

City Council Work Session Transcript – 08/11/2015

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>> Mayor Adler: Are we about ready? It is 9:22. It is Tuesday, August 11th, 2015. We are in the board and commission room at Austin city hall, 301 west second street. This is the work session, council work session. I'm going to call us to order. We have a quorum present. Hope springs eternal, council, but this one looks relative like a short one to me. We'll find out in a second. We have some briefings, three that are listed. Only one I think will actually be lengthy. And then we have some items that have been pulled, 2, 3, 6, 9, 10. I had pulled 13, which was the Cameron apartments. I'm going to unpull 13. So I'm not going to call that up unless someone wants it. I'm also told we need to pull number 34 to talk about it quickly. Pio wanted to pull that and Ms. Houston wanted to pull 45. Ms. Gallo, I think there were three or four you wanted to pull at the end yesterday. Was it you? >> 47 through 50. >> Mayor Adler: That's what I was thinking. Then we have executive session. Being discussed in executive session there are some legal issues with the grow, this is also a pulled item, so we're not going to talk about it until we go into executive session. So this day we may very well handle pulled items, go into

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executive session before lunch, come back out. I'm thinking that's how the day is going to go. >> Casar: Mayor, if I could, I'm going to -- would like to make a 60 second comment on item 17 just to alert people. >> Mayor Adler: That would be fine. Okay. By way of presentations that we have, Ms. Kitchen, do you want to -- we are putting on to the agenda work session every week from here on out indefinitely. The question of the transition committee, operating procedures for the council and committees, so that we can continue to refine that process and make that process work well. Why don't you tell us where we are on that? >> Kitchen: What I wanted to do today is just give everyone a head's up on where the committee is in our process to tee up a discussion next week. So one of the things that we've been focusing on is the work flow for referrals to committees and all the various ways that that happens, either, you know, by individual councilmembers, by boards and commissions or by the council itself. And then how that work flows through the committee and then comes back to the council. So what we have prepared is flow charts. And I expect to be able to post those this week, hopefully tomorrow or the next day at the latest, which would give everyone a number of days and the weekend to just take a look at them. And then we can talk about them next Tuesday to make sure we've captured the work flow that we're using for that process and make sure everybody is comfortable with that. We also have a number of other items to -- so our thinking is we'll make sure that that work flow makes sense, it's a nice visual, and we can put it on the website for people. And then shift to some other

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issues that, you know, we've got a running list of issues that we need to discuss relating to how we actually do the work in the committees themselves, public comment and some other things like that. So the list of upcoming issues as well as the work flows themselves, we expect to post in the next day or so to give you time to review. And then I'd like to have a discussion about those next Tuesday. So that's where we're at in the process. >> Mayor Adler: One of the concepts that I think was helpful that was discussed at the transition committee was that we've now done the committees and things enough and everybody is doing them differently, that we may -- and everybody is on four committees, not on six, but that we are probably at the place where we're beginning to develop best practices. So one of the things that we want to just do at this meeting is to just have an open conversation that Ann will structure and give us topics so we can talk about how are some committees doing things differently than other committees are doing things and what teams to be working well so that everybody gets the best of whatever the best practices are as we're beginning to develop them. I think that would be helpful too. >> Kitchen: That would be helpful. We've all had somewhat different experiences in our committee in terms of the types of issues or the scopes of issues that we've dealt with. So it could be helpful to share how we work through particular issues, how we balanced working issues in committee versus bringing them to council and those kinds of things. So that's the kind of discussions that we want to have here starting next week. >> Different committees are setting their agendas differently, different committees are processing the minutes after committee meetings differently. And it will give us a chance to just talk through those things. >> Kitchen: The other aspect of that is I'll just say that it also gives us a chance to just reiterate that the committees have some discretion in setting their agendas and the meetings. It may be that some committees don't need to

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meet every month, for example. Those are the kinds of discussions we can have. >> Mayor Adler: Mr. Zimmerman? >> Zimmerman: It sounds like a great idea to discuss this, but could it wait until we get through budget season? >> Kitchen: Yes, as far as I'm concerned. >> Zimmerman: Because we postponed an important discussion on the \$2.3 million in mobility, citing concerns that we had budget pressures. And it's kind of a budget item how we spend the money that's been allocated to us. Could we switch that and bring the transportation dollars back and then push back this discussion on committees? >> Kitchen: Well, we could -- no, the quarter-cent funding, you know, took more time because of the need of a thorough process that the staff needed the time, but what we can do is we can -- we'll be posting the work flows on the website. We don't have to have a long discussion about them next week. Probably could actually just respond on the council message board if they want to do that. >> Mayor Adler: Okay. Will staff come and give us the rotation list contracting briefing? >> Good morning, everyone. Rosie True Love, the director of the city's contract management department, soon to be the capital contracting office. I have a presentation that's getting pulled up. There we go. So I'm here today to give you just an overview of our rotation list program and to talk about our contracting processes. Thank you. You should have a hard copy on -- at our places on the dais. So just to kind of put this in perspective for when we're talking about rotation list, kind of where we're at

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when we're talking about a CIP project. So initially you have a need or issue that's identified that can come through work that's done at the neighborhood level, it could come from staff, it could come from council. From that we go through into our planning phase where we work to develop the scope of the

project. We work on potential identification of the budget and a funding source. We start to develop that initial schedule that we're going to be following. And we start to identify the risks. For all of our capital projects, they need to go through a design process. That can happen in one of three ways. The first is using internal city design teams. The second would be what we would call a project specific solicitation. So that would be a time when we would go out on the street with an actual competitive procurement process to bring in an engineer or an architect to specifically design that actual thing. So a bridge or a building or a water project. And the last way would be an assessment off of one of our rotation lists and that's what we're going to be focusing on today. After that design is complete, then you would go in to the bid phase or the procurement phase for the construction contract and then move on into construction. So what is a rotation list? A rotation list is a contracting mechanism for construction related professional services, primarily engineering or architecture, where the city will hire multiple firms through one solicitation process. We're going to select them based on their demonstrated competence and qualifications in accordance with state statute to perform a general scope of services. We'll contract with them for a general scope of services and then we'll make individual assignments on a rotating basis. And those individual assignments is where we get into the details about the tasks that they're actually going to do. So the question has come up about what value do they bring? For a rotation list we're

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able to use these for our work that is more of a routine or recurring nature where we're able to go through a solicitation process upfront. And then when we need the engineer or architect we're able to kind of deliver the services just in time. So you don't have to go through that separate solicitation process. It's a big value to the city where you don't waste the time or -- waste is not maybe the best word there, but you don't use that six-month process to bring someone on board. You're able to go ahead and pick up with the engineer or architect and have them start work almost immediately. So the basic process for solicitation and selection is very similar to what we would do with a scope specific project. We have an evaluation criteria that they're kind of fundamentally the same for both project specific and rotation list where we look at their project experience, we evaluate them on their key personnel, their work -- their work approach, their team structure. We evaluate them on the applicable subcontractors for the major scopes of work and score them against our established criteria by an evaluation panel comprised of city staff. And the firms that are basically rise to the top of the selection process are those that are awarded the contract. When we're planning for a rotation list we sit down with the folks that are going to use the rotation list, the different staff from different departments, and with snbr, and we talk about how we need to size that rotation list. We look at the kind of work that we anticipate is going to come to that list. We look at, you know, -- basically kind of more or less a spend plan for the next three years or so for the next projects come through there to determine how many firms we need have on the rotation list what happened the per firm authorization is because we want to be able to make those assignments, we want to be able to make multiple assignments to the firms, to

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ensure that everybody is getting the full authorization that we anticipate. And we want to be able to get that total contract amount authorized or obligated within the time period that we say. So we have those conversations in advance. We don't know who will be submitting on the rotation list, but we think based on the work that's coming, we think we need five firms or 10 firms or 12 firms. The average project size is going to be xy or Z and that helps us to build the number of firms and the per firm authorization that

we put in the actual solicitation documents that we release to the public. >> So going through our rotation list, kind of by the Numbers, we have right now we have 63 rotation lists that are in existence at the city of Austin. 34 of those are accepting new assignments. So that means if someone in one of our customer departments needs to have someone to perform some work, some general civil engineering work, then we have -- as just an example, then we have 34 rotation lists that we would be able to direct them to to try to meet their needs. 29 of the 63 are not accepting new assignments, so that means that we have already basically authorized or obligated most of the work, most of the authorization that's available, and we're just allowing them to finish that engineering work. Because keep in mind we keep the engineers on board, they start with the design process, they stay on board through construction, through post-construction, and so we -- those engineering contracts can be longer in nature than folks realize. So our total authority on our active rotation list is approximately 130 million. 63 million of that has been contracted and 45 million of the 63 has been paid. There are it 209 prime firms in the 34 active rotation lists. 40 of those firms are on more than one list, so I could be on both the general

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civil rotation list and I could also potentially be a surveyor on the surveying rotation list and that's totally -- that's totally okay. We see that all the time. And of those 209 firms, 49 are mwbe certified, so these 23% of our prime firms are certified firms. When you look at the submittals, I've done some analysis, since 2010, 2010 through current we've had 40 rotation list procurements that we've issued. The average response rate over that time is 29% have been -- of the submittals have been from certified primes. 71% have been non-certified. And if you look at our active rotation list, that compares to 23% of our firms on our active rotation list are certified. >> Zimmerman: Certified by whom, by what, in what way? >> Certified, minority owned or women owned businesses. Certified by snbr. Sorry about that. This is compared to an average of 14% certified, 86% non-certified for project specific solicitations. So you will see we have a much higher response rate from our certified firms when we have rotation lists there's more opportunities there and that comprises a substantial way of skidding our engineering and architectural services for our capital program. If you look in that same time period, contract execution, since 2010 we've executed 262 individual contracts within our rotation list program. 26% of those, so 69 of the 262, were with certified firms as primes, compared to in that same time period, 13% for scope specific contracts. So we have continued to see more opportunities with our rotation list program. We have a higher response rate from certified firms on our rotation list program,

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and we execute more contracts with certified firms on our rotation list program. So specifically with the watershed engineering floods hazard mitigation rotation list, this particular contract was issued -- we reviewed the scope in November of 2014. In that meeting we made the determination that based on the work that was coming to this list, based on the size of the projects that we anticipated, there were some that were of a larger size than others. That five firms at two million dollars each was going to be an appropriate -- an appropriate number to select and an appropriate per firm authorization. That was an increase over in per firm authorization over the last iteration of this rotation list. And that one we had five firms at \$1.5 million each. But some of the sizes of some of the flood studies that watershed was going to utilize this rotation list for necessitated us to increase the per firm authorization amount. We issued the solicitation in December of 2014 and we received responses in January. 18 statements of qualifications were received, three were from certified M or WBE firms. The proposed award, which was on the council agenda last week and is now posted on the agenda for this week is for the five highest ranking firms. Maintains the award as initially drafted and is consistent with the solicitation documents.

Included in that I wanted to note that with the five firms that did submit their statements of qualifications, all of them did have a compliance plan that was compliant with the ordinance through meeting the goals. And if you look and you dig into the compliance plans of some of these firms you will see that there's a lot of overlap on the subcontracting teams, including with some of the primes that submitted -- some of the firms that submitted as presumes, but are listed as subs.

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>> Pool: So by that comment what you mean is that no matter who we pick on the rotation list or who is at the top to get a particular job, our minority and women owned businesses are getting a share of that work. >> They absolutely are. And it's possible -- this question has come up before as well. I want to make sure I'm clear in saying that this is possible and that it's not -- I don't know. I don't know what the right word would be, but it's not-not okay. I could be a subto councilmember pool and councilmember pool could be the prime and I could be a prime in my own right and I could be awarded a people prime in my own right and have the subpresumes on the rotation list. This happens quite often. We have a lot of really well qualified, highly qualified subcontractors that do work on our rotation list and you will see their names repeatedly throughout. >> Mayor Adler: So we've asked the question because we started asking questions and I may have ask one too. As the Numbers that you've given with respect to certified, non-certified and the opportunities that folks have, does that include all contract work or is that just the prime awarding of contracts? >> Those Numbers that I gave you earlier were just for primes. We looked at -- we looked at doing some analysis on the contracts that we've -- the solicitations that we've issued and the response rate that we've gotten from primes, -- in the composition of certified versus non-certified and even down to the ethnicity level. And we've also looked at the number of contracts that have been executed for that same time period. It's not totally an apples to apples comparison in that in 2011 I might have issued three rotation lists and that resulted in 30 contracts. But not all of those contracts might be executed in 2011, right, because I could have issued a solicitation in October of 2011. So it would count in the

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2011 column, but the contracts might not be executed until 2012. >> Mayor Adler: Let me ask the question differently. And I realize we have a program that can have diversity among the folks that ultimately are working on city contracts. And there are two different ways that they could work on a city contract. One is as the prime contractor and one is as a subcontractor for a prime contractor. The reason that I pulled this issue and wanted to talk about this is because on this particular one, as I look at it, the prime contractor positions that have been selected, all five of them, none of them are certified. And I pulled it because the next group of five has three certified entities, but because they're not in the top five they're not in the pool. Now, they may get the work, which is good, but at the same time there's a difference between getting the work and having a leadership position. >> I understand. >> Mayor Adler: So I wanted to see if -- as I look at the criteria, part of the criteria relates to experience. If you had experience in doing this, and which gave rise to the question in my mind, if there's a group of people -- and I don't know this, but if there's a group of people who are underrepresented as prime and that is true with respect to this particular rotation list, and we'll get back to the overview, but with this particular list. And if one of the criteria is experienced, are we doing something that could potentially be self-perpetuating because people might not get the job because they don't have the history of the leadership positions, but they don't have the leadership positions because they haven't had the leadership positions to get the experience to be able to get the leadership positions? Which gave then rise to that question. And I wanted to make sure that I understand. So I want you to address that issue

and then I want you to pause for a second. I understand you saying that even when we look

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at leadership positions, awarding of prime contracts, that this particular contract is an anomaly because this particular listing doesn't have any certified companies in the top five. But as I'm doing more contracting in the city I'm giving more positions to more companies in the rotation list, that would seem to at the if I were to look at other rotation lists I would see a lot of certified companies in the group that are actually made part of the rotation list. And then the last question I have is we've stopped at five and I want to know why we wouldn't go to six or seven or eight or nine, both in terms of what happens if we have more people on the rotation list. And the second question is as I sit here I can't -- I don't know and I don't want to micromanage, I'm trying to learn. If there's a .5 difference in the total points, is that significant? If I have a two-point difference is that significant? At what level is it really significant? Because these seem to be -- I don't know how objective the measurements are. They look to be pretty objective because they're down to one-100th of a point and I'm trying to gauge how significant that level of accuracy really is. Do you understand my question? >> Uh-huh. >> If you could address those, I'd appreciate it. >> I'll try to get them all. I'm going to skip to something not necessarily in your packet here. Okay. So it is true on this rotation list that there are no certified firms in the top 5, okay? So that could be true of other rotation lists as well. When you look at them just as an individual contract award, but this is five individual contract awards out of -- in the last five

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years, 262, right, that we've done. So what's on the screen is looking at more of the history, just to show you kind of an all encompassing view so while you've got the details of this specific solicitation so you can see kind of in the general what we're talking about with rotation lists. And I'm going to flip to this here so I can see because my eyes are not as good as they used to be. So kind of across the board our trend for rotation list submittals, and this is just rotation lists, is we've got about 29% submittals of certified firms and we're contracting with or executing contracts with 26 percent of our executed contracts are with certified primes. So to me when I look at those Numbers -- and they're going to vary a little bit across time and some years are better than others and some years we've got higher, you know - higher submittal rates than we have in other years, but when I look at the trend over the past five years, I think those Numbers speak -- tell a pretty good story about our rotation list program. If I wanted to increase the number of primes that I have that we're awarding contracts to I would want to increase the number of presumes that are submitting as certified -- primes that are submitting as certified firms and I think that's a number we can continue to work on to encourage firms to submit as primes to make sure that they have full understanding of what the requirements are to serve as a prime firm on a rotation list. I can tell you these Numbers in the submittal and in the execution arena are much higher for rotation lists than they are for scope specific because we're only seeing, I think, like 13% or 14% of our submittals on our scope specific projects are with prime firms. So -- and we're still executing 13% of our

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prime contract scope specific prime contracts are being executed with certified firms. So the submittal rate and the execution rate don't seem to be too out of whack in my opinion when I look at the last five years, but I understand that this particular rotation list doesn't have any representation. >> Mayor Adler: Okay, that answers that question. Now talk to me about why we stop at five. >> So what we -- I'm

going to speak specifically about this particular one because we don't stop at five on all of them. On general civil we break it up into a small scale and a large scale where we're hiring I think 10 and 12 or each even more. So it's something that is very specifically talked about with each one of our -- for each rotation list. With the folks that use the rotation list that are the owners of the scope of services, so to speak, we look at the kinds of projects coming to this rotation list or any particular rotation list. And we try to make it so that each of the firms will get two or three assignments because that will enable us to be sure that they're getting the full authorization that we want them to get or that we want to -- we're contracting with them for. And that they can finish that work on that rotation list and that it's not going to go over, right? So for instance, if the contract amount, the per firm authorization was a million dollars, we would want them to be able to get two or three assignments within that million dollars and finish it from soup to nuts. So that we're not having to increase the authorization or take money from one consultant firm to cover the authorization on another one. That does happen and we have a process to do that through our management -- our contract management, but our desire is to get folks the authorization that we say that we're going to give them. And so in this case when

