

City Council Work Session Transcript – 06/09/2015

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[9:09:30 AM]

>> Mayor Adler: We have a quorum here so we're going to go ahead and start. Today is June 9th, Tuesday, June 9th, we are in the boards and commissions, Austin city council, 301 west second street. This is our work session. We'll go through the list of items that have been pulled. We'll begin with item number 2. Ms. Houston? You pulled that?

>> Houston: Yes, I do.

>> Mayor Adler: Do we want to do the briefings first? Let's do the briefings first. Sorry. We have the final legislative briefing. Good morning, Karen.

>> Morning. Mayor, mayor pro tem councilmembers, I'm here today to provide you with a wrap-up to discuss with you today our -- as we've discussed before, the significant state-wide issues, along with significant legislative issues that directly impacted the city of Austin. And then finally, I'd like to discuss with you a little bit about it and answer any questions you may have. First of all, let me just start by saying the city of Austin had a very successful legislative session. We took a few hits, but overall I think if you'll ask anybody about the outcome for Austin and all cities in the state, they will say that on the whole we came through this session relatively unscathed.

[9:11:41 AM]

With a session in which the volume of bills significantly increased. There were about [indiscernible]. Of those filed bills, about 1700 maybe impacted cities. Anywhere during the legislative session we were tracking close to 1600 of bills that impacted cities. Of the total 6400 bills that were filed, about 1300 of them finally passed. And of that 1300, over about 220 of those bills directly impacted cities. And so large Numbers of issues and a large number of issues directly impacting the cities and the state. I can start with our discussion of what we've had before on the significant statewide issues that were kind of center stage during the legislative session this year. Those included, as we have discussed before, the budget, the state budget. As I've told you previously, the state budget is the only piece of legislation that is constitutionally mandated for the legislature to adopt. And they did that in house bill 1, which was kind of an agreement that went through a conference committee where they settled on -- I think the new state budget will be like a 208 billion-dollar budget. As most of you know the legislature budgets on an by yes or no enyell basis, so it is the budget that the state will operate under in the years 2016 and 2017. One of the other very big issues that the legislature looked at this session of course was tax cuts and Texas reforms.

[9:13:46 AM]

And if you will recall from previous discussions, there was a lot of I guess disagreement between the house and senate how those two proposals would come out. And let me just say that on the tax cut front what the house and senate agreed to finally was sjr one, which is a constitutional amendment that will go to the voters on November 3rd of this year. And in that particular institutional amendment they will ask the voters to increase the school property tax homestead exemption to \$25,000. As you know the current school homestead exemption is \$15,000. \$15,000. So that's a 10,000-dollar increase that they have agreed to. They also agreed to reforming the franchise tax and simplify that for businesses that are subject to that. And for something that applies to us on the tax reform front, they increased what they referred to as tax transparency. So beginning in January of 2016, any governmental entity that proposes to adopt a tax rate that will exceed the effective tax rate will have to adopt that new rate by a vote of 60% of the councilmembers. Who serve on that governmental body. The next issue that took stage at the legislature this year --

>> Karen? Could you repeat that.

>> Senate bill 1760 is a tax bill transparency mill. If a governmental body like a city will adopt a tax rate that will exceed the effective tax rate, the vote on adopting that tax rate will have to be 60% of the members of that governmental body.

[9:15:58 AM]

It's like 6.6, but 7.

>> How is that different from what currently exists?

>> There is no current requirement. It's a new requirement if you're going to go above the effective tax rate.

>> And that is whatever the rate is to bring the same amount of revenue as the previous fiscal year?

>> Correct.

>> Mayor Adler: For us the practical effect for us is it requires one more vote than it would have before.

>> The next legislation, the there were several different initiatives on that, but the big one that I think most people heard about was the governor's prekindergarten initiative, house bill four. That particular bill also after a conference committee between the house

[indiscernible] For school districts in the state to agree to improve their prekindergarten programs. And it requires that the district meet certain kind of teacher quality and curriculum measures before they can be eligible to receive any funding, and that particular bill is effective immediately. On the higher education front, I think the thing of most note that we tracked was senate bill 632, which was a measure that basically ended the emerging technology fund and took that funding and transferred it into a governor's -- university research initiative, and that funding will be used to attract top researchers to universities throughout the state of Texas. It's about 45 million dollars' worth of funding that universities will now be able to tap to attract the best and brightest to Texas' universities.

>> Pool: I have a question.

[9:18:03 AM]

You might not know this and I don't know if we have anybody from budget here, but has the city of Austin benefited from the emerging technology fund in the past where that funding would not be available to us going forward?

>> I'm not aware, but I can work with whoever that department might be to try to figure that out.

>> Mayor Adler: The bill that would have let buses travel on the shoulder of roads got close, but didn't

get there.

>> Yes, sir, it got close, but did not get there. It got out of the house and got referred to a city in the senate. In talking to senator Watson's staff the committee was not willing to give the bill a hearing, so it did not get very far in the senate.

>> Mayor Adler: I hope that tml and other people pick that up in the interim. It will be 2019, 2020 before we can actually start putting in a dedicated lane on I-35 for transit and we really need that.

>> It was in the Austin's legislative program. And I'm sure it will probably be there again. I'll make sure that tml is aware of the issue as well. The next kind of big issue that kind of was running through the legislature this year dealt with immigration and border security issues. The big bill was house bill 11 which was affected January 1st, 2016. And those measures basically go to increase staffing and funding for the Texas department of public safety and the Texas National Guard to keep National Guard troops on the border and provide more D.P.S. Security on the border. On the transportation arena, the big reason we follow this session is sjr 5, which will be also on the ballot, November third of this year.

[9:20:11 AM]

And under the provisions of sjr 5, it does two principal things. The first thing is that it will dedicate two and a half billion of the general state sales tax to highway funds purposes, the motor vehicle sales tax to the highway fund. There's kind after cap in that motor vehicle sales tax provision. It says that 35% of taxes above five billion dollars from motor vehicle sales tax will go to highway purposes. So if the voters approve that at the November election, that will be additional funding to go along with, as you know, prop 1 from this last year where oil and gas revenues were dedicated also to highway funding.

>> Pool: Mayor, I have a question. So with the transfer of the state sales tax directly to transportation, does that mean there is less share of general revenue for the state legislature for example to allocate in the next -- what is the effect?

>> It's a two and a half billion dollar of the general sales tax and I don't know the total number of general sales tax the state selects, but I can get that for you. That was part of the argument that some folks made about dedicating sales tax because as you know the state relies on that to fund education, transportation, other kind of health and human services issues. But it's not -- I don't know what the proportion of 2.5 billion is of the total amount of state sales tax that's collected.

>> Pool: Is it fair to say that reduces the amount of general revenue that future legislatures have -- are able to appropriate in different areas?

[9:22:13 AM]

>> Yes.

>> Pool: It reduces their discretion.

>> Yes, because it's a dedication.

>> Pool: Thank you.

>> Kitchen: Thank you for going through the major issues. It would be helpful if you could revise this to put the bill Numbers next to them.

>> We're going to have a written report. We're still working on that. We're one week out. So we will have that and we will have all of that. What I also have for you, I will send you the Texas municipal league has already completed their report. They have about 10 people working on theirs. We have one. So we'll send you that. That has all the bill Numbers and the effective dates so we will get that to you. We can get that to you today.

>> Kitchen: Thank you.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Can you tell me anything about the lone star rail? How did that fair out?

>> The issue came up and we couldn't find a bill. I think they were going to file a bill or they were going to file a bill. Is Lela fireside here? Did they file a bill? I don't think they ever filed an actual bill to deal with that. We searched and searched the legislative bills and I don't think -- looking for what it would look like and I don't think we found it.

>> That's correct. Lela fireside for the law department. And Gregory Miller is also here. The two of us were trying to keep an eye out to see if they could find the legislation that would have implement police department provision in the agreement with lone star and we did not find it. As far as I know that bill did not get through unless I missed something.

>> Mayor Adler: Mr. Zimmerman?

>> Zimmerman: So the next big question is does the \$2.4 million comes out of the budget that we earmarked that they were told was dependent upon legislation passing?

>> Mayor Adler: I think the answer to that is yes.

[9:24:15 AM]

Ed will be here at 10 and we can ask him that.

>> I'll ask -- Robert Goode, assistant city manager. I think they pulled it back this session and chose not to bring it forward.

>> Mayor Adler: Ms. Pool?

>> Pool: In the final report that you bring to us, Ms. Canard, can you indicate how the change -- whatever the legislation is that affects us, how it affects us? What the current state is and then what the changed state would be? For example, on the two items we talked about, having to have a 60% vote on adopting a tax rate that's higher than the effective rate is a change to our existing way of how we do things. So if you could tell us how the legislation affects our city business, that would be really helpful.

>> We're probably going to have to work with departments on a lot of those because some of them the governmental relations office won't know, but that's fine. That will slow us down a little bit. That's fine, we can do that. Yeah, we'll do that.

>> Pool: And the same thing with the transportation funding. If the 2.4 billion is no longer going to be discretionary in general revenue, just a except like that would be useful to help us with interpretation and understanding the effects going forward. Thanks.

>> And finally, the last big issue that the legislature dealt with I refer to it as guns, but there were two primary issues, the open carry issue and the campus area issue. House bill 910 relates to open carry. And basically what that bill does is allows concealed handgun holders to carry their weapons securely about their persons in an open manner, but they have to have it in a holster or some other type of contraption. That particular bill becomes effective, let's see, January 1st of 2016. Didn't do anything to the current city's authority to prohibit it in governmental meetings, courts and other types of facilities.

[9:26:21 AM]

Basically just repeal the concealed and allows open carry. And the second big issue related to guns was campus carry. And that particular provision will allow concealed guns on both public and private colleges in the state, and that bill will become effective in August of 2016. So with that, those were kind of the big issues that throughout the legislation session took up a lot of the house and senate's time and energy, and they finally worked compromises on all of them to get them through a point to adopt them. And all of those bills that I mentioned are currently on the governor's desk for his signature. I'd like it to now turn to significant legislative issues that were kind of specifically targeted at the city of Austin. There were several of them that we've talked about over the last month or so. The first one, senate bill

267 relates to the city's source of income ordinance. That particular legislation was adopted. And under the bill it will preempt the city's current source of income ordinances. The bill does allow the city to enact some source of income regulations related to military veterans, and there was also an amendment that says that the city can adopt a voluntary program that would be designed to voluntarily encourage [indiscernible]. That bill will become effective September 1st of this year. The next two pieces of legislation, senate bill 1945 and house bill 3958, were two pieces of legislation that related to the operations of Austin energy.

[9:28:25 AM]

And due to the work of the mayor and the council those two pieces of legislation were pulled down and did not move forward. The next one, house bill 2440 relating to transportation network companies, which currently in Austin are Uber and Lyft, that particular bill did not move out of the house. It got through the house committee, but died in the house calendars committee. So our ordinance is still -- we're still able to enforce our regulations on those types of companies. House bill -- that should be 2870. Apologize for that. From representative Alonzo relating to prescribed burns. That bill would have said that only certified firefighters could conduct prescribed burns, and as you all know, we have several employees in our water utility who do that on our water quality protection lands and our endangered species protected lands. That particular bill also died in senate committee. It got out of the house, but didn't get a hearing in the senate. House bill 3448 was a bill also directed at Austin specifically relating to our E.M.S. Director and his deed credentialing decisions. The bill got out of the committee, but died in the house calendars committee. There were several bills that were filed that related to our plastic bag ban. That would have preempted that. The first bill, house bill 1939, never got a hearing. The second one, senate bill 1806, it got a hearing, but before the hearing, the day before the hearing, they removed the provisions related to the bag ban. Now, that particular bill had some other kind of detrimental provisions to the city, but it did not move forward at all even though it removed the provisions related to the plastic bag ban.

[9:30:34 AM]

>> Renteria: Can you give me more information about house bill 3448? What would that have done?
>> Well, what it would have done, under our current, I guess, scheme in the city, [indiscernible], the city of Austin telling E.M.S. Employees who operate under his medical license. Under this bill it would have allowed someone who was decredentialed -- if the medical director says based upon whatever factorrrers he uses you can no longer practice under my medical license, it would allow those individuals to appeal his decision to the state office of administrative hearings so there would have been an administrative hearing process where that employee could go through. It's kind of an administrative process. You present evidence, an administrative law judge would have made a decision as to whether or not someone could have practiced under the medical director's license.

>> Renteria: And what options do they have now?

>> The medical director has -- he recently set up about two months ago, set up a peer review process that looks at his decisions. So it's a new process that he has in place. I can get to some more information on that. I don't want to misquote exactly what that does, but there is an independent group of folks who look at his decisions on decredentiaing and then it comes back with a recommendation or I don't know what they call it, but the E.M.S. Department recently set up a more robust, I guess, due process procedure for that.

>> Renteria: I would like to see that information, please.

>> Okay. The next set of bills that were kind of aimed at Austin, house bill 912, this is a bill we spent a lot of time on.

[9:32:41 AM]

It would prohibit -- it was a general statewide bill. It and house bill 2073 are basically the same bill except for 2073 was bracketed specifically to Austin. It would have prohibited cities from protesting wastewater discharge permits. And our environmental departments, working closely with the water department, we spent a lot of time opposing these bills. 912 got out of the house and got a hearing in the senate and then kind of died in the senate committee late in the session. House bill 2073 was never heard and never got a hearing in the house and there was never any senate campaign on that. House bill 3620 was also a bill that was bracketed specifically to Austin. Would have had some prohibitions of extending our infrastructure in certain incorporated areas of our E.T.J. As well as house bill 3621, which would bracketed to Austin, would have taken away part of Austin's E.T.J. House bill 3632 also bracketed to Austin, would have required the city to provide water service to small -- to a small city in the E.T.J, but would prohibit the city from recovering the cost of those services. The Austin water utility and the governmental relations office, you know, have tried to work with the parties who brought these particular bills to try to see if there can be some resolution. I know they're still working on the parties who are behind 3622, but 3620 had a house hearing, but never moved out of the hearing. 3621 and 3622 never got a house hearing. So hopefully those are some issues we can continue to work on outside of the legislative process since they were bracketed specifically to Austin.

[9:34:50 AM]

The next bills of significance to Austin, even though they weren't bracketed to us, were things that we spent a lot of time on. The mayor came over and testified against senate and requiring a lot of time. That's the bill that would significantly change the annexation process in the state of Texas. Basically would require -- require a vote and would prohibit the city from having any kind of limited purpose annexation. That bill got through the house committee, got to the house calendar and was debated on the house floor but the bill was killed by a point of order on the house floor late in the session. So the people behind the bill start moving the senate bill and the senate bill got out of committee very quickly and got on the senate floor and it actually passed the senate, but it passed the senate too late in the session to be considered in the house. The deadline for considering senate bills in the house had already passed by the time it got out of the senate. House bill -- I'm sorry, senate bill 343 was one of the many anti-local control bills that would basically say that home rule cities couldn't do anything that the state hadn't specifically given them authority to do. So basically it turned home rule cities into general law cities. There was another really bad kind of anti-local control, senate bill 360 related to regulatory takings.

[9:36:54 AM]

It never got a hearing. And there were several bills about local non-discrimination ordinances and I'm happy to say none got a hearing in either the house or the senate. And the last one I think I listed there is house bill 2595 and that was a bill that we were very concerned about here which would limit the citizens' ability to engage in initiative and referendum petitions. The bill basically would say that the city could not put any initiative or referendum on the ballot if it would impact a person's private property rights. Two significant initiative petitions, we were very concerned about that particular type of legislation moving forward. The bill -- we testify against it in the house. The bill got over into the senate

and got a hearing, but didn't go anywhere. A couple of bills that aren't listed, I know that the folks have some interest in, senate bill 279, which was senator Watson and representative Rodriguez's bill that would have allowed cities to adopt a flat dollar amount homestead exemption. That bill at the last minute had a lot of support and a lot of momentum. It passed out of the senate. The governor's office was supporting it. However, it got caught on the house calendar right at the end, the last day for senate bills to pass out of the house, and unfortunately because of the slowdown of trying not to get to some other bad legislation, it died on the house calendar. And house bill 594, which was a bill that would have errored the tolls on sh 130 for large trucks also died on the house calendar during the time that house bills had to be [indiscernible].

[9:38:56 AM]

So with that, those are just kind of an overview of kind of the -- all those bills that we were watching. [Indiscernible]. I will just say before I get into interim liberty versus local control and that battle of where governmental bodies like cities and counties and other kind of local governmental bodies, where their authority begins and ends and how they are going to be able to continue to have local control over their own affairs. So I move -- I say that as I move to interim legislative activities to say that that battle will continue. There was a quote that Bennett Sandlin gave to the media. He's the director of the Texas league and Bennett said something like the state legislature has decided that the state is the goldly locks form of government. The federal government is the big bad government. Local government is the small bad government and the state government is the just right government. And so we're dealing with that right now where there were lots of bills. I only went through a fraction of them, that would basically have the state dictating how we do our business when we do our business and why we do our business. And I think those battles are continuing and they will continue during the interim. There will be several interim studies on some of the bad initiatives that were there. There is probably going to be a study on annexation, those issues. There will be studies about things like bag bans. There will be other studies on the kind of how far local governments can go, and we have to be ready for that, those studies.

