It's the best thing that could happen. But we need this throughout the city. And I think it's really important that we work together and be able to have all of you on the same page with us as affordable housing developers. So I'm fine with your request.

>> I really appreciate you.

>> Zimmerman: Can I be recognized to move that we send it to committee?

>> Mayor Adler: Okay. How about if we postpone this to may seventh so it comes back and in the intervening time if you can have the opportunity to look at it and it discuss it, but otherwise it comes back on the seventh?

>> Renteria: Mayor, I'm fine with sending it to committee, to go to the housing committee, but -- and we had the discussions before in our committee. So I would feel more comfortable if she met -- if the developer met with -- one on one with and explained to them and educate them and maybe set up a meeting with the ones that are not on our committee so that they could learn what's going on because unless they attend my committee meeting, they're still going to be in the same position.

[7:42:38 PM]

>> Mayor Adler: Okay. Let me see. Do you want to move that this go to a -- you wanted to move this to a committee. Is there a second to the motion to go to committee? Is there a second to the motion to send

it to a committee?

>> Troxclair: I motioned or he motioned? I'll second it. And my request was actually for it to go to audit and finance because I had questions about the -- or I think that what we need to understand is focused on finance. And I appreciate that they had that conversation in housing, but there may be a different aspect to the discussion in audit and finance. But I don't know when our next meeting is, mayor pro tem.

>> Tovo: Thanks for the question. Our next meeting is next week, I believe. Let me check the date. But I know that on our next meeting our draft agenda is probably more than we're going to be able to accommodate. We have, I think, three or four audits. We've got three or four purchasing type contract arrangements on our calendar for briefing that have been referred to the committee. We have a few items that have been referred to the committee that I think we can defer. Another month we have several briefings that are very time sensitive from our financial staff and our outside auditor that have to take place so our deadline stay on place and we need to meet in executive session to review all the applicants for the municipal civil service so that we can then interview them on schedule at our special called meeting the following week. So I would say I am very supportive of this project and these items on our agenda. Moving forward I would be very comfortable supporting them tonight, but certainly I want them to be successful. If we need to jettison other things on audit and finance. I don't know how we will do it, but we can look at that option. One suggestion I would have is to -- if that's a comfort level tonight moving forward with this one and then reviewing -- inviting everyone to review the housing presentation and if there are still questions about that that need to be resolved in an upcoming meeting we can work to have that general policy discussion at an upcoming audit and finance.

[7:44:48 PM]

Just one path forward.

>> Troxclair: Now that I better understand your audit and finance and committee schedule as well as your situation, I guess I personally would be okay with postponement to may 7th since you indicated that you would be okay with that. And we can meet in the meantime and have a discussion so I can make sure that questions are answered. I don't know if councilmember Zimmerman would agree with that.

>> Mayor Adler: Are you okay?

>> Zimmerman: There definitely needs to be a public meeting. This definitely needs to be a public meeting. On page five here, I'm looking at the organization chart of the ownership entity, and there's a development owner, Austin bma housing, board of directors includes Ms. Spencer. We know who you are, that's terrific. And Ms. McKeifer you're listed as 100 percent sole member of the community ventures LLC, but the investing member, 99.98%, I guess that's the ownership, there's nobody here.

>> Right, and that's the investor who is purchasing the tax credits. And we've not selected that investor yet, but yes, they are the limited partner with a majority of ownership.

>> Zimmerman: Right, I kind of know. We have people come in and developers, owners, they come in and get grilled, what are you going to do with your prong? We've seen this over and over again. And in this case the box is empty. That's just kind of weird.

>> No, because we actually -- we're out an rfp basis right now, sort of an rfp. We have proposals coming in from investors and we're going to select the investment proposal that's the very best for this development. And so it's very common for that box to remain vacant because we're not just going to hand this project to an investor and not think that we've got the best offer we possibly can.

[7:46:51 PM]

So we are in the process of getting those offers in. It's a customary thing for that box to be blank when

the application goes in to tdhca.

>> Mayor Adler: Thank you. The motion before us is the motion to -- is to refer this to a committee. If this motion to refer to a committee does not pass, I'll entertain a motion to postpone it until may 7th and pull it back if that doesn't pass, then we would consider it today. But the motion that's on the floor right now is the motion to refer to a committee. Any further debate? Hearing none, let's vote. First motion we're going to take is the motion to refer to a committee. If it is not passed, I'll entertain a motion to postpone until may 7th. If that doesn't pass then I'll entertain a motion just to approve it. Mr. Casar?