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we were looking at the watershed rotation list we looked at the projects that we had done before, the authorization that we had, which was 1.5 per firm for -- in the time period that we were looking at. There are a number of flood studies that watershed is going to be doing off of this rotation list, and those just in and of themselves have an estimated value of close to 1.5 million. And so we wanted to make sure that there was enough room or enough authorization per firm to be able to cover those flood studies, right? And that's while still having enough work coming up that they knew about to be able to authorize assignments to the other two or three firms. So that was -- we looked at all of the different factors and we had five before that seemed like a good number in that we had had high performance from those five, good participation rate, good qualifications from the number of firms that had submitted, and we thought we needed a little bit more authorization until the 1.5 million and that's why we raised it up at 5-point it million. Watershed was confident they would be able to authorize and spend that much money in the time period that we had for the rotation list. >> Mayor Adler: So if you add more people to the list, then people's individual contracts would go down in value and might not be able to complete the scope of the work of the contract that was involved. >> That's the concern that we would have. >> When you look at the item that we posted for Thursday, we posted it in a way that in anticipation that council might choose to -- that you might want to have the flexibility to increase the dollar amount we posted it such that you could potentially increase the dollar amount of the overall rotation list. And when we were talking to -- when I was talking to the watershed department about what that dollar amount might be, they felt comfortable with being

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able to spend the 15 million that you'll see in the pasting during that time period. It probably will take them maybe a little bit longer to spend it than what we had originally anticipated, but that would keep the authorization level, the individual authorization levels for the firms at an amount that would allow them to be able to complete the work. >> Mayor Adler: So you were saying if the council wanted to increase the number of firms we should also increase the total amount of the rotation list so the awarding isn't decreased. >> It will still be decreased some, but it will be decreased less. >> Mayor Adler: Okay. And the last question I have is talk to me about the difference in .25 or something. Is that a significant difference between ratings or is that something that is numerically apparent, but probably not qualitatively real? >> Yeah, when we're looking at these. So the evaluation panel that does the

scoring on a rotation list, each one of them is going to be different for each rotation list. We look to create an evaluation panel that will be comprised of technical experts. People that can evaluate, can understand what they're reading. We also look for diversity. We also ensure that there's -- when I say diversity I mean beyond race and gender, but we also look for diversity so it's not one work group picking the consultants they want to work with because they may decide that they only want to work with the same five people that they've always worked with, right? So we like to have diversity and opinion as well. And then we also ensure that there's no reporting relationships. If I'm on an evaluation panel with my boss and my boss says strongly we need to hire truelove engineering, I don't want the panel members to feel like they're being strong armed into voting a certain way because of who other people are on the panel. So you have a qualified group of experts evaluating these things. We give them as much guidance as we think we can because we want it to be objective. It's in essence a

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subjective process in that you're reading a document and you have evaluation criteria and you're scoring it again. So there will be some elements of subjectivity, but we try to make it as subjective as possible. We give them guidelines and make sure that everybody is scoring apples to apples. Right? We also -- our staff is trained to look for folks that are going to have maybe some inherent bias that might come out in how they're talking about the firms and how they're scoring the firms. We have -- or with how folks are in the far, far past before we implemented this process which has been in place for longer than I've been doing this job there were concerns that people would say I don't want to work with so and so because why I don't like their contractor team and that's obviously not appropriate. So part of what we've done is having snbr there is having a quality check to make sure there are no concerns or questions there. So when they do the individual scoring we have a kickoff meeting, we give them our guidelines for how to do the scoring and then we send them on their merry way with their score sheet and a tablet that has all the of the submittals on it. And they're doing their scoring in an individual -- they go back to their desks or the library or the home or whenever they feel most comfortable in doing these evaluations. And we bring everyone back once the scoring is done. We talk through the ranking of things. We talk about anomalies and once we're ready to put scores on the board, we put the scores on the board and you can't change them anymore. They can't come back and say oh, if I had just scored truelove two points higher they would have been awarded the contract, because that's again taking some bias

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and taking some of the fairness out and the equality that we're -- and the transparency that we're trying to do. Then it's just a moment of math and who the potential contract award is going to. >> Mayor Adler: I guess the question I'm asking is if someone gave a score of 93.2, is it possible that you would look at that and say I'm real surprised it's 93.2 because I would have expected it to be 93.5. In other words, if you look at a 93.2 and a 93.5, is there a -- is it -- is there a qualitative difference at that level or is it just or we've set up as objective process as we can as we'll get Numbers at the end that will become our guide and it's a way for us then to differentiate and to rank, but there's really not that much difference between a company that is .2 away. Now, at some point if a company is 2.0 away that might be generally perceived as being a qualitative difference or a 5.0 away. And I'm trying to see if there's a sense of where it is that the difference becomes material. >> So -- >> Mayor Adler: Other than in the ranking process. >> I tell you all of what I just told you so you have the context with which people are evaluating these folks because I think what you said is quite true. When we're looking at things we're looking for significant breaks. I can't -- to the individual evaluator, 93.2 versus 93.5 might be significant when you aggregate it across five different evaluators it probably becomes less significant. When you're

talking about a scope specific project, and we're deciding, say, who to invite to an interview, we would look for a break in the scoring, right? And we would try to kind of only bring in folks that are above that break. And that break might be two points and that break might be one point and that break might be five points.

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It just depends. And each, you know, set of -- each set of evaluations is a little bit different in that sense. With this particular thing or this particular rotation list, you know, it shows that we have -- in my interpretation it shows that we have a lot of highly qualified firms to do the work. When we issue the solicitation we looked at wanting the top 5 to be able to complete the work. And so that's where we drew the line in accordance with our process. >> Mayor Adler: Did you see a line in the break with this scoring? >> Sorry. They're clamoring for you! I see there's a break between 2 and 3. The breaks start to get fuzzier. I think the next break that would jump out at me is between 10 and 11. , But when we look at what staff's recommendation is going to be, we would -- we tend to be conservative and go with what we laid out in the solicitation. Because if we thought -- if we anticipated hiring six firms, then -- or seven firms or eight firms, then we would have advertised that and folks might have responded differently. Someone might have looked at an opportunity for 10 firms over five firms and said oh, that's something that I'm going to compete for. But if they're only hiring five I'm not sure I want to spend and invest the time and energy. Because it is a costly investment for the consultant firms and we recognize that. , So you know, we want to maintain our little playing field and our transparency. I think -- did I answer -- >> Mayor Adler: You've answered all my questions. I think, Ms. Touch, you had your hand raised next. -- Ms. Kitchen, you had your hand raised next. >> Kitchen: I think you answered my questions. I just want to point to the fact

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with that little, that small of a point difference, that raises concerns for me. Also, there's a significant difference between being a prime and being a sub. And so one of the questions related to that, when you award these contracts, do you guarantee the subs a certain amount? Or is that up to the prime contractor? >> So, when -- when we issue a solicitation for rotation list contract, we outline what we anticipate are the major scopes of work. Within those major scopes of work, those are things that we expect to see on most, if not all, assignments, that are going to come about on that rotation list. And those major scopes of work are the scopes that we want to evaluate the qualifications of who's going to be performing that work. So when that comes through, as we make the assignments, they have to, as part of their submittal of their proposal, right, for how they're actually going to do the work, their scope and fee proposal, basically, they have to turn in a subconsultant utilization form that tells us of the firms on their compliance plan that have been approved, thousand they're going to use them for that particular assignment. So if they have true love on there to perform services, and we see that there are survey services on that particular assignment and they don't show that they're giving that work to true love, then we're able to catch that before we tell them to start work. >> So you require it. >> Yes, ma'am. >> Kitchen: It's not a suggestion, you actually require it. >> No, we require it. >> Kitchen: And is that requirement a certain dollar amount to the subcontractor, or is it just a piece of that work and they have -- I've seen this happen before, and that's why I'm asking. I've seen this happen with city contracts before where the prime contractor changes the amount that goes to a subcontractor during a job. That's why I'm asking specifically in this case. So you do require, it is a

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certain dollar amount that's required of the subcontractor. >> -- For a rotation list, it is the scope of work. So I would expect all the survey work would go to the firms they have identified as doing services. We can't guarantee it's going to be a dollar amount. In fact, when you look at the compliance plan and what's listed in the rca, you're not going to see dollar amounts for rotation lists because we don't know - - we don't know if did you understand, it could be, and this has happened, that the assignments that come to that particular prime don't include surveying work. And that's not that the prime isn't giving the work to the firm that's supposed to have it, it just doesn't include it. So we don't hold the prime accountable for that. We do hold them accountable for giving the work to the firms to the scopes that they identify that they're going to get. >> Kitchen: Okay. Well, that's my concern. There's a definite difference between being a prime and a sub -- >> There is. >> Kitchen: -- In terms of amount of dollars and whether you're even guaranteed any role or not. >> I would also say, if I might add, if they do want to make a change to their compliance plan for any reason, we have a process for that, too. It's our request for change process. There's -- there are seven reasons for making a change to your compliance plan that are outlined in the M and wb ordinance, the minority-owned women and minority business ordinance, that has to be requested in advance of making the change, approved by appropriate levels, and ultimately approved by smbr before the change can be made. Otherwise, it will result in sanctions for the firm. >> Mayor Adler: Can you go ahead and drop that slide from the screen so we go back to a room view? Ms. Houston. >> Houston: Thank you. My association is that the rotation list has bias already built into it. So the fact people cannot make it -- I think 29% and 26% is not

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very good, but then I'm not a construction or -- it's a very complex subject, so I'm not that person, but that's pitiful to me, rather than good. So I would like to see it more balanced. But how do we get rid of the implicit bias? Because when you use a professional rotation list, we already know who those people are, we've worked with them before we know they're good, we know them, we know the kind of work they do, and so that leaves a whole lot of other people we don't know who may be good, who may be just as competent, off the opportunity. So that list is bias in itself. I have a question about veterans, though. >> Okay. >> Houston: They're not included in that so how would somebody who's a certified veteran contract to be folded into this? >> I might ask -- that's part of our disparity study that's occurring right now, and depending on the how come of the disparity study, it would be factored into our solicitation process appropriately. I don't know if you have more to say about that, Veronica. >> I'm director of the small minority business resources department. The only thing I would add to that, certainly it is a discussion that is going on. It's a discussion started with our previous council and there was an interest to include a veterans program. We did include it in the scope of our disparity study, which council will be receiving in the next few months, and that discussion will continue. But at this time we don't certify veterans, so it's not included in our procurement. >> Houston: Isn't that a federal law that we certify veterans -- I mean don't they have some kind of federal rights for contracts? >> My understanding is, there is federal requirements for federal contracts. I don't believe there's a federal law that would make that requirement upon local governments, and the law department can correct me if I'm wrong. >> I think that's correct, and I'll be happy to check. But I don't think there is one that says that. >> Houston: Okay. So that a veteran comes to Austin as a contractor, we have nothing in place for them to be

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certified and haven't had for all this time, and so they just are left on their own? I mean, that seems --

that appalls me that we would not give them an opportunity to bid on contracts because there are some privileges associated with being a veteran that a regular contractor doesn't have. So -- and we don't do any federal money, we don't use -- like when we got the -- didn't we get some federal dollars from president Obama in his first administration to do -- for projects? Was that federal money? And they would not have been able to apply for any of those jobs because we don't have anything in place? Is that what I'm hearing? >> No, so they're certainly able to bid or submit a statement of qualifications on any of our -- in any of our solicitations because all of them are let competitively, but there is no preference right now that's associated with a veteran status. >> Houston: Thank you. >> Mayor Adler: Mr. Zimmerman. >> Zimmerman: Thank you, Mr. Mayor. I've been listening to this. I've heard a whole lot of words and a whole lot of explanation and I'm a little discouraged that it seems -- to me, the whole point of procurement and bidding is to get the best work, the most work you can get for the least amount of profit margin to the company that you're -- that you're paying. It seems like the whole point of what we're doing is completely lost. My interest in expanding that list to ten firms is, now I've got ten opportunities to pick from among companies that could give me the best work for the least amount of profit to the company. That ought to be the point. >> So, as you know, with professional services, when we're selecting the firms, we select based on demonstrated competence and qualifications,

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and we, according to state statute, will pay a fair and reasonable price. What that means is, when I'm making a recommendation to the council for award of a contract, we have not had any conversation about price with them. It's strictly based on demonstrated competence and qualifications. We then, once you award the contract, we then go and negotiate the fee, or -- and part of that does include looking at their profit, and having discussions about that, and that's part of our -- you know, our negotiations that happen to -- you know, to allow a reasonable amount of profit or a minimal amount of profit our however you would want to take that because we do want to stretch our capital dollars. But when we go to make an assignment off of the rotation list, we don't ask them to bid against each other for the work because, again, I think that would be construed by the engineering community as being -- as bidding out -- you know, bidding out the design work, and that would not be something that would be allowable. >> Zimmerman: I find that incredible. I mean the way the real world works in the market, that's exactly what you do. You bid out services. If you don't bid them and if you don't consider price -- price is not the only factor, but it's a very important factor. I've worked for decades in software engineering and in consulting, and sometimes through competitive forces, I've had to take \$50 an hour instead of \$100 an hour. If there's no competition and competition is taken off the table, I can charge twice as much. It's not right. >> Yeah. I understand. And with other services beyond engineering and architecture, then we do, in fact, do that. But when you're talking about engineering and architecture, the professional services procurement act says that usual select based on demonstrated competence and qualifications. And when we have in the past had an element of price that has been in our selection matrix or what could have been perceived as an element of price in our

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selection matrix, that has been questioned and we've had to remove it at the request of the engineering board. >> Zimmerman: Okay. I want our constituents and taxpayers to understand. That is a broken system. If you're not allowed to consider the pricing and the profit margin that your engineering supplier is going to give you, you're not allowed to consider the profit margin, the system is broken and we're getting overcharged. >> Mr. Mayor, if I may. >> Mayor Adler: Please. >> Cindy cross by, assistant attorney. What Rosie truelove mentioned is the state procurement act of the government code, so city

staff is constrained by state law into what the considerations are, and Ms. Truelove keeps repeating the words of the statute of looking at the most qualified and highest qualifications. Once that's determined, then price is definitely a consideration, but it's not the first consideration. The qualifications are the very first consideration, and then price is secondary for the negotiations. So we're stuck with state law. >> Zimmerman: That being the case, I'm absolutely voting for the list to be expanded to ten. Absolutely. And as for the comment, you're completely right, if you go out for bid and you say I'm going to award five companies versus ten companies, it's true that if there are ten openings that would encourage more people to bid, but guess what? If you only have -- if you only had two, I can guarantee you that only your top tier companies are going to go after that. So the fact you advertise for five, you're going to get a better pool of applicants than you would if you advertised for ten. So I'm still going to vote for the ten. >> Mayor Adler: Ms. Pool. >> Pool: I just wanted to reiterate what the mayor had originally asked, which was, how do we get the experience for contractors that don't yet have it? It's like when your teenager is looking for her first job and she goes and interviews and she can't get a job because she hasn't had a good job yet, so you have to look for that one employer willing to give you that chance. And I like the fact that the

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city will be looking at doing that in a broader context. >> Mayor Adler: Before we move on to the next one, just real quickly, you've gone over, in answer to a question which you had in your slide 8, which was to say if it was the will of this council to increase the number, we should increase the contract amount. What's being proposed is ten million dollars for five firms, that would be two million dollars a firm. You were saying if you were going to expand it to ten, you would want the contract to go to a million and a half per firm, so as to be able to maintain the same job level, which would increase the contract to 15, and you said that watershed had those contracts and could do it, it would be awarded over a longer period of time. I cut you off before you were able to do slide 9. Would you do that, and then we'll stop. >> Of course. Of course. The last question that you had had, and this kind of gets to councilmember pool's comment that she just made, is asking us to look at ways to increase leadership for additional certified companies in rotation list contracting. So part of what I would want is for us to continue to do what we've been doing, which is trying to write size of rotation list and opportunities prior to issuance. But we do take -- we are mindful to -- when we need to break up work, to allow for more opportunities. You'll see that with our general civil program. I keep talking about that because it's on my mind because it's in evaluation right now. We're looking at doing that with our facilities, our water facilities contracts, and we've even talked about doing something like that with some of the watershed work, but it would not impact this. And when we -- when we talk about that, when you look at the rotation list that will come to you for general civil, part of the language that we put in there is that we're issuing these two contracts; right? And they're related to each other. One is for larger general civil opportunities and one is for smaller general civil opportunities, and you can't have them both. You have to -- you can submit on both of them, but you will not be awarded both of them. So that helps to ensure that we have a broader range of companies that are brought in on our contracting program. I also want to continue to work