[9:41:03 AM]

During this interim, not only do we have the studies, you know, the governmental relations office will need to start working with the council and other departments on what the 2017 program will be, so those are other activities that will be going on internally.

>> Kitchen: I have two information requests if you could provide to us. Could you provide to us a list of the interim studies that you think might impact us that were passed. And also if you could provide -- provide to me -- I don't know if others are interested, but I would like to have a recap of what was done with regard to women's health because that will be important for our public health department. So if you could provide that information to me that would be great.

>> Okay. Interim studies won't be decided until sometime in the spring.

>> Kitchen: There are some bills that will have already said, you know, you shall study whatever. So there will be some legislation like that. Maybe there isn't any, but that happens. So to the extent that there are bills that have already indicated or said that items would be discovered, that would be good to have now.

>> You just want it on any issue?

>> Kitchen: No, issues that impact the city. But the women's health I would like a -- you don't have to write a book or anything, but if you could pull together, that would help if you could pull together a summary of what happened on women's health issues.

>> We'll work with the women's health department to get that information.

>> Pool: Mayor? I'd also like to -- once we get the information on interim studies and any work that the legislature is going to engage itself in during the interim, I'd like to just kind of have the dais start thinking about having some proactivity with the legislature.

[9:43:16 AM]

And the 85th session. So that we're more involved in the agenda that we have at the capitol, recognizing that our [indiscernible] A brief to take forward. So maybe from now that sign sign sine die has passed and we'll be able to see if there's any legislation that the city would like to bring so we have something to offer as well as defend.

>> Mayor, I'd just like to end with -- there are just a lot of people that need to -- I need to publicly thank for their help during this legislative session. First, this is a group effort. You can't do this by yourself. First of all, thank you, mayor and mayor pro tem and the council for your support during the session, the letters, the calls, all the things that -- testimony, things that you did to help us have a successful session. Thank you, city manager Ott for your support in making yourself available. I tried not to call you often, but when I did you were always available and took those calls and provided the assistance that we needed. Next I need to say just a huge thank you to the employees of the governmental relations office. I think some of them are here. Nancy Williams knows the process having worked over there, her knowledge of the players having been involved with them was invaluable to the city and its success. Mary Contreras, our governmental relations coordinator. She's the one who does that weekly report, works with the departments to get feedback so that we know what's going on with that legislation. Rich Bailey who also helps with monitoring committees and other things in our office.

[9:45:19 AM]

And our lbj intern, briancia berry who helped us with talking points, deeing us -- keeping us on track. Without their help nobody could do this job so I want to thank them. Also need to say a big thank you also to the members of the citi's external lobby team. Let me just tell you the city cannot do that job without those people. They are incredible, talented professionals. And they worked zealously to advocate on behalf of the city and for the issues and the programs that we have here. I have to thank each and one of them individually. I have, but I have to publicly. And I want to thank John hertzer for putting together that team. They've worked together now for about five sessions. They know each other well. They work well with our office and with the city and they are just amazing at what they do. I just appreciate everything they did to help me and my office and the city during this legislative session. Also I'd like to thank my friends and former colleagues at the Texas municipal league, Shania Igo, [indiscernible] And Ben Houston. There are other legal staff. Cities couldn't do legislative work out the tml and the support they provide. So I thank them and all the other big cities that have lobby and lobby teams. We work well together. So I really, really thank them for their support. I thank all the city departments for analyzing the bills some of the time lines I know were short. The turnaround times were short. There are a few just stellar individuals from a couple of departments that we've worked with very closely. Greg Meszaros has an employee by the name of heather cook which I have to let you know how hard she works for the city.

[9:47:25 AM]

Heather and I didn't really know each other when I started this, but we became buds pretty quick because we spent a lot of early mornings and a whole lot of late nights together on some of the issues that we were dealing with that would have unfortunately negatively impacted the water utility. I thank

Greg for providing her to us and providing that support. Also Jason Alexander and our fire department. He's their governmental relations person and he was just invaluable on some of the bills we were dealing with relating to the fire department. Paragraph and then finally we have pa Trish that aloofson and pat king from Austin energy, those folks and their support to our team was also invaluable. And last, but certainly not least I have got to thank the members of the law department. You guys are wonderful. Thank you for all your encouragement, your support. Baking me cookies, picking me up and taking me to the capitol when my car was broken, you know who you are, early in the morning. I know this last week has been difficult for our department, but as I told you when I met with you last Monday, we're a family, we're going to get through this together. I thank Kerry grace for also leaving her position in the law department to come help me this session, do this job. She did a great job of helping shepherd the issues. But to all the members of the law department, you're a special group of folks and I miss you. I've got a couple other things to do and I'll see you all soon. So thank you.

>> Mayor Adler: Thank you. Manager?

>> Ott: Thank you, mayor. Obviously I certainly want to [indiscernible]. Expressing my own appreciation for all of their hard work. It's always challenging and difficult when there is the legislative session and

[9:49:33 AM]

[lapse in audio]. Even though our posture is almost always a defense active one. I certainly appreciate councilmember pool your comments about being on the other side, on the offensive side sometimes pursue things that are going to present our interests and we look forward to that and look forward to the opportunity in the next year and a half to pursue those kinds of strategies as well. I do want to especially acknowledge Kerry grace, as Karen just mentioned, who stepped away from her Normal duties to help, as I said, in what is always a tremendous undertaking. But also while I mention her name last, certainly not least, there's Karen canard. As everyone knows, serves as our city attorney. So Karen, I want to thank you in particular for all of your leadership and for all of us in carrying us through successful fly this legislative session -- successfully this legislative session. You have lots to be proud of in that regard and we are proud of you for all of your efforts hopefully there's not much else to do and as Karen knows, we'll be discussing her transition in the near future. So thank you very much, Karen.

>> Thank you, Marc.

>> Mayor Adler: I want to reiterate quickly my appreciation. I think the council's appreciation for the work that everyone you listed did. That was quite a long list of thank yous you went through. But inch on that list deserved to be thankful. You led a good effort and a staff that did a great job. And outside consultant I will say that at the beginning of the session, newly in office looking at the list of things that were under scrutiny or direct attack in this session, it was a scary prospect to think of, of where we could have been with the priorities that this council has set over time.

[9:52:00 AM]

I'll also say after having been in a law practice for a few decades where I've been on the opposite side of a lot of the public hearing, at least on some of the land use questions, I was very proud to be part of arguments and presentations that I thought were top-notch on issues and I think that it shows itself with the number of-- with the limited number of casualties we took this session. So I just wanted to add my thanks as well. Mr. Zimmerman?

>> Zimmerman: Thank you, Mr. Mayor. I also need to underscore the fact that when you talk about local control, that concept definitely extends to individuals in smaller communities within the city that pay the taxes that allow us to be here and do what they do. I think particularly of hb 2221 that dealt with annexation issues was very, very strongly supported by a vast majority of my district 6 constituents. So I

hope you understand when they hear local control, what that means no to them is having a vote on whether they get annexed or not and I need to communicate to you how strongly opposed the majority of my taxpayers are to the position that your group took on those annexation bills. I can pledge to you that when this comes back two years, if I have the opportunity, I'm also get to get ahead of the issue and say local control has to extend to the people who pay the taxes in Austin, especially when it comes to annexation. We'll be ready for that too. The council of course can vote to take what positions it wants, but the individuals in these disturbs still need to be represented. So I'm going to do that.

>> Mayor Adler: Any further conversation?

>> Houston: Mayor, I would just like to thank attorney canard and the wonderful staff of all the departments that helped get us through this legislative session.

[9:54:06 AM]

When we first started the session had just started and so we were by no means [indiscernible]. Some of us were aware of the enormous amount of effort it takes to be present in the capitol on the issues that affect the city. So I want to say that I appreciate you and I appreciate that you've pointed out to people who helped along the way. Sometimes we forget to say thank you to the people who do the hard work and heavy lifting, so I want to say thank you.

>> Mayor Adler: Thank you. Anything else? Ms. Canard, thank you very much. We have another briefing now on strategic facility planning.

>> Morning, morning mayor pro tem, councilmember, I'm Greg canal Callie -- canally. This morning for our briefing on strategic facility planning and in a context of the city work I'm joined by Lorraine riser and Eric Stockton, our building services officer. We have been working on looking at our facilities and we really thought it would be beneficial to provide an overview and a context. During the first six months in office, there have been various items related to facilities that have come forward to council for approval, whether they're leases or fixes, and we --

[lapse in audio]. So that's what we want to do today with you. We've had an opportunity to do this on a small scale with the audit and finance committee last week to talk about some financing opportunities. So really it's how we typically address our facility need and lay out an approach as we begin a process.

[9:56:14 AM]

And then really finalize where we are with some of the existing facilities and the critical issues that we are facing today as we sit here today about these facilities and lay out a series of next steps. So just in a big picture, as you probably have seen by now, we have a large and varied network of city facilities throughout the 300 square miles of the city of Austin. We can define them many ways. I think what comes to mind quickly is that there's an aging infrastructure. They tend to be overcrowded both not only in an office environment, but also in a service yard environment, our service crews are overcrowded. We have limited flexibility in terms of the way the space has been designed and utilized over the years. On the flip side, however, we do have a vast network of facilities and we are well positioned, due in course to recent acquisitions we've done over the last several years, to be more efficient about how we use our assets. And at the same time offer up opportunities for redevelopment of those assets and we're going to talk more about that as one of our critical go-forward paths. We're also facing many operational challenges related to our facilities. They're not customer focused. The ones that need to be are not. We have adjacency issues on how our departments are located. Some departments are split up in how they work with each other, the travel time associated with that. And as Eric will talk about we have substantial deferred maintenance throughout the network. Our objective today is somewhat simple. We want to really begin a discussion, a broad discussion with this city council

about our city facilities, walk you through some of the existing challenges and begin talking about the process, including some initial steps that we have on next week's agenda to talk about how we want to move forward on addressing these operational issues. As we work through our facility planning and look at how we need to address our facility challenges we really have looked at several big operational considerations as a prism for how we can make decisions and make recommendations to the city council.

[9:58:21 AM]

One of the ones that has been Teed up and I think you have seen during the first several months, this idea versus lease spaces versus owned space. Currently we have nearly 200,000 square feet of office space and it costs the city four million dollars a year for this. We have service centers disbursed throughout the city. We have about 41 origin points where service center crews are running around. It makes it difficult for travel time as well as inefficient logistics and we have an opportunity for looking at redevelopment of underutilized assets. There has been a conversation with the community and with council at looking at some of the parcels and how they can be used in a different way to help satisfy other different policy goals. And finally kind of at the base of all this as we work on facilities is looking at our -- how we fund them, how we fund both the ongoing maintenance of them, how we fund upkeep -- upkeep them. And as we fund the alternate model. Currently our model right now requires typically tax supported debt through bond elections or non-voted bonds. And given the nature of the it multi-year bond programs that we have they often times take a lengthy time to complete, sometimes six to seven years is not unseen in that.

>> I just want to remind council that about 20% of the administrative space right now is under lease. And there's a huge auxiliary cost related to lease space, the cost of finishout, the cost to move and also the cost to get [indiscernible] Into the building. To move the audit office out to expand for the 10-1 council the cost was \$41,000 to move the auditor across the street to give you an order of magnitude. Also I want to remind council that the rule of thumb is 10 years of paying rent you could have purchased the facility.

[10:00:23 AM]

So it gives you an idea for facility long-term what that financially does to us.

>> Just kind of a big picture. We were able to, over the last several years, put a map together of where all of our facilities are. Several years ago this map did not exist. But it shows you how the over 260 facilities and these range from administrative spaces to fire, ems, recreation centers, service yards, warehouses are really spread throughout the city and over overall our assets are nearly \$2 billion. So I'll give you a little background on the new approach that we've been taking. Historically, most of the decisions that the city has made in terms of its needs have been need-driven and kind of a 1-off manner as the needs arose. Around 2012, 2011 we began to look and realized that the best managed approach is a planned state that aligns the city's facility infrastructure with the strategic goals of the city. So we began to study this effort. We hired a consultant to come in and take a look and help us assess conditions, assess everything from condition assessments for facilities, logistics, workplace analysis and help us develop a database of the facilities and also put together a 15-year framework and guidelines for how we should move forward. Also, the logistics piece, one of the -- this is a great example, excuse me, of this lack of a strategic approach. There are opportunities by improving the way that we look at service yards and logistic centers where service crews come to work and go out into the city to perform services by addressing some consolidation, we can create some efficiencies in how much productivity and costs for fuel, carbon footprint, et cetera, if we look from a steak perspective, which is one of the findings

from the study.

[10:02:35 AM]

And then the deferred maintenance piece, as you can see here, red and yolo are not great colors we want this to be green. Part of the study, a deeper dive on 34 prioritized facilities went in and the consultants did an analysis and developed this visual to help convey the condition of those facilities. They're operational, and they're safe, but this refers defers maintenance that historically has not been addressed that needs to be addressed. So this is another key finding and one of the things that we're beginning to tackle as part of the efforts to deliver on the promise of this study.

>> Association council, one of the other efforts we've been looking at is on a go-forward perspective is understanding how can we kind of get off of our [lapse in audio] Taken in the past to addressing our facility issues. So, again, as I mentioned typically, traditionally we've addressed our new facility needs as well as our replacement and existing facility needs through bond programs or other debt. What goes on in this, if you look at it from the beginning of when the idea is kicked around to when you can finally complete a project, oftentimes it takes six to seven years. Looking at it from perspective, there's a series of procurements that need to occur in the advance of a bond election and after a bond election, when you look at land acquisition, site planning, we have treated those each as individual actions and they each on their own take kind of longer to move forward on. Then we go through our typical preconstruction and construction processes. What we've learned, looking back, is that this leads us little ajit to adjust to market conditions. When you're part of an overall bond program the way the money flows ask cash flow is laid out oftentimes the timing after acquiring land is not based on market conditions or best opportunity to acquire that land but is really done at where we are in the bond cycle and how we can address the dollars.

[10:04:39 AM]

Oftentimes we may end up buying a piece of land at the height of a market as opposed to at a market conditions that are more valuable for the taxpayers. We're also susceptible to commodity and construction cost increases over the time of a six to seven-year period. More importantly, during these processes, the city has taken on all financial risk associated with them as well as the operational risk of completing the project on time. So what we've started discussion about and looking at, how can we address, this be more agile about dealing with, again, our existing facility needs? Around the country, there has been a growing tend to look at under an umbrella what they call p3, public private partnerships in terms of working with the private sector. We haven't used that term. We're looking at a term where the city still owns the express there's not as much of an equity payment on that effort but in essence we believe there's enough capital out there where government can access private ininnovative financing techniques, critical in lieu of using tax-supported oftentimes we can also --

[lapse in audio]

>> In the face of many competing budgetary needs to make sure that taking care of our hvacs and loves and elevators is top of the list. So we believe there's methodologies out there where we can actually get -- we can incorporate them into agreements where the facilities that we have and the facilities we can replace would be the operations and maintenance would be included in those agreements.

[10:06:51 AM]

So it's certainly an approach we just started digging into and looking at. We think it's certainly worthy of more conversation. Kind of drilling down on the key piece of this alternative approach is really looking at

the financing. The idea is about how you can access this through credit tenant leases is one, third-party financing. But what we took, we took an example of a 225,000 square foot facility, to put that in perspective, that's about the size -- little bit bigger than the size of one Texas center and as Lorraine mentioned we have about 200 square feet of office space, in essence we are leasing an entire one Texas center throughout the center and these leases are assets we don't own. They are dispersed again brings up issues about adjacency. We ran this through a high level model to understand the differences between the models and we looked at 30 years. If we continue on our lease on demand model we're looking at spending nearly \$250 million over the next 30 years. If we get in, as Lorraine said, we certainly know that owning an asset in the long-term is cheaper than paying lease costs and being at the mercy of the market. They would -- that would be -- bring the costs down from 250 to \$210 million. Going looking at an alternative financed approach, again, where the city's commitment to its policies about how buildings are built and constructed are still adhered to, we can look at third-party financing which could produce savings of another \$35 million. Key to that, again, is it can take us off the reliance of tax-supported debt to address our facility needs and free them up for other issues. To help us in this overall approach we've been able to engage cbre as a development advisor, to cyst us in all these planning efforts. They're the world's largest provider of real estate services.

[10:08:54 AM]

We think it's very unique that for the first time, as we work on our facility issues, we actually have a developer sitting on our side of the -- as we work through these issues, as we infrastructure with the development and real estate community we have someone to help advise us on how to work through the many issues. What's key about them, they have a dedicated [indiscernible] Group as this model is emerging around the country. They also have a full-service time of architects and financial consultants that can help us do the early stages of the programming work that we need to initiate to stay ahead of our issues.

