

City Council Work Session Transcript – 10/13/2015

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 10/13/2015 6:00:00 AM

Original Air Date: 10/13/2015

Transcript Generated by SnapStream

=====

[9:20:52 AM]

>> Mayor Adler: Are we about ready to gear this up? Today is Tuesday, October 13th, 2015. We are here for the Austin city council work session. It is 9:20. We are in the boards and commissions room at Austin city hall. We're going to begin the work session meeting. We're going to begin it with a briefing on the Austin convention center long range master plan. We're going to double back later and get to the calendar. If the staff could come up to -- with reference to the convention center plan. Council, we have a series of consultants that are associated with this. Ms. Houston is also going to leave us a little bit before 10:00. I think the best way for us to do this since we have three different sets of speakers speaking to different issues that we try to let all the speakers speak and get through it. And then ask our questions because I think some of our questions may be answered. And that would also enable Ms. Houston to see the presentation before she left. So we'll begin then with item b-2, which is the briefing.

>> Good morning, mayor and council.

[Indiscernible], director of the Austin convention center department.

[Inaudible - no mic].

[9:22:53 AM]

I'd like to go ahead and introduce the team now. We're involved with [inaudible]. First is Allen Collier, a planner out of Houston. He served as the lead for our long range plan and we'll talk about the [inaudible]. And Allen is also the lead in the Houston plan that they executed and are now updating. And moving forward with their expansion plans. Next to Allen is David O'Neal, principal with conventional wisdom out of Orlando, Florida. David is the premier expert in convention center development and design and operations, and has been actively been a consultant on probably about just about 300 projects all around the world, Asia, and every continent David has been actively involved. And in December councilmember Riley made a resolution that we perform an urban land institute technical assistance panel which we did in April, and Phil Capron with falcon southwest here in Austin served as the committee chair for that and will present his findings after as well. And appreciate Phil really as a volunteer, really leading this additional stakeholder process that we operated in. Have we got the powerpoint newspaper if you can see the powerpoint. So again the purpose of today is to present our long range master plan. The findings of that plan and hopefully that we'll be able to move forward as a planning strategy. We would still have to come back to council for land acquisition, a financing plan and any construction or architectural activities.

[9:25:00 AM]

Again, this plan does not approve spending of any money, but it would indicate the strategy and planning that we would move forward for the Austin convention center. We have both been engaged with Gensler since March of 2004. We have had the opportunity to present to the economic opportunity committee on August the 24th. And we followed up yesterday with some additional questions and we'll be hopefully putting some of that into our presentation, but also come back to any questions that you had regarding any of those activities. And some of these we're doing some research on and we'll get answers back on specifically regarding the use of the hotel occupancy tax.

>> Mayor Adler: I would point out to folks that may be watching, we're having technical difficulty so we're not able to post the powerpoint at this point. We're going to continue with the presentation and we'll post it as soon as we're able to do that.

>> Okay. I will continue. Really I think where we'll begin is to answer the question regarding the reason why the city council in 1999 decided to expand the Austin convention center and what have the results been? Was the impact that council and the citizens desired, did it occur? And I think you will find, number one, that absolutely the answer to that is question. The hospitality industry is actually the fourth leading job generatener the city of Austin now with over 50,000 jobs, almost six billion economic impact on local spending. The hotel occupancy tax as you'll see has increased in double digits just about on a year in, year off basis.

[9:27:02 AM]

The convention center we just ended our sixth executive year. We are almost at practically occupancy at the convention center and I think what we've provided at the city of Austin is about \$35 million in direct impact to the general fund. And I think what you will see is that number has increased, has stairstepped up to the tune of \$1.5 million on an annual basis since the convention center expanded in 2002. So the desire of council was to provide an economic engine to help generate funds for the general fund and that is what has occurred. And our desire would be if we expanded the convention center that that 1.5 million or more increase to the general fund would continue. I'm going to move on to just really a look at what has happened at the convention center and what has happened to the visitor industry. In 1999 when the voters approved the two-cent venue tax for the Austin convention center, the total tax totaled 24.6 million. And you'll notice to the far right that now that 24.6 or \$25 million in total taxes now actual 76.2 million. That's I think a 117% increase in the life of the center, and I think you'll see that the purpose of the convention center was to drive occupancy to the city. It was to drive compression and to drive jobs, and ultimately we've been very successful at that. Because of our dedicated hotel model we've been able to partner with events like grand prix at circuit of the Americas to make them happen. Because of the benefits that they representative to the hotel community.

[9:29:03 AM]

So you've really seen just a tremendous success for the convention center. I'm now turning to -- I'm now on page 8, and this will break down the -- how the hotel tax is broken down. And you'll see that the convention center currently gets a 4.5 cents general obligation. That covers the overall debt and operations of the facility. 1.45 cents goes to the Austin convention and visitors bureau. They do represent us and our official sales and marketing arm. They are actively pursuing events that will utilize the Austin convention center and our downtown hotels and restaurants on our behalf. 1.05 cents goes to the cultural arts. That is 15% and the most by Texas state law. And then the last two percent is a special two percent venue that was approved by the voters in 1999 that goes to the current expansion of the convention center which opened in 2002, and also covers \$25 million of the bonds for the waller

creek tunnel project. That two cents is -- can only be utilized for the expansion side of the center and would be the vehicle that we would want to utilize to fund the additional expansion of the convention center. There were questions regarding what would be the legal use of that, if we weren't going to do a convention center, what other venues could be legally utilized in that? And we're providing an answer to council regarding what other options would be there.

[9:31:06 AM]

And it would generally be an arena or stadium or some other venue that draw attractions. No matter what that two cents will need to get approved by the voters. So currently where we're at is the Austin convention center has a hotel community that has grown significantly. The number one reason that we're losing business now, and actually 34%, is that the convention center is either occupied or the events are too small. Charlie Johnson, who is our third member of the consultants, who actually did the Numbers and surveying and break down, in one of our second meetings had a great discovery and a great statement was he said in 2015 the amount of room nights that you lost because of lack of availability and because the convention center is too small fills the expansion. And he says this is very unique in that there's already demand to fill the expansion, there's already business that you're turning away. He said generally when we're talking about expansions we're talking about generating new markets. How can we capture markets that we currently can't get into. And again, the very different situation in that number one is our occupancy at the Austin convention center is now full. Our hotel community has grown at an under-- tremendous amount. If you turn to page 10 of the powerpoint it will kind of show you in a graph form how we compare to our competitors. San Antonio is currently going under a significant expansion and will be

[indiscernible] Us in the coming would not be over 500,000 square feet of prime exhibit space.

[9:33:09 AM]

We're at a little under 250 so it would be half. San Antonio -- excuse me. Nashville opened in 2013 with a brand new convention center, state-of-the-art, designed with the millennials in mind and with some wonderful live music options, and they're 150,000 square feet or 100,000 square feet larger than us. Denver is significantly bigger and also pursuing an expansion as is San Diego. And right now we are -- we have the most walkable hotel rooms within -- compared to our exhibit space than any of our competitors. So we have more hotel rooms than we have size of our center against all of our competitors with San Antonio being double our square feet. So we began in this process.

>> Mayor Adler: Hold on one second.

>> Tovo: I forgot we were asked not to ask questions. Would you mind -- I just wanted you to repeat what you said so I could capture it for my notes, that Austin has the most walkable hotel rooms of any of our competitor convention centers?

>> One of our real big advantages are groups can come to Austin and be -- have their entire block within walkable distance of the convention center and we now have more rooms walkable in comparison to our exhibit space than any of our competitors. So we're more walkable than anyone.

>> Tovo: More rooms within walking distance than any of our competitors.

>> That's a ratio.

>> Tovo: That's a ratio to exhibit space.

>> Number one more and number one in relation to our meeting space, significantly more.

>> Tovo: Sorry to slow you down.

>> Zimmerman: And that's also prior to the fairmont going in that will dramatically increase that.

[9:35:10 AM]

>> Yes, sir. The average event when I arrived in Austin in 2008 was 950 rooms used about 40% of our exhibit space. Really the Hilton or expansion side of the convention center, now we're about 1500 and they're utilizing really all of our space. Certainly all of our meeting rooms and ballroom space is highly, highly occupied. We're really now with the JW Marriott, that hit our sweet spot. That is about the capacity. Now with the Fairmont that kind of throws that ratio out of whack a little bit. So we began engaged, council approved in March of 2014 the team to my right and we kicked off our stakeholder process and we've moved all the way through to where we are today. And I look forward to moving forward. And before I turn it over to Allen is there any questions of me that I can answer?

>> Mayor Adler: Go ahead.

>> Allen?

>> Thank you and good morning. I'm going to tag team with David because we've been doing this for years. If you look on slide 13, Mark had talked about the stakeholder engagement and process. And throughout the planning for the convention center it involved a lot of different stakeholder engagement activities, including visioning sessions, workshops and other meetings both with the private sector as well as the public sector. It was important that we engaged and got their feedback as to what the appropriate direction would be. You see one of the posters at the top of the slide, and that's just one of the ways that we capture the information to make sure that it's not lost.

[9:37:11 AM]

And so that all stakeholders actually see that their thoughts are being captured as well. So it makes it very inclusionary. Some of the things that came out of that -- out of these workshops is that people love the city, people actually love the convention center. It's just not large enough. They've outgrown the facilities as they currently exist. David, do you want to talk about that?

>> Yeah. When you ask meeting planners the important criteria it's listed in the bottom right corner. For 30 years they've surveyed American Society of Association of Executives have surveyed their meeting planners and asked them for their top criteria in selecting a convention destination. Number one is the convention center itself, the size of the ballroom, amount of meeting space. Number two is the hotel room block available. Walkable, number of suites. And those two are like light switches. If you can't turn both of those switches on the rest of it doesn't matter. The third thing is transportation, both on a microlevel and a macro level, your ability to get to the destination and your ability to move around once you're at the destination. Attractions and activities, amenities was number four. And number five is safety and security. In the convention business you always have to be moving forward, all of your competitors are moving forward and if you stand still you're just falling behind. Also with those five topics, you're always solving for the weakest link. The job is never done. So you have to look at all five of those amenities, find out which one is the weakest link and move forward from there. Clearly in Austin's case your weakest link right now is size of the convention center. And you all from your history in town know how you've dealt with all of those other aspects, but right now the weakest link is size of the convention center.

>> So on slide 14 we talk a little bit more about the process.