>> Casar: I was trying to get my hand up during discussion. I apologize. I'm very comfortable with going forward today just because my feeling of the council is that we're going to pass this on may seventh anyways. Just my observation from this council. Not to be -- make too much of an assumption. If we're going to pass it on 7th anyway, you may as well pass it today and have a discussion on the ownership structures later. I think it's a valuable discussion.

>> Any further debate on the motion to refer to committee? Ms. Pool?

>> Pool: I'm also comfortable with pa Ising this tonight and I think one reason why it seems like there maybe as much conversation or debate to councilmember Zimmerman's point is that you have so many other requirements that are put on you by other regulatory agencies that you are actually -- there are a lot more hoops that you are jumping through than, for instance, on the burnet road-rockwood case. That was completely different and we are probably the sole regulatory on the burnet road Rockwood whereas in mcmckeifer's instance we're probably maybe the smallest piece. The rest of it is much more intense and complicated.

[7:48:51 PM]

So I support the work that Betsy Spencer's group does very deeply and for all of those purposes. Thank you.

>> Mayor Adler: Thank you. Any further debate to refer to committee. Thank you. You don't have to stand up any longer if you don't want to. All in favor please raise your hand? Those opposed? 9-2 with Zimmerman and troxclair voting aye. Does anyone want to move to postpone it to may 7th?

>> Troxclair: I would like to move to post tone it to may 7th.

>> Zimmerman: I'll second.

>> Mayor Adler: Go ahead.

>> Troxclair: The developer said that there would be no issues with doing that. It would -- I guess I don't see what the reasoning -- it's very possible that the council will pass it on may 7th, but because there seems to be no adverse impact to that postponement, I would appreciate the opportunity to have a little bit more further discussion with the developer about the creation of this entity. And I also want to underscore that my questions have nothing to do with not supporting the goal of affordable housing for Austin or not supporting the item. Is just again there are -- there have been legitimate questions raised about similar entities and I want to make sure that like as the developer said that we're all -- we all need to be comfortable moving forward with what we're doing and the developments, the affordable housing developments that we're providing for the city. So I would move post positive postponement to may seventh.

>> Mayor Adler: Any discussion on the motion to postpone? Hearing none, let's take a vote. All in favor to may seventh please raise your hand. Four aye's, troxclair, Zimmerman, Houston and me. Those opposed raise your hand? It's the other seven on the dais. Greg, how are you voting? And Greg is -- Mr. Casar is abstaining.

[7:50:55 PM]

So Ms. Houston?

>> Houston: It passes, right?

>> Mayor Adler: Now we're going to pass it. That then -- we're now taking the motion on -- any further discussion on number two? Hearing none, let's vote for passage of number two? Pa all in favor please raise your hand? Those opposed? Those abstaining? Okay. It's 9-1-1, Zimmerman voting no, troxclair abstaining. Two passes. Three passed earlier, I think. That was a consent item. That gets us to item number four.

>> Houston: And mayor, I would like to encourage the developer to meet with councilmember troxclair so they can have that conversation.

>> Zimmerman: Thank you, Mr. Mayor. I did pull this so I will ask -- so item four says conduct a public hearing and receive public input.

>> Mayor Adler: We did. There were some people that signed up. I asked if they were here and they were not.

>> Zimmerman: Okay. Thank you. And so that brings me back to this request is for \$16 million, and this is for rehabilitation. So if you could picture what I put up earlier that showed the housing authority, the city of Austin, hhca, and there are some companies and partnerships that have been created underneath that. So all the affiliates and the companies and the partnerships and the LLC's that have been created under haca, so what is the aggregate debt that's been issued? Because this is -- this would be \$16 million in addition to how much more money? E mark is here, our bond counsel. This is the -- the Texas bond review board is the one that authorizes all of this bond debt.

[7:53:01 PM]

And the state of Texas has a cap. I believe both of these projects were coming out of the 2014 carry forward, but no one finance corporation, items four and five, are the Austin housing finance corporation as the issuer. The item this morning was the housing authority as the issuer. None of us have a cap on our debt. It's at a state level. Mark, would you like to help me if I've said that wrong.

>> [Inaudible].

>> So we don't have -- the state of Texas -- do you know what it is for the state, for the housing? Do you know what it is?

>> [Inaudible - no mic].

>> The state of Texas has a cap of over several hundred million. It's done at the state level. Each state has its own formula. This is -- it's a federal incentive. The four percent tax credits and the -- and the bonds, the private activity bonds are federal incentives and each state has their own capacity.

>> Right, that's right. So you think it's several hundred million, but you're not sure how much it is, the cap?

>> That is correct.

>> Zimmerman: And you don't know where are we right now? Are we at 100 million?