>> Casar: Mayor, I see Mr. Canally

[10:11:27 AM]

>> Kitchen: This is a comparison over a 30-year cost.

>> Yeah.

>> Kitchen: Is there a difference between these models in the time line? In other words, do -- under the third-party finance, would we be paying more in the early years and less in the later years than we would under a lease model or -- [lapse in audio]

>> Again, we want to lay out on approach on the front end of this discussion. We're going to walk you through the next step to start working on kind of the programming and financial analysis that can lead us to kind of to help illustrate and fill in some of these questions. We understand these are large issues we we need more granular information to provide to you. Generally, I think from a time line perspective it can be done faster. And the way we've modeled it, we've modeled it in terms of the same cash flow. Instead of making a debt service payment we'd be making a lease to own payment as an option or straight out purchase of that asset and having a financing technique that we would, again, free up our bond capacity.

>> -- Sooner than we would otherwise be able to do them. One of the things we're always subject to is our capacity and there are limits to our capacity to issue debt, correct?

>> Absolutely correct. Overall, we would be able to, again-- facilities is our existing programs and services about -- these are really operational and administrative needs we need to address and so being sunt to the bond programs that -- subject to the bond programs, often there's so much critical needs we

bring forward they traditionally and typically are needs far outstrip our ability to fund them.

[10:13:28 AM]

If we can find one avenue to address our needs in another way and help us and be more agile and reactive to what we need to be doing.

>> That's correct. It's one thing to build them. It's another matter to have the financial capacity do keep up with them from an o&m standpoint. This also provides the opportunity to deal with facilities from a full life cycle prospect, correct?

>> That's exact right, yes.

>> Casar: I did have one more question.

>> Mayor Adler: Yes.

>> Casar: So we're currently paying our rent through the general fund dollars.

>> Through general fund, wherever the department -- we -- each department's rent is budgeted in their department, operating substituting that's a collective number. This is really focused on the general fund and support service funds as well as some of the -- those funds that don't have their own credit. Austin energy has additional lease space we're not accounting for but that is large and they'll be talking to you about some of their issues. These are in essence general fund money and operating dollars that are being utilized on going forward for leases.

>> Casar: So I guess I've gotten around to the answer to my question, in my mind, instead of financing off of the bonds we'll just be doing a financing model off of existing general fund dollars. So it's like we have money for our rent but instead we decided to pay a mortgage with that money --

>> Right. And -- but in essence it is like a home because we would certainly, as a -- and we have to work through some of the financial math and that's why we have to -- need to do more digging on this but the objective is that instead of having a perpetual lease, we've had some leases in place for --

>> 10-plus years.

>> Ten years that it would be nice at one point if we could lower the trajectory of that spend and bring did down so in essence what is now a lease payment would become an availability payment in the terminology.

[10:15:32 AM]

Then that availability payment would go away. So it would actually free up what is now being used in the general fund in the support service dollars. Because right now, again, we have no payback. I think the other nat Lorraine made about these upfront costs as we move into lease space is it is -- that is -- they are just a subcost that goes into a non-owned asset, whether that is doing reconfigurations, putting in the Gatten, and we have to -- they are things we have to fund. We had to fund with the auditor's office.

>> Also, in a triple net lease we pay the maintenance of the building. It's passed onto the tenant. So we're paying for the maintenance of other people's buildings when we lease them.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: The irony of this conversation here is that it's being couched and it may be as a more fiscally conservative way to achieve unsustainable growth in Austin city government. Why don't you think about that and let that soak in. We're in budget season here. I wish we could have a conversation about thousand control [lapse in audio] 20 years, we're going to be working on a study that documents the unbelievable pace of growth, the unsustainable growth of Austin government. So I'm dismayed to have to sit here and listen to half an hour, hour about, well, what is the more conservative way to unsustainably grow the city. I wish we could take a step back. You're right about the lease payments, extremely expensive, you have nothing to show for the it at the end of the lease. I got that. This is in the

context of a bigger argument that says the city has been growing unsustainably. So when are we allowed or are we allowed to have that conversation, to take a look at where we've been and how rapidly we've been growing and say we need to just change the conversation.

[10:17:38 AM]

I'd rather change the conversation.

>> Mayor?

>> Mayor Adler: Yes.

>> We'd certainly look forward to when council would decide to have that larger conversation. I think our intent today is more narrowly focused quite frankly on these facility needs. This arrives to you today, this presentation, after a lot of work bit folks sitting in front of and you a lot of work throughout the organization to make the assessment and the business analysis and case that ultimately is reflected essentially in that slide that's on the screen right now. So that is our purpose today. That sounds like a worthy conversation to have but it's not our specific focus today in terms of this presentation.

>> Mayor Adler: In fact I think we're going to get to what the is he next steps are and I think when we get there then we'll have a better idea what have the ask is, where we are in that process. Ms. Houston.

>> Houston: Thank you, mayor. And councilmember Zimmerman, parts of what you say I agree with, in that I think that ability to sustain this level of growth over time is unsustainable, but as Austin has grown and will continue to grow, there's some city resources that we have to expand into those parts of Austin that are growing. Those people pay taxes too. Not just the people in district 6. So although I understand that you're concerned about the growth, there are parts growing at such a rapid rate and have no city facilities or availability of interfacing with city employees, and so I'd very much like to hear about other ways that we can provide those services to people in those areas without having to pay for it out of a bond.

>> Mayor Adler: Thank you.

>> Just to wrap up, we want to talk about some of our existing facilities and the critical issues and challenges that we are facing.

[10:19:40 AM]

So I think the first one won't be too much of a surprise. This is related to one Texas center and our current -- in one Texas center right now, six floors are dedicated for our development services. I think for both our customers and our employees, it is not an efficient way to run that type of business through six floors. Certainly in advance of the recent Zucker report we were aware of this and they kind of validated that we need to at least initiate what a new customer-facing space would look like. This is not about where it would be or what it would look look. It could in essence be in a reconfigured building but we need to understand what our actual space program is for these types of services. Also, what's key to this is, again, we look back at the -- and one Texas center is an owned asset, I think we've owned it ten to 12 years. If there are segments in that facility that could serve as -- in a different way or outside of that building and, again, I think a permit center would be one of the first ones to be thinking about that would then free up space within our owned asset that we would exit leased space and bring it into an owned asset, certainly a value and, again, we would need more work done on that. Another critical issue relates to our public safety and our municipal court. We have really a wide range of issues related to all of these. Our Austin fire department and emergency medical services department are up off of 183 on tech center, far from downtown. We also have dealt with the issue of the U.S. Toll rode, 183 toll road conversion, it will actually impact our warehousing ability for our ability to get trucks in and out to do warehousing, big issue.

[10:21:48 AM]

The downtown, I think everyone is familiar with our downtown headquarters and municipal court. These are facilities that are at end of asset life. We continue to have to spend money. Recently we had to spend about \$1 million in elevators to repair the elevators at APD. I was talking to the presiding judge yesterday. I think they had flooding in the basement of the municipal court. The municipal court was actually a bond program in 2006. We were able to acquire some land, but we have been unable to move forward on really addressing the overall municipal court needs. And then as important is -- within the last several years, the city council approved a waller creek design plan and as part of that design plan those sites were identified as potential for redevelopment. Another critical issue that we've alluded to today is the service centers. I think one of the things as we've gone through this work that we all learned to be quite honest was how many service points deliveries we have in the city, where our crews are driving around. We think there's a more efficient way to address this. On that chart that Eric walked you through, one of the highest bars was the Austin resource recovery. Obviously they are one of the services that are [lapse in audio] Bob and his group have really analyzed that there are significant savings that can be gained by having a separate service center instead of having the route -- to route all of their trucks from one location all around the city and upwards of a million dollars of savings on fuel costs alone. Austin resource recovery, one of our first initial efforts along with public works and we do have identified land that we own in the north part of town that we would look at moving forward again trying to understand a little bit more about our programming needs. And as part of this, as we look at our service centers and if we look at them from a dispersion to more of sites that are more logistically efficient it will allow us for redevelopment opportunities for a variety of issues.

[10:24:03 AM]

>> Also, councilmembers, we have the daughter release. We've been working on the [lapse in audio] Because the building is built on the landfill, there's safety concerns and it's also got some floodplain issues. So it became aware that we could not [lapse in audio] So we've been working on different types of conversions of other city locations and just haven't found a good fit. What we're hoping today is, again, to put -- that would help draw are that facility should be located and what it should look like. Also, through the last council and this council we've heard about the need to -- of underutilized assets, how could we better use them? For instance we have 4chicon, Kramer lane, we've got other sites to see if the current use current use the highest and best use of that property or neighborhood. We need to initiate studies to look and see how -- what can we do on those sites and who you we -- and where would we move the location of the current uses of that site. That's something we need to look at. Then the last big program we have is the library cafe. We did an rfq, back about a year ago we didn't have any bidders on the project so we'd like to get cbre to help us market it and have a cafe on the market on opening day of the library. Next, going on to next steps, June 18 agenda, we're going to bring an item to council to request programming planning, financial feasibility related to the existing -- related to existing facilities that we've listed below.

[10:26:12 AM]

And, also, as part of this process we want to have stakeholder engagement, meaning, you know, the public and council as well. Why is this action needed? Why do we bring this to you now? And the reason why is because I have about ten more leases that I've got to bring to you in the next year and some of them very soon. And before I bring -- I start negotiating on the leases I wanted direction from council, do

I continue to lease -- negotiate a short-term lease at a higher expense or do I negotiate a longer-term lease at a lower cost? You know, and so I needed some idea of where we were headed on facilities. Also, again, there's development pressures with the expansion of the Austin Bergstrom expressway that's going to cause us to have to relocate those facilities. So I need to know if I'm moving into a short-term lease space or am I looking at a longer-term solution for that. Future operating and cap decisions will be how we approach those will be driven by some of the decisions we make. Do we want to go ahead and along with our traditional bond approach we've used in the past or look at other ways of approaching things that could be on the next bond cycle or next year's budget? Also, we want to work with the different council committees on the different types of issues, headquarters and municipal court, and do briefings analysis and bring it back to the council in different stages so we're getting your input every step of the way on what we would do. Also, council, I'm excited to announce to you this morning that you will be receiving a new web app. This is a beta version and staff has worked very, very hard to bring this to you. It will be a map and some instructions where it will have color-coded by district.

[10:28:19 AM]

It will also be color coded by parkland so you'll know at a glance if it's land it has parkland, it has a different set of rules than any other land. So the first screenshot you see is the map showing the different colors for the different districts. So you'll be able to easily see that and then you can hover in and zone in on a particular piece of property, which you want to go to the next slide? This slide here shows you the keys which shows you all the city of Austin parkland is going to be in bright green. And then -- so you can tell at a glance that those, you'll have to go through different process for. And you can set it up by district. If you just want to look at your district or if you want to look at what properties cross multiple districts. Also, you can hone down into specific tract and a little message box will pop up. And this -- in this particular picture you see next to the parkland there's a little piece of land that Austin fire department is occupying. And it's in council district 8. And you can even zoom in a little more. Councilmembers, this is a beta. We've tried to do a limited number of testing but we're going to be releasing it to you hopefully by the end of the week, and so if you have any issues with it, if you'll let us know. Also, we want feedback of what you're not seeing that you want. We're in the process of vetting data. There's about 3,000 pieces of data that we need to [lapse in audio] I know you've been requesting this from the city manager's office. You'll also be able to print screen prints from the map if you want and we're trying to set it up where you can do different types of sorts if you want to sort out information for your district. We just need to get a better feel of what kind of sorts or information you want to get from this map.

[10:30:23 AM]

It's for internal, to see staff only, and to the councilmembers. And it was tested and vetted and when we're comfortable we'll see where we want to go with it.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Thank you so much. This is very exciting to have. I think that's going to be really good to have and I'm looking forward to using it. So thank you.

>> Thank you, council.

>> Mayor Adler: Looks great.

>> Thank you.

>> Mayor Adler: Ms. Tovo.

>> Tovo: Yeah, I'm very excited about that also and can't wait to see it. I have a couple questions. We had an opportunity -- oh. Thank you. We had an opportunity to talk about this a little bit at audit and

finance, and I just want to talk a little bit about how -- I think, generally, the approach sounds like a very good one and a very smart one, and I'm really glad that you're initiating this work in advance of the expiring leases. Expiring leases. One -- just one issue I would like to figure out how we're going to address, not address it here today, but how long the -- how will the facilities be prioritized for cbre's attention if that's the direction of the council to go forward with this kind of arrangement? Some seem to me of critical importance initially, like the central library cafe because that's coming online so quickly. The expiring leases seem critical. I would rank the Dougherty art center as critical potentially with county properties that may be becoming available that wouldn't be available if that is at the bottom of the line, in terms of a priority project. But -- I don't know if it's intentional, but number 1 on the Lisa development service center, and it's not clear to me that is the highest space facility need because of some other dire situation or if that's at the top of the list because we have

[10:32:30 AM]

[indiscernible]. How will those priorities be set? And when will we do it? Will it be kind of like the strategic audit plantation where there's a list presented by staff and then council sort of provides direction about whether that seems to be the right priority list? Or is this our time to do -- to make that kind of feedback? What's the process from here?

>> Councilmember, let me address first the reason why the -- that is the first on the list is because the majority of the leases I have coming up are renewal for administrative space and so it's office space we're in very dire need of a new office building or I need to extend the leases. And so those are decisions that I really need to make quickly, and that's what partially driving it. So what we were hoping to do is to get the initial to go back and do some information on these and then bring back a calendar based on what we find, but also through the committees have a deeper discussion with councilmembers on each individual type of facility.

>> So if I could just add to that. Those are critical for the kinds of reasons she just emphasized but obviously you know that the list of facility needs is much longer than that. So we would anticipate, with council's consideration and support, a criteria for prioritizing the other facilities. It's not unlike, you know, with respect to the bond program and projects, there's a certain criteria that we go through and ultimately council, you know, makes the decision about the criteria that's going to be used. That kind of a process, because we recognize that we don't enjoy the benefit of all of the different perspectives as to, you know, why one facility might need to be prioritized higher than another. So we think we benefit from this honorable body helping us establish those priorities.

>> Tovo: So when will we do that?

[10:34:32 AM]

What's the timing with relationship to the contract that we would be -- I mean, I would like to be able to provide that kind of input as a body either into the criteria or into the -- so what's the timing?

>> Okay. Soon we were trying to get this -- wanted to get some methodology in front of you as soon as we could, and these particular initiative, facility initiatives in front of you as soon as we could because they had some criticality associated with them. The other piece I think, and Greg is going to supplement my remarks, I think, we would outline that in written form to you and come back at a later date to have the conversation. Greg.

>> Yes, manager. Mayor pro tem, we understand that there are many issues. We have actually been working on, you know, ones that are on this list we feel are the most critical ones. There's other ones around the city that we want to address too. The purpose of this initial step in trying to do the next-level drill down of information is partly to come back through the committee structure, as well as to full

council over the next six to nine months. At this point, we just need to have more information. We need to have more information about what our needs -- what the actual space needs are and what costs are. I think at that time when we come back we will bring back together, like we've done today, bring it all back in context and at that point, the next steps -- next steps we have would be coming back to council obviously not only to report back on the work that we would be doing but also for us, for the city manager, to lay out a step of -- a next set of recommendations. I think at that time frame would be an opportunity to talk about sequencing, overall priority. But at this point we really feel that we need to have just a deeper level of information because in terms of prioritization, one of the things we'd be looking at, costs, objection, how costs could be managed.

[10:36:34 AM]

We'd be looking at exact space needs. So we just need that -- to do that work to be able to help inform that criteria setting.

[Lapse in audio] Conversations with committees and we believe by the fall, start having more of these discussions about, again, criteria and prioritizations based on some information that we've gathered and some studies that we've done.

>> I think there are too -- concurring with the mayor pro tem, two real significant at least big categories of questions. One is the initial part of the presentation that relates to whether we move away from what has been the traditional and historic pattern of city with respect to how -- capital improvements, it's a real significant shift in direction that I think a lot of governments around the country are moving toward. Then the second one is the strategic conversation with respect to priorities, how do we -- what do we move to first or move to long-term or that kind of thing? So I'd like -- I like that you're moving forward on this. I think that those are going to take us a fair amount of time to be able to sort through as a group. So I would urge you to move quickly through that process so that you're not coming to this body and asking it to make quick decisions on those questions, give us time to be able to process that information. Ms. Tovo?

>> Tovo: I have a follow-up question. One Texas center is owned by us.

>> That's correct.

>> Tovo: So the leases that are coming up aren't associated with what would be a development services center?

>> No.

>> Tovo: They would be under the other service center category?

>> Basically, what is a possibility is if we move the review into -- in a building that's more customer friendly for their customers, that would free up [indiscernible]

[10:38:45 AM]

At one Texas center which we can move people out of lease space into one Texas center.