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with staff to review those scopes of work coming forward for rotation lists to make sure we're not making them perhaps more complex than she should be; right? Perhaps we need to make sure that on a rotation list, we're asking for a general enough scope of work that folks -- that everybody that -- that it will be attractive to everybody, that if something is so technically complex that it's going to discourage a good open field of competition, then my intention is to -- and I have done this in the past and will

continue to do it -- is as to say that needs to be kicked over to a scope specific project, to allow those very highly technical opportunities to be specifically evaluated. Then lastly, I want to continue to work on educating firms on the requirements of contracting. What I've seen -- you know, what the Numbers are telling me is, while they may not be as high as we would like them to be, the more firms we have certified in mwbe certified in primes, I think the more opportunities we will have to award contracts to them. So I want to continue to grow the number of firms that are submitting on a rotation list so that we have the opportunities to be able to award contracts to them in the future. And part of that is education sessions, part of that is -- and I've said this, and I like to say it and my staff doesn't maybe want me to say it too much, we relish the opportunity of sitting down with folks and explaining our process and explaining the criteria and talking to them about how they can do better and how they can submit successfully on our solicitations. And we -- I mean, I was just talking to one of my staff members yesterday about a debrief he did with a firm that was real excited to get to know more about what the city of Austin is and how our contracting program works so that tech be more successful. Ms. Troxclair R. >> Troxclair: When we're talking about on increasing the amount of the contracts

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in relation to increasing the amount of -- the number that we're taking on the list, going from five to ten and increasing the contract amounts accordingly, when you say that would increase the length of time, how long are we talking about, I guess with this one in particular. >> So typically our rotation list, we try to see all of the contracts associated with that dollar amount. We would like them to be awarded or signed within a three-year period. I think in this particular case, we were thinking three to five years and it will probably take more of the full five years than the three-year side if we add an additional five million to the contract for a total not to exceed amount. When I was talking to watershed about it, I wanted to make sure they were going to have the work available, that it wasn't going to extend it a significant amount of time because that -- you know, there's pros and cons to it. Right? You could certainly have -- you know, those longer term contracts are harder to manage, they're harder to administer. There's more changes on those, so we want to -- you know, we don't want them to be around for ever and ever and ever. But in this case, I think it would probably be closer to the five-year mark than a three-year mark. Mark. >> Troxclair: Okay. And you're right, it's a balance and complicated issue. I can see the pros and cons either way. But I ask that question just because I was thinking if we were extending the time, if somebody didn't make it on this list, we're extending the time to the next time they would be able to apply. So if there's a new company who doesn't make the list or who doesn't get the opportunity this time, I can see where they would be frustrated by us taking a policy where we're continually extending the length of the rotation list. That's just another aspect to think about. >> That's another aspect of the conversations that we have initially when we are setting these up. >> Mayor Adler: Ms. Houston. >> Houston: Mayor, thank you. I have one last question. >> Yes, ma'am. >> Houston: What do other jurisdictions do, do they have rotations like we do,

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Dallas, San Antonio, they all do it and they all implement it the same way? >> They are different. Some jurisdictions do -- there's one, and I think it's Houston, and as soon as I say it's Houston someone will text me and say, no, it's not, where they do all of their professional services contracting for the year or for two years or for that bond program in one fell swoop, so they might just let all of their contracts at once where, you know, ours is staggered and things overlap, and we do that so that we can afford people opportunities over time, and that you don't have everything coming up at one particular moment. But it's a pretty common practice P. >> Houston: So would it be possible that the minority

women business contractors don't apply because they know that we have this professional rotation list that we go to, because we can see the names over and over again, so they say, why should I apply, because they're going to -- those people are going to rise to the top anyway, and they don't -- they don't offer a bid? >> I don't know. That's a good question. I mean, what I'm seeing, again, when I look at the five-year trends is, the response rate or the submittal rate by our M & wb firms is pretty camp comparable to our execution rate but what I would like to see is more people as primes, so we have the opportunity to award them contracts. I'm not sure -- you know, I'm not sure why they may or may not be responding. >> Councilmembers, then this question came up on an agenda item last week and we submitted -- S & br committed to that outreach and we are working on that. That will be part of our process, when we have a solicitation out and there are some that don't respond or submit a bid, we will send out a survey. If we don't get a good response to the survey, we have somebody in place to Mike follow-up phone calls as well so we can start

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getting that feedback from you. We hear that is a question from you and we want to be able to provide you that information. >> Mayor Adler: The last thing before we move on is, I just want to -- what's new information to me is that the execution of contracts associated with the -- with the rotation list for leadership positions for the certified terms is twice as high on the rotation list than it is not on the rotation list. Which makes me think that maybe there's something about the dynamic of the rotation list which is actually encouraging, as opposed to discouraging certified companies, but it does point out the very low number for submissions on non-rotation listings. So reaching out in that work you're doing, not only with respect to rotation lists, but just generally with respect to contracts being awarded, hopefully will give us real good information so we can improve what we're doing. 1s yeah, absolutely. >> Mayor Adler: Any further questions? Thanks. >> Uh-huh. >> Mayor Adler: The last briefing we have scheduled is the permitting deal. My understanding, managers, that we're going to put this off for a week and then come back next week and hit it. And we had a lot of people that were looking at this. The hope is, again, that we'll be able to come up with -- and I don't see it in my mind's eye, something that is just presented and accepted. It's a conversation that we're going to have with you over getting to the place where we all agree on what the expectations will be and how we measure success at the end.

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If you have the starting point for that conversation earlier than next week and can get it out so we can circulate it to people, that would be helpful. If it comes out next week, that's fine, we'll just receive it, then we'll send it out. But my hope is that we can get past this point in the process so we get those benchmarks noted and set and agreed upon so that we move past that and you can manage to those and we can not have to be bringing it up. But I -- but I do absolutely concur with putting it off for another week because we want to get this right and do it just one time. Okay? So those are then the briefings that we have. We're now going to go to the items that have been pulled. 34 is now being unpulled by Mr. Renteria because his question was answered. That gets us to item -- of the pulled items then, item number 2. Is someone here to speak to that? It's the aviation issue pulled by councilmembers Gallo and Garza. You're here and Ms. Gallo is not. You want to lead this off, Ms. Garza? >> Garza: Sure. She's walking in. Thanks for being here. I think we actually have a meeting later but I think we might be able to clear it up today, or right now. The reason I pulled this is we -- my office has heard from some of the carriers who have been good community partners in Austin, and they're concerned about this lease. And so the way that it was explained, they had a lot of concerns, but one of the things was that the way, I guess, they have to pay the airport is when people come in and, you know, buy from the concessions

or buy

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retail throughout the airport, whatever is left to be paid off, like I guess in debt or any kind of other bills, is shared amongst the carriers, so everybody shares whatever is left of the monthly bill after you account for revenue from concessions and retail. So the concerns seem to be, if we're moving passengers to another terminal where they will basically be not using retail in the main terminal or buying concessions from the main terminal, you're basically -- you're increasing what the carriers will be divided -- what their pro rata share, I guess, because you're moving passengers to this other terminal. So can you speak to that? And is that, in fact, true, how the carriers pay the airport, like a pro rata share of what's left after revenues are received for that month? >> Yes. I'm Jim Smith with the airport. There's a lot of moving parts to explain your question completely, but there are two ways that the airlines pay the airport. One is for air field operations, which is landing a plane, they pay us a landing fee, to park the plane overnight, they park it on the apron. There are fees for that. That is not going to change regardless of whether they use the main terminal or the south terminal. Those fees remain the same because it's the air field operation is not impacted by which terminal you use. Now, there will be an impact for the terminal pace. The federal government prevents airports from earning a profit off of airlines. So what we do at the end of the year is recover our expenses that we have incurred in servicing and renting space to the airlines. It is true that if allegiant

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and frontier, as we are projecting, would move to the south terminal, those passengers and space go there, and there would be a slight increase for the remaining carriers. For example, southwest, we've done the calculation, would go up six cents per plane passenger. Yes, it's an impact, but it's a relatively minor impact. And you have to balance that impact with the fact that Austin has been extremely lucky in competing for air service, and as a result, we're completely out of space. At peak times in the morning now, we have to ground-load planes, which means we have to bus people from the terminal out to the apron and load them out there, and same thing to deplane. So southwest came to us and said they want two more Gates to keep going the way they are and growing. At the same time, allegiant came to us and said they want to make Austin a destination city and rapidly grow the amount of air service they have. Well, we would lose both of those growth opportunities if we didn't do something to expand our gate capacity. The project that we have, which is going to expand eight Gates to the east side of the terminal, the design is just about done, but the construction of that is going to take three years. So it's three years before we're going to have an additional eight Gates. So because of allegiant and frontier approaching us, we came up with the idea to reactivate the south terminal, which we did utilize in 2008 and 9 for the carrier airbus before they pulled out. It was an asset that we had. We approached allegiant about the utilization. They were excited about the opportunity to go out there and be able to expand the growth, and at the same time, if we got allegiant to go there, we freed up capacity in the main terminal to allow southwest to grow as well by making some gate space available to

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them from what frontier and allegiant would vacate. So long answer to your question, yes, there is an impact. We consider it to be relatively minor. But more important, it allows southwest to continue to grow, as well as some of the other carriers, to grow by freeing up some gate space. >> Garza: And will this lease -- do other carriers have the opportunity to use the south terminal or will it only be frontier

and allegiant? >> FAA requires us to be non-discriminatory, so, obviously, that means anybody can sign up on a first come/first serve. The south terminal is only going to have three gate positions available so there's limits to its capacity. So, yes, any carrier can decide they want to go there and approach us about doing so. However, the model of the south terminal really indicators to a certain business model of an airline, which is more frontier and allegiant, which is cut the frills to get the prices as low as possible and sell low price. So it would be surprising for any other carrier other than allegiant and frontier to want to go there, but we can't prevent them from going there if they choose to do so. >> Garza: Okay. And as you said, this has been used before with another airline, so I guess -- are there lessons learned that it's not going to happen again, the same thing that happened -- because it was -- was it a Mexican carrier that was going to provide, and then they just -- you said they pulled out. So what's different this time, I guess, that will hopefully make this one successful? >> There are no guarantees in this business. >> Garza: Okay. >> The airlines have assets with wheels on them. As a result, you know, the next day, they can be gone into another market. Our assets are obviously permanent. We have a billion dollars invested in our facilities out there at the airport, but it's fixed.

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So we are constantly competing and working with the airlines to gain the maximum amount of air service to our community. But there's absolutely nothing to prevent an airline from changing their business model or changing their -- where they think they could make the most money with a particular plan. >> Garza: Okay. Last question. Is there any -- is there any urgency to -- to this execution of this lease? >> We think there is. Going back to the construction project, as I mentioned, the designers, -- the design is just about complete. We anticipate going to construction February or March of next year. When we do that, when that construction starts, because it's going to go to the east end, we actually lose one additional gate. So gate 4, which is currently occupied by delta right now, we have to take out of service in order to start the construction on the east terminal. So we're going to make a bad situation worse when we start construction. We were hopeful to be able to get the south terminal up and running before we start construction on the main terminal, and the highstar, the group we're working with, said they could get it up and running within 120 days. So the clock is kind of ticking. So we're hopeful if we can get this passed on schedule, that sufficient time to allow highstar to open up the facility before we have to close gate 4 and move delta into a ground loading operation. Operation. >> Garza: Okay. >> Mayor Adler: Ms. Gallo. >> Gallo: My interest in pulling this is that we did hear from some of the stakeholders, some of the airlines, that really wanted to be part of the conversation with the gate planning. I mean, it sounds like we're in a really opportune -- not opportune, but we're in a unique situation in that we probably have more pressure

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for Gates than we have Gates available, which makes that gate planning environment a little bit more difficult. But I guess my concern is that this seems like it should have been a discussion through the mobility committee first. I hate to load us down anymore because we've got lots of discussions, but, you know, we go back to talking about things that come before the council first before going to the committee, and my recommendation on Thursday would be that this -- before we spend any more time talking about it, that it goes to the mobility committee for discussion, and that would also give the stakeholders and other airlines an opportunity to be able to have time to visit with staff to express their concerns, and staff may already have that conversation, but what's being indicated to us is that the airlines would like a little bit more conversation before we make a decision on this. There was -- there was some issue about whether this awarding to this particular company had gone out on an rfp and

whether that was reasonable or not. But once again, I think rather than spend a lot of time discussing that at the council level, it needs to go to mobility first. >> Mayor Adler: I think it would also be helpful to check and see over the next two days where it is currently. The same folks came to me, and one of the concerns that was raised was being able to better understand exactly what it was that was the nature of this additional facility, if it was going to be a low amenity facility in a separate building, then that was perceived as being apples and Oranges and that seemed to be okay with everyone and seemed to be a step forward with everyone including those five majors that are concerned about being there and having their cost base undercut. The concern was, as I understood it, that they didn't feel like they were involved in the conversation, so there were a lot of unknowns. They didn't know exactly what it was. They hadn't seen drawings on how it was going to be executed. They hadn't seen the contract that was entering into. My understanding is, is that

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subsequent to my office's meeting with those folks, you got out to everyone a copy of the contract, and as well as a copy of the design drawings. And we reached out to see how many of the original concerns are still maintained, and I'd like to get a feel for that before I know how I would vote on Thursday because I think it may be that the concerns have been saying -- >> The feedback that we got was that there was still some significant concerns. But I think your point is well taken. Today is Tuesday. We can see where -- where it stands between now and Thursday, and if it's still -- still remaining questions that would inform whether or not we want to send it to the committee. Would that work for you, councilmember Gallo? I was just suggesting between now and Thursday -- the initial feedback I got, there were still serious remaining questions, but today is Tuesday, so it may be that by Thursday, those are met. >> Gallo: Well, once again, I think we go back to that process. We either have a process that things go before committees first and get vetted, and, you know, that's the opportunity that we're telling the public that we would like for them to come and speak because we, in part of this process, have limited communication at our council meetings from the public, and I just -- I think we have to come up with a consistent, predictable policy so that the public can attempt to understand what we're trying to do and when they can -- they can add input. >> Well, I think that's -- I'm sorry. I was just going to say, I don't have any concerns about taking it to the committee. >> Mayor Adler: And I don't if there's any issue. If there's not an issue, then I would treat it like any other procurement contract where there's not an issue. Mr. Zimmerman. >> Zimmerman: Yes. Thank you. Councilmember kitchen, as a member of the mobility committee, I would very much like to have this come before committee. I think it's a good idea. We need the expansion space.

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And I generally do support the idea. I think the council -- I would predict council would ultimately put something through, but it just needs more vetting. I have one particular question on item number 7, on capital recovery, under the memorandum here. It says if passenger employment -- if passenger emplanement falls below 200,000, highstar can stop the lease and seek recovery of its capital investment. So the capital investment that's predicted is, what, about \$11 million? Is that right? >> It's a rough estimate. But, yes, in that neighborhood. >> Zimmerman: So I don't remember in the discussions I've talked to a number of people, I didn't remember hearing about that provision, but that might make sense, too. I think it's just something we need to vet in committee before we vote. It's millions of dollars. It's 30 years and, what, \$800,000 lease per year so it's a significant amount of money over a long term so that's why I think it needs scrutiny. >> Mayor Adler: Manager? >> Certainly, we're happy to have more conversation with council regarding what is such an important project, and certainly for the airport part

of its future. I had an opportunity to review the correspondence that was sent to council regarding these matters. What I think is important to hear, though, Jim, and of course I've worked with you in the capacity that you serve since I've been here, I'd like for you to have an opportunity to talk about your -- I'm sorry -- >> Go ahead. >> Would you, just for a minute here -- >> Mayor Adler: That's fine. Go ahead. >> Would you, for a minute here, talk about how you did interact with the airlines in the course of your work

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in regard to this matter? >> Well, on this specific issue, we needed a minimum twice a year with all of the airlines. And in Austin, since southwest is the largest carrier, they have 37% of the market, they chair the airline committee. So when we have meetings, southwest's representative is the chair. We raised capacity issues -- the capacity issues didn't sneak up on us. We could see two or three years out we were going to have capacity problems, so we started raising them with the airlines about what the options were to deal with this until we got the construction project going. We talked about issues like shared use of positions because that increases our efficiency, but even with shared use, that wasn't going to solve the problem. So we talked about temporary fixes and even the south terminal. Specific discussions relative to the south terminal actually started back in January or February with representatives of southwest airlines, as well as all the other major players. I think one of the problems is, is that southwest changed their representative on that committee in may. Mr. Sellers was -- joined southwest airlines and became Austin's representative in may. To some degree, he wasn't fully knowledgeable about all the discussions that had occurred previously up to that particular point. So I guess from the airport's perspective, there has been long, consistent dialogue about the airport's capacity problems, what the potential options are going to be. The airlines questions are legitimate, in a sense they want to know what the impact is, but we have quantified that impact for the airlines and we have gotten information back to them on exactly how that will occur. Under any scenario we're laying out here, and that's even the operation of the south terminal, the next few years in Austin is going to