[9:39:12 AM]

And in addition to engaging stakeholders, and again, the broad range of stakeholders that make up Austin and those impacted by activities downtown, we also think it's important when you are planning for a major civic asset like a convention center that you explore every possible option. The solution

really needs to have vetted any of the other potential opportunities for expansion if necessary. So we looked at everything from absolutely no expansions whatsoever and what that would mean to the convention center, and to the business. We looked at moving the entire convention center out of downtown, you know, just okay, if you could build to suit, what would that mean? And of course we saw that that had major impacts on not only the businesses and the restaurants downtown, but also for the hotels that have sprung up recently in the immediate area. Then we looked at options that would say, well, let's go east towards palm park and to waller creek and we knew that that had a lot of issues associated with it. We looked at going south across Cesar Chavez, but that also had issues in terms of the available space and the impact it would have on things like the public housing that's there. So ultimately as we looked at the balance of interests and what the best solution might be, we decided going west would be probably the best option. And so we explored that both from a contiguous as well as a non-contiguous development. Do you want to talk a little bit about the pros and cons on that?

>> The pros and cons of contiguous exhibition space, which is always number one in preference to meeting planners, but in this case it would be difficult to execute. Because you would severely disrupt the ongoing operation of the facility for a period of years, and that is just unacceptable. When you expand a convention center sometimes you have to choose maybe the -- not the ultimate preferred solution to keep the place in business.

[9:41:16 AM]

And all facilities that expand have to keep the existing business unaffected or disruption to the existing business minimalized. So slide 15 just shows a very conceptual block of where and how it would connect to the existing convention center, and then if you go to slide 16, this speaks to -- this speaks to the program that would be anticipated for the expansion.

>> So our recommendation is to add 200,000 square foot of exhibition space, 65,000 square foot of meeting space and a -- I don't know if we've defined it. 56,700 square foot ballroom. The reason I'm laughing is that this is concept right now and boxes and we've got that one down to 56-7. But then additional underground parking, loading dock and service area. By doing that you will move yourselves directly head to head with San Antonio and we feel marketwise that is exactly where you need to be. We looked at providing initially less exhibition space. It didn't make any sense because the market demand is here for pretty much whatever you can build. And we are on the owner's team in San Antonio. This is considered a threat to them, a competitive threat as it should be. And we're on in Austin and we're on in Dallas and we're on in many other venues in the state of Texas, let alone outside of the state of Texas. Austin right now is a market, -- as a market is considered one of the hottest properties in the country. It's up there with Nashville, which is probably the hottest property in the country because it just opened. It's spectacular, and San Diego is always a strong competitor in marketplace.

>> So again early on in the process, as we were exploring all the options, we did work closely with some of the agencies with the city manager's office to get their feedback on things like mobility and the other especially packets of a building of that nature.

[9:43:24 AM]

And it was important to leave Trinity open. That was the number one decision point with regards to being a non-contiguous, but adjacent convention expansion. And then also the idea that it would -- you will see later on in one of the concepts that it would create a new urban park on the roof. I mean, right now I think as so much development is going on in downtown the opportunity to have about a three-block open air park, even though it's elevated and off the street, would be a great venue for different events. And I think a real asset to the city. Also we know that we would be displacing some existing

restaurants and some other businesses, and in the concepts that we show, the design of the expansion would include space for many of those restaurants to go back into there along San Jacinto. We don't want people to think this is just going to be a big box that also kills another few blocks of downtown. It's actually going to be a vibrant downtown development with restaurants, shops on the street level.

>> In the marketplace you compete destination to destination, it's not building against building. And the destination attributes are the hotels and the shops and the restaurants and the entertainment. In many venues, they've outlined a geographic district and to try to provide cohesion around the convention center, but it's certainly necessary to have all of those elements included in consideration when you're planning for the expansion. So on slide 17 this just shows a few different options of how this might sit on the block and this is a view that you would be looking at the San Jacinto facade. So you could see some of the shops there. What this also did was a study for us to understand if an additional convention center hotel was to be included in this, then if it fronted along Cesar Chavez, what would that look like.

[9:45:32 AM]

If it was on the north end of the block what that might look like and what the convention center expansion would look like without any hotel at all. Slide 18 then just shows again looking down San Jacinto how that might appear with the shops and the restaurants along the facade. Slide 19 is looking down Trinity. And you know, while we have kept Trinity open, we also saw an opportunity with pop-up ballards to close that street off when it was appropriate and host events on the street as well. So this would give again the city lots of options about how to host events and to accommodate large crowds at that time. And then slide 20 is the last slide before we turn it over to Phil to talk about the uli report that was very helpful in us as we developed the draft report, the uli came in and they did their technical assistance panel and they did a great job of pointing out things that they thought would be a better enhancement to the overall plan. So in a moment we'll share that, but I just wanted you to take a look at this rendering. This is our idea of how you could create that urban park on top of the roof, and I think it could be a real asset to the whole city.

>> I want to make one point. The building hasn't been designed by any means, but the one thing that we do know is that you will walk in and have to go down to the major exhibit hall. The docs will be under Trinity street, have to be because of the width of the space that we have. And that will allow, we know, is that first level could, a, be all retail. And we've gotten a lot of great feedback on pedestrian walkways through the building. Can you keep, say, second and third street in theory for pedestrians walkable. And there would be no reason why that couldn't happen. So the one thing that I've stressed is don't consider what this building would look like and in your mind look at the current convention center.

[9:47:41 AM]

One thing the additional building would allow us to do at some point would be certainly to renovate and upgrade the building, the current building as it gets out of -- out of style, if you will. And I'll turn it over to Phil unless there's any questions now of Allen and/or David O'Neal.

>> Casar: I had one very brief question on the powerpoint. And perhaps this may be for legal or for you, but because it's on gensler's powerpoint, depending on how it is that the land acquisition method, that that mixed use elements are dependent on that, if it's a legal thing we can always wait until the end and have legal explain it, but I just wanted to touch base on that because I had not asked you that question.

>> I think the goal would be to try to negotiate and come to terms with any of the landowners, which gives us more flexibility. If it was towards eminent domain I think I would -- it would maybe perhaps limit our flexibility although I think the mayor is an expert in that area, but I think that would perhaps limit us.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. My question was on, you know, where are we on the indebtedness of the current convention center and resources? Is there any -- do we have no debt? Do we have tens of millions of debt? Where are we right now?

>> We have debt on the current old southside of the facility that we are anticipating being able to retire in the next four years. The two-cent venue, if we would continue down the road, would end in 2029. So the two-cent venue would expire if we did not pay off the debt earlier.

[9:49:44 AM]

>> Zimmerman: I don't understand that. Two-cent venue? And how much is the debt again? You're going to retire it in four years, but how much is it now.

>> That is on the southside. The northside debt is separate. That is covered by the two-cent venue tax. -- Two-cent venue tax that was approved by the voters in '99 and the expansion opened in 2002. That just goes to the northside of the facility. And again, can only be used on the northside of the facility.

>> Zimmerman: So a request for you. And I said this many, many times. When something this important -- these are big projects and it's big stuff. It would really -- it's really essential to have, you know, the current state of where we are in terms of, you know, our debt obligations. Those things are incredibly important to me because this has got some really interesting stuff and the thing with the park on top of the building, you know, it's big stuff. It's visionary stuff. That's all great for selling me. It's terrific, but I just need to have that basic information for where we are, okay?

>> Mayor Adler: Ms. Tovo and then Ms. Troxclair?

>> Tovo: I guess this question is for Mr. Tester. As you're talking about the long are range a plan for the convention center and that area, I wonder if you've contemplated the palm school and whether it might play into this discussion at all. And particularly concerned that the county has announced that it intends to look at selling it. I think it is a potential real community asset to that area. Do you see -- have you had any discussions about whether it would make sense to have that become part of the convention center complex?

>> We haven't officially. What you're going to hear from Phil is he really will encourage other things to be included in the project. I haven't taken the liberty -- one of the things we wanted to do is get in front of you to communicate and hear your ideas on what we can do.

[9:51:51 AM]

There are limitations on where we can use the venue money for. It has to be obviously, a, within the venue. B, I don't believe it can be in a park. So if the palm school, there was an opportunity to make a venue and it would be included in the whole project as a program, I think we certainly could include that.

>> Tovo: And I would assume it's close enough to be included within the funding radius for the venue.

>> It's all finding the venue and making sure it's legal and the palm school would need to be something that drove like a live music museum or a venue or something like that.

>> Tovo: That's another idea other than a live music venue, but I think I'm interested in exploring.

>> As long as it brought in visitors, it would be a legal use of the fund.

>> Tovo: Thank you. I think that's a real important and very time sensitive issue. And I don't want to get us off track obviously here when we're talking about the convention center, but the palm school was a school, is now a county facility and I think there's a real danger that it's going to turn into -- go to private hands and it plays such a critical role I think in the future of the waller creek development and the convention center and that area of downtown and as a bridge east and west. I just think it would really,

really be a shame if the city misses out on an opportunity to use that as a city asset.

>> Mayor Adler: I'd love to see how you develop that issue. That's my instinct as well wrap to that property.

>> Renteria: Mayor. We also have to take into consideration that it's an historic building, and I don't believe that we're going to be able to -- they'll be able to tear down that building. There is some section that was added on, but this building goes as far back as I think general Pershing was pursuing things in Mexico, they used that facility as one of their training grounds, so it will be kind of difficult to implement that into the convention center if they tried because they wouldn't be able to, in my belief, to be able to touch that building.

[9:54:18 AM]

>> Mayor Adler: Mix troxclair?

>> Troxclair: Since councilmember Zimmerman brought up the funding pros secretaries. Could you clearly explain the funding mechanism for this? Because it is confusing for us who don't work in the industry to understand the two percent comes from the hotel occupancy tax and was approved by the voters. It's not a tax on people -- it's a tax on people staying in hotels, not on people -- not on property taxes. And if we move forward with the plan and then eventually decided to fund it, it would then go back to the voters.

>> Correct, correct. The two cents venue, venue tax, that currently in \$2,015 equates to approximately \$18 million, which is well out pacing the current debt on the old side of the building. So right now money is emassing in the venue, but it has to stay within the venue. We would take that two cents and then we would pledge the 4.5 cents that we get, which is a significant amount of money, and the other revenues that we would, we would pledge it all in one loan to give us the biggest financing opportunity that we would get, the biggest bang for our buck would be that. And again, that two cents we've gotten guidance from the attorney general that we can -- what basically is redefined, the current venue, and refund the current bonds and go get -- get new bonds, if you will, and not have to retire, if you will, the old debt and start new. We will no matter what have to go to the voters to get approval on the venue. And probably the earliest time for that would be November of 2016, but we would have to get voter approval.

>> Troxclair: And I know that technically it is a new bond, but for the purposes of the practical discussion it is the continuation of an existing bond -- of an existing -- it's not a new tax is what I'm trying to --

[9:56:29 AM]

>> There would be no more taxes, correct. The current nine cents the city received for hotel occupancy tax would remain the same, thank you.

>> Mayor Adler: Okay. Ms. Garza?

>> Garza: I don't know. Did you get to the timeline yet? I have a question about that.

>> Please.

>> Garza: So it says if approved by council then you start acquiring land and then it goes to the voters. So what happens if it gets voted down? Is there another -- like a secondary plan?