>> Tovo: Okay, I see the connection. Sorry. Mr. Guernsey, I wasn't trying to derail your project today. I'm just really --

>> Mayor pro tem, when plan development review was created we realized that our space was not optimal. Being on six floors, having six , duplicating copy services, having redundant hallways, bathrooms, sending customers to multiple floors to get a single permit did not help. Now, through the years we've actually had help from building services and --

[lapse in audio] And our cashier from being on the fifth floor to the first floor to make it more convenient. But the building doesn't allow itself really for the good service that we would like, but there are a lot of people that like to come down and actually get the permit in their hand and talk to staff. If

our building was slanted on the side it would probably work better.

>> Tovo: Do we need a permit for that.

[Laughter]

>> My staff has accused me of plot to go try to get the home Depot out on 35 because that is a long, flat building and would serve purposes, get construction vehicles in there very easily. But the reality is one Texas center really was not probably the perfect place to have development services.

>> Tovo: That makes sense. Now I better understand why it's on this list. But back to the earlier point I was trying to articulate, to me there are some potential opportunities that we would miss if, for example, Dougherty art center is number 4 on the list, by the time it becomes -- I mean, development services center is obviously a very long-term project and even the study and analysis of that is probably going to take more time than it -- to assess some of the opportunities that, as I understand, are going to be online very soon that could offer great options for the Dougherty art center.

[10:41:06 AM]

And I know we're going to talk about it later, but the sobriety center, because that's key to making the rest of the model work, and we can't really move forward without solving that, and that, I believe, should be kind of a short-term rather than a super long-term issue. So it sounds, though, like these are all going to be in the top run of priority and is this going to be the ranking? Or are they all going to be explored on equal foot.

>> Mayor pro tem, yes. Again, we've gone through, from our recommendation, these are all -- they're put on the page and they're put on the page as they are but they're all simultaneous efforts. Cbre and its staff and all of our departmental staff kind of will be ready to work on all these efforts at the same time, and the value of that, of having one group work on them, we can make sure that we're not doing one thing on one side of the ledger and another thing on the other side. It's one compressive effort. In essence all these are moving forward. The Dougherty arts might have a different time frame because of various issues but at the core level it's about getting our space programming and whatever our needs are and really not about solutions at this point. We really need to understand and we will bring back options and recommendations once we get this nitty-gritty base level information done but they will all move forward with this -- with an action.

>> Tovo: All right, thanks.

>> Mayor Adler: Ms. Houston and then Mr. Casar and then Ms. Gallo.

>> Houston: Thank you, mayor. Ms. Reiser, I'm aware of the 183 tow conversion, the impact that will have on some of the operations on the east side of 183. Can you tell me what's -- you project will happen on highway 71 near the airport? What kinds of impact will that have on our facility?

>> On -- are you talking about the airport facility.

>> Houston: Mm-hmm.

>> Councilmember, we've been working very close with txdot and cmtra on that facility so it's been designed to make it easier to get in and out.

[10:43:09 AM]

There will be a flyover into the airport if you're taking the tollway into the airport. So we've been working very closely with txdot on all our issues.

>> Houston: And the cemetery that's there is going to be protected.

>> Yes, ma'am.

>> Houston: Okay, thank you.

>> Mayor Adler: Mr. Casar.

>> Casar: I'm glad that -- there's probably not a more glaring one in my district there are many communities than the \$7 million building that we bought, and so just depending on how this conversation progresses I think that that is a great opportunity and I know that you have of course the municipal courts and public safety on this list of high priorities. I don't know what that was originally purchased for but lots of residents in that area are constantly asking me what's going to happen with this huge building. So as that conversation develops and as any of our courses of action influence what could happen there, I would appreciate you keeping myself in the loop and I imagine councilmember Houston as well because of her proximity there in that historic neighborhood.

>> Mayor Adler: Ms. Gallo and Mr. Renteria.

>> Gallo: Thank you for the presentation. You know, just to share my priorities as far as how we do this, I think it's a wonderful opportunity for us to be able to also relocate services to areas that do two things. I think there's many areas in our community that are economically underserved. I mean, this is a really good example and an opportunity for us to be able to move as we're looking at construction or even leasing? Downtown is the most expensive place to be, to buy, to build, to park. You know, the list goes on and on. So a really thoughtful process that says, you know, does this facility -- do these people really need to be downtown? Can we relocate them to another area?

[10:45:09 AM]

That would help economically the area that they would be moving into. And then, also, would address our traffic concerns. So, you know, once again, we have many areas that we're putting city facilities in that just continue to gridlock the traffic. And I think we have the ability to be thoughtful about the placement for new facilities. So hopefully this whole conversation will also address both of those as we plan to maybe think smarter and better with this process. Not that very haven't thought smarter and better better but more smarter. Thank you.

>> Renteria: Yes, mayor. Thank you. I also want to -- since fourth and Kamal is underutilized also and I have not seen the trailers and I've chased the parking permit card I went from one side of town to the other looking for that location. So if you could keep me in touch with that location, you know, what kind of planning you're having to make on that building there.

>> Yes, sir.

>> Mayor Adler: Okay. Anything else on this? Thank you very much. Councilmembers, we have 15 items that have been pulled pep we have matter to discuss in executive session so I hope we can move through this, people can ask their questions and we can move through relatively expeditiously because several people have come up and asked that the work sessions that we do on Tuesdays don't take up the whole day.

>> Kitchen: Mr. Mayor, if we run out of time I can pull down item 30. I don't expect item 24 to take much so you can put those at the end of the list.

>> Mayor Adler: Okay. Let's go ahead and start. Ms. Houston.

>> Houston: We don't have to pull 50.

>> Mayor Adler: Don't have to pull.

>> Houston: You can unpull 50.

>> Mayor Adler: When we get there we'll pass that, each of those items. Item number 2? Ms. Houston.

>> Houston: Thank you, mayor. Members of council, this is just a quick item regarding the length of the term -- thank you, Mr. Smith, for being here today.

[10:47:16 AM]

This is just one of those surprises to me that it's come up. I didn't know whether a bid had been let. 30

acres of land, exactly where is that on the airport property and is there some kind of interest of -- that this is coming to be voted on us tomorrow -- Thursday?

>> We're requesting postponement to the 18th so it's beyond your -- won't be on your agenda for Thursday. In terms of its location, it's on the south side of the airport. It's a terminal that we use [lapse in audio] Facility. We're out of space at the airport today for peak times in the morning we have more gate capacity so we're looking for an opportunity to put some Gates, and this provides us an opportunity to have three Gates that are relatively inexpensive. , So yes, we have been talking to two airlines, aleth extent frontier about moving from the main terminal to that location. It still is not completely finalized yet. We requested the postponement

[lapse in audio] So we're meeting with them on Friday.

>> Houston: So just to clarify for me, how does this project -- is this a bid process or a request for proposal? How does -- how did you come up with the -- [lapse in audio]

>> -- Willingness to move private management from the facility. And they hooked up with high star capital, an entity that manages these types of infrastructure facilities for other entities. So we've been working collectively with the three of them to put together a proposal.

[10:49:24 AM]

Real estate transaction doesn't require to us do some type of a solicitation. We can get -- whether or not they're in our interest or not and then bring them to the council for review and consideration.

>> Houston: So process piece for me is -- has the airport advisory commission signed off on this or do they sign off on it?

>> We reviewed it with them last month's meeting, in may, and it's on their agenda tonight again for final approval.

>> Houston: My request would be on the 18th, when you come back, that we have a -- so that we can see where the site is, where the 30 acres is, and have additional backups so that we have an understanding -- is the airport getting lease fees from having these arrangement or what is the financial implication for the airport?

>> It's a typical airport lease. Almost all the facilities at the airport are re-- we lease land to private entities who then build and operate servers. All the car facilities are leased facilities. A lot of the space inside the airport, those are leases that we send out. So, yes, this is constructed the same way. We would get a base rent off of this, plus a performance rent, depending on how well this activity performed for us.

>> Houston: Thank you. And understand I don't know what a typical lease is at the airport. So that's why I'm trying to figure this out. So if you could make sure that we have that information before the 18th, would I appreciate it.

>> We can do that.

>> Houston: Thank you.

>> Mayor Adler: Great. Anything else on this item? Thank you very much. Ms. Houston said we can skip item number 3 so we'll go to item number 4, Ms. Gallo.

>> Gallo: This is a flooding buyout that came before the council several months ago, and I took the lead in suggesting to the council that because we [lapse in audio]

[10:51:27 AM]

That it was recommendation that we not take action on this. This is a property that has flooded multiple times during the long-term ownership of this property owner. After last auto week's council meeting where the council voted to authorize the buyouts on numerous properties in the Williamson creek area,

I was very uncomfortable with the fact that we didn't -- it didn't seem to me that we were doing this very equitably and so I asked that this be brought up before the council so that the council could, once again, look at this particular situation and make a determination of whether or not [lapse in audio] Having said all of that, I am still very uncomfortable with us -- I'm going to support the staff moving forward on this buyout because to me we set the precedent of doing that last week when we approved the buyouts for Williamson creek. This property has flooded, it's flooded multiple times in the past. But I still would encourage the council as quickly as possible for us to address and come up with a buyout plan that can be implemented equitably over all the properties in Austin because it's my understanding that the -- at the very least we have over 1500 properties that are in the 25-year floodplain. As we set a precedent of doing this for properties we will continue to need to do this if we treat everyone fairly as other property situations come before us. Staff, you may want to remind us of the situation since it has been a couple of months since this was brought before council.

>> Mayor Adler: Real quickly, please.

>> Yes, councilmember. We brought this back a couple months ago because this property has flooded many times. It's not in the floodplain, but it is in a location that cause it's to flood. The occupant is over 80 years old and has had many issues to stay in this house.

[10:53:30 AM]

The occupant is not able to move without help from the city.

>> Mayor Adler: Okay. Ms. Pool.

>> Pool: I'm glad you are bringing that one back and I do support moving forward with the buyout for the first -- at this property, and I did previously and I also just wanted to note that I'm really interested in looking at the people that we didn't include last week in the buyouts to move expeditiously on assessing those properties. Because I really would like us to be equitable and fair in how we're applying the buyout policy, and we haven't changed it. I feel like we should operate under the guidelines that have been -- that are precedent, that are there. The ones that we operated under in the past until we actually have changes to the policy.

>> Yes, councilmember.

>> Mayor Adler: And I agree with councilmember Gallo. We need a policy we can apply. You're in the process of talking about different kind of risk assessments and different criteria so we have some standard we can apply and then we have the group that's going to be taking a look at those. Do you have a feel for how this policy -- this particular policy, this particular property relates to the kind of risk assessment that you're putting together? Because the risk assessment looked at the danger to human life, it looked at the velocity, looked at the depth of order, looks at the speed that the conditions arise, all those kinds of factors. Do you have a feel for where this one might be on that continuum?

>> There you go. Jose Guerrero, assistant director with [lapse in audio] Proffered for a buyout was intended to be a localized flooding storm drain project. When you looked at the cost compared to structural solutions versus buyout, the cost feasibility was toward the buyout end.

[10:55:38 AM]

This particular property has a depth of over 3 feet so it is a significantly at risk property.

>> Mayor Adler: Okay, thank you.

>> Compared to the others that we've looked at.

>> Mayor Adler: Thank you. Any further conversation on this issue? Thank you very much. I'm sorry, hang on. Hold on. I'm sorry. Also Houston.

>> Houston: I was going to ask, something -- can you tell me now that Travis county has been declared a

flood disaster, does this impact what we can do or what the family could do to get funds to be able to move?

>> My understanding of the disaster declaration, it is a declaration for individual assistance that is available to residents. That was not -- [lapse in audio] For the Halloween flood.

>> [Lapse in audio] Individual assistance.

>> Houston: So any -- that was in between 13 [lapse in audio] Memorial day flood, would they be able to get us -- [lapse in audio]

>> The recent memorial day flood, may 25.

>> Mayor Adler: Thank you. Item number 11 was pulled by Ms. --

>> Casar: Thank you, mayor. I just wanted to pull information.

[10:57:44 AM]

[Lapse in audio] Neighborhood housing and community development and is primarily federal funds and since having those initial conversations last week we also have a program in the health and human services department called [lapse in audio] Primarily local and there's some really incredible examples of how this program has helped folks in the last year of its operation. And, you know, our city staff and others have said that -- after this program to help get folks out. So I just want to answer any questions about the resolution today and if not look forward to hopefully earning all of your support on Thursday.

>> Mayor Adler: Any further conversation on this?

>> Tovo: Mayor.

>> Mayor Adler: Yes.

>> Tovo: Can I ask a clarification on number 10? You had pulled it. You said you want to skip it for now. Do you anticipate talking about it at all today? Because I know we have staff here.

>> Mayor Adler: I think so. I'm waiting for some things to come down to me so I'm not going to do it right now.

>> Tovo: All right. Thanks.

>> Mayor Adler: Okay. I think the next item is number 12. I don't need to discuss that either. That gets us then to item number 13. The questions that I had with respect to that were answered by the report that we had gotten from the manager with respect to those positions. Item number --

>> Tovo: Maysky a quick question about this one?

>> Mayor Adler: Yes.

>> Tovo: To the sponsors, we had an opportunity to talk about this at audit and finance and this just -- I haven't looked at this particular resolution carefully and compared it to what we considered, but it appears that you've landed on really what the recommendation probably would have been had we voted on it, which is that there be a report on the vacant positions, not an elimination of those positions automatically.

[10:59:59 AM]

>> Yes it thank you for bringing that up because the language is a little different than what we considered in audit and finance. I took into account the feedback that I received at that meeting. So the first part of the resolution just says that if there's a vacant -- a position that has been vacant for more than 12 months, the city manager should bring a resolution to council so then we would have the opportunity to discuss, you know, the reasoning for the vacancy, whether or not it should continue, et cetera, and then the second part is to provide a report along with the budget cycle so that we have a better grasp of where the positions where, as well as -- I can have a conversation for continuing the positions that are included in the city manager's recommended

>> Tovo: Actually, I'm now noting a little bit more the first be it resolved. You're contemplating that at each meeting the city manager would bring [lapse in audio]. Every council meeting we would be having a discussion about vacancies rather than just once a year at budget time?

>> Troxclair: And when I saw the language that came back from legal I did have a discussion with my staff about that word each because it implied we would be having a discussion at every council meeting. I don't necessarily think that it will be -- first of all, when you look at the number of vacancies that have the staff positions that have been vacant over telephone months, there's -- 12 months, I think that it would be a few times a year that we would be considering these positions. I don't think that it would be at every council meeting, but I do plan on making a wording change to make that more clear.

>> Tovo: I have to ask the question of during the budget we had an opportunity to do those issues comprehensively and look at the needs. I'm not sure why we would want to do it more than once a year. Why dealing with it in the context of a budget wouldn't be sufficient and wouldn't be more appropriate in terms of our planning.

[11:02:05 AM]

I would also say if it affects the general fund -- to extent that it affects the general fund there is a policy on -- I think it would be relevant that there's a policy about the circumstances about which we would make midyear budget amendments that would not be triggered by a vacancy savings. I just ask you to consider that. I'm not sure that I understand the reason to do it as these arise and not comprehensively in the context of the budget once a year.

>> And I guess I would say that that -- I think that the first -- the resolution dealing with the vacancies would be more to address the existing vacancies, the ones that have been -- that are on the report that the city manager sent out that have been vacant more than 12 months. Going forward we do make most of the staff decisions during the budget. And again, this is only dealing with positions that have been vacant over a year. So going forward positions that we allocate during the budget in the budget year we would not then have that discussion. If that position is still vacant in a year then we would be having that discussion. I anticipate most of these discussions would have been during the budget cycle every year.

>> Tovo: So if this passes what would happen next would be that the city manager would return to [indiscernible] To deappropriate the funds currently in this year's budget for any positions that are vacant, that have been vacant. So at that point sometime in June we would be having a discussion about each one of those positions that's been vacant and the funding would immediately disappear from this year's budget, even if it's been spent on something else. And going forward -- so I guess as you envision it, then that -- when we adopted next year's budget that would have been scrubbed of existing vacancies that have been vacant more than a year and you would be comfortable then switching the language so that it is more protective of those being -- more reflective of those being dealt with on an annual basis.

[11:04:35 AM]

I guess I'm skeptic kel of this going forward. If this passes we going to in June analyze the vacant positions right now for this existing budget? Is that what you were thinking?

>> Yeah, I think that when you look at the amount of money that has been allocated for over three million dollars that has been allocated for these positions that have been vacant, at least a year, but some since 2005 and some since 2008, I want us to be able to have a discussion about those positions. As the city manager outlined in his memo that he sent, some of those positions are currently -- have offers spending with start dates pending and I'm so glad that we're able to fill those positions and I

would anticipate of course that till we would make the decision to continue forward with those positions but still be able to have a conversation as to why we have positions that have been vacant for 10 years now. And I think going into the budget it would be good for us to have an idea of how much money we're looking at so that we have the ability to have that context during budget discussions.

>> Kitchen: Mr. Mayor? I would just add that I think it's important to -- I think I'm thinking also that we're probably talking once a year, but I would also want to avoid a situation where if -- I would want to avoid a situation where we decided to continue on or we work with the city manager on his recommendation to continue on, but then it doesn't get filled again for another year. So as we think about this and as we work with the city manager, it might be -- it might make sense to review those midyear or to -- there may be a circumstance under which it's appropriate to review in the middle of the year. I'd like to have that discussion too.