>> When I looked yesterday, because you had asked this question earlier. I do know that both of these projects, I saw them listed as the 2014 carry forward. At that time I thought I saw that so far on the list of -- that are all being worked was about 450 million. When I looked at the list. That was a statewide list on the Texas bond review board website.

>> Zimmerman: The statewide list. But this is the Austin area -- is it a region it is. Are we region seven?

>> It's statewide. We don't have a cap. We do not have a cap. Am I saying that wrong?

>> [Inaudible - no mic].

>> Zimmerman: Okay. So is the projection going forward that we go to 500 million, a billion, one and a half billion? So there's no limit?

>> The federal government creates the limits for each state. I don't know what they're expecting.

[7:55:04 PM]

>> Zimmerman: But I'm asking if you had an unlimited, if the organization, haca, it sounds like there's no limits other than what somebody sets for you. Do you have any limits at the haca?

>> Sure.

>> Zimmerman: Or is it just infinite, as many as you could get you would issue more and more money.

>> You don't have a limit in terms of what the Austin

[indiscernible] Can issue. What you have is a limitation in terms of what the federal government allows for private activity bonds in the state of Texas. It would be limited by what the federal government allows for in affordable housing for particularly the state of Texas. There's no cap in terms of what the ahfc can issue.

>> Zimmerman: That woulding the federal government that's \$18 trillion in debt? That seems to have no stop limit for the debt that they will pile on us. That doesn't make me feel very confident that we have some controls on the debt. Would that make sense to you? Do you have a comfortable feeling about where all this is going? Can't answer that question. Okay.

>> Mayor Adler: Okay. Any further discussion on this item 4? Hearing none, someone move adoption of item number 4? Mr. Casar, Mr. Renteria. Any further discussion? All in favor raise your hand. Those opposed? It is 9-1, Zimmerman voting no, troxclair off the dais. That gets us to item number 5. Any discussion on item number 58?

-- Number 5?

>> Zimmerman: One more quick question here. I'm looking at the resolution Numbers, not a number on it. But can you help me understand the board of directors, which one is this?

[7:57:09 PM]

There's -- Austin housing finance corporation, but -- I don't know how to show you what I'm looking at because it's not numbered. It's talking about terms of board of directors for the housing -- Austin housing finance corporation. And it lists Burt Lumbreras, Elizabeth Spencer, Rebecca [indiscernible], and Mr. Lumbreras is designated as the president of the related corporation. What related corporation is that talking about?

>> That's the -- for each one of these transactions we will set up an independent, separate organization. So it's that organization.

>> Mayor Adler: Anything else?

>> We're on item 5. I apologize. We are talking about the public hearing for item number 5?

>> Mayor Adler: Yes.

>> Zimmerman: Actually, I can't tell because there's a resolution in front of us here. Is this --

>> Mayor Adler: This is about the 20-million-dollar --

>> Zimmerman: Sorry. Maybe I'm on the wrong page. That might be on item two.

>> Mayor Adler: This is Aldridge 51 apartments. Take your time.

>> Zimmerman: I shut have brought -- should have brought that up on item 2. Never mind.

>> Mayor Adler: Let's take a vote. All in favor? Someone move passage of number five. Mr. Renteria seconds, Ms. Houston. All in favor of five please raise your hand?

[7:59:10 PM]

Those opposed? It is 9-1, Zimmerman 1 with troxclair off the dais. Had.

>> Mayor Adler: That completes our agenda, without objection, the meeting of the homework hfc board of directors meeting is adjourned. Call back to order the meeting of the city council. Two items left, 53 and 54. Do they both relate to item that were just discussed?

>> They do not. I apologize, these are -- both of these items are public hearings whenever finance corporation is going to issue bonds, the transaction requires there's the tax exempt bonds or the private activity bonds and they are married with the 4% tax credit application, both of these items are public hearings about their ability to apply for 4% tax credits so you'll know whenever we bring forward for you private activity bonds will be married with a 4% tax credit. There will be a variety of different hearings. These are specifically about the 4% tax credit applications.

>> Mayor Adler: Okay. Again, we have no public speakers. Anyone hear to speak on either of these? None. Would someone move adoption of items 53, 54 -- one at a time p53, Mr. Renteria moves passage of 53. Is there a second? Mayor pro tem. Any discussion? All in favor of 53 please raise your hand. Those opposed. Those opposed, it is 9-1, again, Zimmerman no, troxclair off the dais. Gets us to item number 54. Is there a motion to approve item Pfeifer four. Mr. Renteria. Is there a second? Ms. Pool. Any discussion on item 54. Ms. Houston.

>> Houston: Thank you so much. It's taken me a long time to get here.