>> We do have a plan B that would be, I'd say -- wouldn't be our ideal plan because it would certainly change the whole financing flexibility that we have and may limit the building that we would ultimately build. So hopefully we won't face that. Hopefully the voters will see the benefits in the jobs that we bring and we can continue with that same tax. Just said of going to 2029 we want to extend it to 2051.

>> Garza: And I understand that maybe we're not able to recruit these really big, I guess, organizations, but do we have a problem right now where we're not sold out, so to speak, because my assumption

would be that there are smaller organizations that would be able to fit into the current capacity now. So are we in a situation where we have like vacant open -- a lot of them because of the problem with the size?

>> We're actually -- we're actually, I would say, practically full. We are -- the convention center has got about as much events in it as we can hold right now. And at the biggest size. Now, some of our customers are out growing. Some of them are coming to look at us now that we have the hotel capacity that we didn't have and they're saying we're too small.

[9:58:33 AM]

I think that the advantages of going with the non-contiguous two buildings is that we're going to be able to layer events and do more of that mid size market. We're not necessarily saying that we want to be Chicago or Orlando or New Orleans that has these big, big trade events and has seven days of move in, our goal would be to have someone in the mid size event in the current building while another one was setting up and another one tearing down and we just bring more of the same. And again, the -- ride now the demand that we're getting of that mid size group we could go ahead and fill the other building.

>> Garza: Okay. Thanks.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Just one more note. Going back to financials. What's put in here for the priorities regarding the convention space and, you know, the hotel capacity makes perfect sense, but there's another one that's left off that I think is extremely important, and that would be cost. You know, how we compare as a city to the other venues. And I'd like to see that added to the analysis here. When somebody comes to your city, they have to consider the guess, the people that they're inviting, can they afford your hotel rooms. And so I think that needs to be added into the analysis here with the other cities we're competing against. Maybe Nashville has a lower average hotel cost than we do. Maybe it's higher. I think that information is very important. You have to do it as a system, right? You have to be able to afford it. If you can put data in here that show how we compare costwise that would be very helpful.

>> Sure. We certainly do. We have that. We'll go to Phil, who was, again, the volunteer chair of the uli technical assistance panel which was held on April 14-15.

[10:00:41 AM]

Thank you, Phil. I'll turn it over to you.

>> I'm past district chairman of the local urban land institute and on the board of directors for the last 15 years. As some of you know, we're more of an educational-oriented group as opposed to we're not political advocacy at all. So nobody gets any money from any of us. It is strictly educational. As a disclosure, I did get paid by the city one full subway sandwich and a diet coke so it wasn't completely without compensation. We had several of us on the panel, three of us locally, plus we had the gentleman from the Houston convention center and the San Antonio, even though they're competitors, they were willing to serve on the panel. Our conclusions, our goal was to -- our task was to review the Ginsler report, do we agree with it, do we not agree with it, and make supplemental recommendations that made good sense or not and at the end of the day we were all in agreement, the Ginsler, convention center personnel and urban land institute. We agreed ultimately with the Ginsler report on the need for the convention center, need for the expansion and the specific direction because you don't want to jump over Cesar Chavez, you don't want to go over into the Waller Creek Conservancy area, nor the Swanti School or Bush Square Park. It leaves you one pragmatic option so we were in agreement with that. We avoid our task as expanding the stakeholders group. So we broke it into eight large groups with

four people representing each group, and our focus was a little more local.

[10:02:42 AM]

So we included the homeowners association from the four seasons hotel, for example, from the downtown Austin neighborhood association, which is predominantly renters in a lot of these high rises, people with the waller creek conservancy, to integrate with their plans. We met with two of the larger land owners of that land that would have to be worked with, Robert Nike and sandy , that property that pf Chang's and some of the other restaurants are in. I know those folks personally, just to make sure we wouldn't have a battle. As mark said, this would be far better to be a friendly situation than adversarial one through eminent domain. We included the major hotels, including the hotel that St. Austin owns to get their input on things. And some of the major users, specifically national instruments, south by southwest and del, all three of whom consistently said we are on the edge of moving somewhere else because we've outgrown the facility, even though the hotel rooms are there. Now you've got an upside down situation where by there's more hotels than convention space to keep up with it. We -- the other thing we kind of focused on, to use a buzzword that I used in the presentation to the city manager and others, was to develop the center with a bit of a funkification look, which means make it local, make it Austin. Right now the feedback we got, particularly from the residential people was the existing people looks like a a -- prison or terms like that, it's a big box focused inward rather than outward.

[10:04:49 AM]

Our recommendations were very much toward a outward focus. Put pf Chang's or whoever it might be, preferably let's say a Joe's coffee or lambert's barbecue on the ground level, facing outward with outward tables, to -- maybe you do things like name different parking levels the Stevie ray Vaughan level and patty griffin level and willy Nelson level. Things that are a little more Austin, not just a generic convention center kindly of thing, falling into what councilmember tovo said a moment bag the palm building. We very much would encourage the acquisition of properties like that and make them austinnie, not just this isolated convention center that visitors come and visitors leave. Many visitors come to this place for the live music or for the perception of expensive fancy barbecue, things of that sort. They don't just come here to meet so they can go to some nice clean ballrooms and things like that but it needs to integral local use because right now it's a daytime use. It's not a 24-hour use. So that people from the four seasons or similar kinds of facilities can go eat over there, can go listen to music over there. We also viewed the possibility of using some of the money, some of the tax money from the hotel tax, which doesn't impact the voters, particularly, from a financial point of view, use it to improve bush square -- I know there's little constraints on what you can and cannot do, but if you were to make it into an additional venue, maybe it's an outdoor amphitheater for speaker events or music events, to preserve the funky fire station and things of that sort, to keep it -- our view is to more localize the Austin convention center instead of being a segregated animal, totally independent of the local market.

[10:07:13 AM]

I think that's where we came down to. And our view at the end of the day was this may be, with the crowding in of hotels and everything else wanting a bite of the apple, which I think councilmember tovo is alluding to, somebody is going to gobble up those kinds of opportunities. They, as you well know, already have, to some degree. And putting the convention center in the driver's seat instead of in the back of the bus, that can drive that hotel that just did a 99 year lease on some of that property there and they get to dictate where that goes and how that integrates I think is critically important and time is

a -- I think a very, very critical element. It's a hot market. We may be getting overbuilt and we may be getting ready to do a little of this or flat lining a little bit but it's not going to be on an upward trajectory forever, and so, in conclusion, I think this is an opportunity for big thinking outside the boxing, beyond just an analysis of needs of space, but just as importantly how that space integrates with the local community, both visually and pedestrian-wise. Thank you.

>> Mayor Adler: Thank you. Any questions? Yes, Mr. Renteria?

>> Renteria: You're proposing to increase the hotel occupancy tax by 2%?

>> No, sir. It would stay at 15. It would stay at 15. 2 cents would just be extended. It would stay the same. In the uli report, maybe you're seeing that. They threw that out as one of the options. That's not currently one on the table. One thing is the city -- the city by state law can only get 9 cents so the city can't get any more hotel tax than we currently tax.

[10:09:18 AM]

If there would be more it would be done by the county, if they wanted to pursue it.

>> Let me add, that came from both the Houston convention center and the San Antonio. They are at a 17% level. Austin is actually the lowest, even though living here you might not think anything is the cheapest in Austin. But we're actually the lowest hotel tax. We threw it out as a possibility, if it wanted to be used for -- or could be used for other things than the building, it's -- the physical building itself. It might open some opportunities. We just threw it out as a possibility worth looking at. That's all.

>> Mayor Adler: As a follow-up question because I didn't understand, we're right now set at 15%. It's going to -- it's paying the debt on the existing convention center. And you're proposing to extend the time of that existing debt so as to pay for the expansion. But the uli, as councilmember Renteria had, had listed the visionary expansion from 15 to 17 and what you're saying is that only happens if Travis county wanted to throw in with us?

>> Correct. That is absolutely correct.

>> Mayor Adler: Okay. Thank you.

>> Troxclair: Which is not something that's currently being contemplated.

>> We have not pursued that with the county, no.

>> Troxclair: Okay. When does the decision about the -- if this passes and we move forward, this plan as outlined, when would the decision about whether or not to include a hotel be made? Because this still outlines the option to not have a hotel.

>> The feedback we got was -- was to pursue options. Again, as Phil, I think, alluded to, there is a 99-year lease on part of one of the blocks right now that a developer is looking to develop a hotel right away. So we would have to try to coordinate that. I would say that we weren't moving forward, I think the hotel probably would move forward on that block.

[10:11:23 AM]

So I think the hotel will be developed very quickly.

>> Troxclair: So the hotel is going to be developed either way?

>> The hotel will be developed. If we don't move forward, there's a 99-year lease on a tract of -- track of explained a hotel will be most likely developed fairly quickly.

>> Troxclair: Okay. I'm asking, to follow up on councilmember Houston's concern last night that she had received a letter from the four seasons resident owners who had asked for postponement because of concerns about hotel. So I'm just trying to understand when and where that decision is being made and if it's not with us this week, then whether or not we need to be --

>> Ultimately, my opinion would be if we postponed, the hotel would be built.

>> Troxclair: Okay.

>> I think the developer would move forward. We're hoping to get an agreement, to find out if we can work together on both the building and the convention center. We don't know that answer right now.

>> Troxclair: Okay.

>> Go ahead, please, David.

>> We never contemplated public ownership of that hotel. But in the planning, it was necessary to coordinate designs because what happens beneath the street is critical to the operation of both facilities. We think there's some efficiencies that could be generated there in colocating loading docks and parking, and then we really have to pay special attention for our parking access from the street and loading dock access from the street. So both properties need to work in concert to be successful, and that's why, you know, we have to start our planning work very soon, to be in conjunction with whatever the hotel is going to do, and they're going to want to move fast.

>> Troxclair: Okay. Thank you for clarifying that. From what I understand, the four seasons owners do support the convention expansion. They just had questions about the hotel.

>> Yes. I'm the one that interviewed them. They were in favor of the convention center, provided there was more 24-hour outward appearance.

[10:13:29 AM]

They were the people that brought up the prison box element, and it was --

>> We called it a toed.

>> A toad instead of the prison.

[Laughter]

>> I think that's correct. I don't think we ever addressed if a hotel would get in the way, which is certainly a logical objection, but I think what mark is saying is that if something isn't done where you can -- I don't want to say force the hotel to work with you, but kind of, kind of --

>> Influence.

>> Influence --

>> Troxclair: Right.

>> Subtly influence how it is, if it sides sways instead of this way, things like that, if you don't control it the private development sector is going to drive right on through plane vanilla with a big old box from the four seasons and I think that would be a dreadful thing to happen but that's, why I believe, from a private developer is what's more likely to occur than if the convention center is the boss and they take over the -- or influence the driver's seat, if that's -- is that a fair way of putting it, mark?