[11:06:40 AM]

>> Houston: Mayor?

>> Mayor Adler: Ms. Houston and then the manager.

>> Houston: I'm a co-sponsor of this because I too was concerned about some of the positions that have been vacant for a long time. I know that the firefighters will be filling those and so I'm not so much concerned about those, but some that have been on the books for five years and longer, and maybe it's a conversation about why are they the exceptions rather than the rules. I understand turnover in a large bureaucracy and how sometimes it takes three months to get somebody -- get of the posting and do all of that, but those that were of most concern to me is why we've had some positions open for -- sense 2005, 2008.

>> Ott: And I think that's a good point and actually your comments a good segue to my own. I think those are in fact outliers and I would hate to have us all react out of that context in regard to those outliers. I think vacancies in an organization, certainly one as large as this and as complex as this, is a sensitive area and, you know, there are lots of reasons why some positions remain vacant as long as they do. I'm not talking about the ones they -- the outliers that I just alluded to. In an organization like this people come and go all the time and for all kinds of reasons. So there's always going to be obviously some level of vacancies within the organization. Even despite sometimes departments best efforts to fill a position it just becomes difficult just because the talent exist exist in the marketplace that enables us to fill a particular position. We're focused on vacancy savings and I think councilmember tovo is aware of that. I think that's why she's talking about this in the context of the annual budget process because prior to you

[11:08:48 AM]

[lapse in audio]. Mayor pro tem tovo, we did with council's support really drill down into that area and made some significant adjustments to bring that -- you know, that percentage down. In terms of the caution that I'm offering is that there can also be some significant impact on the operations side when just on the basis of the amount of time involved relative to a vacancy we simply illustrate because it's more complicated. It's much more complicated than that. And so I just wanted to lay that out for you. I think my staff that came up to the table have some comments of their own to add.

>> Troxclair: I want to say to the city manager I know this was an issue discussed by the last council and there has been an effort to reduce the number of vacancies, so I really appreciate your efforts on that. And for me I see this as a tool to help you kind of keep track, more of a way to put a system in place or process in place so we make sure that we're keeping track of them on a regular basis. So I hope we can work together and this will be a tool to not only help us, but also to help you keep track of what's going

on and as far as vacancies go.

>> Ott: Thank you for your support. We appreciate it.

>> I wanted to mention financial services has a half-time fte that has been vacant since 2005. It's really a full fte. We are using a part-time person in that position so there's half of an fte leftover, but we do -- we are providing services with a part-time person.

[11:10:50 AM]

What we've done by keeping the .5 in the system is if that part-time person says there's no longer interested in the position we'll replace with a full-time person. That's why we've kept that one for a fairly long time and we've had I believe a couple of retirees route through there. But we can clean that one up. I know as a the city manager mentioned there are a few outliers. That was one of mine I wanted to mention to you that -- what the reason was.

>> Tovo: Continuing I need to understand either today or Thursday or if this measure passes when it comes back to council with a proposed budget amendment, in the situation -- and I understand there are many, but in the situation where there is a vacancy and the staff have filled it using temporary assistance or overtime and that funding, were we to cut that position, how will that department that's already spent the money providing the service for which there's an fte, what happened to that department -- how does that impact the overall budget? Because we've heard from departments that they have vacancies, but while they're trying to fill the position they're filling it through overtime and through temporary assistance, but if we cut -- if we deappropriate their funds, that need is not going to be met for the rest of the budget cycle.

>> Troxclair: Sure. I want to underscore again that all this does is direct the city manager to bring a resolution back to council regarding the positions that have been vacant over 12 months. So we would then be able to have that discussion, the department. I just heard from financial services it sounds like a position, a part-time position that's been vacant since 2005 you -- it was a full-time position, but you've been able to fill it with a part-time person.

[11:12:53 AM]

So if we have a position that has been successfully filled for the past 10 years by a part-time person, maybe we can talk about whether or not they need the full-time allocation. But that would just be a conversation that we would be able to have as a council if the department said we really have had trouble filling this position because it's very technical or we've had a couple of temps cycle through. It would give us the opportunity to fully consider the circumstances and make the decision. This resolution isn't automatically doing away with any funding for any department.

>> Tovo: I appreciate that and I've been very supportive of the exploration of looking at vacancy savings over the last couple of [lapse in audio]. If seeing for one thing how many there are. And generally I'm supportive of the philosophy behind it. I'm just -- I really need to understand how it's going to work practically, especially if we're asking our staff to go forward and provide explanations and budget amendments associated with every vacancy within those of the 2012. I just want to understand what our course of action is going to be when this comes back to us. And I guess I would want to know when it's coming back to us, but it sounds like it would probably be relative soon and in advance of our budget discussions.

>> Troxclair: I think it would be helpful to have that in advance of the budget because of increasing programs. It would be good to know if there are positions out there where money has been allocated that the position is maybe not fully needed anymore. It would be good to know how much money we're talking about. And I want to underscore for those who may not have this report, the total -- we are only

talking about positions that have been vacant over 12 months.

[11:14:55 AM]

We're not talking about every vacant position in the entire city. So those positions currently total 34. So we would have a discussion about 34 positions in advance of the budget cycle and then -- and then going forward that number would be significantly decreased because these are positions anywhere from 2005, 2008, 2012, so going forward we would be talking about a smaller number of positions.

>> Mayor Adler: Mr. Renteria, then Ms. Pool and Ms. Kitchen.

>> Renteria: I'm having trouble also. If the second let it be resolved by the city council, the city of Austin, that little section there about the city manager is directed to bring a budget amendment, if that's deleted I could support this. I think that's what's holding this up is this little section about deappropriating funds allocated. Now, I'll be happy if you come in with a report just telling us what's there that has been out there for over 12 years and give us that information and then there in the budget period we could handle that. That's what I would be comfortable if that was taken up.

>> [Indiscernible] Instead of deappropriating that it says continuing so it's a little bit less direct that we're going to deappropriate, but just simply consider the position, but I do -- I do think that's an important part of the resolution because a report is great, but also when it comes to the budget cycle. And as councilmember kitchen pointed out, a lot of times, you know, if we do continue positions we may want to have a discussion, you know, if a position has been continued, but is still vacant another six months, this would allow the council to have that conversation outside of the budget cycle if necessary.

[11:17:19 AM]

>> Pool: In the audit and finance committee meeting I had opposed the resolution because it was asking for action to deappropriate the monies. I would support asking for a report as some of my colleagues are asking for support. I am concerned that we are moving into areas of operations and I'm not willing to do that. I'm happy to have a high level of how we manage vacancies and I do think that council and the previous -- last year made some important reforms to how vacancies are handled. I haven't seen any indication yet on how -- whether that change from last year hasn't done what it's needed to do. I don't think we've allowed the change from fiscal 14 and into fiscal 15 to see what additional amendments need to be made to the action that was very carefully deliberated and it sounds like a lot of effort went into it at the city manager's direction. So I would suggest that nothing more than a report come forward. I would like to see evidence that the plan put into place last year is not working before we add additional restrictions to it and I would ask if there's some information on how the private sector handles their vacancy Numbers. We are regulating [indiscernible]. I think we may find that the private sector does not ratchet down vacancy Numbers as tightly as what we're asking for here.

[11:19:24 AM]

So I would be generally supportive of a report and some consideration on vacancy levels during budget time, but not going in monthly to look at them because I think this is a role, an operational role and a management role for the city manager and his staff. I was going to say that it sounds to me like we're close. I'm understanding the concerns that people have. My concern simply is that in a time when we're really trying to look at our funding, I think that -- look at what we're spending money on, I think it's really, really important to look at this item and to work closely with the city manager on that. So we may -- to me the last time on the report I think we need to be able to act on the report. So my guess is that

the way this is set up we'd be acting on the report as part of the budget process, but I think it would be appropriate once we get the report to have the option that we may want to work with the city manager to review decisions that are made for the budget in six months or something like that. I just don't think we should tie ourselves to only review once a year. I do agree that we don't want to -- I would not want to -- to go over that line in the operations. I'm not talking about that. I'm really just concerned about the budget and how we handle the budget and how we handle the budget when things change during the year. So that's what I'd be thinking of is -- so we get a report this year and that informs our thinking along with the city manager on what goes into the budget this year, but then we all understand that things change over the course of a year so it might be appropriate to look at the budget again in six months in light of -- in light of what's actually happened.

[11:21:30 AM]

Because it could be that some of these positions that have been around for more than a year, it makes sense to continue them, but in six months it might not. It does impact our budget and funding. That's what I would be thinking.

>> Mayor Adler: Mr. Washington, did you want to say something?

>> Thank you, mayor. And as the manager alluded to before, we constantly monitor the vacancies. But I will say of the almost 13,000 positions we have, we're talking, as councilmember alluded to earlier, a very small number that have been vacant more than a year. And some -- in some instances it's just an indication of a the competitiveness of the economy, particularly in the high-tech jobs that we have relative to the I.T. And technical positions and those jobs have been recruited for multiple times, offers have been made and in some instances candidates have declined the job offer. But of the ones that are vacant, we have about a third of them have pending start dates and people are seriously considering or have committed to relocate to come to Austin to leave their jobs. It may be unsettling to some to hear the decision of jobs that we have made commitments to and have been difficult to fill over a period of time now having some discussion of defunding or decommitting from those job offers. So I think it's always a valid approach to look at vacancies and opportunities to improve efficiency for the organization, but perhaps it should be done -- not after we've gotten so far along in the hiring process.

>> Mayor Adler: Mr. Casar?

>> Casar: Now I feel like I could probably say that that was not in

[11:23:35 AM]

[indiscernible] From the comments that I heard you make. So I think I concur with councilmember kitchen that I think we're close to striking that middle ground. I did have concerns about the monthly check-ins and just because I could imagine working in a department that vacancy has been open for 10 months and all of a sudden you could see that if we don't fill this the city council is going to start [indiscernible]. Make sure we're leaving that operational work to the city manager as best we can, but perhaps y'all can think through what -- how we can look through this in the budget process yearly and then possibly do a check-in in between so that we can see how [indiscernible]. And I do think that language that perhaps say deappropriation, but just checking in on it because I think it would be very clear that the positions where we've offered employment and folks are going to come here we're not considering deappropriating those, but we want to -- to take a look at that during the budget cycle and maybe once more during the year. I would be supportive of something like that.

>> Mayor Adler: My sense also that we're close on this and I think everybody appreciates bringing this issue up. It's come up before. I'm a little bit concerned when as a council we're trying to overly prescribe the process for how we handle something like that because I'm not sure we need to get there. I trust in

your ability between now and Thursday to get with the manager's office and come up with a system that doesn't have us that gives us a report with respect to where vacancies are and an understanding on why they're there, why not there and gives the council an opportunity to act if the council wants an opportunity to act. And beyond saying that at a really high level we'll be able to do that. Ms. Gallo?

>> Gallo: The reason that I supported this, and I thank you for doing all the background work and look it forward to you and the city manager working through this or all of us working through this, but I think as we all have been tasked by the citizens to tighten the belts of city spending, which we've heard over and over again, and as we know there are departments desperately in need of more funds, this seems to me like an opportunity to really look at potential places where we can move funds from one department to another and still really try to control costs.

[11:26:08 AM]

Certainly it is not an effort -- I have no desire to start the process that is already started in filling some of these vacant positions, but it's obvious that there are positions that have not been filled and may not be needed as much as perhaps a position in another department that could be added as a result of this. That's my reason to support it and I'm glad we're having this discussion.

>> Mayor Adler: Anything further on this issue?

>> Tovo: One final suggestion. I appreciate the conversation. It sounds like there's --

[lapse in audio]. I want to concur that I think a midyear check-in sounds very reasonable. I wanted to suggest too I think I heard -- I understood councilmember troxclair from our comments that there are 34 positions that actually fall into the category that we're talking about. I think our resolutions are an opportunity to provide information to the public. And given that -- given that we're talking about 34 positions, I think it's important to state that in here, if that's the number. Because the Numbers that have been stated are very different. It's talking about 1,012 total vacant positions, 126.8 have been vacant for more than 12 months. So I am assuming that the difference between 126.8 and 34 are the sworn positions. But I think it's important to name that number that we're talking about because we -- as we all know, once we start talking about vacancy savings, we're going to hear from a lot of people who think we are talking about giant savings and a huge number of positions and so we just need to be really clear on what that number is. So that would be my final suggestion. And thank you for bringing this up.

>> Mayor Adler: Anything further on this?

>> Houston: Mayor, I wanted to thank councilmember troxclair for bringing this forward as well. I supported this because we have got to look at ways to do some cost savings. And so my concern again was those that have been vacant for so many years.

[11:28:10 AM]

And how -- I'm sure there's an explanation, I just don't know what it is. So I'm glad you all will have those conversations and be able to figure that out. Additionally I didn't see it as my role -- I really don't want to come back but once a year because that seems like a management position. And I'm not management. And so I wouldn't have the best information. So once a year is fine for me just to get that out there in the public.

>> Troxclair: I want to say thanks for all the suggestions. I think it was a good discussion and we can come to some agreement by Thursday.

>> Mayor Adler: Great. Sounds good. Next item I'm going to now do, item number 10. I had pulled this issue with respect to the sobriety center almost for the same reason I had pulled the one we just did. It was more of a process question in terms of prescribing a process. And I think a sobriety center makes

great sense to me. It's a significant, potentially significant cost, and I'm real comfortable with entertaining that as part of the budget process that we're about to go through. And in fact, the conversation about facilities we just had where there were four different priorities on facilities to get drafted. I'm all in favor of asking as a council for more information or a briefing on those issues where we have people come in and talk to us or directing the manager to go get us his recommendation on location and instructing him -- although I'm not sure it's necessary, but certainly we could instruct the manager to work with Travis county on those things and make sure that they're part of the conversation. But I'm uncertain as to why we would be creating a working group with councilmembers to serve on the working group. I mean, this kind of thing seems to me to be the kind of task we would give to management to say go do this.

[11:30:16 AM]

And I support the sobriety center, but I support it in the larger context of as we go into the budget process and we're making priorities and setting priorities before we go into budget session. I know we pulled as items as we set priorities as we've gone into that and every time we've done that and I think we've done it three or four times and it makes me a little bit nervous to do that. It seems like we're setting up a -- I would probably express support for the concept of a sobriety center and working with as many community partners to do that as we could subject to the budget conversations that we're -- and priorities that we're going to be setting and the facility conversation that we're about to have and that I would ask the manager to come back to us with information. And I'd set out what kinds of information or data or work session, briefing session we needed to have on that. That's probably how I would handle it. Any further conversations? Ms. Tovo?

>> Tovo: So I appreciate those concerns and I'd like to address them point by point if I may. This has been, as the resolution I hope indicates, this has been a very, very long conversation going on in this community about -- there's been a long-term interest expressed in creating a sobering center. And there's been a lot of recent work in the last couple of years to really grapple with the couple of models we have in Texas and analyze what the situation here in Austin is. And to make some recommendations about general -- a general model we might follow. Now, the prior council just about a year ago did support the concept of a sobriety center and did initiate a work group that including city staff much that was city staff who were primarily involved from the city.

[11:32:32 AM]

There was certainly council was invited to attend, but it was beyond a working group that including our city staff, county staff and partners out in the community. They have provided us with this implementation, sobriety center implementation report that we all received around April 27th, 2015. It describes the model that this group came to and is recommending and it provided some suggested ideas for next steps. And so I think with all due respect I support the --

[indiscernible]. And I think where we are now is a need for more focused -- for more focused consideration of the particular decisions that would need to be made next, governance, funding and location. And we will need to have some pretty focused, intense conversations about the respect and recommendations brought to the respective boards to be able to move forward. And I'm really having seen -- having seen the kind of work that's gone on over the last couple of years, I really would fear -- inch we need to take a next step to initiate those very focused discussions looking at particular locations, a particular governance models, at particular funding ideas to have that come back to council, to the county, to any avenue to make the decisions so that we can take that next step. And we could all be involved in that discussion and we could try to hammer that out together with our community

partners, but it seems to me designating two members of our grouping to have that conversation with partners is probably more efficient than trying to have 11 of us in that conversation with our community. That's what it's going to take to get this closer to being across the finish line.

[11:34:33 AM]

>> Mayor Adler: I know the past practice of councils through the years is to form these kinds of groups to do that and I'm real appreciative of the work that's been done. Because I also believe we need to move forward with the next steps. I just don't know if the quicker way to do it is to task the manager with making a recommendation to us on all of those points to engage whoever it is that is appropriate to engage and then having it go to whatever the appropriate committee is with the recommendation that says this is how we move forward on the sobriety center. I certainly don't think all of us should sit down with community people and try to engage in the conversation. It's not what I meant. Anything else further on this one before we move on to the next one?

>> Tovo: You had a second point and I think I need you to remind me what it is.