[Laughter]

>> Houston: I have some concerns about this development. First of all, it's a senior developer -- development, and the transit options are nonexistent in order to get two the closest H.E.B. Tech Rick on the bus it would take almost an hour, you'd have to walk a quarter mile.

[8:01:30 PM]

I know they're not talking about smart housing, I don't think. But while we still -- why are we still putting senior housing in location where's there's no amenities, there's no hospital, no grocery store close by. The closest thing that I can find is McDonald's, taco bell, jack in the box, sonic, and I don't know why we keep building density in these areas when there are no amenities. So I just want to know what is your understanding of moving this forward with all the issues that -- none of the amenities that we all talk about are in this area.

>> I apologize. The developer is not here to speak directly to that. Oh, he is? Oh, I'm so sorry. Come on up. They told me you weren't here.

>> Counsel, Justin hart with lgg development. We are providing additional transportation for this project, 55 years and older, seniors. We will be providing cars to go. In addition we were talking about cap metro placing a closer bus stop and notion the Austin housing authority will have a private education bus for

[indiscernible] Specifically to be able to go to Wal-Mart which is on palmer and i35, a grocery store. Additionally we do have CVS pharmacy on the corner of palmer. So we are providing some additional public transportation until future transportation will be provided in that area. In addition to -- I mean we do have close pharmacy, which is .2 miles away. The library is close in proximity.

[8:03:33 PM]

The urgent care is within 5 miles of the location. Lending, bank of America, close to our proximity to our senior facility also.

>> Houston: When you say close to your proximity, it in tech ridge, where the member is, or is it across i35 where the Wal-Mart is?

>> By the member ma'am.

>> Houston: So you all are going to provide these transit opportunities on-site?

>> Yes, ma'am.
>> Houston: Where is that written in here? I didn't see any of that.
>> When we were talking to Mr. Hutchen sons --
>> Houston: He told me that but I need to see it in writing.
>> Okay. I can put that in writing.
>> Houston: The understanding is that second thing, how many accessible units do you have?
>> Since it's a 55 years and older, the project is fully accessible.
>> Houston: So --
>> We have two elevators within our building.
>> Houston: Rails, visually impaired --
>> Yes, ma'am, we're required by the state, also the federal act.
>> Houston: Okay. It's just a concern that we keep adding density to places where there is no easy access for elders and seniors to be able to get someplace. And so if they don't drive, and some seniors don't drive, they've opted out of that, so you will have transportation to go pick them up and take them wherever they need to go?
>> Correct.
>> Houston: Okay.
>> This is -- I'll put some additional clarification. This is 55 years and older so we do have a mixture of tenants driving and taking public transportation.
>> Houston: As I said you can't take public transportation. You've got to walk quarter of a mile before you can get to the bus stop, and then it takes you an hour to get to the H.E.B. So, again, as we develop these projects, I would hope that the housing folks would begin to look more intentionally about where we're putting the locations, what's there, what's not.

[8:05:42 PM]

That's going to be my thing from now on because we're developing things out in the middle of nowhere, yeah, there's an elementary school up the road but that doesn't have anything do unless they want to volunteer. The CVS I guess you could walk if you're healthy, but you keep saying 55 like that's -- they're almost in the grave sore something.

>> I'm 54, come on.

>> Houston: The issue to me, as a housing department, we've got to start thinking differently than putting this in the middle of nowhere. There's no place for them to go to the show. While I guess they could combo to you Round Rock, pflugerville but just we have to start thinking about what amenities are there for the people that are going to live out there.

>> Mayor Adler: Okay.

>> Houston: So I'm going to -- this is a public hearing, and so when will we have our second public hearing?

>> We won't, actually. This is a housing authority issue. They're the ones issuing the bonds. And this is one of the requirements when there's an application for tax credits and the private activity bonds, is that there be a public hearing before this body. So it's not -- I don't believe it's going to be coming back.

>> Houston: Okay so, sir, I'm not going to be able to support this at this point because I have nothing in writing that you're going to follow through on what you say you're going to do. Okay?

>> Mayor Adler: Okay. Misgallo, then Ms. Kitchen.

>> Gallo: I think you addressed some really important concerns. I have a question, is anyone from haca here? Okay. And I was just going to say if somebody from haca was not here I think it would be real important, particularly in these public hearings, where haca is basically in control and managing these properties, to address some of councilmember Houston's concerns.

>> Sure. Again, good evening. Ron cold well, vice president of housing development for the housing authority. Is there a specific question.

[8:07:43 PM]

>> Mayor Adler: So Ms. Houston was asking about the location of these sites in areas that are not served by transit that don't have amenities and resources niche.