>> I think so, yes.

>> Troxclair: Thanks for clarifying.

>> Mayor Adler: Thank you very much.

>> Thank you.

>> Mayor Adler: Thank you.

>> Mayor, I wanted to relay the comments I had at committee when we heard this yesterday. I'll reach out to y'all to touch base on it. I think that the funkifying the toad, whatever it is, is of interest. And even more than the character of it, we can still be sure they're putting heads in beds but perhaps in a way that actually serves the local people and people that come here actually directing what those local folks actually, you know -- potentially putting more heads in beds so we use the tax for what it's supposed to.

[10:15:32 AM]

That's one thing that is of particular interest to me if we do proceed with expansion. The other was that

it seems that we -- it seems to me that this is a reasonable plan, if expansion and capturing that market share that we're missing is what our end goal is. We did ask if we wanted to dedicate this money -- if we had the ability to finance 400 or \$500 million worth of construction, what the other -- if we examined other things that we could do or build. It sounds like the majority of the emphasis was on expansion of the convention center. And I just want to see if between today and Thursday I can understand what other options we can have. Those are pretty limited, what we can use with the venue, with the venue tax and with hot taxes, but, you know -- I'm not saying that I'm inclined to doing this. For example, Mr. Tester mentioned if you wanted to do a sports arena, this is the kind of money you'd utilize. I'm not saying I'm coming out -- I was joking with councilmember Houston I'm not coming out with a plan on Thursday to bring in the rockets to Austin. That's not what I'm indicating. I just want to understand that before we endorse a plan where we have this much financing capability, that -- that I understand what the opportunity costs, the opportunity benefits are, and I imagine that those have been reviewed and thought through by some people that have been working on this for a long time. But I'll be trying to get some of that information in the next couple of days, and I just want to indicate that between now and Thursday.

>> Mayor Adler: And then I think that's a good question to ask, especially in that context, especially now. So the university of Texas has told us they're going to be taking down at arena on the campus, which is right now our 25000-person arena. Absent some kind of program with the city and the state, I imagine they'll build an arena on campus that seats about 12,000, maybe in that order, just as a basketball arena, which means our city would lose that larger arena space.

[10:17:42 AM]

And I don't know how that impacts the larger visitor bureau hospitality issue in the city, but it is a timely question to answer, to at least touch base on whether or not we should be considering joint venturing something with university of Texas and the state in order to preserve something that size in the city which might otherwise go away. Yes, Ms. Garza.

>> Garza: Yeah, I appreciate the discussion on options. And these are just pulling up -- preliminary thoughts I have at the time from now until Thursday to, you know, decide where I'm going on this, but I guess I'm conflicted because in a way I'm concerned -- you know, one of our biggest issues is Austin has become such this wonderful destination city and that has created a situation where it is a -- it's very expensive to live here and working families are being forced out of Austin. I'm wondering are we shooting ourselves in the foot by basically, you know, having -- expanding our convention center because, you know, I grew up in San Antonio, but I chose not to live in San Antonio because I wanted to live in Austin because of the wonderful city -- little small college townish city that it was. So, you know, I don't want Austin to turn into a Las Vegas or, you know, even a San Antonio. I love San Antonio. It's my home town but I consider Austin home now. So I guess just for the sake of discussion I'm a little conflicted on the consequence -- I guess what could happen, the unintended consequences of expanding and making Austin a bigger destination city.

>> Mayor Adler: Ms. Troxclair.

>> Troxclair: I just wanted to follow up and say that we have heard this twice in economic opportunity now, so I appreciate you being there to give us a presentation and answer questions.

[10:19:46 AM]

And I think councilmember Casar explained the conversation that we had yesterday from his point of view, since councilmember Houston isn't here, I'll say that her concern yesterday was similar to councilmember Garza's concern, which was, you know, why do -- do we really want more traffic, more

congestion, et cetera? So we didn't end up taking a vote on it because it seemed like the committee members needed a little bit more time and thought. My comment along those lines is -- in my mind, this is one way that -- there's so much talk all the time about growth paying for itself, and this is a big revenue stream for the city, and none of the revenue comes from -- it's all from tourists so this isn't a tax that is levied on the people who are living here and we're making what, 30 -- right now about \$36 million a year is coming into the general fund?

>> Yes, ma'am, yes.

>> Troxclair: Expected to grow -- if we make further investment.

>> Correct.

>> Troxclair: It would be expected to grow. So to me this is one way that we can make growth pay for itself. And that money that we get back from the convention center then goes to pay for health and human services programs and parks and libraries and all those kind of things. That's just revenue directly from the convention center. That doesn't include, you know, other people eating out while they're here and other sales tax revenue that we might be receiving. So that's, I think, a summary of the conversation we had at committee yesterday. So we don't have a vote for y'all but we have a wide range of things to think about.

>> Mayor Adler: Two questions real fast. Did you do the projections on what the additional revenue would be? You gave us the historical revenue.

>> Yes. It's in volume 2 of the plan, yes.

>> Mayor Adler: Okay.

>> Yes, we have that.

>> Mayor Adler: If you could give that information to the council as well.

>> Okay.

>> Mayor Adler: And you guys, as convention experts, is there a link between visitors and increased housing costs?

[10:21:56 AM]

I mean, does the increase in Austin as a destination correlate with the increased expense to live here that we see?

>> Please.

>> The beauty of convention business is that it's a very clean industry. It doesn't require you to build more houses. It doesn't require the building -- it's not like adding people to the economy. They're just coming, leaving their money -- coming, spending their money, then leaving. I was executive director of the Orange county convention center in Orlando for a number of years and during that time our local population asked the question, does tourism really pay for itself. And back at that time Orlando had 800,000 people in the msra. A study was performed out at university of central Florida and said to match the economic activity, if you removed tourism you would have to add 450,000 households to the city of Orlando. You'd have to double its size to generate the same amount of economic activity. I actually believe that convention business does not add to the pressure to build housing, but is, once again, a very clean industry. If you build houses you have to build roads, sewer, fire protection, police protection, parks, all sorts of public amenities. That's why every community fights for this type of business, because it's a very clean type of business with direct economic development implications.

>> Mayor Adler: Ms. Garza.

>> Garza: Not to put words in your mouth but I'm not sure if that's what the question was. And I guess I'm thinking off that question, is there studies done -- because I understand if they're just coming to stay in hotels. You don't have to build infrastructure and homes for them but have there been studies that show, you know, they come to a destination city, they visit, say, hey, that's a great city I want to go live

there now.

[10:23:58 AM]

Because when I think of a convention that I think I would like to go to, cities that I love, San Francisco, New York City, and you look at the housing costs in San Francisco, New York City, those are way above what Austin is. So is there any study that's been done that shows any kind of correlation, not necessarily that they -- like you say, I understand that they're not staying and we don't have to build infrastructure at that time, but that show that, you know, as these destinations -- like Las Vegas is expensive to live. Their housing costs are expensive too now because that's a destination city.

>> I'm unaware of any study that makes a correlation between convention business and housing, whether demand or pricing. In the greater scheme of your economy, we still are a relatively fractional small part of the overall economy. So it would be [indiscernible] For us to move the economy one way or the other. It does create jobs and that does create housing and when you get into indirect and induced economic basket, you know, then that -- impact, you know, that affects restaurants, grocery stores, clothing suppliers, everybody.

>> I'm not aware of anything at the urban land institute of that sort of a study that has been done. I'll look into it, but I'm unaware of any direct studies. I would suggest that Austin's housing prices are driven more by high-tech relocations and people from California overpaying listing price on homes and things like that is driving costs far more than anything with a convention center. And, secondly, if you're driving profits from a convention center, that's how you get more of your affordable housing as an indirect. Otherwise what you may be faced with is private development doing the same thing, but they create the same identical traffic and growth, but you don't have, as a city, as much control over that. But I don't -- I'm not aware of any study that's been done to correlate home prices with convention center specifically because that's such a tiny portion of the economy compared to the Dells and Googles and food Facebooks and everybody else that's exploded around here and in San Francisco specifically as well.

[10:26:37 AM]

>> Renteria: Mayor.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Yes. My question is how do you insulate yourself, you know, we -- our economy is always going up and down. We just came out of a recession. So how do y'all -- when y'all make such a big investment like that, if there was a downturn in the convention business, do y'all have it all set up where y'all can survive and how long?

>> We're actually booking five, six, seven, eight years out. One thing that will happen in a downturn is the events for the most part still happen. They may be smaller but the national association or state association market sometimes 70 to 80% of their budget is those events so they'll continue to happen. The key is what we're doing now in the 2020s. So we won't feel the effects of a -- not expanding now it will. Be into the '20s. So we are '16, '17, '18 for us right now are full. We've sold out our building.

>> Mayor Adler: Ms. Gallo.

>> Gallo: I'm trying to understand some of the financial implications and I'm looking at your slide six, which is long-range master plan background. So it's my understanding that the transfer into the general fund is not the hotel tax. Is that correct?

>> Correct.

>> Gallo: And that it looks like that it is based on the sales tax and property tax that's generated. That's your little note.

>> Yeah. What we've noted is what we've -- what the visitor industry, what effects that had on the general fund.

>> Garza: So when we talk about the \$36 million, \$35 million transfer to the general fund, that is income we've received from sales tax and the property tax?

>> Correct, correct.

>> Gallo: Okay. Is the sales tax -- it would be very helpful to know how those two relate to each other, what percentage of that estimated \$35 million is sales tax, what is property tax.

[10:28:42 AM]

And then within the sales tax, is that the sales tax for the whole city? Or is that the sales tax for the isolated area that really is impacted by --

>> It would be the whole city.

>> Gallo: The whole city. So, actually, what -- what you're talking about a general transfer -- general fund transfer really incorporates the sales tax also that is generated throughout the entire city and doesn't have anything to do with the tourist industry?

>> No, no, generated in the entire city by the visitor. It would remain the visitor but it wouldn't just be downtown.

>> Gallo: I'm just trying to understand how that works. How do you determine whether somebody that purchase something at a mall in Barton creek is a visitor or a resident?

>> The state does that, and our vp of --

>> Gallo: I don't understand that process.

>> They could specifically tell you how they arrived at that information but we received it from the state.

>> Gallo: Okay.

>> So we didn't give the specifics on how that was broken down.

>> Gallo: Even though it's city-wide you're only take the component of sales tax that the state says is attributed and, however, they figure out how to do that to visitors.

>> Yes.

>> Gallo: Okay. Then in the property tax that's generated, tell me a little bit about that. How is that allocated specifically to --

>> I'm going to ask the assistant director for the convention center department, who is our finance --

>> Good morning. So the state does an annual report out of the office of the governor every year and they estimate just what the total impact is of the visitor industry on the local tax revenue. I was able to get some source data from their consultant and was able to estimate the portion from the visitor industry that is generates that comes directly to the city's general fund through sales tax and a property tax element. They didn't have specifics that break it down.