>> Mayor Adler: I said I was supportive of it and we need to move in that direction, but to announce that as the choice I was making over other what would be competing items either in the facilities array or in the budget process among budget items, I would be more comfortable doing that as part of the budget process.

>> Tovo: Okay. Thanks for reminding me. So what this resolution would be asking is for the city manager to come back to us by the end of June with some estimation of what that cost would be so that we could know what that amount is and be able to consider it as the city manager's proposed budget comes forward in July. So --

>> Mayor Adler: Having those Numbers come back to us [indiscernible].

>> Tovo: Yeah. I would be comfortable with that. I think that as I understand it and I have to -- [indiscernible]. The mayor served on that and I was kind of his proxy, but I attended for three years, but I have not been able to attend the working group, the sobriety working group discussions.

[11:36:39 AM]

My staff member Shannon has attended nearly all of them. As I understand the situation now without -- we really have I think the partners who have

[indiscernible] About it and we now are at a point where we need to get clear on what our decisions are. And I think allocating some funding -- without allocating some funding, we probably won't be able to move too terribly much, depending on the governance structure as I understand it. All these things are pieced together. For example, the working group looked at potentially available locations. Which will require community discussion. They brought forward a group of potential locations. All of those are available now. They won't be available in six months. And how we set up our relationship with the other partners determines where that location might be and how it's going to be funded. So it's becoming -- again, these things are inextricably linked and I think we'll have to make some decisions to move forward just to be able to see what that model might look like. So I guess I would just encourage -- I'm not sure how the rest of my colleagues feel about setting up the work group, but I would encourage you to ask questions about it, but just to consider if this isn't the model to get to the next step, what would that look like. And this isn't something I came up with, this is something that was suggested to us by judge hohengarten and some of the other partners that they felt like this would be the way to get it. We've had conversations back and forth about how do we move forward.

[Indiscernible]... From the different relevant bodies come to some specific recommendations that would of course then be ratified by the full council or considered, I should say, not ratified.

[11:38:51 AM]

>> Mayor Adler: Mr. Zimmerman and then Ms. Houston and then Ms. Gallo.

>> Zimmerman: Thank you, Mr. Mayor. We had some people come in, discuss this and in theory we love the idea of reducing cost, not putting people in jail. We suggested that the potential savings, whatever the potential savings were should be identified in the various m.d.'s budget which are being consumed of taking care of [indiscernible] Where we might be able to do a better job in a sobriety center. Let's break those out. But my reservation here is these programs start out promising to save money and the next thing you know all the budgets are increasing again together and every year the sobriety center will come back, we need more funds, we need more funds. So the drum beat continues. And we may add yet another program or plan and it becomes more and more expensive. I think the issue of chronic drunkenness has probably been around for thousands of years. I'm concerned that if we think we're going to really

[indiscernible]. If there could be some proof and a real commitment to use this to reduce costs I'd be all for it, but I'm skeptical.

>> Tovo: And councilmember Zimmerman, I appreciate that concern and that's been part of the benefit as expressed by the groups that have successfully done this in their communities. I've heard a presentation from the executive director of the sobriety center in Houston talking about that. And you will see in the report that came to us a discussion of the cost savings anticipated. I appreciate your concern that those not become -- I appreciate your caution that looking toward future budgets and making sure that we're still realizing those savings, I just want to say I think that's doable. That's a decision for a little bit later, but I do believe the cost savings are -- have been identified and just on the other models that we can anticipate that there would be costs to them.

[11:41:02 AM]

And I did want to say that we discussed this at the health and human services. I apologize for not adding this into the resolution, but we did support the general.com of the sobriety center. We voted to support it at health and human services committee and then we needed a clearer plan of action, so that's why we moved forward with this resolution.

>> Mayor Adler: Ms. Houston?

>> Houston: Mayor, thank you.

[Indiscernible]. The staffing of that is part of my concern about how that -- that occurs. And my process would be that we do this in cooperation of all of the things that we're being asked to fund rather than outside of the box. I know this is strictly for a work group to get us to that next step, but in on owe I think I need to be clear of what the cost of that is going to look like.

>> Mayor Adler: Thank you, Ms. Gallo?

>> Gallo: My participation in this is simply encourage I guess to move forward on addressing the need in our community for a facility like this. It's been very successful in other communities. And it seems like it - with enough organized planning this could be a really good public-private partnership because I think we have a lot of foundations in this area that would support something like this. I think we have universities that have school of social work departments that could help staff this on an interim basis. I think it gives us a real point to move forward. So I'm supporting this to move the discussion forward and I do think it needs to be part of the budget process from the standpoint of understanding. I know there will be saving in different departments, particularly A.P.D. This is a more efficient way. But the other part of this, it's not just a holding facility, but it also allows matching with individuals who choose -- maybe not choose to spend the night in this facility up with social services and I think that is important

in this part of the community that is dealing with these types of issues.

[11:43:18 AM]

I want the conversation to move forward and yes, I think we need to do a real careful analysis of the impact, fiscal impact. But I think there's a lot of opportunity to pull in some private partners on this that will help fund this and provide these services.

>> Mayor Adler: Let me see if I can also --

[indiscernible]. I certainly present to you, Ms. Tovo, maybe an alternative structure for being able to move it forward for the council to consider when we're doing that. But I am in favor of moving this forward.

>> Houston: Mayor, I just have one more question. And perhaps the police department has sent us this information and I just haven't read it yet. Do we know where most of the people who would participate in sobering center come from? If they're from out of state, out of town, when they come down on sixth street and they use the facilities, then --

>> Good morning, mayor, council. Bryan [indiscernible], Austin police department. In the implementation report there is an analysis of all of the public intoxication arrests, geographically located, showing what you would expect the predominant number of them are occurring in the sixth street and entertainment district and then there's also pinpoints on the maps across the city of where all of these arrests are occurring. As far as which arrests would be most likely candidates for the sobriety center would be determined on the standards we set for who we would bring to the sobriety center versus who would actually be an in-custody arrest.

>> Houston: But I think my question is can we tell at this point how many of those people arrested in the downtown area are visitors? How many of them are locals that would be able to benefit from the peer support and the other kind of services that they would be offered at the sobering center?

[11:45:24 AM]

>> That information is not in this report currently, but we do track all of the data when we arrest individuals, we track home addresses, things like that. So we would be able to determine how many of the arrested were local residents versus out of town visitors.

>> Houston: I would appreciate that.

>> Mayor Adler: Anything further on this item? Mr. Zimmerman.

>> Zimmerman: Thank you Mr. Manly while you're here. I guess the percentage, sixth street is getting more and more reputation as being a rowdy place, right? There's a concentration of people drinking. Have you done the statistics to show in what parts of the city, what the concentration of the arrests are for intoxication?

>> Yes. Actually, in this report it will give you a breakout of where our arrests are occurring across the city. What you would expect to see is there's a very large proportion in the downtown entertainment district because of the sheer number of drinking establishments and the individuals that head to that location.

>> Zimmerman: Big round Numbers, half of the arrests, two-thirds of them, in big Numbers? The question is on what percentage of the arrests for drunkenness are in the sixth street area? I was trying to get a broad idea. Did might make sense you might need the sobriety center close to where people are picked up for drinking.

>> Ideally you would want it to where most of your intoxication arrests are occurring. That would make for a more efficient process of getting individuals to this center. Again, the maps included in here will show -- I know one in the six-month period had 666 of the arrests were in downtown area compared to

the rest of them had -- the next highest concentration was 100. And that is down off in the oltorf neighborhood.

[11:47:24 AM]

And then the next highest concentration is 70 and that's in the university of Texas area. So the number that are occurring in downtown entertainment district is significantly greater than the next closest geographic area within the city.

>> Zimmerman: Thank you.

>> Mayor Adler: Okay. Ms. Tovo?

>> Tovo: And chief manly, I appreciate you being here. And as I recall and I wanted you to let the know, you've been participated and we've had staff from the Austin police department participating in the process at least over the last year. I know -- [lapse in audio].

>> Yes, we participate.

>> Tovo: I want to underscore that last point and I confirmed that with the chief last week. Is the Austin police department in favor of the sobriety center concept? As it's been currently configured?

>> Yes, we support the concept.

>> Tovo: I appreciate it, thanks.

>> Gallo: Just a quick question. Is this process a less expensive process than the current process of dealing with these types of arrests?

>> What this process will allow for us will be a savings in officers' time. And that's where we're going to realize the savings. So we don't have a line item in our budget that we're going to see a lower expenditure. They should be able to return to service a little bit more quickly and therefore that helps us with what our challenge is on committed time and it will allow us to use our officers more efficiently.

>> Gallo: This would keep more officers on the street.

>> Correct.

>> Gallo: Thank you.

>> Mayor Adler: Thank you very much. I had pulled item number 13, which together with councilmembers Casar and Gallo. We pulled this because I for one am very interested in providing property tax relief and property tax relief for seniors.

[11:49:30 AM]

I don't know that I can support a freeze on property tax because by state law that becomes [indiscernible] That future councils can't change and because the experience with prop 13 in California and other Texas communities have adopted a freeze, at least some of them, if not many of them, look back on it several years later at the growth of that population and the amount of property taken off the rolls and believe in retrospect it wasn't the wisest way for them to

[indiscernible]. But I do know that the council last year increased the flat exemption as directed to seniors. And with property values that have increased that exemption next year won't be worth what it was worth just last year. And I would be real supportive of this council considering that. And I bet it would be something that we would consider as part of the budget process when we were putting that stuff together, but that's why I had pulled that item.

>> Gallo: Thank you for those comments. My purpose in doing this is to address the issue of how we can help our

[indiscernible] Population and whether we do that with a tax freeze or with increasing the exemptions, my purpose and desire is that we do something. So our -- there are benefits and disadvantages to both

methods, but starting -- the starting point was that as we all know Austin has the most rapidly appreciating property values in the state and probably in the country at this point. So our tax bills continue to increase every year. The problem with our senior and disabled community is that they are at the end of -- they have now moved into living on fixed incomes.

[11:51:40 AM]

And their social security benefits and very small interests that they are making in their savings accounts just are not keeping up with the increase in the tax bills. And so to me it is really sad when we see seniors and our disabled community having to leave the [indiscernible]. Because they can no longer afford those bills. So what implementing a tax freeze would do is that it would add predictability to their lives because they would then know at the point the tax bill was frozen that it would never go higher than that so they could plan on what happened with their budgets the following year and the next year after that. So it does give them the predictability that their tax bills would never go higher. They could go lower if property values decreased and taxing rates didn't continue to go up and the tax bills actually went down in a certain year because of the economy. Their bill could also go down, but it would never go above that frozen amount. So the negative to this is that it does -- once it's enacted it's enacted. So the question is that's the down side, but do we really need as a community to continue to raise the taxes for our senior and our disabled population? And I think that's more of a conversation of our philosophy as a community more than anything else. So I know we've had -- just a little bit also is that we talk about economic impact. If we did the freeze this year and it was their tax bill this year that was frozen, it actually would have no negative effect this year. The difficulty it to determine the effect it would have in following years because it would only have a negative impact on our city budget if tax bills went up.

[11:53:41 AM]

If in the following years or five or six years from now tax bills actually went down, the seniors would be paying the same amount that everyone else would be paying. The seniors would always have an impact on the budget because they would always be paid less than the other property owners in the city because of the exemption. So it's kind of a balancing act of which method are better long-term solutions. Just as long as we do something.

>> Mayor Adler: In future years as property values vehicle --

>> If property values increase.

>> Mayor Adler: And we want to maintain the same amount of taxes, then we would lower the rates because that's what happened, the effective rate tax goes down. And if people's values have been -- [indiscernible], they would actually get a tax reduction because the rate would be going down in the city to drive the same amount of of avenue. And it's -- amount of revenue. And it's that gap that is the anomaly associated with the freeze if you're in a rising market, the actual taxes on seniors because of the property values would be capped.

>> That's correct. But if you were in a declining market the tax rate that -- the tax bill that the seniors would be paying would be capped. And if the tax bill would happen to go down because of the declining property values and the rate had not gone up enough to increase the tax bills, the seniors would actually be paying less, but not have the exemption applied to that so they would be more in line with the taxpayers at that point.

>> Mayor Adler: In a declining market L Casar, did you want to say something? You also pulled this item?

>> Casar: I can see how the discussion progresses because my concerns were similar to that of the mayor.

[11:55:44 AM]

And also understanding that we did raise the homestead exemption flat amount last year. And I believe it's 70,000, which for a 350,000-dollar home is a [indiscernible] Homestead exemption. I am sensitive to the needs of those seniors that cannot increase their income if they're not able to pick up extra hours at work, but at the same time I know that this has been taken seriously into consideration by other governments in my -- in Texas cities that have seriously struggled because they couldn't take the freeze back. And the school district is already required by state law to have frozen the tax values to already half of the bill and there's already provisions in state law for deferral of taxes so nobody has to lose their -- has to lose their home because of their tax bill. So that interest is high there and that is a serious issue that the legislature needs to take into account. But I just want to make sure that we are addressing this need without creating other unintended consequences in the system or unfairness in the system.

>> Mayor Adler: Ms. Pool and then Ms. Kitchen it?

>> Pool: Thanks for bringing the issue up, councilmember Gallo. And I put my name on the resolution. I wanted to engage in the conversation and in the work. I am thinking about bringing an amendment to the resolution that would go instead to the flexibility of the homestead exemption that you mentioned, Mr. Mayor, and that councilmember Casar brought up, the 70,000. My understanding is the homestead exemption limit is flexible. We can adjust that from year to year, is that correct? And I like having the flexibility and my colleagues will recognize that as kind of a continued theme for me.

[11:57:54 AM]

[Lapse in audio]. And when I looked more deeply into a freeze I was concerned by the same issues that you're talking about, mayor, that it locks it in and it can't be changed. Despite despite what may happen to our economy we could have a crash and as councilmember Gallo says, the seniors would be stuck at the frozen rate. And they would still be paying high. On the other hand we could continue to have a boom and -- which I think is the more likely -- Austin has weathered -- we're an incredibly resilient city and we have to be able to flex and move with the economy as it grows and shrinks. And a freeze would not allow us to do that, but if we revisited the exemptions every year as part of the budget process, maybe similar to how we're talking about looking at vacancy rates, then we could have a report on what the impact would be on a homestead exemption. It was raised in 2013 up to 70,000 from 51,000. Maybe we look at 75 or maybe at 65. Something that helps educate the community about what we're engaged in, helps us set a limit or a new rate that would be of benefit to seniors and people with disabilities, but also would recognize that we are looked to as a municipality to deliver goods -- to deliver services that are expected and desired. And if we crimp our ability through a freeze to continue to expand as the city expands, then I don't think that that is a good governance policy position to be in. So my interest would be in amending the resolution to talk instead about the homestead exemption rather than a freeze.

>>Ky correct something that you said?

[11:59:55 AM]

The tax freeze amount would be the maximum so they would either pay the maximum or the lesser of the current tax rate. It's not year after year. It could be a lesser amount if the tax bill went down. So I just want to be real clear that it's not set [indiscernible].

>> Pool: It did worry me that seniors would be stuck at a level even if everybody was paying less.

>> It's a cap. Riley but have a more involved conversation. Councilmember Gallo brings up the

embracing and age-diverse Austin which is the may mayor's task force on 2013. My understanding is that report, in fact, does not recommend a freeze, and even had a [indiscernible] From the commission on seniors about this particular issue, and I think we are about to take a step that could be irrevokable, and I would rather we not do that. We need to be informed of all of the pluses and minuses on this issue before we make any -- before we make any decisions.

>> Mayor Adler: Mrs. Kitchen?

>> Kitchen: And that's a timing issue. I don't know by what time we need to make this decision. It is a complex issue, so my thinking was that perhaps we were talking about referring this to a committee, if we had a quick turnaround time.

[12:02:03 PM]

I need to understand when we need to make this decision by. And also the -- it would be -- it would be good to hear from the commission on seniors. I was the chair of the commission on seniors last year, and we did have a conversation about a range of options for seniors. We started talking about the freeze, but we didn't really delve into it, so since I've left the commission, think they've had further discussions, so it would be interesting to hear from them. But my question really is, what's our timeline? If we had some more time to deliberate on this, I think it would be helpful, because I do think that we need to consider what we do for seniors. The current -- you -- councilmember Gallo articulated the difficulties with the exemption versus the freeze, and then how you can help seniors, because a lot of seniors need that equity that's in their home to go to the next step, if they have to go to assisted living facility or if they need more help, they need that equity. So a deferral doesn't help them with that. So I'm interested in -- in really thinking about what we can do to help seniors more, and I'm curious about how much time we have to deliberate and have more conversation, because my goal is to do something and have that something be the best solution for what we're doing. If we do the freeze, then there really is no time constraint, because they would be frozen. I mean, what we would be doing is at some point saying it would be frozen at the bill they paid this year and it would not even apply until next year. If we're talking about an exemption, and mayor, you can probably help me with this, there is a timeline by the end of this month if we wanted it to go into effect this year.

>> Mayor Adler: It's not actually this month.