>> There's a couple things that attracted us to this site. First of all, there's already an existing multi-family development called Harris ranch of apartments right in front of it. Already 100% occupied and fully functional. As you look at this area of growth and you drive on -- east on Parmer, you start moving down there's construction everywhere, from -- all types of services and offices and buildings and things that are coming up. I think the amenities that our partner is going to put in on the site for senior housing, and I believe he can go over those directly for you, to what we'll provide on-site, plus the transit issues, I mean, we are eligible for special transit. We will be providing some sort of a shuttle service that we will be able to get tenants around as needed, and better boring with cap metro, I don't know where we're on on that, but the need for, you know, senior housing is great. We feel we've got a great partner. I think the location is growing. I think if we waited and wait for everybody to be there, it's kind of if you build it it will come. I think our representation as the housing authority is not to leave our residents stranded. I think we've proven that over the years and I don't think we'll do that again this time as well, and we just think it's a great property to fill a great need in an area that is still affordable enough for us to do and reach the types of incomes we need to to provide it for our seniors. We'll take vouchers, our seniors there as well so haca will have a strong presence in the management and supportive services and take advantage what have we offer to our senior public housing developments and to our other developments that will just spread that way.

>> Houston: Sir, thank you so much for that information. We've had this same combination with the reserve on Springdale and with rosewood courts.

[8:09:49 PM]

I mean, it's like the housing authority just hasn't gotten it yet. There are no things going up out there that you mentioned. There are things that we keep talking about going up on Parmer lane. Remember, that's my district so I know it really well.

>> I understand.

>> Houston: And there's no medical center. I mean, when you send a person to urgent care, can you imagine how much that's going to cost them? It's just like going to the emergency room. There are no doctors office. I mean, there's development coming, but there's none there now. To plop a over55, 55 and over -- how many units again? I forgot.

>> 216, I believe at this point.

>> Houston: 216, is that what sterling silver?

>> Yes, ma'am.

>> Houston: Okay. In the middle of animal nothing except junk food and gas stations, right there on the corner of dessau. I'm looking at the map here. We've got a dollar store, jack in the box, shell, oh Riley, exxon, auto zone, no place to get healthy food here, and that's what we keep talking about, he places where there's connectivity, walk to work, walk to amenities. That's not here so I'm not sure why we keep doing this.

>> Once again, on a -- I don't know how to answer that question without -- I mean, it's a project that we know is going to succeed, we know the growth is going there. We have to get out in front of this in order to provide them and maintain the affordability levels we're going to do and I think that's up hot housing

authority and our partner to provide those services and they're not there and to help our residents get to the places they need to go. I think the property definitely has several amenities they can take advantage of, including the libraries, pool, the garden, movie theater, things like that, that are there.

[8:11:58 PM]

So -- health screening, things like that. We're going to do a lot of supportive services there. But I understand your concern.

>> Houston: Obviously you didn't because you're justifying it. The only reason this worked at the Springdale and reserve because we had a developer that really worked very hard to try to make some things happen there. So, again, I'm voting no until people get it, that the density we've got to have those kinds of amenities in that part of town. Otherwise, we're putting people in situations that are untenable.

>> Mayor Adler: Okay. Ms. Kitchen.

>> Kitchen: I wanted to echo what councilmember Houston is saying. You know, it's nice to provide services on-site but that's not what we're talking about. I mean, seniors are isolated enough as it is. So to put them in a housing that they can't go anywhere, and even if you're going to provide -- I would like to know more about the transportation. Is it there every day? Do they have to plan it ahead of time? Can they just flag down transportation? I mean, all those kind of details make a huge difference in whether or not a senior person can actually take advantage of them. The other thing I'm curious about is I would like to understand what your criteria is for senior housing. When you're looking for a development for senior housing, what are you looking for? That would be helpful to me to have -- to have an understanding of what your criteria is. I understand what you're saying in terms of you've got to be able to afford the location. You know, that's a big problem. You know, all over town. It's expensive to find land or find places that you can build closer in. But, I mean, there's more to it than that. So I would like -- I guess what I'm doing is I'm saying I echo councilmember Houston's concern. I think that we've got to change how we look at senior housing, in particular.

[8:14:00 PM]

We have to look at the whole community for seniors, not just the transportation and not just some transportation to take them someplace far. And from my perspective, I would like to understand what the criteria is that HACA is using. So if you can point me to some place that I can read up on that, that would be helpful to me.

>> I'd be happy to provide that information for you.

>> Kitchen: Okay.

>> Again, certainly affordability is the key and the need for our housing is great. And, you know, obviously the first thing we know -- there's a senior development and there's a half a mile away, as the growth keeps going east we feel services will be there. This is a two-year window by the time the project gets done. As far as the special transit, cars to go, and working with Cap Metro those can be worked out very quickly as we develop the plan, you know, we'll work on the, you know -- I can't give you a day to day schedule yet of what we're going to be doing. I mean, that's just too far out in the future to -- but we know it's going to be there.