[10:30:43 AM]

It's just that combination is 30 to 35 million.

>> Gallo: Okay. So back to the property tax -- so it sounds like it's an estimate. It's not really triggered to being able to track a visitor spending.

>> Correct. I don't think there's anything in the consultant's report -- it's all estimates.

>> Gallo: So they come up with some percentage dollar amount they think each visitor spends, right or wrong, and uses that and use that's.

>> Yes.

>> Gallo: Okay. Got that. The property tax generated, tell me a little bit about that. Is that based on just the property tax valuations that are impacted by this particular geographic area downtown or is it city-

wide?

>> It's the property tax based on impact of the visitor industry and the businesses that exist in the city as a result of the visitor industry. And, again, I tried to get more detail from the state to better analyze that, and I didn't get very far, getting some details. But they did say they've incorporated an element of property tax as a direct result of the visitor because there are businesses that exist and pay property tax that are only here because of the visitor industry.

>> Gallo: That makes sense. My question, being a little concerned with, is that property tax new growth? Is it existing growth? And then the question of the downturned economy is that if the appraised values of values of properties are not going up that transfers into -- because property taxes may not be as much. I'm trying to understand kind of how this works.

>> We can get you the detail that I used from the state to analyze. I can tell you I don't have the Numbers with me, but the property tax element based on analysis I was able to do is a very small portion of that 30 to 35.

>> Gallo: That would be very helpful.

>> The vast majority is sales tax.

>> Gallo: Thank you.

>> Mayor Adler: Anything else?

>> Casar: Mayor, very briefly, while you're still standing up, I wanted to make clear we aren't breaking down here though which portion of those visitors, or are we, which portion of those visitors are attributable to conventions versus just visiting?

[10:32:51 AM]

>> No, that's correct. So the analysis is the entire convention and tourism industry. The convention center is certainly a hub of that industry but there's no way we can actually get down to that detail.

>> Casar: Even if it may be rough and potentially the resulting number would be misleading, but do we have what percentage of the visitors that we calculate here we know are coming for conventions, at least to just know -- I guess I generally want to know of that 36 million is the convention center 5% of those visitors, 2% of those visitors, 40% of them? Anyways, that would just be -- we don't have to answer that now. I know this is way more complicated than what I'm laying out, but just I do appreciate the \$36 million number and the work that's gone into that, but considering we're talking about convention center expansion, it would just be helpful to know what the marginal -- and it sounds like the mayor has already requested this, what the marginal increase in that number might be based on having more conventions of a greater size.

>> And we -- I just checked with Steve with Austin convention visitors bureau. We don't have that information at that granular a level. I can tell you, included in the information we supplied to the economic opportunity committee in follow-up questions, I did do some additional projection analysis to try to determine what is the general fund impact if we expand versus not. Based on information from the state, combined with the information from the consultants, the net gain that I can project is about a \$10 million increase to the general fund through sales tax. If we expand versus if we don't.

>> Casar: Thank you.

>> Sure.

>> Casar: And I just wanted to mention that I hear councilmember Garza's concerns and I know those are hard to quantify, but -- and make anecdotal sense. It's hard to quantify how often of a contributing factor it is and it's something that I take seriously and will keep thinking about too.

[10:34:57 AM]

>> Mayor Adler: And I appreciated you rephrasing my question so that it could be understood.

[Laughter] The backup that you said that you supplied with that additional information, where did -- where would we find that? Where did that go.

>> That was a memo we sent to the economic opportunity committee. I don't know if it was posted as backup to their agenda but we can certainly get that to the full council.

>> Mayor Adler: If you would, that would be helpful. Thank you. Anything else on this issue? Thank you very much. We're going to hold off on the calendar and the preservation until Ms. Houston is back. So we'll go ahead and start with the items that have been pulled on our agenda. Item number 3 is the megawatt discussion. We're going to address that issue in executive session. So I would suggest that we move past that one right now, come back to that, if at all after the executive session. Items number 10 and 13, given the timing, have been pulled off by Ms. Troxclair. That gets us up to item 25. Is there staff here that can speak to us about the zilker park cafe? They're probably just outside -- it looks like item number 33 is also being pulled at this point so the next item would be item 38. Ms. Tovo.

>> Tovo: I was going to suggest while staff coming in if I can make two timing announcements for Thursday. The first is councilmember Houston and I intend to request of y'all that a time certain for the density bonus item of 4:00. We received some requests from community members that that time would be particularly convenient to them, so I hope, colleagues, you would consider supporting that request for a time certain for the density bonus.

[10:36:58 AM]

I just wanted to mention a scheduling conflict they've on Thursday. I will need to leave the dais from 11:15 to about noon, unfortunately. So I apologize in advance and hope that -- we'd just ask your consideration for things that I need to be directly -- that -- involved in like the short-term rental amendments and some of the other amendments I've put forward.

>> Kitchen: Could I have a follow-up?

>> Mayor Adler: Yes.

>> Kitchen: Did you say 4:00 P.M.?

>> Tovo: The request is for four. For the density bonus.

>> Kitchen: Okay. I also need to request a time certain for the tncs. So how long are you expecting the density bonus to last?

>> Tovo: You know, it's --

>> Casar: Maybe the question --

>> Tovo: I just don't have a prediction. It was -- well, it's complicated because while it was heard by the council committee, we made some tweaks to the amendments and it's also a separate resolution. I don't have a sense of how --

>> Kitchen: That's all right.

>> Tovo: I don't believe we'll have a tremendous number of speakers so it really will depend a lot on the conversation we have at council.

>> Kitchen: Is that one where there's a limited number of speakers.

>> Tovo: It did. As I said while it did go through committee it is also a resolution because there were some changes we needed -- there were some changes we made to -- after the council committee discussion and so it's a separate resolution as well.

>> Kitchen: At the appropriate time, I don't know when you want to get to that, I'd like to understand today what the expectation is on the speakers on that, on Thursday. Rather than making the decision on Thursday. So if you want to defer discussion of that item until later, that's fine, but I think we need to know today. I don't want to show up on Thursday and not know whether it's -- everybody is speaking or some subset are speaking or something like that.

>> Mayor Adler: We have a big agenda on Thursday and I think as a broader conversation maybe we double back at the end, in terms of truing up what things are going to be heard we think on Thursday and what things might be put off, given the agenda items that we have.

[10:39:11 AM]

>> Tovo: Then --

>> Kitchen: Then I would like to make a statement at this time I think we need a time certain for the tncs and I would suggest 2:00 as a time certain there.

>> Mayor Adler: Okay.

>> Garza: I think as a matter of procedure you're supposed to have two people so I'm happy to join councilmember kitchen if she needs somebody.

>> Kitchen: For the time certain, yeah. Okay. Thank you.

>> Mayor Adler: Okay. All right. We'll pick up, then, this item 25.

>> Troxclair: One more quick scheduling note. We are going to have a press conference on item 33 at 9:30 Thursday morning so, mayor Adler and chief as vade do are going me -- Acevedo are joining me to talk about that so anybody interested love to see you 9:30 Thursday. Item number 52 just was curious -- 25, so this is basically the concessions at Barton springs.

>> Correct.

>> Troxclair: I wonder -- and it's the same vendor we've been using for a while now?

>> We're in the process of finalizing the rfp process for cafe management services. Our current vendor is Rodriguez concessions.

>> Troxclair: Okay.

>> And in our final recommendation that's going before council will be to seek the authority to negotiate and execute a new contract. The recommended vendor is not the current concessionaire.

>> Troxclair: I was just curious. I read this item within economic development and with Austin being the foody town it's grown into, with all the food trucks and great restaurants, I just wonder -- and with Barton springs being such a popular destination not only for austinites but also tourists, I was wondering it seemed like there would be an opportunity there to have really great food and that could attract people to Barton springs and kind of add to the park.

[10:41:16 AM]

So I just was curious if there was a discussion about having a different level of food service available in that location?

>> Thank you for asking the question. I'm sorry I didn't introduce myself, I'm assistant director for the parks department. Councilmember troxclair, you're actually speaking to the spirit of the rfp that went out. The process has been quite extensive, in that staff sought community input to get some sense of what the demands are for food choices. Now in the year 2015 versus when the original -- our current contractor began, which was back in 2002. So that process involved a quite robust community input process with a survey. I think we received over 500 or so respondents. We also worked through the restaurant association to seek input and participation from its member, and I think they have roughly over 200 or so members as a part of that. But the spirit of this particular rfp really spoke to about seven goals. And that was within the scope of the rfp it spoke about -- we're looking for a vendor to present a proposal with all the creativity available to them that speaks to offering a healthy food choices, one that is respectful of our current community that's diverse, that also gives choices anywhere from your standard parks kind of food choice, like a hot dog, et cetera, to healthy food choices and the pricing is affordable, that the concession is run in a manner that is attractive and adds to the experience in the

parks, at zilker park and that there's a high level of customer satisfaction, you know, what will be your goals to ensure that, and then that the actual operation is environmental sensitive.

[10:43:21 AM]

So the rfp process did allow for any vendor who is responding to it to offer us the best proposal that they could give us.

>> Troxclair: Okay. I guess in the backup, it looks like Claire's concessions is the food provider at a couple of our golf courses so it just -- it still seems very kind of basic concessions focused and I just didn't know if there was an opportunity to think beyond that and to get some kind of bigger name.

>> Well, the rfp process was open to all who chose to participate. And in this case players is one of three of the vendors who participated in competing for this particular contract. And of them --

>> Troxclair: So to --

>> Players scored the highest.

>> Troxclair: Of the people who responded were they all concessions vendors or were there --

>> Yes.

>> Troxclair: Okay. So maybe -- so then that leads me to ask how we're doing the -- who -- what codes we're using for rfp and maybe we didn't get the notices out to the right people, if our focus was to bring a little bit higher level of food service to that area. Again, I'm thinking of tacos and all of the other great things we could have there. Clearly you've already gone through the process and maybe it's something we can talk about further in economic opportunity the next time we get a chance.

>> Certainly. I just wanted to remind you we did partner with the restaurant association so it was not limited to concessionaires.

>> Troxclair: Okay, thanks.

>> Casar: Mayor.

>> Mayor Adler: Yes, Mr. Casar.

>> Casar: I didn't want to pull number 18 but since we have Mr. Scarborough here, I think there's something commendable here on our agenda and I don't want it to go by consent without -- there's no subcontracting opportunity so mbe, WBE goals.

[10:45:22 AM]

I you why wanted Mr. Scarborough to really briefly, just talk us through how, given the constraints you have, you managed to -- we got this on the agenda and talk us through it. We've had a lot of questions about this process.

>> Sure.