[12:04:04 PM]

It's more -- we have a little bit more time with this one than with the other one. Do you want to speak to that real fast? Riley so that June 30th deadline only applies to the percentage base general homestead exemption. There would not be an exemption to increase the flat. So for seniors, we could increase that past June 30th. It becomes a practical deadline in terms of crafting a budget and the assessor/collector getting bids. Riley councilmember --

[lapse in audio] Riley councilmember Galo, would you be -- Riley absolutely. If we could do that, to also set it as a certain date to come back before the full council so we don't get it buried in everything else we're going to be doing in the next couple of months. No, I think having more diswould be great. Riley and I hope it's one of the front and center issues that's been going to the budget situation, deciding how we do that.

>> Mayor Adler: Anything further on this issue? Riley my question would what committee would we be looking at, or do we need to think about that.

>> Mayor Adler: It could go to audit and finance, probably a couple different committees. We can look at workload, because I really want to get the analysis back so it's a viable part of the budget conversation that we're having. So I would say my default would be to send it to audit and finance, but

let me look at workload to make sure that it actually comes back. Riley I think the other option might be just a very temporary task force to look into it, if audit and finance felt like their agenda to take it up -- math

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>> Mayor Adler: We've also gotten really used to these budget briefings, and this is going to be something -- maybe we just ask ed to prepare the same type of budget briefing on this issue showing the impact on rates and costs. Riley I think that's an even better solution, yeah.

[12:06:12 PM]

Riley happy to do that, I just wanted to reiterate what the -- councilmember Gallo's [indiscernible] Because you would be freezing them on the amount they pay this year. It would be 2017 to see a difference about what they would pay with a freeze and without a freeze. I guess in regards to the other one, the flat exemption, it would be a fiscal year '16 --

>> Mayor Adler: And when we talk about freezing, we're talking about freezing the value and not the taxes or the tax rate, is that right? Riley no, my understanding is that you're freezing the tax bill. Riley bill. The tax bill, the dollar amount.

>> Mayor Adler: Okay. Riley if it mirrors what school districts do. It's the tax -- the bill. Riley it's the tax bill that gets frozen. Riley the dollar amount.

>> Mayor Adler: Okay. Thank you. Riley and if -- well, anyway, we can talk about this. Riley so we got a memo on February 18th that cited a budget answer from 7/13 that had some cost that had some projected financial implications for an increase in the homestead exemption, the flat rate homestead exemption for individuals, seniors, as well as individuals with disabilities, so I guess I would ask, I think those were set for a higher tax rate, and so I hope -- I hope that when this comes for consideration, that we can just get maybe an update on that. I guess I submitted those questions or maybe in the process of submitting some of those questions through the Q and a process, but there's no need to answer them. There's probably no need to answer them for Thursday, if the sponsors intend to revise their resolution. So I think I just want to be clear on what the sponsor's intent was. Right now the resolution would direct the city manager to go forward and implement the freeze, as I'm hearing the discussion [lapse in audio] It sounds like on Thursday, but if I could just pose that to the sponsor.

[12:08:12 PM]

Is that -- do you intend to -- Riley I think it sounds like the desire of the council is to have more discussion, so either doing it as a budget or as a special -- as part of a briefing might be the best way to do that, as a briefing.

>> Mayor Adler: Let me work with ed and I'll get that back as a briefing -- Riley that would be fine.

>> Tovo: That would be great, so I'll adjust my budget questions so they don't need to be answered before we're ready to take it up as a council again, rather than between now and Thursday. Mr. Mayor.

>> Mayor Adler: Mr. Zimmerman and Mrs. Kitchen.

>> Zimmerman: Thank you, mayor. I think the freeze language is confusing, because it's not a freeze, it's an upper limit, it's a capacity, so, you know, could we maybe refer to it as a cap, because the intention of it is a cap. I would generally, of course, support the cap. I love the idea that we're showing some compassion for people with disabilities who are over 65 and so, you know, they can't afford to pay any more. It's a great first step. Now I'd like to extend that to the rest of our taxpayers, and I appreciate the comment from councilmember Gallo about even the concept of tax bills coming down, wonderful. I don't hear enough of that, so please keep that coming. The concept of tax bills coming down, something -- it's the reason I'm here. I just -- I have one concern. I will be supporting this, but my one concern on it

is the last time I was involved in a big bond issue with aid, I was given mail pieces from bond proponents bragging -- targeted to over 65 voters saying you need to go in and vote for this huge, you know, \$800 million bond because your taxes won't go up. And I was deeply offended by that. And that is part of the problem of the economic segregation of the city, if we take out people that are going to have their taxes capped, they become the target audience for ads to go ahead and increase the spending on everybody else.

[12:10:16 PM]

So that's a caution, but I -- I do like the idea that we're moving in the right direction, thinking about capping taxes and hopefully we can extend that to everybody else.

>> Mayor Adler: Thank you. Mrs. Kitchen.

>> Kitchen: Just an information request as part of bringing back a briefing or whatever we end up doing for further discussion. One of the -- I'm recalling now that one of the issues that the commission on seniors had in trying to determine whether or not they wanted to put forward a recommendation on this is they ran into an issue with the availability of data, and they sent a request in -- to the city for some additional data analysis, which never was followed up on. So if I can dig that up and make that available, it -- it had to do with information related to the needs of the seniors in the city, and it had a -- it had to do with helping to identify the extent to which -- the extent to which seniors needed additional assistance with their taxes, so there's a -- there was a letter from the commission on seniors requesting that additional information. I don't know if it came to your department or someone else, but regardless, I will track that letter down and then maybe we can include that -- the information in response to that in our briefing.

>> Mayor Adler: That would be good. Any further before we move on?

>> Tovo: One letter that I have, I don't think this is the letter that you're referring to councilmember kitchen, but from March 11, 2015, that came forward from the commission on seniors that I think merit consideration. The first would be to index the current senior exemption to automatically increase as the values increase, and that may be another option to consider. To index the current senior exemption so that it increases as the median homestead value increases, so as another way of assuring -- kind of an ongoing look at this, that that might be an alternative, and there were some other recommendations that they forwarded, but I think that one merits real consideration.

[12:12:22 PM]

>> Mayor Adler: Right. Thank you. Next item was item no. 23. I had pulled this one just because I was concerned that we were putting multifamily in the middle of an area that had been zoned industrial. We had asked about -- there was some indications, though, that this was more appropriate as a multifamily area than as an industrial area. There was some question about doing an area study, but my understanding is that that's not something that is realistic for us to be able to move on, and that people in that general area, some people want their properties zoned multifamily, some people want their properties zoned industrial. So I had pulled that just to get what the recommendation was from -- from you-all with respect to this tract. And why. Riley planning and the zoning department. I think in order to do a survey or a study from something I'm doing already, unfortunately, you know, we're trying to do code next and I've put more resources into code next to make sure we get it right, and E -- we've also kind of changed our neighbor planning process that involves the Burnett road corridor, and we're trying to be more inclusive along that, so now we're actively engaging conversation with maybe six neighborhoods rather than just maybe the original three that were adjacent to it on the west side, so I don't have the resources available to really undertake a brand-new study in this area. We could look at

that and maybe program out in future years, but I don't have the capacity right now.
>> Mayor Adler: Okay.

[12:14:23 PM]

Mr. Casar, did you want to address this directly? Riley you've got the mic. Riley so the -- yes, the area is largely zoned industrial, although there are many residential uses, but the industrial use is there already. And so I think it is an area that is in transition. Councilmember mayor pro tem Tovo brought up the zoning. The zoning planning commission did recommend the zoning change to mixed use that we could signal a transition into this being part of more of the central city. It is a job center that's supposed to be bringing together transit jobs and housing, so it could signal that sort of transition from what once used to be the northeastern outskirts of the city. I thought making sure that we got some of the mixed use and affordability requirements, the zoning was very interesting. I had a chance to talk with the applicant about those possibilities. There are some issues with -- with it in my view, because, one, there's a creek on the front, so it doesn't front easily to the streets where retail would be. And, second, it is sort of a pioneering probability, -- project, so asking where the market is a bit cheaper to build, so it's already going to be 100% -- between 70 and 80% [indiscernible] So because it's going to be already an entirely 70 to 80% F.M. I-style project, the applicant gladly committed to making sure at least 10% of it through some sort of covenant would be available for four years at the F.M. I level for vertical mixed use, that way in the future if we choose to transition that area into a more residential one, as it seems like we intend for it to be eventually through the growth concept map, that we could apply that sort of cmu standard to other sites, that we could eventually get that sort of retail development that many of my district 4 neighbors want to see in that area, because right now we have a pretty tasty doughnut shop in the gas station, but not that much else.

[12:16:44 PM]

And I do eat at that doughnut shop, so there are decent options, but people would like more. So I think that we've gotten to a pretty [indiscernible] An improvement over what zap already recommended that set some precedent for it being an area that was mixed income, has affordable units and a brand-new [inaudible] Visibility of retail in the street. Riley homeowners and the people who rent, the concern that I have and expressed is for the lack of amenities. There will be none. We continue to put that -- I think the 309 units the last time I checked, and we continue to put density in areas where there's no room for anything else. And we don't consider the traffic implications, because they're able to get under the traffic impact study. That's Cameron road, deal is a hugely busy road, people use that to stay off of interstate 35, and we go from [indiscernible] Down to one. And so traffic is an issue. Those continue to be my concerns, although property [indiscernible] So that's still where I stand.

>> Mayor Adler: Got you. Any further conversation on that, Mrs. Tovo?

>> Tovo: Yeah, this is a real interesting one and I appreciate the discussion.

[Indiscernible] I know bmu affords [indiscernible]? Terms of affordability limits, a lot of neighborhoods [indiscernible] Appropriate for this location that councilmember Casar said market rate -- I guess that's just a question and maybe we can take it up after, whether -- how that affordability rate would be set, because Cameron -- well, Mr. [Inaudible] Do you want to address that.

[12:19:01 PM]

Then I really have a question for my colleagues about the matter. Riley the affordability requirement

would have to Baish Daws this is not a part of the [indiscernible] Would have to be set by council at the time if they were.

[Simultaneous speaking]. Riley on the opt in/opt out, each neighborhood decided under corridors under mfi, or the council decided that

[indiscernible] But it is important to note that the applicant wouldn't [lapse in audio] They received B zone ability if the [lapse in audio] So if they didn't need to go above the far of 2 to 1, which they've told me they do not. If they don't exceed the density level in cmu, which they've told me they do not, then they could go ahead and do a project under csv that would not provide affordability, but in which case they would not receive the benefits.

>> Tovo: I had forgotten that. Really we can rezone it B, so that would be no assuredness of getting affordable housing. Riley that is my understanding, yes.

>> Tovo: And so I guess a bigger policy question here about whether to rezone the tract as residential is still one I'm deliberating, and I don't know if any of my colleagues want to weigh in on that, councilmember Casar described it as an area in transition, which, sure, it may be, I guess it continues to concern me that there's a very large tract right immediately adjacent that is zoned LI and could be used for pretty intense industrial uses and those the existing industrial uses in that area are pretty small scale compared to what could happen on LI, you know, there's still a lot of potential for really pretty intense industrial uses surrounding this tract, and then we would have residents right in the misdemeanor -- midst area.

[12:21:09 PM]

Riley that is the reason why the staff recommended change. The property on three sides is surrounded by unrestricted LI zoning. In addition, across the street, we have existing LI zoning that is already built out. In addition, the LI property owners weren't the -- this property be rezoned residential would then be obligated to provide a set back from the residential on their own property, so even though they're not requesting the zoning change, this zoning change could affect what they could do on the property with regard to setbacks because of the addition of residential uses.

>> Tovo: So once the residence uses surrounding industrial uses will have to comply with compatibility. Riley they will have to provide a setback, depending on what kind of residential use it is. Riley there may be an additional [indiscernible] Depending on their air missions by the tcq for do ING [indiscernible] The use of the emission

[indiscernible] Because of having residential nearby. Also across the street, the industrial is actually in conformance with the neighborhood plan for that property that goes south of runburg, I think, almost all the way down to, I think, 183. And most of that, the area is already designated for industrial, although councilmember Casar did point out that industrial does butts up right to that multifamily track which is a conundrum to the neighborhood plan to the west.

>> Tovo: I don't know now if we want to have this discussion now at 12:20, I ask my colleagues is this what we want to do in an industrial area, go in and zone one tract among many industrial for residential use knowing that that's going to potentially cause conflict for those occupants if not now, maybe down the road. Riley well, I understand the concern. Because of the way the city's zoned, parts of the city, especially those to the east, you will find that kind of zoning all over district 1, industrial into more homes and houses that people can -- can live in.

[12:23:28 PM]

And -- but again, it's the issue of having the amenities there. And I've talked with the developer about doing something on the side that doesn't have the creek so that they -- there are some amenity

benefits, and so that's where we are.

>> Mayor Adler: Mrs. Pool?

>> Pool: So I used to live over generally in that area, off of Rutherford, and I remember watching -- and when I was living there, I watched light industrial kind of move in there and expand, and I thought it was too bad, because it's a -- there's a lovely -- I think I'm seeing in that part of town is an interest in more residential that is, in fact, turning over the light industrial into residential. Do you have any -- because I think what happened on this particular site, the fellow who owns the land looked at anybody who was interested in having, you know, a light industrial entity on that site. So what that tells me is that [indiscernible] That's just right north of 183, right here at 35, it's pretty central, if we continue to insist on light industrial there, keeping out a residential shift, an evolution that would be really appropriate and in a good spot. So I rather liked the fact that residential unit was going to go in on this property, and talked extensively about the flood plan and the creek set back. I do have one question, and it goes to requiring light industrial to have set backs from this residential.

[12:25:29 PM]

You're not -- you're not saying that existing structures would need to move, are you? You're saying that if any changes occurred, then they would have to respect a setback. Riley yes, I'm saying if someone came in with a site plan on the industrial properties that are adjacent to the site, if the site were developed as residential, those properties would have to provide a setback from the industrial.

>> Pool: But there's nothing keeping the multifamily residential? Riley no, he would have to come in for a zoning change as well.

>> Pool: And that actually might be a really good thing to have happen in this part of town. I would be very supportive of seeing this area along Cameron road shift in that direction.

>> Mayor Adler: It is 12:25. We have three items to consider in executive session, and we also have items 24, 30, 43, 44 and 50. Mrs. Kitchen, you said you were going to pull a couple of those, I thought. Which Numbers are those.

>> Kitchen: Well, as it turns out, 43 will take just a few minutes and I can take 30 for just a minute, but I need to lay them out so people understand them.

>> Mayor Adler: But 24 is something that --

>> Kitchen: Oh, I'm sorry, mine were 24 and 30. You want to lay that out real fast.

>> Kitchen: Sure. Let's take 31st, that will be the quickest.

>> Mayor Adler: That's fine.

>> Kitchen: On item 30, I just want to confirm with staff that I think that this item will be able to go on consent. I've been talking with the neighbors and the property owner, and they're all in agreement to support an added condition to set the impervious cover at 55%, and that's to align with the staff's recommendation on the sf6 zoning while responding to sunset valley's flooding concerns. Just so everyone will know, this is a -- this is a development that's near sunset valley, and they have some concerns about related flooding, so they wanted to suggest that we set the impervious cover at 55% as opposed to 60%.

[12:27:33 PM]

And my understanding is that we have agreement from the neighbors and from the developer. And so I'm thinking this can go on consent and just wanting to confirm that. Riley yes, councilmember, if you could just when we're going through the consent zoning agenda, if you could just offer that up as an amendment we could have that stitched into the ordinance on all three readings.

>> Kitchen: As a condition? Riley right.

>> Mayor Adler: No. 24.

>> Kitchen: No. 24, I want to just bring to light what I think is still a sticking point between the developer and the neighbors, and also -- and because it impacts transportation issue, this is a development along Menchaca between Ben white and Lamar, and my understanding -- I want to confirm this understanding with you-all, that the development is on the corner of a cul-de-sac and Menchaca. Wants to have a -- a man wants to have a driveway into his property from the cul-de-sac as opposed to from Menchaca, and the neighbors are very concerned because that would put a driveway into the business at the very beginning of their street, and their street's a cul-de-sac and they have no other way to get out, and they're very concerned about the tract impacts there. So I wanted to just -- traffic impacts there. I wanted to talk to the staff, I'm understanding that -- can you just tell me what the status is of the valuation of the transportation -- of the traffic impact of having that development? Riley sure. We -- you're office actually requested the Austin transportation department look into the issue of traffic on Menchaca, which they did, and they got back to y'all, and I think we continued that in the backup, the trips per day on Menchaca as well as any plans or what they have looked at in the past. They did say that widening the roadway would be very expensive and would require the purchase of additional right of way.