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be very difficult to manage the airlines that want to operate out of Austin and us having the facilities and the capabilities of handling it until that eight had of -- until that eight-gate expansion is done. So it's going to be a puzzle for the next couple of years until we get some relief. >> Mayor Adler: Thank you. Ms. Pool? Were you finished? >> I think I'm done. >> Mayor Adler: Okay. Ms. Pool. >> Pool: Thank you, Mr. Smith. I appreciate your coming to my office to talk about this issue. You had mentioned, I think you did here today also, that the cost for the changes to that particular building will be handled by the people who will be using it, and then the city will be left with the improvements? Is that correct? >> Yes. It's structured the same way that all leases at the airport are, is that we never release ownership of the land or the facilities, we just lease them for the people to operate. At the end of the term of the lease, all that reverts back to the city in its improved condition P. >> Pool: And I just point out that it may be that the issue deserves deeper conversation between now and Thursday, but we have been trying to move, I think, towards a policy issue on sending items to committee that it be more policy related, which I'm not -- I don't have any opinion on whether this should or shouldn't go to possibility. I would leave that to the committee and its chair, but I would like to see if this -- how this aligns with some of the other decisions we've made on the kinds of issues that go to committee. If it does go, and it sounds like maybe it won't, just to be sure that we're not using the committees just to delay a decision, which I'm not saying that that's the case here at all. And it could be that I don't know enough about it to understand how it does align with our attempts to primarily vet policy issues

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through the committee. >> Mayor Adler: One last time, you were asked the question earlier and I'm not clear on the answer. If we were to send it to committee and there was a delay, I know you'd like to get this done as soon as possible with all things, but do you think the city is prejudiced if we were to delay this for a month or two? >> Well, hopefully it'll be one month rather than two, but all it's going to do is probably impact the time that delta is going to have to be losing gate 4 until we can get some relief in the terminal. So that's the immediate impact that would occur. >> Mayor Adler: Okay. Ms. Troxclair is next, then Ms. Tovo, then Ms. Kitchen. >> Troxclair: Has this item been postponed previously? >> At the request of southwest airlines, we originally scheduled to come before the counsel with this on June 18th. Southwest asked for more time to understand it. We postponed it till the end of June. Southwest requested a postponement again and we accommodated them again by changing it from seeking approval to negotiate and execute to just negotiate. And, therefore, bringing it back on August 13th for final execution. Again, from our perspective, we've already postponed the issue twice for southwest's requests for a little more time to understand the issue and the impact. >> And did this go through the airport commission? >> It's been to the airport advisory commission twice. It was unanimously approved in June and we discussed it again in July. >> Troxclair: I think councilmember Garza asked earlier, what are we doing

[10:45:19 AM]

kind of to minimize our risk. Can you talk a little bit more about how, in that situation -- how we are limiting our risks in this particular situation by attracting basically private investor who is going to take on the financial risk instead of the airport. >> Both times we brought up the south terminal, first time in 2008, I was here putting that together when we did it the first time. Dealing with all carriers is a high risk business because they can move their assets and move them somewhere else very easily. So we were looking for a partner to share in that risk, a private sector partner so that we didn't assume 100% of the risk as an airport. And at the time we did, GE capital was our partner to put have south terminal in place. They made the capital investment at the time, I think it was about six and a half million dollars, to get the facility ready for viva airbus to use. After about a year and a half when everything was going on in Mexico, in 2008 the financial collapse, viva airbus didn't see Austin as part of their plans, so they pulled out. As a result, GE had no tenant and decided to turn the facility back over to us. So we inherited an improved facility at that time. >> Troxclair: So the city didn't necessarily use money or airport didn't -- >> No, GE capital lost their capital investment. So this time around, even though we're excited about what allegiant and frontier are proposing for service, we also know that they're still on wheels and they can leave. So we're looking to mitigate our risk in this venture, and that's why we're looking for a private sector partner again. We found one who is interested -- who is

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interested and allegiant and frontier are happy with this. They run other airports and are comfortable with it and are billing to do it, so that's when we started negotiations to move in that direction. There is a different provision in this. Just like we learned, the private sector has learned as well, that's why councilmember Zimmerman was referring to this lease as a capital recovery provision, that if this venture fails in the first several years, that the airport reimburses the private investors a percentage of their capital investment, depending on how long the venture has lasted. We still feel that that is a good investment because to put this in perspective, the three Gates that we will gain from the south terminal

will cost us zero capital investment, and the Gates that we're building, the eight-gate expansion, the average cost of each gate is going to be between 25 and \$30 million. So we're spending a whole lot more capital in the main terminal than even if we had to reimburse highstar for their investment in the south terminal, we're still getting utility of three Gates at a very, very reasonable cost. >> Okay. Then the last question I have -- had was if you could just talk about the -- I guess kind of the business dynamic of the airlines who are kind of competing for gate space at the airport and the position that we're in in Austin where we have one of, what, four -- we're one of four airports, I think, in the country that are growing, or -- that are growing, so we're in the unique position of being able to potentially attract with this expansion a new airline that, obviously with increased competition -- I would think, would lower prices for austinites. >> Yeah. I think the information I was using when we met was between 2008 and 2013,

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medium airports, of which FAA classifies Austin as medium hub, there's 33 of them in the United States, places like San Antonio, Columbus, San Jose, Oakland, those are all medium hub airports. Between 2008 and 2013, only three of those 33 gained service, New Orleans, Houston, and Austin. So 30 of the 33 medium hub airports throughout the United States have lost service since 2008. So the norm in the industry is, communities are losing air service, where Austin has been one of the very fortunate ones to be growing air service. So that puts us in a very different position from most airports in the country. Most airports in the country are worried about how are they going to manage cutback and loss of revenue. Ours is capacity concerns. So we're in a very different position. From a competition standpoint, we're a hot market, and we have better luck at attracting airlines into on you are particular market. To illustrate that point more locally, is, we are in direct competition with San Antonio for bringing in airfare. In 2008, San Antonio and Austin were the same size airports. Today we have 30% more passengers, 35% more airlines fly here, and a lot more routes. So we have clearly pulled away to become the regional leader for central Texas in terms of air service. We have 14 carriers versus their nine. Things like that. All of that adds up to a more competitive environment in Austin than San Antonio and some of our other peer airports. Some of you may have seen it, the Austin business journal ran it, but there was an article that just came out rating airports by average fare. We were sixteenth on the list with an average fare. San Antonio was 71st, for

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significant difference of over a hundred dollars per ticket. So by having more service in a more competitive environment, we're getting people to drive up I-35 from San Antonio to use Austin's facilities which makes us be able to add more service and continually enhance and bring down the cost to our travelers. So we're in a very good position. The problem is keeping up with the growth by adding capacity. >> I just appreciate -- I think those statistics really speak to not only -- I mean, it's partly, of course, because of the growth in the city, but not solely due to that. It's also due to, I think, very competent management of our airport, so I just thank you for allowing us to be competitive in this market and to attract as many airlines as possible. >> Mayor Adler: Ms. Tovo. >> Tovo: Thanks very much. I want to talk a little bit about the timing. I'm still not completely clear on what a delay would do in terms of the other things that need to fall into place. So I guess I'll start there. If you could help me understand -- well, number one, which is the next mobility committee? >> If that's the direction we want to go, it's September 4th, I believe, and we could add it to that agenda. >> Tovo: Okay. You know, another option that occurs to me, if there is a [inaudible] To the committee, we could at space to the audit and finance meeting. I think the audit and finance occurs before a council meeting so we'd have an

opportunity to consider it at our August 27th council meeting. It seems to me the biggest risk to the city is really the financial -- the capital investment, the possibility that we would have to reimburse that capital investment, but I'll say for myself, I feel pretty comfortable having met with the southwest and the other stakeholders, and then meeting with the airport with our airport director and attorney. I do feel like I need to spend a little bit more time with the agreements that are in our backup, to just be sure that I understand exactly the risk the city is taking, but it does seem -- it does seem to me an

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opportunity to expand our -- our competitiveness, which I'm convinced is -- that we're really fortunate in Austin to have such a successful and thriving airport, but that we need to take those steps to maintain our competitive advantage. With regard to the contracts that are posted in our backup, I just want to confirm a couple -- a couple key points. It's my understanding based on our discussion and the passages that I've seen in our backup that highstar would be required to comply with our living -- with the city of Austin's living wage requirements, with our wbe/wbe ordinance, and any other ordinances governing wages for employment that we would have to -- >> Yes. That's correct. Basically, all city policies become part of their lease arrangement. And they've already reached out to S & B artists are scheduling a community outreach thing for contracts that would be available with the opening of the south terminal. >> Tovo: Okay. So back to the timing, and again, I feel like I have enough information and will, if I have any remaining questions, will have an opportunity between here and Thursday to ask them about the contract, any remaining questions about the contract, to ask them between here and Thursday. But if there is a postponement how do you -- I know you've answered this question twice but I'm not completely clear. How will it impact the timeline? You're trying to get a contract signed with highstar so they can do the renovation so they can open in time to free up those Gates in the main terminal so those Gates become available during the time when you have to close down part for the explanation. Is that correct? Am I right in thinking about the time, the domino timeline? >> There's a couple of impacts. First, southwest wants to grow and is seeking additional Gates, so they need some release of activity from the main

[10:55:23 AM]

terminal in order to -- for us to give them what they're looking for. Allegiant wants to add more routes to Austin relatively soon, so as long as we don't delay significant amount of time, they're still committed to doing that. The real issue becomes when we start construction on the eight-gate expansion, we're basically attaching another building to the east side. We have to take some Gates out of commission once we start that construction, so we actually lose more Gates than we already have today. And, specifically, gate 4 is the first one that comes out of service, which is occupied by delta right now. Right now, we're scheduled to start construction around the beginning of March. So as long as -- and highstar has said it's going to take 120 days to get the south terminal ready. So we're really playing with that 120-day figure and the March date in terms of lining things up. You know, if it's two weeks or three weeks, obviously the world is not going to fall apart. If it drags on for a month, two months, it could start having a significant impact. >> Tovo: Okay. So three weeks, let's see, say September, if it goes to mobility, that would be September, then the soonest it could get back on council would be what date? >> September 17th, I think. >> Tovo: September 17th. >> Yeah, because the 8th, 9th, and 10th are [inaudible]. >> Tovo: So that sounds like it's beyond your three-week window. It's about six weeks. What does that do to your timeline? >> We can make it work. >> Tovo: Okay. All right. Thank you. >> Mayor Adler: Ms. Kitchen. >> Kitchen: I think all my questions have been answered. I was just going to clarify. I misspoke, it's September 2nd. That's neither here nor there -- it doesn't make a difference. No, it doesn't make a

difference.

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So -- well, I'd just also say we had some discussion about when things go to committee and when they don't. I mean, that's an item that we talked about in transition committee that we need to bring back to the full group. So we'll be sure to raise that next week or next time when we talk about the report from the transition committee because we don't have -- we don't have full -- we haven't fully vetted it with the whole group yet, so -- >> Mayor Adler: Okay. Ms. Houston. >> Houston: Thank you. Mr. Smith, I just needed to ask you a question about the agreements we have with the taxi companies and the transportation network companies. Would that same agreement be in place with the folks at highstar? Because I would expect that taxes and transportation network companies would have to come to the south terminal to pick up theirs. How would that be handled? >> The same way it's handled in the main terminal. All city policies, rules, regulations that apply in the main terminal are going to apply to the south terminal. >> Houston: So those same agreements apply. >> Yes. >> Houston: Okay. Just wanted to make sure. We had some transportation network companies slip under the radar the other day, so ... >> It happens. >> Mayor Adler: Okay. My last point is whether I would vote on the postponement or not, it's going to depend on whether they are outstanding issues and the nature of the outstanding issues. And as I sit here right now, I don't know that I've heard an outstanding issue that would warrant postponing this. Have not heard an outstanding issue that would warrant postponement. But today is Tuesday. Let's see, we're approaching Thursday. Ms. Gallo? >> Gallo: Just -- thank you for answering the questions because I think you've answered a lot of the ones that we had that weren't concerned about, but I have a couple more. So you meet with the airlines on a regular basis, twice a year, is what I'm hearing? >> I said at a minimum, twice a year. >> Gallo: A minimum of twice a year. So if -- the meeting that you had early this year, do you all keep minutes from that? Do you have minutes of those

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meetings? If we're hearing from the airlines that they haven't had communication, it would be helpful to be able to cement it, if it actually showed that this conversation -- I mean we're not -- it's unfortunate that there is a change of people that attend from the airlines, but I don't know that that's really the city's responsibility to make sure that those new people take the right conversation back to their companies. But do you keep minutes from those meetings? >> I'll have to check on >> I'll have to check on the large meetings. For example, we don't keep minutes. I know specifically in April I met with representatives of southwest airlines one on one. There were not minutes of that meeting, but these issues were discussed. >> It's not a group meeting you have with the airlines. >> There is group meetings, but I'm saying in addition to group meetings I may meet with an individual carrier one on one to talk about their concerns and issues and I have done that with southwest and their lead people in Austin. >> Gallo: All right. I was thinking that would be helpful as we hear from the community that says perhaps there were not conversations if there were actually minutes that reflected that this topic of discussion has been made. >> I would check. >> And the other question I have is allegiance only interested in moving to the south terminal if improvements are made? I know the whole business model of that terminal is it's bare minimum services so the discount airlines can use it and charge their customers less for their fares. So it sounds like that's allegian's is business model. Are they only interested in moving to the south terminal if additional improvements are made? >> Yes. The way the condition of the facility today is not satisfactory for any carrier. It needs significant upgrades. It's been dormant since late 2008-2009. So there's a lot of work that has to be done to upgrade it. And at the same time we don't want our passengers here in Austin, even though this is a limited services facility, they want it to be fairly nice.

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So there are standards that we are going to require of highstar to meet in order to establish a baseline of service. >> Gallo: Thank you for that. So if for some reason the city had to pay the capital recovery back, does it include -- there's a mention the 11.2 that councilmember Zimmerman mentioned, but then there's also a 3.9-million-dollar in the first 10 years that's -- I'm trying to remember what it was, something else. >> I think it was operating expenses. There's no reimbursement for operating expenses. It's just capital reimbursement. And what we do is after construction we would define what the total construction amount was for the facility as the initial capital cost. And that's what would stay on the books for the next five years as a potential reimbursement depending on what happens with the levels. >> Gallo: Is there a possibility it would be more than the 11.2 million? >> No, once it's defined that would be the maximum amount that would occur. >> Gallo: If we were to have to reimburse that, who would be responsible for paying that? Is that something that's then passed along on the carriers that are there? Or does the city -- >> The airport -- airport has two pots of money that we collect. One is our airline revenue, which comes from the airlines. Non-airline revenue that comes from parking, concessions, leases, a variety of other things. The reimbursement of the \$11 million would come from a non-airline revenue. The revenue that we earned from all those other sources, not the other airlines. >> Gallo: Thank you for clarifying. So the existing airlines now would not be responsible or charged for a portion of that recovery fee if we were to have to pay that back. >> Yes. >> Gallo: Okay. Thank you. >> Mayor Adler: Okay. Mr. Zimmerman. >> Zimmerman: Mr. Mayor, it could be the most difficult thing I would ever try to do,

[11:03:25 AM]

but I'm going to try to convince you for a reason to push this into committee and that is that we don't have the upper limit of what we would be obligated to pay should the capital recovery part of the lease be exercised. So we're -- essentially we would be signing a blank check. And I don't think it would be prohibitively expensive. There's an argument been made that this might be the most cost effective way to get the capacity relief that we need. I'm not opposed to this thing, I just want to see what our exposure is in writing. And that's not uncommon. When I was president of my mud, we were required to issue bond debt, but there was an upper limit. We could not go over \$20 million, whatever the limit was. We came in under that at 15 million, but there was a limit defined of what that recovery could be. I think that's got to be part of this agreement. And we need to know that. >> Mayor Adler: And I'm always listening and available to be educated. And I will further develop that issue well before Thursday. Anything else? Ms. Troxclair? >> Troxclair: Since we have him here can we go ahead and ask that? I understood from councilmember Gallo's question that there was an upper limit, which would be the \$11 million that they're spending on capital improvements. >> Right now that \$11 million is their estimate based on their discussions with allegiance and front tear about what to do with the term so that allegiant and frontier will sign a lease with them. Opportunities they do the construction and they end up with their final capital investment, then that becomes the definition of the amount that we are potentially on the hook to reimburse them for, depending on what happens with the facility. But it's going to be in the neighborhood of the \$11 million. The act amount, the way we have it set up right now, won't be known until the construction is actually done. >> Troxclair: So if the council did want to move forward with this -- I guess on

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Thursday or even after it's been through committee, is it a possibility that we could add something to the agreement that said will not exceed a certain amount so that we are limited? I know you're saying it's going to be around \$11 million, but just so that we have assurances that that number wouldn't skyrocket for one way or the other. >> Sure. As the policy director you can direct us to put an 11-million-dollar cap on this and then we go back to highstar, they can either accept it or not accept it. >> Troxclair: Thank you. >> Mayor Adler: Between now and Thursday can you go back to highstar and see if there's a cap that you are comfortable with that you think they would be comfortable with? >> We'll do that. >> Mayor Adler: Anything else to happen? Mr. Renteria. >> Renteria: When you go into a long-term lease that lease is including all the costs, the money that you're going to get back, it's going to cover the construction costs on that? >> The rent that we're going to get on this is -- there's a minimum rent that we'll get regardless of the amount of inplanements and the more successful terminal it is the more rent we'll get because we'll get a fee per inplanement. So if this is reasonably successful we will more than make up for the risk of the capital investment relative early in the process. But like every business venture there's risks associated with this. >> Renteria: Thank you. >> Mayor Adler: Okay. Thank you, thank you very much, sir. Next item that we had, item number 3, we've discussed by the briefing. Item number 6 we'll discuss in executive session and then come back out and discuss. That that get us to the short-term rental issue. I pulled that. Ms. Gallon, I pulled that -- Ms. Gallo I pulled that because I wanted to know what you envisioned happening here on Thursday.