>> Casar: It seems like we have a big mbe contract on this agenda.

>> The particular item in reference, item 18, is for the city's office supplies contracts, very large contract, touches all the departments. And when sourcing for this particular group of commodities, we generally look towards cooperative contracts because for very ubiquitous items like office supplies, they're very volume sensitive and what we've found in our analysis is that you cannot beat cooperative contracts, particularly national cooperative contracts. Nonetheless, we pulled a variety of cooperatives both within the state and nationally, and contrasted their pricing and identified the offering from staples as being the most advantageous, in terms of pricing, in terms of rebates that would be available, in terms of preferable terms, locations, so forth. When proceeding with developing the item for presentation to council, however we discussed internally how could we achieve policy objectives of the city in a manner that may be as -- maybe is a little different than how we normally seek subcontract goals. When you're using the contract of another government, it's very difficult to implement procedural policy when that

process was conducted outside of your jurisdiction so it's a challenge for us to obtain certain objectives when we are using other government's contracts. So in this case we met with the contractor, with staples, to explore or to share with them our certified mbe firms, the list of firms, and to determine if there were any opportunities under their contract and any ability to meet the city's objectives.

[10:47:34 AM]

So after a series of exchanges, we met with them, and they presented to us their tier one diversity program, in which they partner with service -- management services firms across the country, but they'll do so on an exclusive basis within a region, and that company in essence provides the management services, the account management services, and all the interface with the customer. In this case the company in question is summit industries. They are located within Texas. They provide this service on behalf of staples to a large number of entities throughout Texas -- entities throughout Texas, many of them major universities. When we analyzed the combination of summit and staples it appeared to achieve not only a business advantage for the city but also our policy objectives in a manner that was a little different than how we'd normally sought to obtain subcontract opportunities. Of course we included our colleagues at smbr throughout the entire engagement but in the end we feel we've struck a balance both with policy objectives and with a good business deal for the city that is going to serve us for years to come.

>> Casar: Well, I want to thank you for that creative work and extra effort that you've put in. A lot of times we pull items when we have concerns and that's a lot of what our city staff here's but I want to take a moment to say thank you because a lot of questions have been asked about this.

>> Yes, sir.

>> Casar: Now likely something will pass on consent where you did the extra effort.

>> Thank you very much. Appreciate it.

>> Casar: Thank you to my colleagues for entertaining that question and my hat off to you. Thanks.

>> Mayor Adler: Thank you. Next item we have pulled is item number 38. Fee in lieu of. But the mayor pro tem is not here so let's --

>> Kitchen: What happened to 33?

>> Mayor Adler: 33 was something that Ms. Troxclair had pulled but unpulled it.

[10:49:37 AM]

Do you want to talk about 33?

>> Kitchen: I just wanted a quick heads-up. That's all. Since you're having a press conference and everything.

>> Troxclair: Yeah. I had pulled it just so that I could give you a heads-up but in the interest of time, seeing the length, I told them I didn't need to talk about it.

>> Kitchen: Okay. 3-minute heads-up will be fine for me.

>> Troxclair: Yeah. So the purpose of this resolution I've been working with some stakeholders for probably over six months now on the issue of human trafficking and there are so many organizations in the city as well as groups within our law enforcement that have been working on this issue but there hasn't been kind of a formal recognition within the city on how we're going to kind of pull together to address the issue. From my perspective, when we think of human trafficking, I just -- you think of something that's happening in a far away place, that's not happening here. But really when you look at the statistics about one in ten of the human trafficking cases in the United States are -- originate in Texas and although the data is really hard to find, larger counties and larger cities such as Austin and especially cities that are attracting -- that are tourist destinations can tend to attract this kind of issue so

it was a way to really bring this to the forefront and have a formal recognition from the city manager that there's going to be kind of a liaison relationship established and a way for us to cooperate services between -- accord services between -- coordinate services between the police department and many organizations in our city who have dedicated time and efforts to combating human trafficking.

>> Kitchen: Thank you very much for bringing that forward.

>> Troxclair: Thanks.

>> Mayor Adler: I would point out as an aside 9:30 press conference but not posted as a meeting so if there are other councilmembers that want to attend they should probably send an email to councilmember troxclair so she can make sure you don't have more than five people in attendance since others want to come.

[10:51:44 AM]

>> I'm happy to coordinate that so you can send your information to me.

>> Troxclair: Thank you.

>> Thanks.

>> Mayor?

>> Mayor Adler: Probably would have been better for me to have said post that on the bulletin board. Stand corrected. Ms. Gallo.

>> Gallo: One thing I might mention also is the university of Texas I'm involved with the school of social work, they actually have a faculty member whose specialty is human trafficking and one of the thing they do is provide resources for police departments in cities particularly where you have large events. That really is one of the reasons that that problem pops up in cities too. So thank you for bringing this forward. I think there's a lot of components within our city that are working on it right now and hopefully this will be a more unified front so thank you.

>> Okay. That was number 33. That then gets us to the next item, which is number -- was it 38? Pulled by troxclair and kitchen. This is the fee in lieu of item. Juvenile didn't have any specific questions. Just wanted a kind of brief heads-up on what you're planning.

>> Sure.

>> Tovo: I appreciate that. Thank you. So this is actually a topic that I think we first addressed in some of our policy discussions early on. It's been a long-standing goal of mine really before I even got on council to see our density bonus programs really function in a way that they are supportive of our city's stated goals to create housing for all kinds of people in all parts of town. And I think that -- well, I guess that's actually housings' goal but I support it and I think our city has a stated goal of geographic dispersion of affordable housing and density bonus programs I believe are one of the tools that offers the best potential to us as a city of really achieving that goal of geographic dispersion. So just a little bit in terms of the history of this -- of the resolution that's before us and the very related committee recommendation and really you see them both on your agenda because after the committee meeting -- well, let me back up.

[10:53:57 AM]

So I brought a resolution to the planning and neighborhoods committee. We had a very good discussion about it, and it was recommended by the committee after some discussion on the dais, and that discussion -- there was an interest among some committee members to really look at the data before initiating the code amendment. Now a lot of that data exists. In fact this is one area where our committee really overlaps with the housing committee. We've had multiple presentations about the density bonus programs at planning and neighborhoods. They've done similar programs, maybe

identical at housing committee and they've presented us both with spreadsheets, looking at the number of units that have been created through our density bonus programs versus the fees in lieu. So we left that meeting -- I left that meeting thinking that the staff were going to be able to really pull together the data that already existed with some additional elements that had been requested by the committee and return to us and then we would initiate the code amendment. It turned out that there really needed another step, that the staff did not feel that they had the ability to go forward and pull that data together without official council action. And so that's in the -- that's why this is on our agenda here for Thursday, but what this resolution would accomplish is to pull together -- and this is in the first be it, therefore, resolved, asking the city manager to pull together that report on the data. Most of this information already exists and has been presented multiple times to both committees and in other forms and fashions. There were additional requests from councilmembers for number 5, a per unit cost estimate for constructing, preserving or buying down the affordability. That is something that I think staff are going to have to generate. And so the intent is that that report come to council for review before the December 10 meeting and on the December 10 meeting there would be an item that would allow us to initiate those code amendments.

[10:56:01 AM]

We've had -- I am years eager -- I mean, I've been waiting for years to really have this discussion about converting those programs to on-site housing and it's taken an extremely long time to get, I think, to this point and it's going to take us even longer so that's why those two things are coming back initially. But I want my colleagues to know that most of that data -- again, most of that data exists. Frankly what it shows, I'll offer my general summary, what it shows is that, when offered, two options of paying a fee versus constructing those units on-site, I believe 100% of the time developers have chosen to pay the fees in lieu because they're set so much lower than the cost of construction. If we really want to create those units, that needs to be the requirement. And our staff, I believe, are going to link up those spreadsheets to -- we've asked the agenda office to linear up those spreadsheets to the backup for Thursday's meeting so you can see what materials we already have, what of this information already exists because while it sounds like a tremendous amount we're asking staff to pull together before December 10, again, most of it already exists.

>> Mayor Adler: Mr. Casar.

>> Casar: And, mayor, I'm a cosponsor on this. I have been very interested in this as it's come to committee. I think we took a big step at committee when we said our goal and I think all four members of the committee agreed that our goal is to maximize affordable housing in high-opportunity areas, gentrifying areas and still have some focus on maximizing the amount of money we get for permanent supportive housing. We sort of laid those out as goals and I think the challenge throughout this entire process is I'm not a housing, hotel, and office real estate expert in how those markets fluctuate and work so I don't know exactly how to do that, and I want to make sure that we make decisions based on sound economics towards getting to that goal. And so I was support -- I am supportive of the resolution, was a cosponsor.

[10:58:07 AM]

It seems to me there's sort of three sections. One is proper -- finding a way to properly calibrate that fee in lieu. You know, I want to touch base with the staff in the coming days about -- I want to make sure they feel comfortable with recommending to us or at least providing us with various options and information about how that fee in lieu could be calibrated and it should be -- what it should be. And if you want to respond to that piece.

>> Tovo: I was going to ask you to clarify. You're talking about downtown primarily. Yes or no?

>> Casar: Doesn't your resolution sort-talk about various density bonus areas?

>> Tovo: Yes, that's why I'm trying to clarify whether you're talking about beyond downtown?

>> Casar: Generally, my hope is to hear from our staff if there are opportunities for calibration of that fee in lieu, upwards and downwards that will provide us with the minimum amount of money for affordable housing. And I think what's important to note is that because I'm not a market expert, I don't know if calibrating a fee in lieu downward or upward in any given area will provide us more affordable housing. Very, you know -- at a gut level you can -- well, if you raise the fee you're going to collect more of a fee. That's not necessarily true in density bonus programs because people have to utilize the additional density in order for us to get the money. And so I frankly want to maximize that. I think, everybody on the committee wants to but I don't know. And I don't feel comfortable from a gut vote knowing whether to raise it a dollar or \$100 or drop it \$5 per square foot. I don't know that. My hope is for direction of staff to at least have expert enough opinions that I'm voting not from a gut feeling but from somebody's sound economic analysis, even though there may be competing sound economic analysis, at least I can choose between those. One is calibration of the fee-in-lieu. Second code amendments to eliminate the fee-in-lieu option.