>> Kitchen: That's why I'm asking.

>> I understand.

>> Kitchen: For the criteria. I'm hearing your concerns. I'm hearing some things that you'll address, but is that written anywhere? Is it part of the agreement with the development? Is it in --

>> Well, there's a plan -- I mean, you know, as we discussed this when they presented this deal to

partner with, that was part of our discussions, what we would like to see in this development, amenities we would like to have on the site. We wanted to make sure vouchers were accepted at a property which was important to us. Again, the quality of the development was important to us. And the transportation has to be a big part of that, and we've done deals with Idg before and we feel that they will honor what we ask. Notify problem putting -- I have no problem getting a little more descriptive and doing some things, running and bringing that back to you.

[8:16:07 PM]

>> Kitchen: I'd like to know if you have a policy -- policy or criteria, whatever you want to call it --

>> I think it's hard to give you a criteria because every deal is different. Every location is different and every area is different.

>> Kitchen: But not to be -- not to go too long, but I understand that. But there would be some basic criteria for what seniors need. And so that's what I'd be looking for. Is some kind of criteria that acknowledges some basic things that you're looking for, that you would -- that you have to have in order to go forward with the development. That's all I'm asking for.

>> Mayor Adler: Ms. Blow and then Ms. Garza. Did you raise your hand?

>> Gallo: I'm not sure quite how you're structured now but it used to be there was a resident service person.

>> Yes, we still have that.

>> Gallo: I would suggest from what you're hearing from several of the counsel members that perhaps a meeting with that person would be advantageous because that would be someone who could explain and also if there's a policy addressing the different resident services of the different developments.

>> Yes, I can provide the services that will be on-site. We can put -- it's in writing. There's things that we do but, again, each one is a little bit different but we still are going to focus on health and wellness and -

>> Gallo: I'm suggesting possibly a meeting, if that person could reach out to both of these councilmembers.

>> Sure, we can do that.

>> Gallo: And address some of their concerns and meet, that that would be --

>> Kitchen: I would also -- perhaps we can have a conversation about the locations you're looking for because as a city, we really need to get seniors closer in where they can walk to places, where they're in a community that is -- there's more of a complete community for them.

>> Mayor Adler: Okay. Further -- yes, Ms. Garza.

[8:18:07 PM]

>> Garza: I guess when you're talking about keeping that affordability factor, is that what the -- what the challenge is, that if you have a piece of land that has access to transit, that has a grocery store right next to it, that has all these amenities essentially those -- that land costs more.

>> Yes, it is going to cost more. And one of the criterias I try to do is, you know, I mean, I look at the growth going that way. I mean, the land is distill affordable enough for us to do it and, you know, we're going to -- we are going to provide everything we can to those residents to make sure they need to get where they need to get. But I also think the growth is already coming, and it will get there. You know, the CVS is a great starting point when -- you know, we hope with the addition of a senior site, other retailers will come in that area because there are some available tracts of land there that will happen. And, like I said, we will try to do our best to provide those services to those residents and get them to where they need to go.

>> One more thing. Talking about services we actually do use castle real estate services as our property management. They actually draft a policy that is access for tenant services so it's specifically concentrated to 55 years and older, different classes they put together, health screening once a week, blood pressure screening, nutritional classes. On top of that we do buy a small -- smaller bus that's always there at the property. When a tenant needs to go to a doctor appointment they go down to the front desk, sign in the time they go at. Our driver takes them to the appointment they want to go to, atb, they take them there. They kind of try to do a loop of services that they want to sign up for on top of the additional services that cap metro provides, which we're working with them now to put another bus stop in front of our complex.

[8:20:16 PM]

So we are trying to accommodate the senior living.

>> I want to say real quick, this conversation came up sort of in the affordability committee, our first meeting. One of the things that was -- we addressed was to start looking at city land and county land and how we can sell our -- how we can use that city-owned and county-owned land to provide some of these kinds of developments closer to town. So, I mean, I know that's a broader policy discussion, but I do think we need to start thinking in that direction.

>> Houston: And what.

>> Mayor Adler: Sounds good to me multiply.