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And I wanted us to discuss that publicly because it might impact the expectation in the community about how much public testimony will be appropriate to have on Thursday. >> Gallo: Thank you, mayor. This has been -- when people ask how busy we are in our council offices and we tell them we're very busy, this is my second full-time job as a councilmember. We started the process as a response to some of the residents in district 10 and quickly realized that we were having major issues all over the city. And I think a lot of the other councilmembers have heard from their constituents in their districts and have added to this conversation. So the process is a perfect example of the 10-1 plan working very well. I know our office has been having meetings with constituents in district 10 and neighborhoods having issues with short-term rentals. I know the councilmembers are kind of doing the same. What we did was we met with all of those districts. I really want to say thank you for code department for being at all of those meetings because they were -- they gave us the ability and gave neighbors the ability to really ask some specific questions and have a really positive dialogue and productive dialogue about where code was having issues with enforcement and where neighbors were having concerns and how we could all work together as far as moving this in the right direction, where we can give code the ability to enforce the non-compliant and non-licensed short-term rental owners. So thank you because it took a lot of time and I can't cuss here. You weren't here the other day. Thank you very much for doing that. In addition to the code department we also someone from the city manager's office that was at those meetings

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and legal so as meetings came up we could address those at the same time. And in addition to the neighborhoods, we met with several groups to also get their suggestions on things that they felt like we could do to enhance the enforcement. So those stakeholders has been part of the conversation, in addition to all the neighbors and neighborhoods. As a result of all of these meetings we asked people to send us their recommendations for what we could do to make changes within the code to help enforce compliance and help the code department enforce compliance. And we received over 90 emails with

suggestions. And I know some of the other councilmember offices have also received suggestions that they forwarded to us and I want to publicly thank everyone for spending the time to do that because that was our intention was to come up with a document as a starting point that would take all of those suggestions and put them together in a document so the council as a whole could talk about each of those ideas. Our goal was to make it as lengthy as possible so that we wouldn't come back a half a year from now or a year from now and go oh, my gosh, we should have done this and we forgot to do this. Our list in the resolution is really a combination of a lot of input from a lot of different people. I would. The plan is at this point and the resolution with the timeline has been posted on the message board. We always send out emails to the different neighborhood groups that we have met with. I think we all provided those emails to the council offices, but it basically replicated what was on the message board and we sent that to stakeholders also so that everyone would kind of understand what the resolution looked like at this point that included all of the ideas and also the timeline. My suggestion to the council would be to

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allow me after city manager is also parallel to this process, he and city code department are coming up with a set of recommendations. I would guess that these two -- the resolution that we have that will be presented and also the city manager's recommendation I assume that they're going to mirror each other fairly closely and probably have a lot of the same information on them. But I think the combination of the two is going to be a really good healthy discussion about some positive ways that we can start enforcing the bad argumenters and making great strides in making sure that the short-term rental are better neighborhoods in our neighborhoods. My idea would be that after the city manager's presentation that we would -- he would make a motion to refer to the appropriate committee, which would be the planning and neighborhood council committee. And actually our committee, that committee already talked about this plan before, so this is something that we talked about at our last meeting, which was taking the city manager's recommendation and any other recommendations coming from council, go to the committee. And the full vetting, full hearing of this discussion would be at that committee level. So that is basically what we encouraged people to do, neighbors that were interested in speak willing, stakeholders that were interested in speaking was come to that committee meeting so that they would have the full ability to some citizens communication and that once that committee made recommendations to council, the committee would be on the 17th so it would go before council this week, next Monday it would go before the committee and come back to the council on the 20th. So this is a very short timeline for a lot of discussion, but we've been having a lot of discussion for the last three months. Reminding people again that part of the process is communication from the community would be somewhat limited on the council meeting on the 20th. So really encouraging people to come to the meeting on the 17th to

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share with us their ideas. >> Mayor Adler: Okay. Ms. Kitchen and then Ms. Pool? >> Kitchen: Thank you. So the thinking then is that we would not be voting on this particular resolution on Thursday. Instead we would vote to send it to committee. Because I do have some suggestions about the resolution, but that would be better discussed in the committee. So the committee is on the 17th, did I hear that right? And it would come back to the council on 20th? >> And the resolution document is a starting point. I mean, I want to say that very clearly. It's not -- it's place for us to begin the dialogue. There may be things we want to remove, add, tweak, it becomes a basis for us to begin the conversation and make sure we don't forget anything. >> Kitchen: I want to thank you, councilmember Gallo, for taking this bull by the horns

and proceeding with it. We all appreciate all the work you've done on it and thank you -- I'll thank the committee in advance for all the work that you all are going to do on it. And then I would just want to clarify does that mean on Thursday -- I think we need to be real clear what the testimony is on Thursday. Is that eight? Are we going to limit it to eight or what are we going to do? And then we can tell our constituents also so that no one is surprised. >> Mayor Adler: Right. I think that's why I pulled this and earmarked it because I want to be very clear at this meeting on -- this is what we talked about last Thursday was giving the communities notice in advance to agree that we can. But I really do like that we are sending the community to the committee for its testimony. I don't want anyone to actually show up on Thursday thinking that will be significant testimony when the real deal-cutting and operation is going to be on Tuesday. So I want to do everything within my power to send people there on Tuesday and not think that Thursday's a

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way to avoid that. Ms. Pool? Fooled I want to add my thanks to on -- >> Pool: I want to add my thanks to councilmember Gallo for leading on this issue. I noticed there was one spot left for a co-sponsor and I'd love to add my name. >> Gallo: Absolutely. You would love to add everyone's name to it. >> Pool: I had asked district 7 to talk to us about str's. We have a party house rather far from downtown, which is interesting that not all the party houses are centrally located. And we've been working with code and A.P.D. On trying to manage that. But I got an interesting comment from one of my constituents who pointed out that the enforcement by code and A.P.D. May not be the only link in the chain that we should look at, and because I'm on the public safety committee and we've been working with the municipal court, I asked one of my staffers to dig in to how the municipal court system handles -- municipal court court system handles code violations and look at further down the chain how we continue to deal with things. And I came back -- my staffer talked with prosecutors to get a sense of their role and responsibilities and work flow and we have two specific process improvements that that we'll put out that we may be able to add to this ordinance to make the code enforcement better. One specifically is community prosecutors. It's a best practice in a number of other cities and I think it was recommended in one of the UT reports from 2013, interdisciplinary teams focus proactively on the complex problem solvers for the neighborhood. So we'll work on language for that. And then the second one is an early review for large cases where code would meet with law to review and discuss cases that could be high profile or cover before they're filed and try to

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improve coordination and planning and ensure the violations are prosecutable. In other words, that all of the data that we're putting in is accurate and robust enough for us to be able to mount successful prosecutions. And also to divert in those cases where it's not necessary, but a different kind of a different action could be taken to address maybe a lower level. But we are really looking for ways to deal with the bad actors. And that has been -- that has been difficult to -- and we also don't want to send people underground so we're -- it's the balance between sufficient fees being paid in order to fund the activity, but also not being so high that people don't pay the fees. And then also making sure that we handle the cases when they do come to us through the municipal courts in the most appropriate ways. >> Mayor Adler: Ms. Tovo? >> Tovo: Yeah, thanks to the sponsors for being this guard. I appreciate it. And I look forward to our discussion on Monday. But I just want to be very clear about what it is -- what action we are taking on Thursday. It morales sounds like we're proposing it and directing it to the committee. Is that what you contemplate, councilmember Gallo? >> Gallo: Whatever the language is, but I think we've talked about this and indicated -- we talked about this in the committee at our last

meeting and came up with a process to do this. The main reason of us putting out the resolution ideas with changes is to get that out to the public. I think it was very credit he will with as involved as the neighbors and neighborhoods has been and as emotional disturbing as it is this is to a lot of people that they felt like we were moving in a direction with some really concrete ideas. So the reason to do this, and bring it before the council is to make that more public and as the mayor said to give us an opportunity once against to continue to say to people the committee is where we'll

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have the discussion. So whatever the language is to have it on the agenda, but immediately without -- obviously the city manager will give his briefing and his recommendation and we'll need to have that discussion there. But to try to move as much of the discussion, if not all actually to the committee. So whatever the appropriate word is to call it, that's basically kind of the game plan. >> Tovo: I guess my interest is just in being extremely clear because I've already had people call to ask if there will be testimony available on Thursday. So if really what you're doing is asking that it be postponed, then that's a different situation. And I think if we're only having one opportunity for people to speak to the full council I would suggest it's after our committee meeting and not before. And I apologize if -- I don't remember spelling out a process exactly. We had a very lengthy don't talk about how we would move forward. You had brought a resolution. I had some amendments. There was a concern about adding amendments to that resolution. So I think what we Evan actually agreed to was to -- eventually agreed to was to recommend to the full council the resolution suggesting the city manager look at these issues and also that we initiate my particular amendments. So I think that was what I remember about the process discussion so know it's in a little bit uncharted territory for me because we have another resolution so that's why -- I'm sure if I'm confused as a member of the committee, the public is as well. So if we could come to some kind of resolution, I know we can't come to a decision, but if we can get a sense of what will happen Thursday and then what the opportunity is on Monday. And I guess as somebody who has heard from constituents about additional amendments they would like to see, it would be helpful to get a sense of whether -- I appreciate what you said. It sounds like you are open to amendments to your resolution and so I will be prepared to make those on Monday versus bringing a separate resolution, which I think would just be confusing to the public. >> Gallo: Mayor, if I could respond to a little bit of clarification there. Basically we asked city

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legal about adding to the resolution that you're speaking of that actually the council passed. And because that was a resolution that was already passed, the ability to add additional information to that had gone away. So that was the reason that a new resolution was brought forward because the other one actually already went before council and was passed. So we were instructed by city legal that a new resolution process had to start to include all of the additional information that we had on it. >> Tovo: That sounds great and I think it's appropriate because we'll get ideas from our presentation on Thursday from the staff about additional amendments we might want to consider. So we will on Monday then it sounds like as a committee be able to consider both the items that you have in your resolution as well as additional amendments and then the public will have an opportunity to talk about that on Monday and then on Thursday we'll proceed to council. >> Mayor Adler: I think that's the way and I think the thing that makes the most sense is to treat it as a postponement and then a briefing from staff and a postponement so that there's not a discussion for expectation on Thursday because it all won't be laid out at that point. I don't want people feeling like they lose ground if they don't show up on Thursday, so to level the playing field the cleanest thing to do would be to treat it as a staff briefing, a moment, no

public testimony on Thursday. That makes it very clear. And at the committee we'll bring it up. People should know that it is at the committee when they should give their public testimony. I will be supporting limited public testimony on Thursday, consistent with the rule that we have previously adopted. Mr. Casar? >> Casar: You got it. >> Mayor Adler: Mr. Renteria? >> Renteria: I wanted to find out from the staff where they were in the process of the last resolution that we instructed them to come back to give us the information. >> Mayor Adler: Are you ready to present to us on Thursday with your recommendation on this

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and results of your work? >> Mr. Mayor, members of city council, Carl smart, director of Austin code department. We are preparing and will have prepared a memo that basically outlines the results of our evaluation, our review as well as the, of our review enforcement actions. So we will -- our plan was to deliver that to council by Thursday, to deliver it to council, put it in your hand so you can review it, take a look at it. And then we would be ready to present, to do a presentation at the planning and neighborhoods committee on Monday the 17th. That was our plan, our intent. If you need us to do more on Thursday, we certainly can be prepared to do more, but we were just going to deliver a report. >> Mayor Adler: I'm fine with getting the written report and having the committee get the briefing. Does anyone want staff to brief us on Thursday? We could always call them back on Thursday if that's something that we wanted to have when it was in front of the council. So I think that's the will -- if you could get that report to us so we could see it and so it could be circulated pretty widely in the community well in advance of Monday's meeting so that people have a chance to be able to see it and think about it so they can react to it. Mr. Zimmerman? >> Zimmerman: I think this is important from a process view is we've looked at it from our public safety committee to have equal time on positions. So if city staff brings something, a proposal, an rfp that they would like approved, we like to get an alternative voice to be heard and to give equal time to both sides. So this is a very important issue. There's been a lot of discussion about that. And there are a lot of interested parties. If city staff comes and the other parties would be like, well, we want to have our chance to have equal time in front of council. So I think it would be better to put it to

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committee. >> Mayor Adler: Okay. Ms. Garza? >> Garza: I want to speak -- I guess some concerns about how we just talked about the process and how it -- I mean, it sounds like maybe I've misinterpreted this, but that we're saying that -- this could be a conversation we need to have in the transition committee, but that we're tying these issues in a little bow at the committee level and saying this is what it is. And that's not how we talked to the community about it. We sold it to the community by saying it's not a final decision at the committee level. So I understand the concern about the public hearings happening at council and I know I have issues with limiting it, but I'm fine with limiting it when it's necessary, but I want to be clear that we still have as a council every opportunity to make policy at the dais and amend resolutions and that kind of thing. I don't want the public to think -- to now be concerned that we're pushing through committee and saying that's it because it was a big concern in the public? Does that mean it's a final decision. And it is just a recommendation at the committee level? >> Ms. Kitchen? >> Kitchen: I think that's a better way to talk about it, because I think that's what we all mean and I think we perhaps inappropriately shorthanded it. What we're talking about is the committee is the place for that full, everybody who wants to come talk, vet the back and forth, and then a recommendation comes to council and there will be additional opportunity to talk with council. It's just that we're talking about more robust, vetting and and speaking at the committee level. So I think that's the appropriate way to

talk about it. I think we'll do a lot of the discussion and hearing from people and things like that at committee. So we don't want them to

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miss that opportunity thinking that they can have -- that they can just do the same thing in front of full council. I think it's just -- I think you're right. I think it's important just how we explain that. >> And I would reiterate that too. I think it's a good point you make, Ms. Garza. I want everyone to be clear at least from my perspective, we're not limiting it at all, the conversation about policy with respect to this and I don't have a clue as to where the council is going to be and quite frankly don't think I'll know even after the committee hearing is on Monday and I would imagine that we'll be debating this at length on Thursday as we develop the policy. So nothing gets done. In fact, one of the benefits of this is that people get a chance to actually speak before we get into Thursday when a lot of times I think people walk in and think that it doesn't make any difference what they said because the decision has been made at that point. We're trying to get them involved earlier in the process. And this is now as loudly as we can say it to the community our testing of that model on this issue as we move forward. Mr. Casar? >> Casar: I think it will be the testing out model on several issues. We will have a bear of a committee on Monday so I will coordinate with committee members and with director smart about the sort of length of that memo because as much as we can get on paper and really ask my colleagues to read through that information because for us to fit the many public hearings -- I know it's not a public hearing, but the many elongated citizen input sessions that we'll have on several items, we need to have time to debate those issues on the committee and for people to get home before -- I mean, it's going to be a really long, late meeting. So please, if we're not going to be hearing director smart's presentation on Thursday, which I think is fine, I want to make sure that the information you provide us is thorough enough and that everybody reads it such that we can actually have the time to debate the merits of this sort of

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multifaceted resolution, which will probably have amendments when we debate it on Monday and Thursday so we can come back with a decision. >> Tovo: Mayor, to add to the scheduling complication, we're in a budget work session that day so it's really important that we end on time so that starts on time. Most of us -- those of us who serve on the committee won't be getting home to our families until the end of that committee meeting, but it is important that we be mindful if our work session runs over and our committee meeting stays late we'll have a good number of public members of the community waiting for us to end. And I expect there will be a lot of community participation. So hopefully we'll factor that into our agenda. >> Mayor Adler: As we've discussed and as Mr. Van eenoo was told, our sessions next week are told to be sessions just in the morning and not into the afternoon. Ms. Gallo? >> Gallo: Thank you. I just wanted to say once again is the resolution is just a starting place. It was the gathering of a lot of information from a lot of different suggestions from neighbors and stakeholders and city staff. So it is a starting place and I think we will have lots of robust conversation and additional ideas which I encourage. This is a city issue and we need city participation. We will make the commitment to post on the message board the city manager's recommendation and as soon as we get that we will do that. That will give the public a chance to review that. As well as the other councilmembers. I would suggest if you have amendments that you will bring up at the committee level that you post those on the message board too so the public has a chance to look at those. And then I would carry that forward and say if between the committee meeting and the council meeting on the 20th, if there are additional amendments or comments that you would post those also. So my hope would be that when we get to the 20th