[11:00:09 AM]

And again I want to make sure I'm making those decisions -- having that information before us and those code amendments before us is a great opportunity for us to debate whether or not we want to do that. Again, I want to -- I think we all have the same goal on getting the most affordable housing we can and if eliminating fee-in-lieu will do that, then I'm for that. If not eliminating it will getting more affordable housing, then that's what I'll be for. So I think that -- that was generally the consensus on the committee. And then finally one piece that I actually brought up and the mayor pro tem seemed enenthused about it. I'm glad it's in the resolution. Is considering a fee-in-lieu on hotel and office downtown because the economic analysis that was provided by a consultant seemed to indicate that bigger hotels weren't going to get built or that bigger hotels weren't going to generate more revenue and couldn't bear the house bill fee-in-lieu. And since that analysis was done we've heard in our last presentation that obviously lots of hotels have gone up. And I think we potentially could have missed out on revenue for affordable housing there. So would want for us to consider at a faster clip the potential for adding an affordable housing fee-in-lieu in downtown just like we have in some of the tods. I think we recently or soon will be accepting some affordable housing money from construction in the saltillo tod. And so I think again that has to be based on some sort of economic analysis, but even if it is - - even if it's a conservative amount, I just want to do our best to not leave money on the table as we have a real estate boom right now. So this doesn't commit us to any one path. I know -- and I know it has multiple parts, but for me it's helpful to think of it in those three pieces. And I hope I didn't miss a piece, mayor pro tem, but that's generally my understanding is there's a potential for eliminating fee-in-lieu, potential for calibrations of fee-in-lieu and then kind of a faster process for a fee-in-lieu potentially on office and hotel downtown since we do want to encourage a residential downtown and not leave any money on the table that we could potentially collect.

[11:02:23 AM]

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: I have a general comment and then a specific observation about the resolution, but generally I want to commend councilmember Casar. I ask the question all the time on the dais what is this fee and what is it based on, should it be higher, should it be lower? So thank you for asking the

question. I don't feel like the lone ranger anymore.

[Laughter]. Let me go specifically to the resolutions on page 4 and page 5 be it further resolved. I guess the first be it resolved on page 4 says city manager will place an item on desert 10th city council meeting -- December 10th city council meeting. My question is about the timing. On the next page, on page 5, there is a be it further resolved, city manager is directed to provide review of best practices in calibrating fee-in-lieus at the January meeting of the planning and neighborhoods committee. So I was a little confused by that timing. It seemed like the January date might be a better date for that and the city manager might come back to the committee in January to kind of discuss it further. Is there a reason why those two dates seem --

>> Tovo: Sure. I would be happy to address that. There are several time lines because they're proceeding on several time lines. I believe, as I mentioned before, that the spreadsheets that the staff have already done provide us with the information that we'll need to assess how well our existing density bonus programs are doing at creating housing on site and they're failing. So I think once we have that information before the full council I think we've got the information we need to determine whether that's the right standard that we are setting. We've got such limited tools here in Texas to require affordable housing on site. Density bonus programs are a tool that's available to us under state law and I believe we should use that tool.

[11:04:27 AM]

So I think that that information is reasonable to pull together before December 10th, and have that code amendment discussion at that time. The longer discussion about how we calibrate this on an ongoing basis, what kind of factors we consider I think is reasonable to allow some more time for that and to begin that discussion back at the committee because that's really a longer term, ongoing look at how we calibrate those fee-in-lieu for the programs we're going to continue to allow that as an option, and I think downtown is one where we -- I'm persuaded we should consider that as an option because that money has been earmarked for permanent supportive housing, which is an important community goal.

>> Zimmerman: Okay. Thank you. I think I followed all of that, mayor pro tem, except for the part where it says consider initiation of a code amendment. So to me that would have to be January. You wouldn't contemplate starting any code amendments until you got all your facts and details and kind of decided where you wanted to go with it.

>> Tovo: Well, we sure may disagree on that, but I believe that the information in that first be it resolved leads up to the discussion about -- I believe that 1 through 5 will be the information we need to determine whether or not to initiate that code amendment. So 1 through 5 I see that as being substantial enough to inform the decision that we would be making on December 10th. And of course at that point we could say look, I still need this or that or as a council we could decide let's wait, but my hope is that that will provide us with the information we need for that piece and then there's a separate ongoing discussion about the other.

>> Mayor Adler: So in the context of this being considered as an item from council, in terms of how it's coming up. And I know it went to the committee. I want to thank the sponsors for their leadership in how this was drafted because in my mind I think this is a real productive way to handle that.

[11:06:28 AM]

The issue was identified, there was the allowance for different solutions as would be developed in the stakeholder process. There's not the policy -- there's not the way to meet the challenge set out, prescribed in the resolution. So I'm real comfortable voting for this because I think this is a real constructive way to move this issue forward. And I appreciate that it's coming back to us this way. Just

to touch base on what Mr. Zimmerman just said, and I recognize there's a lot of information out there and there may be information on December 10th to take it that next step. I notice that number one in the things that we would be deciding on December 10th is alternate methods for calibrating the fee-in-lieu and the best practices for calibrating the fee-in-lieu come on January 10th. So if there's any way to get the best practices for calibrating the fee-in-lieu before we consider calibrating the fee-in-lieu, that would be helpful if we could get that information sooner so that those two things tied. Ms. Gallo?

>> Gallo: And mayor pro tem tovo, I know this has been long on your agenda to talk about and do. But I have to admit that for a lot of us this is new discussion and so your tolerance and a patient timeline I think would be much appreciated. And I did not support this, not the discussion, but I didn't support it predominantly because of the timeline. I think as we've talked about with a lot of other issues that are changes in our policy and changes in our fee structure that my sense is that we really are -- and once again, I know you've been dealing with this for a long time, but the reality is the rest of us haven't. I think that pushing things on a really fast pace we are seeing more and more council meetings like we're going to have on Thursday where we've got a lot of issues that we're pushing along pretty rapidly.

[11:08:32 AM]

This to me is one of them. I think, mayor, your comment that we've got several components of this, to me they should all come to us together in a report from the city manager and then I would like the ability and I would feel really comfortable with the ability to have time in between that presentation of those reports and us discussing code amendments. It just seems like that that doesn't give us -- we don't know when that will come back from the city manager, if it's not until the 10th. I'm just really uncomfortable trying to read and digest information and then talk about code amendments at the same meeting. So that was why -- that's why I didn't vote for it in the council committee meeting is I just feel like that it's a lot of really good information. I do agree with the mayor, I think the calibrating needs to be part of the discussion and part of the report that we get on the 10th. And then I would just like to see us have more time to be able to digest -- listen and digest that information and have thoughtful and very deliberative process that we then can come back at a different point and maybe it's the January meeting, and talk about the code amendments to it. It just seems like it's a really short, not enough time to think and digest a pretty substantial report that would be coming from the city manager's office. So that was my concern with the way it came out of our council committee.

>> Garza: I just want to say I appreciate you bringing this forward, mayor pro tem. I think this is a discussion that's well overdue. It kind of is an extension of the conversation we had last Thursday, my concerns over that pud. And I think -- I really want us to create an environment in Austin that says if you want to come top develop here and build those homes, one of our values is affordable housing. And that's really, really important. And maybe it will create -- you know, I think we can create an environment where it becomes a friendly competition, you know. And I mentioned a couple of times I went out to visit muellered and it's not about the affordable housing component, it's more about they had the requirements for Leed certification and they said it was interesting that they had a standard of Leed certification, which is the environmental building specifications, and just organically people started exceeding that certification.

[11:10:47 AM]

They were kind of like competing against each other, like we can get gold or we can get platinum. And I think that that's -- I hope that's kind of an environment that we can create with a measure like this. That the culture here in Austin is we value affordable housing and what can you do in your development to get us to a great percentage of that? So thank you for bringing this forward and I look forward to the

process on however my colleagues are comfortable with the timeline, I'm comfortable with it.

>> Mayor Adler: Mr. Casar?

>> Casar: I want to bring up a couple of potential questions that I'll ask to get some clarification on or amendments, one that I think will be an amendment is in the section about laying out the hotel and office fee-in-lieu. The language currently reads, equalizing -- consider equalizing is on to the residential fee-in-lieu. Again, I don't know if the market dynamics well enough to know whether or not equalizing it to that residential is what's going to maximize the amount of money we get into the affordable housing fund between now and codenext when this all gets rewritten anyways. So my amendment will provide some intent that I don't know if it should be higher than residential or lower, but I just want it to have the goal of maximizing the amount of money we get into the -- through fee-in-lieus in affordable housing our best guess at what that should be. And it may or may not be considered a friendly amendment, but I just want to put that out there for everybody. Secondly I do want staff to be able to provide us some sort of recommendation for what the best opportunity it is that they see. We have so many density bonus programs and instead of having our staff feel like they have to work out all of them and then present us one really big report, maybe it's shallower than it needs to be, I really do want to empower our staff because I know we have so many great staff both in planning and also at neighborhood housing who might say we're pretty sure that some easy changes you can make might be change one and change two that could improve affording being built on site or a fee-in-lieu that you could get.

[11:12:55 AM]

I'm not sure how to execute that, but I know our staff have been working on this for a long time and examined lots of them. I want to make sure that the timeline makes sense for them and they can feel empowered to make recommendations if they can. And then -- so those two I think maybe in the substance of the resolution, the first may come as an amendment, the second may not have to. And then the third piece that isn't an amendment is -- I think this goes to the conversation the mayor pro tem just had with councilmember Zimmerman is that while I certainly am disappointed that we haven't seen on site units being built in some of these density bonus programs where there's the option for fee-in-lieu and affordable housing on site, I -- before eliminating the fee-in-lieu option, I would like some economic sense that eliminating the fee-in-lieu option will result in those affordable audience getting built and that people will utilize that affordable housing density bonus. I'm not trying to indicate that they won't be or that they will, I just don't know. And I want to express to my colleagues my sincere hope that we do our very best to make these changes not based on what we gut think will get developers to do what it is that we want because, you know, Leed certification probably means you can sell a house for more money whereas reduced rents is somewhere on somebody's spreadsheet not getting their construction loan paid off to the big lender in New York at the time that they need. So it's a difficult environment. I can't say that I like that. I can't mandate how much affordable housing I want in particular parts of town, but practically I do want to make sure that we are doing our very best to -- there will be competing economic analysis and I understand that, but do our best to make this call based on? Expert analysis of the housing market that I just don't have on my own.

[11:14:57 AM]

And I'll not indicating that anybody would do that. That's the reason why I don't feel ready to commit to a particular fee-in-lieu or eliminating it in particular areas or not because I don't know. And I assume that many of us don't. So this is me sort of trying to provide my thoughts on the issue.

>> Tovo: I want to address a couple of comments that were made. And one, I think we keep coming back

to this particular question about how we start a discussion about an issue. And I just want to remind my colleagues that on December 10th when this is on our agenda we would be at that point considering whether to start a public process to adopt a code amendment. So we're -- right now the resolution on Thursday is about moving forward with collecting information that would then lead to a conversation on the 10th about starting a conversation about a code amendment. So we're steps and steps and so many steps away from actually having this in place, that I would just urge you to consider that this is a pretty generous timeline I think in terms of moving toward a decision about starting a conversation. And I guess I understand -- I understand there are going to be different perspectives about density bonus programs and how best to achieve them, and I understand that as a council together we're having this conversation for the first time as a council. But I would also just suggest, you know, looking back over the last decade or so as this conversation has unfolded, these concerns are not new. And almost every time we've considered whether to create -- whether to require, say, the planned unit development to have housing on-site or whether to require the downtown density bonus program to create -- to have that -- those units on site, every time we hear concerns about, well, perhaps density is in and of itself a community benefit.