>> Houston: Go ahead.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Thank you, mayor. And, you know, we are doing that right now. I mean, we're developing rbj, going to increase the size from the 265 to 800. We have the salteio, serving 265. There's a lot of -- the problem we're facing in the inner city is that we cannot afford to buy the land anymore. It's just too expensive. And I'm familiar with the kind of services that this organization provides. And they're some of the best services for our seniors that I've ever seen. I mean, you don't see too many complexes not only putting elevators, accessibility, wheelchair, even swimming pool for our seniors there. I mean, they have some very good services. So, you know, we can't put them all downtown because we have lakeside, rbj, we're going to have the garden lines on pleasant valley and go valley corner, so there is, you know, senior housing that we're developing, but, you know, there's some people that live out there in the north side or on the west side.

[8:22:25 PM]

You know, they're not all coming from the inner city. And we need to provide housing for people that live in that area also. So I would move to approve this.

>> Mayor Adler: There's been a motion to approve 54. Is there a second to that motion? Ms. Pool seconds. Any further discussion? Memory Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. One more question on the private activity bonds. I was the president of a municipal utility district 10 years ago and I was responsible for issuing municipal bonds, right, with the broker, worked through all that. I did some due diligence. So when you do bonds, you have to rate them as to the chances they're going to get paid back, right? You can rate a bond aaa so it's investment bond or a junk bond, depending on the likely being repaid. So my question on the private activity bonds, who rates them and what is the rating on those bonds? And the second question is where do you sell them and what what interest rates? Who buys them.

>> I'm going to ask our bond counsel.

>> Zimmerman: Great, thank you.

>> Not all multi-family residential projects like this are actually rated. They could go unrated. So it's not uncommon for multi-family deal to be unrated. That's not to say this one will or won't. I don't know the answer to that question. But it's not uncommon for them to be unrated bonds.

>> I'm sorry. Barely hear you.

>> I'm sorry, it's not uncommon for a project like this to be non-rated.

>> Zimmerman: Okay. So non-rated bonds, those can't be investment grade bonds, right? Investment grade meaning they have a high likelihood of being paid back?

>> Right.

>> Zimmerman: So when they're unrated you don't have a lot of -- you don't have any confidence they'll be paid back because they're not rated.

>> It's one thing to be not rated and it's another thing that they choose not to go through the -- not to get rated. Sometimes the developer decides this isn't a project that's going to be rated.

[8:24:27 PM]

They'll have investors that will still buy the securities. But you're correct, sometimes when you're not rated it means that you're rated below investment grade.

>> Zimmerman: Second question, so who is buying the bonds? There's 21 million here, right? 21.6 million. Who is going to buy those bonds? Judging on who has bought them in the past for these kind of things?

>> You're -- I mean, again it's stemming to the last deal that you just had on your dais, you know, we will -- we put this package together. We put the Numbers together. It's given to a syndicated groups, we go out forbid, solicit the best offers for investors out of the private sector, whether it's individuals, whether it's multifund, whether it's a corporation or whatever. They will -- whether it's a bank, they'll look at the deal. They'll underwrite it themselves, and they will then again purchase those for either on behalf of their investors or direct private placement to somebody.

>> Zimmerman: So is it a brokerage company or is it a bank? This should be public information as to who is brokering the bonds, right?

>> I mean, JP Morgan chase buys them, bank of America buys them, Wells Fargo buys them, currently we're just like dma you put out an rfp and find the best inventor for your bonds.

>> Zimmerman: Could you give me the name of who the bond broker is so I can ask a few questions?

>> Mason Joseph company based out of San Antonio.

>> Zimmerman: Okay, thank you.

>> Mayor Adler: Any further -- Ms. Tovo.

>> Tovo: I actually had a question for Ms. Spencer. I think this is a very important area of policy that we're talking about, and the discussion of sight affordable housing and one closely to public transportation is one I know of interest to our community and certainly one appropriate for us to consider.

[8:26:28 PM]

It's my understanding that the staff from transportation and housing have actually been working on -- in response to a resolution passed about a year ago, isn't there a staff effort to -- from transportation and housing to talk together about some of these issues?

>> You're referring to the housing John action team, the --

>> Tovo: Yes, I was. I just couldn't quite come up with the name at this hour.

>> Yes. Actually, I think we're going to do a presentation on that committee to the -- to the housing committee probably in the next month or two. But, yes, there was a sort of coalition formed last year

that got the housing department, the economic development department, and transportation department together so that we would be able to have better conversations about how we can improve sight housing, transportation, jobs together. Part of that was because of the federal transportation dollars, to be more competitive in those applications, we needed to demonstrate that we were having very effective improvements in being able to do that. It's not that we're going to always be able to do that. I think as -- you'll hear a lot a challenge for development is the cost of land. And so it is a constant struggle, and as far as it can be difficult sometimes to always site housing where everything is already around it. Sometimes the cost of land is an issue. There are a lot of different things that will always be a factor. It's always the hope and incident intent. I can tell you anybody who does this kind of work, enterprise the housing authority, they want to help the folks that they house. It is hard. The hope is right that the services will come. Ideally the services are -- everything is already there. That isn't always the case when we're looking for land and how we can locate things and so I think the housing authority is definitely demonstrated through all of their projects and properties their ability to serve their residents.