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that the community has had a chance to see any of the amendments that would be -- would be discussed on the 20th so that they have a chance to see them before just something that's presented at the council meeting. So transparency on this issue is really important so that they have an ability to participate and kind of understanding what the process is. So thank you, mayor, thank you, other councilmembers. It will be an interesting week next week. >> Mayor Adler: Sounds good. Let's move to the next item, the bond oversight commission. Mr. Renteria and I pulled that. Ms. Gallo, I was just looking for just to hear a better explanation for why it is that we need the panel. I think as part of the last group that was impaneled to do this, they met and said disband us. I'm trying to figure out unless we need a bond panel I think we need to take a look at what the city needs to be doing with that tool. For me it's a question of timing and I just don't understand this well enough to know whether -- it almost sounds like a chicken and egg thing and I don't know what comes first. I don't know how the process works. >> Gallo: It was interesting. When our office was going through coming up to the different appointments to the boards and commissions this was still floating around on one of the lists we look at. And when we investigate a little bit further it turned out that the bond oversight commission had actually been abolished. And as we thought about that we thought number one it's important to have a citizens board in place until I think all of the bond money from a bond has been spent and I'm not exactly sure that we're at that point yet. And then the other piece of it is we looked at the idea of expanding that board to include a

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citizens group that would help with the discussion of future bond programs. I think we're already talking about the need to begin that conversation from the council standpoint. So our idea was that we would establish a board that would have two functions. One, while we had an active bond program in place that they would be the watchdog to markhor it was being spent exactly how the citizens voted it to be spent. I think we've heard that citizens wish to make sure that there's an oversight committee that watches that. But then too that that is a group that also helps us as we plan for future bonds to go out to the citizens of Austin to vote on. So that was really the process that we just felt like that this was -- this was and could and should be an important citizen oversight board and that we just felt like that it needed to be resurrected with the ability to go on. It takes awhile to get members appointed to different boards and commissions and go on and get a commitment. They would be really busy at some points during their term and maybe not as busy during other points. But we felt like the discussion needed to be there with the other councilmembers to say, you know, we took -- the previous council took it away and do we want to reenact it again? >> Ms. Pool? >> Thanks for bringing this forward. I know that the task force on boards and commissions had recommended that it be disbanded. I would be interested in seeing -- and then I just wanted to speak to ongoing bond committees. Traditionally how the city and county have handled it and it probably is a best practice in our cities, you put together the bond review committee, the citizens bond advisory committee, at the time frame when the information is compiled by the staff and goes through the city manager and then comes to the bond committee to hold

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the public hearings and to take all the input and to make the determinations to cull down the list. The last one was done in 2012 and I think it was a billion dollars and it was culled down -- is that right, down

to about -- well, yeah, I think it was really high. The needs in the city are extraordinarily high. And then the bond -- the citizens bond advisory committee whittled it down to -- can you remind me, Mr. City manager, what the total was? I guess it doesn't really matter in this case. >> [Inaudible - no mic]. >> Pool: So the point is that this committee came together right about the time when this activity was ginned up for the public to start looking at it. Since this is on a six-year time frame we brought the citizen committee together about a year in advance or that year of the collection. >> Mike Trimble, capital planning officer. Yes, for the last general bond election, which was 2012, the committee was formed by the mayor and council, I believe in late October 2011. So not quite a year, but about nine months back from when they actually made a decision to put something on the ballot. >> And then the process that that advisory committee goes through is intense with meetings that ramp up to almost weekly toward the end of the time frame. And then that tight time frame is then handed off to council to make the final decisions on which projects would be put on the ballot. So I don't know -- I would like to hear what the benefit would be in having a committee to look at prospective bond projects when we are on a six-year time frame. Maybe we'll make it shorter, but I think there are fiscal policy reasons for having it on

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an eight-year cycle. And then as far as the implementation of the bonds and the spending on the bond, I think it's also a good idea to have an oversight committee. I would suggest that it be drawn from the people who participated -- from the citizens who participated on the advisory board, have it be a smaller committee and that they follow those specific bonds through some life-span of the spending on those bonds. So it would be more of a targeted work effort by the community and by council so that we bring people on and appoint them to the committee closer to the time that the actual work would occur. And then following on if there is a smaller oversight committee that that committee be focused specifically on the bonds that were then sold. >> Kitchen: Can you educate me. When is the next possible time we can do a bond package. And the reason I'm asking is -- this is not the only area. Obviously we just had a discussion at our last transportation committee meeting about the needs that we have for sidewalks. For example, there are other needs too, but so I would just like to take this opportunity to understand what our options are in terms of what that cycle would be because that will weigh into my anything on bond oversight. >> Right. The current schedule is with the outstanding bonds that have already been approved by the voters, I'm sorry, Elaine Hart, chief financial officer. We've got the sale that we will present to council on August 20th we would see that

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probably 2015 is probably that nine month schedule. -- 2017 would be that nine month schedule. That would be that nine month time frame where you would want to set up this more extended process for a very large look at the needs and the whittling down by the committee and that sort of thing. And certainly by policy we use our certificates of obligation to meet the needs between those bond elections and so we have that as a means of flexibility to get us through to the next bond election. >> Kitchen: Let me ask you this: My election is that the bond money for the sidewalks runs out after this next year. I think that may be right. So are you saying that we have -- that we don't need any additional bond funds until 2017? Is that what we're saying? >> I'm saying that the -- >> Or 2018? >> The amount of bonds that we need to issue over the next two years is about the sizing of the bond sales that we make. And so if you increase -- if you had a bond election earlier and had more bonds issued your debt service tax rate would have to go up and so we're trying to keep the debt service tax rate at a more even keel and a standard level. So what I'm saying is that at this point based on the Numbers we've looked at,

any bond election that you would have today would require tax increase. So we're trying to give us some room so that it would not -- it would minimize the tax increase. >> Kitchen: My second question is -- I'm sorry. >> I was just going to respond about the sidewalks program. So with respect to need, one of the things we're doing is monitoring the implementation progress. There are some programs that we call ongoing programs like the sidewalks program, like street reconstruction, that have varying levels

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of progress and varying levels of need. I think the sidewalks program we're making a little more progress than some of the other programs. We had always communicated in the 2012 bond development that we're looking at based on the package that was approved on average about a five-year implementation window, but we always knew some programs might finish up quicker than others. So we're continuing to monitor that. I think sidewalks is one of those that's progressing a little bit a faster than maybe some of the other programs. >> Kitchen: Then my last question is I know that there was -- at one point in time there was a bond oversight committee that related to the housing bonds. So is that committee still in existence? >> Well, there is -- >> Kitchen: It was specific to the housing bonds. >> Yeah. So there is a committee under nhcd that oversees the implementation of the neighborhood housing bonds that were passed in 2013. >> Kitchen: Okay. So there's some precedent for an oversight bond, at least with regard to the housing bonds. Okay, thank you. >> Mayor Adler: Mr. Casar, then Ms. Tovo. >> Casar: Could either sponsors or co-sponsors help explain for me the -- one -- just briefly skimming the ordinance here in the binder, who would be appointed, how that would work, if it would work through the Normal process. Because I believe the economic and capital budget joint committee that's being abolished by this ordinance has membership requirements for planning and zap, so how would this be different? And second the reasoning for changing out the economic and capital budget joint committee for this bond oversight committee as opposed to modifications for the committee. And I'm not trying to express any inherent concerns with that, just trying to understand the reasoning. >> Mayor Adler: Manager? >> Ott: Thank you, mayor. Just listening to the conversation, and I know we have an ifc regarding this matter. I wonder if it might not serve to inform your conversation and your decision making if we put together a briefing

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really, a substantive one on council's bond program, the structure of it and bond programs from the past, bringing you up to today so you fully understand and the various advisory groups that have been in place over time relative to that program. It seems like that kind of presentation might serve to inform your decision making on this matter. I think we could could that in short order, could we not, Mike and align? >> Absolutely. >> Ott: Because it would address the kind of questions that I'm hearing come up today. >> Mayor Adler: I would find that helpful. >> And I think Greg asked a question that didn't get answered. As far as the makeup of how the committee would be. The resolution is an amendment to the ordinance and I apologize that the original ordinance wasn't put in the backup, but that addresses how the committee would be appointed. It basically would be the same way that the previous boards and commissions and which would be one per district and then the mayor's appointment too. So it's an amendment, the extra language is an amendment to the other ordinance. >> Casar: And the second piece perhaps that I'll find my answers in the presentation by city staff, but more just to the reasoning also from the council sponsors about the replacement of one with the other as opposed to modification of the economic and capital planning committee. >> Gallo: Does anyone else -- I'm happy to chime in here. So the thought was what this would do is it would combine functions. One would be the oversight of existing bonds until they were spent down completely. And the reality is right now I think we have

millions of dollars' worth of bond money going back to 2006 that has not been spent. So there is to me some oversight still needed until those bonds are spent down completely and don't have that anymore. And the second would be that you could take that board and expand the

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scope of their work to also be involved in the process ever new bond are programs. So you have a group already up to speed on bonds and how they work and what the oversight is and they could also be tasked with helping the council with that planning for future bonds. >> Houston: And mayor, as a co-sponsor, I'd like to say that one of the other reasons is that there's an equitable distribution of people who represent all 10 districts and the city on the committee. The last one was not representative. And so there was some concerns from members of the community that although the bonds are generally -- the wording are so broad that some things that they thought that they were going to pay for they went to pay for some other things. And we feel that a bond oversight committee would help in making sure that we're -- that we say we're going to purchase, that's what we're going to purchase. And not something different. >> Mayor Adler: I understand. Ms. Tovo? >> Tovo: Thanks very much for the conversation. As I look back on what the wording for the economic and capital budget joint committee, it was in essence really fulfilling the duties of what had previously been called the bond oversight committee. I think the main change that happened with the transition is that it was renamed and perhaps the membership was constituted differently. I guess I would pose some of the same questions to the sponsors. I understand councilmember Houston's concern about membership on this committee. I would suggest that a way to get at that would be to change the membership, which is now -- and I'll read you the mission of the economic and capital budget joint committee to advise the council on the implementation of projects on bond elections. So that's really the bond oversight committee. We've just changed the name in the last year. I would be comfortable at this point supporting

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going into the existing ordinance, changing the name and change the way that committee is constituted so that it matches the way we do our other commissions. What I'm less comfortable with at this point is merging those functions. Asexual said those typically are different. We have an ongoing commission that looks to the bonds and makes sure it fill fills the purposes and the voters' expectations. I think we're probably well served, but again I would just want to discuss this longer if there's an interest in merging those functions, I feel like that really needs to be a longer, fuller discussion. As I think about aid and other entities, I think most organizations separate out those functions. The people you have looking at the bonds and what the voters' expectations were and making sure it's fulfilled may not be the same people you want on a bond program, considering what bonds and what goals and what -- those might be a different kind of person who is going to get out in the community and do stakeholder meetings and really get the will of their geographic area. So I'm not comfortable at this point merging those functions without further discussion. Again, I would be comfortable looking at our existing ordinance and changing its name if that's helpful for transparency and changing the way the membership is constituted so it's not four members -- as it is in the existing ordinance, it's four members of the planning commission, three members of zap and then four members appointed by audit and finance. We could simply replace that with the membership. And then -- I noticed a couple other changes, one other that we might talk about that I'm neither -- I don't have an opinion about. Did says one member of the committee must be a professional engineer. This ordinance in front of us talks about appointing at least three members who have training or professional experience in financial matter. So that might be another change that we might put into the existing ordinance. I guess I would just open it up to the

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sponsors. Am I understanding what the intent was? Was membership a primary part for those of you who signed on and would that -- would making that change be sufficient to meet that concern at this point? >> Mayor Adler: Ms. Pool? >> Pool: I'm trying to find the answer to mayor pro tem's question and then I just have a comment on -- just to follow on what the mayor pro tem said. >> Mayor Adler: Okay. So the question was about is the purpose of this dealing primarily with the membership question I think was that the intent of the sponsors -- >> Zimmerman: I'm a sponsor. Can I speak? Thank you, Mr. Mayor. I am one of the sponsors of the bill. I think what's at issue here comes back to a study that we did on how a lot of the money from the 2012 bond that was voted on by all the people of Austin was very, very inequitably distributed about the districts. And we showed that district 9 of the roughly 100 million remaining, 21 million of that was going in the one district and around one percent was going in northwest Austin. So this seemed like an incredible disparity. So in my view having the new elected council put experts on -- I put a lot of professional engineers on to commissions and I'd be happy to put an engineer and somebody with an accounting background on to this as well, but someone who can represent the interests of the constituents in those separate districts. Very, very important to me. The thing that happens in -- I've been involved in a lot of bond elections and there seems to be a pattern happening is that certain people get involved in selling the bonds and making commitments to voters. But once the bonds have been approved, typically city staff will take over control of the money and say don't need you anymore. Thanks for your help, but we have the money now. We'll take it from here. That's what I want to reverse as a policy of having committees get involved in selling the bonds and once the bonds

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are sold the committee's input is now ignored and other people take over spending the money. We're trying to fix that problem. >> Tovo: So it sounds to me like membership was a primary focus of what you were trying to achieve so taking the existing ordinance, which I think describes a bond oversight purpose and just making it a nominee from each councilmember and the mayor addresses that question more than the current membership. >> Zimmerman: The point being to make sure that we have elected representation so that the people who voted for these bonds also voted for city councilmembers so we want to connect those two so that the people who approve the bonds can go to their elected official and say we need to have this done. And then there's some authority for your city councilmember to go to this bond oversight commission and say we're not happy with the way this money is being spent. This wasn't our expectation. So councilmember Houston's point, I think there's an east 51st project that people were kind of generally told about when the bond election is happening with you but when the implementation comes in they're not wait a minute, this is not what we signed up for. I want to give her the ability to have the member on the committee that has some real influence. I think reason of the reasons a committee like this will be abolished is if no one listens to them and they have no authority, they're having meetings, making recommendations, everybody ignores their recommendations, why should the committee meet? It ought to be abolished. We want to have representation on the committee and have it have some real influence on how money it being spent. >> Mayor Adler: I will note that I see six of the microphones that are lit because everybody wants to talk, then it's an indication to me that maybe a smaller group needs to take this away, whether it be audit, finance or something. It's an indication to me that maybe we're not in the right place to be advancing the issues we're advancing. We've kind of been going back and forth, but everybody wants to talk and everybody needs to get a chance to talk. This isn't a forum to really be able to go back and forth and talk to each

other.

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But we're going to go down the group and we'll come back -- we'll go in turn so that everybody gets a chance to talk. Ms. Kitchen and then Ms. Houston? >> Kitchen: I'll be quick. I just want to clarify and -- first off, I support what we're talking about, and maybe that's changing the name. I do support making sure that each of us can appoint. So that's the core thing. I also want to make sure that we're not talking about -- we're not talking about changing the existing housing committee -- existing housing oversight. That's separate. That remains the way it is. We're talking about the rest of the bonds. Okay. Thank you. >> Mayor Adler: Ms. Houston? >> Houston: I wanted to speak to fact that there are two separate tasks. I see that as this resolution is a perfect marriage. There will be the same group will help craft the language for the bonds and then they will help follow through to completion. So I don't see that as a disconnect. I see that as a marriage of what we should be doing so that there's continuity in what the bond proposals say and then how they're carried out. >> Mayor Adler: Okay. Ms. Pool? >> Pool: I'd just point out that there are two different intentions both in a bond advisory committee versus a longer term commission that's being set up or has been set up in the past. The bond advisory committee is intentionally a short-term assignment. It's less than a year. It's really intense and it's focused. That is all that they look at. The commission itself has a much broader mandate and it meets either monthly or every other month. I'm not sure how often it meets, but the advisory committee also by appointing a separate, almost a swat team group to come together, gives council the opportunity to include even more people in our work here.

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And it chooses folks who sign up for a really intense -- I'm telling you, it's a weekly and sometimes three meetings a week for awhile, but it's over a short period of time. And that's a different mandate of our appointees than is the appointment to a commission. So I highly, highly suggest and recommend that you pull back a bit, let's get a briefing on how bonds are -- you can appoint your appointee to the committee, maybe we have to change some rule or something, but the fact remains that it's a very different assignment and agreeing to be on a joint commission may be possible for someone, but -- that they ought to not be doing the more focused work, including holding public hearings and writing reports. It's really, really different. And then I would just also say that there may have been a bond disparity study done. I haven't either seen it or been able to analyze it, but I'd just point out the city in 2011 is really different from the city in 2015, including our mode of governance. We didn't have the charter amendment to create 10-1 had not yet been passed. So to the extent that the bond committee considered projects that were primarily focused in the core of the city speaks a lot to how old the core of the city is. It speaks to the projects that were brought to the committee both by staff through the city manager and by the community. And really is a very -- we are in a very different landscape four years down the road than we were when that bond committee -- advisory group was first appointed. And given its assignment.