[12:29:40 PM]

They looked to reducing the lane in one direction and adding bike lanes, they decided against that. They did not analyze the driveway per Se, however, I can tell you that there are three existing driveways that the developer would be able to reutilize, if you will, on Menchaca, and so I worked with him, I'm getting him to reduce that down to a single driveway on man check Ka, which is what we would like to see on safety reasons and increase traffic flow. He would like to keep the side driveway. I understand neighbors are concerned about it, staff is maybe a little less concerned at this point because, one, the applicants agreed to limit the trips on this property down to, I think, about 300 trips a day, if I recall correctly, and for an office use, you often have return visitors that would probably quickly learn if they were to take a left they would simply end up at a cul-de-sac and would end up back at the same place that they started. I don't see a lot of people actually taking that left. The applicant has also agreed to put a sign that says no left turn, and to channelize the effort so you would be headed toward Menchaca when you left.

>> Kitchen: Okay. So the transportation study, did it look into the impact of traffic on the cul-de-sac? Riley no, it specifically looked at man check Ka drive? Riley so it didn't do a comparison of the traffic impact on the cul-de-sac and Menchaca. Riley no, if we do compare to those, we'd have to look at the three -- we'd have to look at the 300 trips per day, presume a certain number were going straight on to man chak car, and -- Menchaca, and I think we presumed zero would be taking a left. They have nowhere to go, they would run into a dead end and then come back.

>> Kitchen: I don't know if that they would be zero, they would probably take that route and find out and then turn around and come back.

[12:31:41 PM]

Riley over time, I think the people who -- Riley over time, I think the people. Riley councilmembers, I'm not going Riley councilmember, I.

>> Riley: The next step up from them would be office, but we do understand that retail would be a concern of people along there.

>> Kitchen: Yeah, that's a short cul-de-sac actually and they're going to face a lot more -- potentially a lot more traffic at the entrance to their street, so that's what the concern is, so --

>> Mayor Adler: Let's go ahead and move on. I would point out that the red bluff matter, no. 49, is going

to be postponed, while the applicant and staff continue to look at whether they can realign that street so as to obviate the concerns and improve the value of the properties. The next item is item no. 43, Mr. Zimmerman you had pulled that Sims thank you, --

>> Zimmerman: Thank you, Mr. Mayor. This one is quick and simple. I think there's been a request for a 60-day delay on this.

[12:33:41 PM]

[Indiscernible]

>> Riley: As part of his request, he's asking the council, I guess, to provide direction that it go to the planning and neighborhoods committee of the council.

>> Zimmerman: I think the issue there is there's a disagreement over how many people have signed on or how many people have petitioned. I think Mr. Pangu doesn't believe that the 51% has been met, but there are others who say they have 55%.

>> Riley: They're right. Correct. There's a requirement of the code that for a local historic district, when you submit the application that, you show you have support of at least 51% of the residents of the district. That was done, we verified that and we started moving forward. Since then, and this case this has happened in previous local historic cases, people have taken their name off the petition, other people have added their name to the petition, some people have changed their mind a couple times, so as we go along, you know, the number goes up.

[Lapse in audio]

>> Zimmerman: So before we vote on it, the petition --

>> Mayor Adler: What is the number Riley 52.63%.

[12:36:01 PM]

Poolz miss apprehensions that have been fostered by the people who are opposing -- or the one person who is specifically opposing designation of the neighborhood, and it sounds like there's some absolutely incorrect information that's being proffered by Mr. Pangu according to what some of the extreme cost burden that would not, in fact, be required by this designation, so what I would say is that I think we need to fix a point in time, and this might be the policy conversation at planning and neighborhoods, as opposed to taking this case there, policy conversation might go to whether the list of names can, you know, expand and contract over time, maybe there needs to be a fixed point in time where that's what it is, maybe that's when the case starts going forward. I don't know, and maybe -- and we don't have to debate this here today, maybe some information would be helpful to know is what has the conversation been at the council level about -- about how these proceed and what the rules are and to see if there is a significant policy conversation that we need to have. Otherwise, I am supportive of bluebonnet hills not only moving forward on Thursday, but having an affirmative vote so they can receive the historic designation. It sounds to me like they've worked for more than 10 years on trying to achieve this designation, and people come and go and that's real true, but from what I can gather, a majority of the people in this small five-block area have, in fact, consistently supported the historic designation.

>> Mayor Adler: Mr. Casar and then Mrs. Gallo carrizo springs --

>> Casar: , After becoming chair of the committee, I did have a conversation with our committee members about taking up particular zoning and neighborhood plan amendments in particular zoning cases before the committee, and I was open minded, although I did have a preference not to, and then I found that all my committee members had a much stronger preference than I not to.

[12:38:17 PM]

And so, of course, any two councilmembers can refer an item to our committee, but we may very well choose not to take it up because that has thus far been the will of the committee -- been the will of the committee to focus our time on big things coming up in June like the Zucker report and the code next approach since we do have these zoning council meetings where we all have to sit through and sort through these individual cases. Mr. Pangu did reach out and we let him know of the standing rule that we have in that committee, if anybody has any thoughts on that rule, they can always approach me or other committee members. Councilmember pool, my understanding is right now you just have to have 50% to start the process, and then it doesn't matter how high or how low. Riley correct, we just let everybody know at that particular process where it is at the moment.

>> Casar: I think that would be something appropriate for our committee to take up if anybody has objections to the way we're currently handling it. My inclination that sounds like the most reasonable way to handle it, but those sort of policy questions are the things that our committee would take up.

>> Kitchen: I'm glad you said that, because I understood the Numbers had shift and dropped below 50% but that does not in fact change the fact that the case should move forward. That's good, I wanted to clarify that because that wasn't what I was hearing from around the table.

>> Mayor Adler: Mrs. Tovo?

>> Tovo: I just wanted to say I'm not going to support a postponement on this case, it's been in progress for a very, very long time. It's been actively in the city process for at least a year. There have been a series of postponements, of repeats of particular elements of the process, and everybody is really well informed that it's going forward on Thursday, and that's what I'm going to support, hearing it on Thursday.

[12:40:30 PM]

>> Mayor Adler: Okay. Any further discussion before we move to the next item? Mr. Zimmerman.

>> Zimmerman: I think the absolute worst policy this council could adopt is that you could opt into signing a petition and then getting a preservation district started, and then saying, oh, once its started, now you're not allowed to back out of it. So I would never support anything like that. I think what's happened in our city and policy, we have people that believe in a certain policy, they start selling the benefits, benefits, benefits, they get people to sign onto a program, then someone comes along later and says wait a minute, there's a cost associated with that. Then as people start to get educated about the cost, they say, you know what? I don't think the benefit is worth the cost and then opinions start to change. So I think the whole point -- point of these districts as they move forward, the idea is to get people more educated about the cost, so that's, to me, what the 60-day delay is about, is more information, people are going -- people are finding out there are some costs associated, not just benefit, but also cost, and I think that's why there's a delay that's been requested of 60 more days after however many years its been.

>> Mayor Adler: Do we want to go on to these last two items before we go on. Design standard, people either building a new home, although that to a much less degree, or to people remodeling an existing home would have to follow the design standards or go to our staff or go to the landmark commission to seek approval if they wish to vary from those design standards. The purpose of a local historic district is to try to maintain the historic character and nature of a particular area that was built within a particular moment [indiscernible]

[12:42:38 PM]

Design, don't tear down, we call contributing structures and build large steel and glass boxes in historic

neighborhoods, so

--

>> Riley: I think on a case by.

>> Mayor Adler: Are we ready to go on to the next item? Mr. Casar? Then Mrs. Tovo.

>> Casar: If they're the code next process, we decide to map out more types of missing metal housing that may not be viable now under existing code. Would that -- how would these intersect, that if -- with historic districts, would it be able to map out -- map on in different types of housing that may not have been available under the code housing in the historic district when it was built there.

>> Mayor Adler: If you wanted to do a duplex there in that area, could you do the duplex and still conform to the design standards. Yes.

>> Mayor Adler: That's provided the lot is big enough and meets the other standards that are in the code. We'll move on to the next item then. Item no. 44, this is a briefing item coming up on council.

[12:44:42 PM]

Anybody have any questions about the upcoming briefing? This is the briefing on bull creek on Thursday, it's a briefing that we have.

>> Kitchen: The only thing -- the reason that I put this and councilmember Houston may have done it the same way, this is going to be the first sign that we're going to take up baseline calculations, so we might today want to have a little bit of discussion just on that aspect of it, just so that if councilmembers have questions, that they can put in Q and a between now and then, they would kind of have the background. So that was just my thought is to get --

>> Mayor Adler: Why don't you touch that real basically.

>> Riley: The baseline was established as to whether somebody was achieving a density woe news or not, you have to determine what they're currently applying as the existing zoning. As a matter of fact, that's what the code states is the existing zoning. Where there is some discussion, and this will be the first time ever of any city council, not just y'all, that will be taking up this issue, is where you have what's called a presumed baseline. The reason why that was included was back when we were doing the [inaudible] For the old accord yeah campus, there were portions along the pud along the double decks that had single-family zoning because university was so long it had been there for so long it department have proper zoning.

[12:46:54 PM]

So at the time we thought this was going to be providing affordability above and beyond what you would ordinarily expect

[lapse in audio]

>> Riley: Riley just.

>> Riley: Just kind of ahead's up, there's no pud committed on the pud itself. This is just kind of a dry-run application of what he's intending to do, the reason for the briefing

[lapse in audio] Is we intended for the council to be able to hear from us.

[12:48:56 PM]

However, we also posted it for possible action on the baseline on Thursday because like I said, this particular instance, the existing fir height, et cetera, are all zero. So what we've done is we've posted it for action. We have a proposal from the staff, we have a proposal from the applicant, and if the council so chooses, dhai go ahead and vote on -- they can go ahead and vote on a baseline that is one of those

two or something different. The council does not take any action on Thursday with regard to the baseline, then my take on that is that the baseline would be zero, the applicant would have to consider that if he were to submit a pud that basically every single square foot of development would be considered bonus and would be required to either pay into or possibly provide affordable housing for all of the development.

>> Mayor Adler: Couldn't the applicant and staff come back with a specific recommendation to do the baseline? I mean, the only difference between that and this is we're not going to be hearing about this until the very first time. I'm uncomfortable hearing about it for the very first time and taking a vote, but I don't want to leave the property owner with a zero baseline, because that doesn't seem to make sense either. It just seems to me that I'd like to have the briefing -- I'm just not sure it's appropriate to ask us to then take a vote where the alternative is it's automatically zero unless we make up our minds the first time we hear something. That doesn't feel right either. We could come back.

>> Mayor Adler: That sounds good to me. Is the briefing go to be up on Thursday, do we want to ask any questions before the briefing. Mrs. Gallo?

>> Gallo: I'm going to ask a question because I would like to have this as part of your presentation. And we'll put it on Q and a also. If we can understand the difference between the staff's recommendation for the baseline and the applicant's proposed baseline.

[12:51:03 PM]

Because it's a very complicated process, but the simplest answer for me to understand is staff's proposal will result in this amount of [lapse in audio] Riley if. Every square foot built under the applicants proposal and this is what the difference would be.

>> Pool: I think that would be helpful. It gives us the ability to really compare the two to see how far apart they are, how close they are.

>> Mayor Adler: And I would say not just with respect to housing, but I would appreciate knowing all the differences that were driven from one baseline to the other baseline. Anything else on this, Mrs. Pool?

>> Pool: So you were talking about rezoning the land for the baseline, because the current number is zero; is that right? Negotiating between all parties involved or the applicant after the briefing on Thursday could decide they have no intention of submitting a pud and they could file a standard voting case.

[12:53:10 PM]

No vote that the council would take on Thursday or even if they were to postpone a vote on the baseline, that would require an actual zoning application which has not been filed yet.

>> Pool: And so on the big charts that show zoning around the city, what's the designation that's on this site. This shows uns which means it has no designation.

>> Pool: Does it have an S on it for state? No, just unz for unzoned.

>> Pool: Last questions, what's the -- when do we hear from the neighborhoods, the communities surrounding -- the folks that have been working really diligently, both before the property was sold, during the time when council considered purchasing the land, the city purchasing the land and decided not to does that party have an opportunity to see what it would like to see on that land? Because right now we're talking about the staff recommendation and the developer, and there's a missing slot there, which would be the community. The situation we're in right now, the developer has said I may be submitting a pud, and heres the pud that I may be submitting. What do you think, staff? And so we have responded with a report, and that's what we'll be discussing with you on the briefing on Thursday. We have already had meetings, the staff has, with the neighborhood to see what they think of the proposal.

We have had meetings with the councilmembers and some of the neighborhood folks. I know that the neighborhood folks have been meeting with the applicant. The way we typically handle these briefings on Thursday, you hear from the staff where I give you a summary of what the proposed pud would do, and then typically the council has allowed the applicant to make a short presentation on what they're proposing to do, but it's not a public hearing, so we do not hear from those for and those against and have a long drawn-out deal.

[12:55:12 PM]

The real person -- purpose of this hearing was originally intended to book end a pud, it often takes about a year time, and what happens is the staff and the neighborhood and the developer all negotiate over many months and then we come to the council at the very end, and maybe the council was looking for something totally different that we weren't all considering as we went through that. So the idea of adding this briefing at the beginning is for the council to hear what the proposal is, and it's just a proposal. As I said, it's not an actual application, and to pride -- for the council to provide feedback on what they have feelings of, so that the developer can consider, one, whether he wants to move forward with the pud or not. And then, two, maybe tweak what he's proposing based upon the input that he hears -- input that he hears from the council at the briefing. If the applicant does decide to submit a pud or frankly a regular zoning case, we'll be working with the neighborhoods as we go through the process, but this is not really the time for the back and forth. This is the time for someone to go, hey, here's my idea, what do you think, and then if that idea takes the next step and becomes an actual application, we begin the serious application.

>> Pool: That sounds great. Thank you. I have one last question. What is the sequence of commission sthas this application would go through? If they would actually submit the pud which they would allow to do after the briefing. If they actually submitted a pud, it would be required to go to the environmental board and it would be required to go to -- I believe in this case, the zoning and planning commission. And then it would come.

>> Pool: Because it doesn't have zoning yet. And then it would come back to the city council then.

>> Pool: And where is the planning commission on that. This is something I was speaking with one of the neighbors yesterday, Chris Allen, I told them I would follow up and look. My understanding [indiscernible] Which is usually whether it decides whether it goes to zoning or planning commission.

[12:57:12 PM]

There was a resolution initially in the neighborhood plan for this area which would not naturally at that point -- normally at that point divert [lapse in audio] The cases in this area still go to the zoning and planning. I'm going to follow up with that and make sure that was the case.

>> Mayor Adler: And I believe it was Rosedale and North Shore Kriek but not Allendale and Rosedale. Council, directing to initiate the neighborhood plan for Rosedale, then it would automatically go to the planning commission because it's in the cue.

>> Pool: And this is a combined planning area, because Rosedale doesn't actually extend over there, that's Oakmont and Ridgely, that's all part of the Rose Coalition, that's why we have seven neighborhoods involved. We can share that information with you and get the neighborhood planning map to clarify the boundary.

>> Tovo: Mayor, can I just ask a very brief question. Could the council direct staff to take it to the planning commission? We'll get back to you by Thursday on that.

>> Tovo: Yeah, I remember that resolution, removing that area.

>> Mayor Adler: We're going to go ahead, item no. 50, Mrs. Houston said did not have to get pulled.

That gets us to our very last item which was an ad. Do you still want to add 33, Mrs. Pool?

>> Pool: [Indiscernible] Unless someone else has something else to raise? Question? Mayor I know that we discussed last week on the dais the potential option of scheduling a lunch break on our Thursday council meetings and I wonder if we are intending to do that, if there are maybe some executive session items that we could handle over lunch on Thursday?

[12:59:15 PM]

>> Mayor Adler: You mean as opposed to handling them today.

>> Tovo: We may not be able to cover, they may not give us enough items if we did on Thursday.

>> Mayor Adler: How long are the executive session briefing on white lodge and mercer. They shouldn't be terribly long. The T cad matter is something we have a meeting set tomorrow, we could report on Thursday. We don't -- that should be very short. We don't have anything to report, so we could move it to Thursday. The other two, we have outside council -- counsel here, so.

>> Mayor Adler: Let's go ahead and do them so and see if we want to pick them back up. Also in scheduling, too, I would urge everybody with respect to how we do items that get pulled and the like on Thursdays, I think we all need to be real thoughtful with respect to knowing that we're pulling stuff, staff's here for however many hours before it can come up. We've asked the transition committee to take a look at ways that we might be able to do our meetings so that we don't have staff there for 12 hours, maybe giving people notice, 30-minute call or something, other things like that, but everybody should just be aware of that. The city council will now go into closed session to take up three items pursuant to section 557-point -- regarding a2, the [indiscernible] Travis count till related to commercial value property set by the Travis central [lapse in audio] United States district court for the western district. Also United States court for the western district is item a4, legal issues related to mercer, et Al, versus city of Austin cause no. 1-cv830. We'll go into executive session.

[2:45 PM]

>> Mayor Adler: Sorry we are out of closed session and in closed session we took up and discussed legal issues related to items A 2, 3, and 4. Seeing as there is no quorum present I am adjourning today's work session. The time is 2:45.