[8:28:33 PM]

And so I think they've demonstrated a lot of transportation options until of course hopefully that services are closer, that folks can get there. I'm not really answering your question, other than it will be a constant struggle we will all go through.

>> Tovo: I appreciate that context because it -- there was the discussion of the federal grant but it also, as I remember, arose out of some tax credit projects we were considering about a year ago, and there was an interest among a few councilmembers to maybe adjust some of the policies that we had as a city and not support projects that were not located already in close proximity to a bus station and a sidewalk, and so that kind of broadened into a discussion -- a broader discussion about how we move forward and, you know, we had people who very strongly advocated that while, you know, there may not be an existing bus stop then but that sometimes those stops do follow the residents and also that people made -- in the case -- the case that I particularly remember we were, one, talking about senior housing but we were also talking about a development was that oriented toward families, and the consideration was also while those are also in good school areas. So there might be other factors that balance out that concern for transportation. But I'm really pleased that we have this job, job, housing, transportation, action team, and that you're planning to present a proposal -- a briefing to our council because it's -- I think it's also very important to talk about it in the context of senior housing as councilmember Houston and kitchen have addressed. And so thank you for that additional context.

>> Mayor Adler: Ms. Houston and Ms. Kitchen.

>> Houston: The other thing that I'd like to say is that it would be nice for the housing authority to try to cite some things -- site some things in places other than the ones that you have most of your properties in that crescent in east Austin.

[8:30:40 PM]

We would love to have you site some things outside of that crescent that is traditionally there. And then I think the last thing I need to say is that the people who live there, when we deal with people who live in housing authority properties, we tend to call them residents. I don't know if you live in Westminster, we call you a resident. They're people who live there, and so that's people first language, and every time you say that it just drives me crazy. They're people who live there and some of them take advantage of section 8 housing and some are on other kinds of income levels, but they're people first, and we have to pay attention to that. And, again, there's going to be something there one day but it's nothing there now. Councilmember Houston, I've been with the housing 30 years, my current pled excesser comes in

every morning, says whatever I do, whatever haca does meanings nothing if we don't pay attention to the people that we serve. That's first and foremost on our minds every single day we go to bed with it every single night. So I strongly agree with you, and I apologize I'm not the public housing guy. I'm the affordable -- outside of the public housing deal, but I get it, and I appreciate what you're saying. I strongly do believe in -- believe that. And we don't forget that. It's with us every day. And I just wanted to add one more thing. I'm sorry because my mind was racing but one of the other attractive things is Idg owns the apartment complex in front of this current development. As we're developing Ben Wyatt which I don't believe came to this council, when we approved this before, we have a senior and multi-family site being built right now on Ben wait boulevard between Riverside montopolis.

[8:32:41 PM]

We're under construction, we've got families wanting to move into the residents, the family side, and moving mom and dad in to the senior side so they can be close. And the in fact it's affordable for mom and dad, so that the brother or sister or whoever can take care of them seems to be a real good match. And that was one of the things that attracted know this deal, is that Idg has a very strong stake in the success of their existing multi-family project so I know they're not going to let this one down because it's a double edged sword, if they do they lose both. As we continue to lease up and get inquiries on our Ben white deal we see this marriage with multi-family with senior, people are coming down to move with mom and dad, where mom and dad still have their Independence but they're there close enough to watch. That's another strong -- kind of the strong mayor rath mirage we look at. I'm sorry I didn't ask that earlier.

>> Mayor Adler: Okay. Any further comments?

>> Kitchen: Thank you very much. That's very helpful.

>> Mayor Adler: Ms. Kitchen, microphone?

>> Kitchen: I can't remember the mic. Anyway, no, I appreciate that because that is a very important component. So that's very helpful. I just raise the questions that I did because I think it's important to have the -- to have the policy conversation as councilmember tovo mentioned and also maybe we -- you know, maybe we can be creative and identify some things to help if we understand all the challenges. And so thank you.

>> Mayor Adler: Any other further comments on item number five? Is there a motion to adopt number five? I already did that. All in -- 54, rather. I think we already have a motion. All in favor of adopting 54 please raise your hand. Those opposed. It is 8-2-1, Houston and Zimmerman voting no, troxclair off the dais. That was the last item we had on our objection.

[8:34:44 PM]

Without objection we will adjourn.

>> Zimmerman: No objection.

>> Mayor Adler: Adjourn.