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>> Just to provide you some historical information, during the 2012 bond process, you did have an active bond oversight committee. At the same time that you had the task force appointed as I mentioned in late October 2011. The bond oversight committee actually made recommendations to your task force that made the final recommendations back to council and the city manager. >> Council, John steiner,

law department. I think to make clear what this ordinance does is what councilmember tovo is describing. The city had for many years, had ad hoc bond advisory commissions dealing with specific bond issues. At some point that -- bond oversight committee became permanent and was a permanent body. And it had both oversight over both current bond issues and future bond issues. The board on boards, I forget what it was actually called, that recommended the task force that recommended the changes to the boards and commissions commission recommended that we take the functions of the bond advisory committee and transfer that to a joint committee of my planning commission, zap and the audit and finance committee. So that's what you have currently in code. The permanent joint committees of city boards did not exist before the implementation of the recommendations of the task force on the city's board structure. So now we have aso now we have a new thing we never had before called these standing joint committees of other city boards. So one of those joint

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committees had both -- had oversight over both future bond issues and current bond issues. What this ordinance does is put it back the way it was before. So it's now not a -- this would be -- this would just be going back to the status quo ante, what we had before the function was transferred to a joint committee, it's going back to a board where each councilmember has an appointment and it wouldn't be a joint committee anymore, it would be transferred back into the part of the code that deals with city boards and to answer councilmember Casar's earlier question, that's chapter 21 of the city code. It has all of the housekeeping provisions already baked in. So whenever we create a board that's -- that follows the standard pattern, we don't have to restate how it gets appointed and all of those sorts of things, because that's already there. So what this does is takes it back to what it was before, before the function was transferred to the joint committee. So this is something that we had before, we're just going back to it. >> Mayor Adler: Any further conversation on this item? >> Mayor pro tem. >> Tovo: Ms. Tovo? >> Mr. Steiner, I'm not sure that -- I mean, the ordinance that's proposed, it seems to me, makes a couple of changes, not just about membership. But also about the function of that group. Because I thought that what councilmember pool was saying and I -- this is my memory of it, too. Those functions have been separate, the oversight and the bond task force that's looking at new needs. >> They could be. But what we have right before this was a bond oversight committee that has both oversight functions and that would not be inconsistent with also

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having a task force that -- that is a temporary body that would be charged with specifically focusing on a particular bond issue. But this is not something brand new. This pretty much the language came out of the previously existing bond oversight committee's provision. >> Tovo: What Mr. Trimble said was different and is different from my memory of that process and councilmember pool's experience. >> I think Mr. Trimble and I are saying the same thing. >> So, yeah. And just to follow-up on that, my understanding is that based on what the prior council passed regarding the economic budget committee, based on recommendations from the task force is the function ended up being very similar to what the bond oversight committee had been, which is more oversight, implementation of projects, also making recommendations on bond sales and looking at bond issuance issues. That is very similar to the traditional or historically boc, so this ordinance, as I see it, would add the function of the bond development component, which typically has not been there with the bond oversight committee historically. [Multiple voices] >> Tovo: That's what I didn't understand Mr. Steinner about this taking us, what's on our agenda for Thursday taking us back to the status quo, it's not the status quo, it merges the functions. Sir, would you mind bringing up the existing ordinance? I understand about the membership

and appointments. I guess that I would ask my colleagues to consider if we and the to have a discussion about merging those functions into one group, I would suggest we wait for the city manager's presentation and then consider that. But if we wanted to have a solution, an immediate solution, which I think is important, because audit and finance is scheduled to make those appointments at our next meeting, and so if we want to change the way the

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membership is constituted, it probably would make sense to move forward on Thursday and do that, but I would suggest we just change passage B. I can't actually read passage B from here. I would suggest that we change passage B to -- to refer back to that house keeping -- the provision you said about typical appointments. Then again, if there's an interest moving from one at least being a professional engineer to at least 3 being financial experts that we change passage C as well. >> Councilmember, if you look at E, that's where it provides for oversight over the implementation of future bond projects, monitor the city manager S plans related to the issuance of bonds. So that would be oversight over future bond issues as well as current bond issues. This is now in the wrong part of the code for a board that's appointed by all the councilmembers. This is in the part of the code for joint committees of other boards. So what the current ordinance does is move this back from that part of the code to the part of the code for general city boards. >> I see, so it will need to -- if we wanted to just incorporate this language it would be more complicated. Okay. Let me also make one last point. The other change that I noticed is that it also also -- the ordinance before us would also in provision C task the mayor with the responsibility for setting priorities and goals of each new bond issue. I think it's important that that be a cowboy function that we together set the priorities and goals, as that is frankly our duty under the charter. I would at least ask if we're moving forward with

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this, that we reconsider that provision. [Council]. >> Mayor, one last comment. I would also question -- question the -- the -- the specific requirement that a professional engineer or someone with experience in financial affairs, I need to understand why that is, the -- the -- the reason -- the kind of skills that we generally bring to a bond election advisory committee is understanding how to -- what the community needs and how to rank various projects in order of preference and the -- and the professional engineer, civil engineer or any kind of engineering skill set, while it's valuable, may or may not be a necessary component of the makeup of a bond advisory committee. Mostly because the -- the professional engineering requirements would go into how the project would be structured and that is not what the bond committee looks at. We look at whether the -- whether the bond committee -- the bond projects are needed and necessary and what parts of town they are in. So I frankly would think that someone who has -- who has deeper roots in the community, who knows what is going on down the street or in the park next door, the fact that there isn't a park next door, would be the ones that you would want to bring to the table. >> Ms. Troxclair? >> Troxclair: Just going back to mayor pro tem's question for the co-sponsors as to why we signed on. When I looked at the list when we were having our conversations about, you know, potentially changing the boards and commissions and when we were going through all of that, this was one that I was really surprised to see. I mean, it seemed like of all of the things that we really needed or that I was hoping to have help with, this would have been one of the ones on the top of my list. So I was really interested

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when councilmember Gallo brought this issue up. Of course with having money still left over. I understand that the previous council set up this separate joint committee but I think even if you changed -- it doesn't sound like it's an option now to just change the membership of that. But even if you did that, there's still a lot of members that are not necessarily -- that are just being appointed from a handful of -- of commissions. Which we don't really have control over who then gets appointed and what expertise they have and I -- it seems like it would dilute, I guess, the voice of a person who was appointed -- of a commission who was solely district representative. And so that's one of the issues. I -- I also just want to reiterate councilmember Houston's comments about seeing -- this seems like a good marriage to me of the different issues that this person would need to address. When I was envisioning, you know, who would be a good fit for this board, it was someone who I would trust not only in the oversight of previous bond money, but also who I would trust looking forward and understanding the needs of their community. And I think -- I guess for me it kind of goes back to the issues of silos. I mean, I think that would be valuable information for someone to have. To see because, you know, we honestly bond money is something that comes up with constituent calls in my office all the time. Because when we get calls about new stop lights or this or that, a lot of times the response is: Well, you know, we use bond money for that. Your project isn't far enough on the list. So it would make sense to me to have that person, who was overseeing previous bond money, to understand those issues. Understand what's not -- what is being funded, what isn't being funded and then be able to apply that knowledge going forward. Going forward. Into a new bond proposal.

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So I -- I feel like it makes sense to kind of have these two functions in the same thing. Um ... I guess to councilmember pool's point, I mean if we got to a point where you felt like the task force still needed to be set up, that this -- this wouldn't preclude us from doing that in the future. But it seems like this is the simplest way forward. On this issue. >> Mayor Adler: My only concern with it is that we had this before, the people who were participating in it recommended that we not do it and now we're recommending going back. It may easily be the right thing to do. I don't know the reasons for that: I know that at least two members who were on that have since this was filed have reiterated that this would be the wrong thing for the council to do. I don't understand why. I don't understand the issue. The preference would be to get the briefing on bonding generally so that I could put this request and citizens participation in some better context for me. So I would know whether it should be one committee or two committees or three committees or however it is. And I -- so I would like to hear, which is me, I would say that I would want the presentation, then I would want this conversation and I would ask the audit and finance committee not to make appointments this Thursday until we had a chance to -- to actually first put this into context and then decide if that's -- I'll be trying to vote in a way that -- that makes that happen. Any further comments before we go on? Mr. Renteria? >> Renteria: That's the reason why I pulled it because I was just totally confused about the whole procedure and how we could work it out. And actually what was going on. So, you know, I would like us to have the (indiscernible) Make a presentation to us so I can, you know, when I make my final decision to vote, that I know exactly what I'm voting on. >> Mayor Adler: Any further conversation on this? All right. The next item that we have on our agenda is -- I can't

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remember what I had pulled. We unpulled. Mr. Casar you wanted to talk for just a minute on item no. 17, the neighborhood plan. >> Casar: Yes, mayor. I will keep my comments, brief, very brief. This is a -- zoning change in my district on north Lamar boulevard. It would -- it would allow a group home to be part of the use at a labor hall that primarily hires temporary workers. The -- the primary folks that work

at this hall as acknowledged by the applicant are oftentimes folks that do not have homes or homeless folks. And, you know, it is very important to me and I think to many of my constituents in the area that people have homes. So I -- so I want to be supportive of this. But between now and Thursday, I just wants to get a little bit more information because just upon reading it, it is 30 to 35 people being put in 2,000 square feet, perhaps without a kitchen. Which might be okay, you know, it might be the best that folks can do. It's \$10 a night. But in reading some of the question and answers with the neighborhood group, when the applicant was asked if they had reviewed sort of the regulations and rules for group homes and setting up a space for people that are in very vulnerable situations, their response was no, we haven't looked at that quite yet. So I just wants to make sure that -- I know many of us look to the councilmember in whose district it is. To make sure that cases get vetted a little bit more before I sort of let folks know that this is a good thing. I just wants to do my due diligence in getting in touch with the applicant and making sure that people are housed safely. Because I know this applicant is primarily in the construction business and the housing business is a different kind of business, so I want to just touch base with people that know very well how to help people in these transitional situations be safe and healthy, that I feel confident that this is going to be one of those cases. Because, you know, some of the -- some of the conversations that we've had in my district, emails that I have gotten about this is

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that people are supportive because some of these folks sleep on the street right outside of the hall and it would be better for them to have somewhere to sleep inside, even if they only have 60 square feet of space for each person. And I understand that very well. I don't want that to all seem like I'm obstructing that. I want people to have places to sleep. On Thursday if I don't have my questions answered, I may ask that council just pass this on first reading so we can make sure before we grant this sort of use that we feel confident that people are going to be taken care of the best that we can. >> Thank you. Now that you have raised that issue, if you could just post something on the bulletin board indicating what you have learned or found out. So going into that meeting we know since we all can't email you to ask. >> Casar: Understood. I will, thank you. >> I think this is the second reading? Isn't it? >> Jerry rusthoven, this will be first reading. >> Item 13? >> We're talking about item 17. >> 17 and 18. >> Mayor Adler: Item 17. Okay. Next item, item 45, Ms. Houston you pulled this. I don't know I've gotten an email from my staff that says both sides want to postpone this for 60 days. Is that -- >> Houston: That's what my recommendation will be on Thursday, postpone for 60 days. >> Mayor Adler: Okay. My office has always gotten notice -- this is 45. Mount Zion church. My understanding is that both sides want the postponement. >> That's my understanding, we will do mediation between then and the 60 days to see if we can come to some resolution. Next items are items 47 to 50. Ms. Troxclair you pulled those. >> Troxclair: Yes. Is this the last -- these are the last items on there? >> Mayor Adler: This is the last item before we do executive session, then

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we're going to come out of executive session as a group back here today to touch briefly on the (indiscernible). >> Troxclair: Okay. Well, I'll try to be quick, but when I was evaluating, we have four historic preservation issues on the agenda this week. As I was trying to evaluate each, I kept coming back to the question of what each of them are really -- are complicated and different -- in different ways, each of them brought up different policy issues for me that kind of fit under the umbrella policy question of what are we trying to accomplish with historic preservation? I think that the -- of course, the city and the council, you know, has an interest in -- in making sure that the historic properties are -- are preserved, but just a couple of things that -- that I had questions about that I don't know that I'm going

to be able to get answers about by Thursday, just because they're more -- more of these broad policy questions. I mean, first of all, the tax exemptions. Have we, you know, when was really the last time that we looked at whether or not the percentages are appropriate. We have, you know, during our conversations on the homestead exemption issues, we had a lot of discussion about multi-million dollar homes getting a homestead exemption and we're talking about 6% or up to 20% these homes are receiving up to 100% I think of the land structure value and 50% of the property value. So it's a huge exemption and one of the items on our agenda this week, number 50, the house is valued at \$850,000. So they are looking at a tax exemption of \$8,500 per year. So is -- is that what we want to accomplish as a council? Is this the best way to incentivize historic preservation? Is there a different way to incentivize historic

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preservation? Second issue that I came up with was the sources of revenue. In particular I recently came across an auditor's report from 2008 that was talking about hotel occupancy taxes. And there are three cities in Texas, Arlington, fort Worth and San Antonio that use hotel occupancy taxes to fund their historic preservation initiative. So I know, I think from what I understand the city of Austin historically has taken a very strict interpretation of what we're able to use hotel occupancy taxes for. But there are other cities in Texas who are using funds. I mean, it is -- historic preservation can drive tourism. I think that would be an appropriate use of the money. In total, we're looking at about \$1.4 million a year in lost revenue. Under the current properties that have historic preservation exemptions. So is there another way to structure that? I think we've seen, already in the cases that have come before us, is what does historic mean? Does historic mean that it has, you know, architectural value, does the historic mean it's just old, does historic mean that somebody important lived there? It seems that every case that comes up, there's often a different argument for why it's historic. Again, what are we trying to accomplish? And then what is the best tool to accomplish it? There's a -- item no. 47 is already in a neighborhood conservation combining district, which is a tool that the city uses to -- to incentivize historic preservation. If we already -- if this building or this property is already in a neighborhood conservation combining district, then what about those districts is not working properly? That the property is then -- the property is then coming back to us for -- for

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exemption and then, of course, you know, with the blue bonnet district we had questions about needing clarity of how many signatures do you need, is there an opt in/opt out provision. So anyway, lastly number 48, you know, the owner of the property is opposed to the historic preservation and there was no recommendation from staff or planning commission to grant historic preservation, so I don't -- I don't understand the process to which -- to which the property has come before us. So anyway, again they all came back to what are we trying to accomplish here? I don't know if I'm going to be prepared to vote on any of these on Thursday because I think that it is something that we've had consistent -- everything that -- there have been several issues already with surrounding historic preservation. I think part of it is maybe just because of the confusion about what we're trying to accomplish and what the processes are and whether or not the tools that we currently have in place are the best way to go about it. So I don't know, mayor, if this is something that you can refer to committee, whether it be -- I could it going to economic opportunity, I could see it going to audit and finance, I could it going to planning, neighborhood and planning. I just feel like we need to as a council maybe take a more comprehensive look at it. And then if there's interest from other councilmembers, I would also be curious, I thought this might be a good project for the auditor, to take a look at what other cities are doing in regards to

historic preservation and how their programs are working and what is -- maybe take some best practices from other cities. So just felt like I had to get that all out on the table. And happy to -- happy to have any input. >> Houston: Mr. Mayor? >> Mayor Adler: Yes, Ms. Kitchen. >> Kitchen: I don't disagree. I, too, have a lot of questions about when and how it's applied. I would also note that imagine Austin also talks

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about, apologize if I missed your reference to that, but imagine Austin also talks about preserving neighborhood character as a -- as one component of -- of historic designation and it just -- just you mentioned, I don't want to -- I don't want to derail this part of the conversation on item no. 48. But I would be happy to share more information about that at the appropriate time and just would like to mention that the neighbors in -- with regard to that particular historic home, consider that to be important for a number of reasons about preserving the neighborhood character. And there was a recommendation from the historic commission on that. >> Mayor Adler: Which number was that, I'm sorry? >> Kitchen: 48. Lightsey. District 5. >> If I may interrupt just very briefly, you asked a lot of questions. A lot of (indiscernible) A lot of thought. I briefly had a few points that might kind of dwindle or try to be more specific about those questions. Real quickly, the last time that we looked at the whole program overall was probably about three years ago, I guess. There was a lawsuit. The auditors were also involved. We -- the previous council took a relook at exactly some of the questions you are asking, why, how, what do other cities do. Maybe some of that information we already have, you know, and it's not too old so we could get you some of that. With regard to the tax breaks, although the percentages are what you mentioned, 100%, 50%, one of the things that came out was a cap of no more than \$2,500. Although they would receive 150%, that could be no more than \$2,500. As far as the cases on the agenda today, with he have a whole would it variety if you have of the types. Item 47 that is a case of property owned by the city, the African-American cultural center over on 11th street. This property would not pay any property taxes anyway because it's a city-owned

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property, the taxes are probably not an issue on that one. On 48 was the case that was -- >> Troxclair: Sorry, if you're going to go through each of them, then I guess I'll ask my questions about each of them. That one is already -- is that property already in the nccd? >> It is. I think the name is maybe a little bit deceptive because of the word conservation. One way of looking at an nccd, a little like a pud in that you have standard city zoning categories, single family, retail, et cetera. Nccd on a neighborhood by neighborhood basis allows you to modify those site development regulations and specific zoning categories. We only have I this I about three or four nccds in the city. The specific reason for this one, the 11th and 12th street nccds are to actually loosen site development regulations to encourage the redevelopment of those corridors. That was done back in the '90s. So it's not so much about historic preservation as much as it was about making it easier for a developer to encourage the redevelopment of those corridors. >> Mayor Adler: Let me ask a question before we go through each one of these just to get a sense of the council. Because I know the council did go through this pretty exhaustively three years ago. I imagine there were presentations, there would be an orientation that you could give us on this. I know this question has come up a couple of different times. I don't know how time sensitive these requests are. My question for the council is before we would take a vote on these four, go through these questions, do we want to have a briefing on this question of historic preservation and the tools that the city has? Or do we want to deal with the merits of these four? And anybody want to weigh in on what you are thinking, Mr. Renteria. >> Renteria: This particular house was built in the 1880s, it has a lot of historic significance for the African-American community. And, you know, we have

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invested a lot of money into this area over the years. I mean a lot of money. I don't see any problem, it's being operated by, you know, a non-profit. The African-American chamber of commerce and the capital city. So these -- this particular building is -- it's going to stay in the hands, you know, of the community there. So I don't see it, you know, we need to really make sure that this place gets preserved and doesn't get altered at all. I don't think it ever will anyway. But we need to recognize these kind of historic sites that and -- and keep the history so that we'll never lose it. You know, we're doing the same thing in our community. But now we have the -- the (indiscernible) Walking trail, which we have identified, you know, some historic homes in our community. We have done our best to make sure that these homes that were built in the 1880s and are preserved and making sure that they -- you know, they become historic sites. So, you know, this is part of the history that -- that, you know, we grew up here in Austin, I would hate to see that, you know, that, you know, because we didn't take action that -- that somehow we could lose these buildings, you know. >> Mayor, if you would like, we could a future work session, has Steve Sadowsky, have you give an overview of the program, tax implications. >> Mayor Adler: Some of them seem clearer to me. It's always on the continuum it appears. The home in the 1880s already put to aing no profit use maybe -- non-profit use maybe on one end of the continuum to another. My question is that we're not saying no by any stretch of the imagination. Before we take action on

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these, would we want to have a council briefing on this area generally, Ms. Houston? >> Houston: Yeah, mayor. I think that would be wise to have a council briefing on the whole historic preservation program for the city of Austin. I just want to say to councilmember troxclair this is not a home. It's a -- sometimes a culture center but sometimes is an art place. It's connected to another building which -- which the -- which the African-American chamber operates out of. So they won't be getting any tax breaks at all. I just wanted to -- I was surprised actually that it had not already been historic designation had not been included because it's been there for a long time and we've been working on it for a while. >> Mayor Adler: Anybody else want to comment on the question of whether or not the sense is we want to have that kind of briefing. Ms. Tovo? >> Tovo: I think that it is a good discussion to have. And I think as Mr. Rusthoven said, I think there are a lot of materials from around the 2011, 2012 period that would inform our our conversation and policy discussion. I would say it's akin to some of the other conversations we've had. We've had several contracts for example come through and then a discussion here about whether or not we needed to examine the policies that supported those programs, like the policy surrounding art in public places and in the past we've sort of agreed that we can earmark those or, you know, note those policy discussions and have those policy discussions. But changing the rules mid stream for people who are following and participating in a city program that's been established, I think, is not fair. So I would ask us to go ahead and consider the cases on our agenda, but then in the process -- they've been in the process a long time, going through the appropriate process under a council established policy and we ought to let those proceed and then consider the policy as a separate matter. I would also just say no.

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The fiscal year 2009 budget question 101 talks about that issue that you raised, councilmember troxclair, about whether hotel/motel occupancy tax can be used for historic preservation, the answer just in glancing at it really quickly, thanks to my super efficient staff member Shannon who just sent it to

me, it looks like 1.45 cents of the 9 cents -- I'm not finding it right now, but I think we do use a portion of the hotel/motel tax for historic preservation. >> Through the Austin convention visitors bureau, they have a heritage tourism division, some (indiscernible) Does fund that division. >> Tovo: I would also say, too, as we look to -- if this is a policy question, people want to consider and talk about, I would say we also should reach out to groups like historic preservation. I mean preservation Austin, rather, because they also have good information about best practices in other cities. That's probably more expedient than asking our auditor. They have done so in the past and probably have that material and ready. >> The four cases we have one publicly owned, two where the owner filed a demolition permit and opposed to the historic designation, the landmark commission recommended them, that's why they are on our agenda. The last one is an owner initiated case where the owners are requesting the designation, there's no opposition at a public level to those. >> Mayor Adler: Is there a time deadline associated with the two where there's a demolition permit. >> I would actually have to check. There are limits on the demolition permit. But most of those have to do with the landmark commission and how quickly they have to act. Since it is landmark commission has already acted, I think that clock has stopped running. There's not a clock running that I'm aware of right now on either of those two

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cases. >> Mayor Adler: Okay. Your points is well take place, Ms. Tovo. That I think we need the policy conversation on that. If we moved forward on these, I would refer it to a committee, I think, which would be the appropriate way to do that. So we could either do it that way and vote on these three -- four, since they're in the pipeline or hold off on these four until we have that conversation and I'm fine with the will of the council on that. Ms. Troxclair. >> Troxclair: I just wanted to reiterate to councilmember Houston and Renteria I was in no means taking a stance for or against anything. I do think of the four that are on our agenda seems like that would be the one that would make most sense to move forward with. But I, like I said, considering them all as a group and the different issue that's each had. I don't know, I guess I would -- to mayor pro tem tovo's statement about a property owner who has complied with an existing process, is item no. 50, has that property owner, what is the -- the house that's valued at 850 -- \$825,000, I mean, has the city made any commitment to them? >> No. What has happened is that the owner requested historic zoning, historic landmark designation. So we have taken the case to the landmark commission who take it to the planning commission and now it's before the city council. So the city council would be the ones who decide the staff role in it is to make a recommendation. Of course we would be making a presentation when it was at the council meeting. >> Troxclair: Seems to me there hasn't been, I am hesitant to change processes in the middle of something after somebody has already complied with an existing ordinance. But doesn't seem in this case -- >> [Multiple voices] >> Troxclair: Any commitment has been made. I think it's completely within our ability, if we're going to readdress the policy to not take action. >> Frankly the tax implication to the owner would not take effect until

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the next tax year, so -- >> Mayor Adler: Anybody else wants to express kind of a sense of where they might be on this issue? Ms. Kitchen. >> Kitchen: I'm fine with the will of the council on that. I would like to speak to item no. 48 and just kind of explain the circumstances. This is in the Lightsey neighborhood. Which is a neighborhood that is -- has been -- has been before us before, has experienced a lot of growth, a lot of change. A lot of demolition of old houses and new development. It's also an area that's - that's had problems with -- with watershed, et cetera. So this particular situation is an old -- this particular situation speaks to preserving neighborhood character. In a neighborhood that's fast

disappearing. The impact is on a developer who wants to develop the surrounding property. The impact would be limited to -- to reducing the -- the amount of houses that developer can put in by somewhere between two and three houses. Because what's being preserved is the historic home itself, not the whole lot. So I think it's a pretty good accommodation to the -- what the accommodation between the neighborhood, preserving the neighborhood character, which is essentially a virtually gone for that neighborhood, and -- and what the developer's interest is in bringing in -- additional infill, is what we're talking about in this area. This neighborhood is, for those who are not familiar, is on south Lamar. And so Lightsey area. Just south of the Oltorf area. So it's one of the fast developing neighborhoods that are closer to downtown. So I would just argue that it makes sense to stay with the historic designation. >> Mayor Adler: Anybody else want to give us a hint? I'm asking in part because I'm sure there will be

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neighbors that will be potentially -- do you anticipate that -- the first one I would imagine not going to be much opposition to. >> I don't believe any opposition. >> The fourth one -- the fourth one no public opposition to it that we're aware of. Probably just be at the council level. >> The middle two we have opposition from the owners and we would have support for the historic designation from the neighbors that councilmember Kitchen was referring to. And we would probably have support for 49, I know from preservation Austin in support of that case as well. >> Kitchen: By owner you mean the developer in the case of 48. >> Correct, in the case of 48 the owner applied for a demolition permit and the landmark commission instead initiated the historic zoning case. In order to stop the demolition permit the only thing that the city could do is decide to zone is historic. If the city council decides to zone it historic, the house stays, he gets the tax abatement whether he wants it or not. And then the -- if the council does not approve the historic zoning then a demolition permit is issued and the house may be torn down. >> I would be inclined then to vote in favor of number one and four so they could proceed, there's not opposition, in -- with the policy. With respect to one and two, I'm torn on that if people show up to speak and we let it pass where we are today, I think we're diving in with both feet. On that issue we could certainly decide as a council to put it off at that point. But I think if we -- if we end this meeting today, that way I would expect people to show up to participate in that debate. Further thoughts or comments? >> Kitchen: I would expect we can expect the neighbors on 48 because they feel very, very strongly about it. >> Casar: Mayor, I would be ready to discuss and do my best to make my best

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judgment call on both 48 and 49 but as far as the item 50, as councilmember Troxclair brought up, considering that that benefit wouldn't accrue to that property owner until the next year anyway, I would be fine with postponing it. I would vote if council were so inclined to postpone that case considering the person wouldn't be seeing a benefit for -- well, I guess several months, right? Is it several months or over a year? It would be before January. >> It would be January 1st. If they had landmark by January 1st. >> Casar: So I have absolutely no problem kicking that one. >> Mayor Adler: Sam rationale could also be true of the two just before it. >> The two just before it [multiple voices] Pending development. >> Mayor Adler: But it's stopped. Right? Because of what's happened with the vote that's happened. That development can't continue. >> The permits are on hold. >> Casar: I think there's a difference. We are -- we are determining in both 48 and 49 whether or not a demolition permit could be issued immediately. Whereas in -- in item 50 that has nothing to do with a demolition permit. >> Mayor Adler: No, no, no, what I'm saying, if we didn't act on Tuesday or Thursday, something happens. If we don't act on 46 -- 48 and 49, something happens. [Multiple voices] >> Casar: For example, if -- if for example we were to grant the Lightsey house historic landmark designation, then the developer would have to think through

how to develop that site which I imagine they are planning to develop with that house there. And if we denied it, then that developer could then make their plans to demolish the house. House. >> Mayor Adler: If we take an action. If we don't take an action the status quo remains. >> Casar: I think it having an almost immediate effect on 48 and 49, on item 50 there's no benefit, no change at all if we vote on

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Thursday or if we vote in a couple of months, there is no change because this person is just seeking that tax benefit which kicks in, in January. >> Mayor Adler: They would just know earlier what the eventual result. >> Casar: Item 50 it doesn't matter if we vote today or November there's really no difference as opposed to 48 and 49. >> Mayor Adler: Other than voting later, I was trying to figure out if there was an impact if we were to put out 48 and 49, other than we just don't make a decision today, we would make a decision later. It's just -- in both of those cases, 48, 49, 50's the status quo wouldn't change, it's just a question of whether we make the decision. >> Casar: Certainly, what I'm saying is that the status quo has much more of an impact to neighbors and those seeking to develop those properties based between now and December then. >> Kitchen: Well, I have to ask, I would have to ask on 48, I mean, there's a whole lot of other land around that that they're already -- already can go forward with developing. So I don't know -- I would have to ask. I don't know how much that impacts them. I don't see I don't mind much. I see 48 and 49 different than 50. I would be very comfortable with postponing 50. >> Mayor Adler: Anybody else want to say anything on these four? Okay. Then we have run through everything that we have pulled on the agenda. We're going to go into closed session to take up three items pursuant to section 551.071, legal issues related to the public utility commission docket 42857 which is the M.U.D. Item 8.3 legal issues related to the public utility commission docket 44010, ratepayers of river place. And item 8.4 legal issues related to the grove at

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shoal creek planned units. A 1 has been withdrawn. We will be reconvening here after the executive session to talk about the growth. With no objection, we will now go into executive session.

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>>> >> >>> [Executive session]. >>

[2:28:01 PM]

>>> >>> >>> [Council is in executive session].

[3:03:06 PM]

>> Mayor Adler: We are out of closed session. In closed session we took up and discussed legal issues related to items a 2, a 3 and a 4. We are now at the last item on our work session agenda. Which is the grove matter. This is item no. 6. I pulled this item. I pulled this item because it's on our agenda for the council to set a baseline zoning incident to a P.U.D. Frankly, I don't know enough about this tract at this point to set a baseline zoning. So -- so I would anticipate on Thursday that I would be asking the council to postpone this item. Rather than attempting to set a baseline zoning. Since that's where I am and because I think if there's a sense that we are going to set a baseline zoning, we will have several hundred people show up. If we're not going to do it, we're going for postpone it, I don't want people to

show up. So I wanted to pull up this item to see if there was a kind of sense of the rest of the council on whether people really wanted us to -- to do that or if maybe some other people, either wanted to accommodate me or because they also wanted to learn a little bit more about the case, we're also -- were also okay, we can't take a vote here. But just a sense of where people are on that issue. Mr. Casar and then Ms. Houston. >> Casar: Mayor, I would be very supportive of tabling that issue. There's a lot to learn about the project. It's a complicated and pretty unique situation. I have high expectations and high hopes for the project as far as creating more space for people to live within the city, while

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bringing forth in a pud application the possibility of community benefits like affordable housing and maintaining the area as having some green space. And I look forward to having that conversation and I think that the -- that the baseline zoning or the baseline conversation is -- is just a hard call to make right now because there are so many moving parts to a potential pud application that I would be very supportive of tabling or postponing the item and I would ask my colleagues to do the same. >> Mayor Adler: Ms. Houston? >> Houston: Yes, I think I need more information. I was getting this particular tract confused with the triangle and so -- so I think that because I'm not part of that district, I know where the tract is and know the history of the tract, I think having a postponement would help provide more information to me. >> Mayor Adler: Okay. Any other? Ms. Pool? >> Pool: I would support postponing it as well for all of the reasons that have been articulated and look forward to continuing a conversation on it. So we can get to the very best assessment of that site as we can. >> Mayor Adler: Okay. Ms. Gallo. >> Gallo: I agree with my fellow council members. I think it's an exciting opportunity to provide something that will be a long-term benefit for the neighborhoods and it's important for us to make very thoughtful decisions and I think this is the right route to go. Thank you, mayor. >> Mayor Adler: My hope that will be communicated. My sense is that's where we'll end up. My hope is a lot of people won't show up anticipating that we'll have a public hearing, as I think it would be premature, Ms. Kitchen? >> Kitchen: Logistically, would we handle that just as a postponement since it's on the, would it be pulled down, how would we do it? >> Mayor Adler: I think effectively it would be the same thing. >> Kitchen: I'm just thinking we had a conversation earlier about

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how another matter would be handled. Just in order to make sure that the public understands what we're doing, you know, so that -- >> Mayor Adler: I think that's good. I will probably go ahead and post on the -- I don't know who -- it's on the agenda set by staff, I guess; is that right? So -- so if council felt like they weren't ready to deal with that at this point, is that something that staff could pull down? >> There we go. >> Mayor, the item has already been set on the agenda. So I think that the best option would probably be to postpone that item. The question would be whether you want to postpone it to a date certain or whether you want to postpone it indefinitely. We would -- at that point we would bring it back, I guess, either at our discretion or, you know, when the council told us. So I might suggest, my first reference would be actually to set it for a date certain. But I don't know what date you would choose. >> Mayor Adler: Let's have that conversation between now and Thursday. But I think postponement is probably a thing that we would do. There's not really a vehicle to pull it down I think when it's on an agenda, I think we use those terms loosely. It's on the agenda, it's going to be noticed so there needs to be something. >> Kitchen: So that means people can still sign up to speak because it will be an item on the agenda. >> Mayor Adler: There's no way for us to take it off the agenda at this point. I think all we can do is just post on to the bulletin board, as I will, for people to let other people know, it's likely, probable that we're not going to take testimony on that issue. Whatever the vehicle is. So that people

don't feel like they have to show up in order to be able to talk. And then we'll let them know early in the meeting and often in the meeting. Okay? Anything else for us to -- >> I would just say I don't know that we can choose. I know Mr. Rusthoven is suggesting a date certain. I don't know actually that we would have one, but to say it would be postponed

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indefinitely simply means it would be postponed to the call of the mayor and council to put it back on the agenda. So there is no, there shouldn't be any other meaning implied by -- by if we don't set a specific date. >> Mayor Adler: Right. There -- there's not additional notice requirements. By notice I mean mailed notice. We have to obviously post something on the agenda timely if it was going to be called again. But is there any publication notice or anything like that? >> The code does require that we mail out, at this stage of the game, not including when it comes back for its final approval. But at this stage the code requires us to notify the neighbors of the development assessment reported was done, we did that. Simultaneously as part of the same letter we send out a notice that said they will be a briefing on the development assessment and possible action on the baseline. We've already held that briefing, before the summer break. So now we left that one piece of it. So I would actually be consulting with the law department whether if we postpone indefinitely there is a possibility that we may renotify it. But that would not be that big of a deal. The question would be at what point would we be bringing it back. We would be looking to the council for direction on when to bring it back. >> Let's have that conversation between now and Thursday. Anything else to cover at the work session. >> Motion to adjourn. >> Mayor Adler: Any objection to the motion? Hearing none, work session is adjourned.