[11:17:00 AM]

I think we had a staff presentation one day about the downtown density bonus program that had that has a headline. Some people believe that density of in and of itself is a benefit and we shouldn't also have a program that provides for affordable housing. There are certainly going to be comments from developers that if the density -- if we require on-site housing they're not going to build those extra 10 floors. These are not new concerns and I would just suggest that we look to the programs that have been successful in this town, the vertical mixed use, Rainey street, uno. I probably would have set things differently in housing in each of those cases, but what we know is those programs require on-site affordability and those units are getting constructed. The programs we have for a fee-in-lieu we're only getting fee-in-lieus. So I'm not sure that we need to do tremendously more analysis to know that if we have to create on-site housing the way we've allowed people to opt out of it with an in lieu fee is not working. If we want on-site housing we have to require it in your don't bonus programs.

-- Density bonus programs. So this is the data that I was suggesting be added to the backup. I understand it has been. And this was presented to housing, it was presented a couple of times to planning and neighborhoods in a few different forms, and I think it's very I will stay active about how -- illustrative about how our density bonus programs are performing, where we're getting housing on-site. And this is the data we need to move forward in initiating that code amendment, but I'm certainly happy to continue to have this conversation, to have those additional pieces of information come forward on the 10th for our consideration.

>> Mayor Adler: Further discussion? Ms. Garza?

>> Garza: I just want to add to that. I've heard the argument from developers that if I have to do it on-site it will be 10 units where if I give you a fee-in-lieu you could go build 40 units somewhere else.

[11:19:02 AM]

But my concern with that argument is it's always 40 units somewhere else with access to nothing, in a food desert, and then there's also been studies done that when families live -- when lower income families live among families of mixed incomes, they're more likely to come out of, you know, poverty. And I think that there's a huge value to that. So while I wish it was more black and white that we can get more affordable housing if we do this fee-in-lieu, it's not happening. And there's value to putting families in these mixed use facilities that are closer to amenities that they depend on.

>> Mayor Adler: Mr. Casar?

>> Casar: And I want to identify that from my perspective, it is not -- I don't buy the sort of -- that because density bonus is a benefit in and of itself that we shouldn't be requiring anything from people for that added value of density or -- nor that some folks may say that they may not build it so we should listen to those particular people. For me -- I think uno there is a fee-in-lieu and on-site. I think for me genuinely it is that I want to know how much -- for example when we discuss an issue in Austin energy, discussing the solar issue, we can understand people's underlying assumptions and some of the competing models about when solar might or might not save us money. Some folks think the market is going this way and others think it it's going that way and based on assumptions take your risk on who you think is right because people have different assumptions about how things are going to go. And then you can March forward based on somebody's not -- an understanding of what the underlying arguments are. And so my difficulty with this issue is that they're all so different, all the different density bonus programs have different levels of requirements.

[11:21:09 AM]

Some people got out of the downtown one because of cure for a long time. There's just so much there. And I just don't want to shoot from the hip. So considering how long it is that this council has worked on it, prior councils have worked on it, if -- maybe I just need a little more hip from the mayor pro tem's office and some of the staff to give us what those competing arguments really are on the base level because I want the programs to be successful. I don't want to get in the way of the programs being successful. I want to help them be successful. So that's why the issue has been such a struggle for me because I'm not sure yet how to fix it, where it is that I fall on it.

>> Mayor Adler: I will let mayor pro tem close on this issue and then I think we should probably move on to the next one.

>> Tovo: Sure. And I want to be very clear I wasn't attributing that comment to you, although I do see the person who said that density wasn't a community benefit in the room, but I won't call him out. But thank you. I will try to pull together what I think are some of the best examples in the recent history of those discussions because at the end of the day we might not agree on what -- I think reasonable minds with disagree on what the best way is, whether it's better to take the fee and spend it here or there or whether to create it on-site. But I'll see if I can think about when those discussions were had most usefully and see if I can post that on the message board. Thanks for that question. And I think councilmember kitchen had asked a question before about speakers.

>> Kitchen: Yeah. If it's the appropriate time. I just wanted to understand on both of these items what the expectation is, and I don't have an opinion one way or the other. You guys have been involved in it. I just want to understand so we're not making the decision on the fly there. So what's the expectation with regard to speakers for I guess it's item 38 and 53.

>> Tovo: Yeah. I would -- it's not clear to me whether we would have many people coming out. I know there is a lot of interest in community members who did not come to the committee to speak on it.

[11:23:09 AM]

So I guess I would like to certainly provide some opportunity for somewhere between -- maybe a few more than four, but unless there's a major public out cry, I think it would be okay. Since we did have a very similar item. Mostly I was trying to cover our bases, since we did make some changes I didn't want it getting sent back to committee because it wasn't exactly what we passed at committee. So really we were bringing forward to a resolution to make sure that it got heard.

>> Kitchen: So if I'm understanding is the expectation on both the items then that it would be limited

testimony, maybe not the four. You might make a motion to have, I don't know, six or seven?

>> Tovo: I think if we had a lot of people show, yeah, that would be a number that seems reasonable to me, but I look to my other co-sponsors, councilmember Houston and others on what you think a reasonable speaker limit would be on that.

>> Houston: And I'm sorry that I'm just getting back. So -- does that decision need to be made today about speakers tomorrow.

>> Mayor Adler: About speakers on Thursday. We would have some limitation since it's being set up for future conversation really.

>> Kitchen: I don't need -- I'm not asking for a specific number. I'm just wanting to understand are we talking about just a full public hearing with whoever comes or are we talking about some level of limitation?

>> Tovo: Yeah. I would say that would be -- yeah. Because it really was heard by committee. It was just a slightly different form.

>> Kitchen: Okay. Thanks for that.

>> Mayor Adler: Okay. Next item that we're going to move to, we have a briefing that's available for us on preservation. Do we want to have that briefing? Ms. Troxclair?

>> Troxclair: Can we do this item quickly? Can we get through this item quickly, the next item?

>> Mayor Adler: This would be 39.

>> Troxclair: Yes.

>> Mayor Adler: Go ahead.

>> Troxclair: Do we have a legislative -- a government relations --

[11:25:14 AM]

>> Mayor Adler: We have one and it was supposed to be posted a couple of days and I look and see that it hasn't, but I've asked the people that have served on this body in legislative offices, so you and councilmember pool and councilmember kitchen extended the invitation. Councilmember Houston, she suggested that we should start off without her on this task force, so it's going to be -- so it will be the four of us that initially take that. And it should be posted here real shortly with the initial charge of our group, which is to scrub the existing legislative programs and then to come back to the council.

>> Troxclair: Okay. Do you know if there's any city staff -- any of our city staff?

>> Mayor Adler: To speak on this issue?

>> Troxclair: To talk about our legislative agenda?

>> [Inaudible]. So ray Berra, chief of staff city manager's office. I also have chief of staff here from the governmental relations office to maybe take any questions you may have.

>> Troxclair: Yeah. I am curious about whether we have other legislative priorities or legislative agenda that speaks directly to funding one particular business or entity? This resolution speaks specifically to funding for one particular entity instead of a broader range of expressing a legislative idea when it comes to women's health care. So I'm just trying to understand if we have other items on our legislative agenda that are that specific.

>> Councilmember troxclair, I'm just thinking about the state and federal programs. And I've also reached over to speak to rich Bailey with our governmental relations staff. And I can't recall that we have anything specific for maybe an organization or whatnot.

[11:27:17 AM]

I can't -- I'm just racking my mind and I can't think of any at this moment.

>> Troxclair: Okay. And I guess I was -- well, I know women's health care is a hot topic and I don't want

to get into an ideological discussion because we probably already have strong opinions about it and I'm not sure we're going to change people's mind, but the last be it further resolved clause that speaks specifically to the state legislative agenda says to support legislation that expands funding for a full spectrum of health services, which I think is a broad statement for us to make when we have an interest in that area. But the one before that speaks specifically to planned parenthood, and I don't understand the difference as to why we just wouldn't express a more broad viewpoint or why there would be a difference between what we're expressing at a state level and the federal level.

>> Kitchen: Could I speak to that? The reason I think it's appropriate is because that's the way it's discussed at a federal level. The -- for better or for worse, and we may have different opinions about this, but at a federal level the legislation is being discussed specifically to defund planned parenthood. So if there's an item in front of either the federal legislature or the state for that perspective that is targeted to a specific entity like planned parenthood, then I do think it's appropriate for the city of Austin to weigh in on that. From my perspective that's the reason for having this in here.

>> Troxclair: Okay. I guess maybe we will just differ on our opinion then. If this is going to be an issue that is important to city council and we want to make a policy statement on it, I think it would be great for us to support a wide range of options for women, not specifically to focus funding to one particular enate.

[11:29:22 AM]

-- Entity. Richard I appreciate that perspective. Maybe there's a way to wordsmith this. My thinking is specifically to be able to give clear direction to our legislative team on how to respond. So we can say -- we could even say something to the effect that to the extent or if there is legislation at a federal level that specifically targets defunding a women's health organization such as planned parenthood, that we are making the statement that we would oppose it. We can work on wordsmithing it, but I think the direction here has to be specific enough to our legislative team that it's clear what we're asking them to do. That's all.

>> Mayor Adler: My concern with this item, as with all items that show up on an item from council is the ones I've spoke about before. Councilmember kitchen, I would hope that the transition as part of the process we'd take a look at this issue in maybe a little broader concept, in kind of a new issue in terms of not just the vetting. There would be some issues I think that would be appropriate to come straight to the council, straight up for a vote. That even said, even with the concern of this showed up on our agenda on Friday and we're asked to make a policy decision on Thursday, which gives us just a few days in order to be able to react to it. By way of disclosure I would say that I'm supportive of planned parenthood and Diane and I help fund planned parenthood. So there's that bias out there. But that said I think there might be times when the council would say coming out of the transition committee that we're going to let things come on if there is two-thirds of the people of the council that are ready to move it forward so as to protect a minority's ability to have more time on something or if there's a time pressure, a vote happening at the state level or federal level that might say we either act now or acting is later and no longer effective.

[11:31:41 AM]

But just as part of the transition we need to take a look at what are those situations and what are the rules and when do we give councilmembers time in between something showing up, being able to then take it out and then have time to be able to vet it with our own constituencies if there's further vetting required or word sleep smithing -- wordsmithing or other things. So that in the situations where it's problematic to do within a few days there's some measure of relief.

>> Kitchen: My question for this one and then I'll let the sponsor speak, would be simply what committee would this go to? Is this a legislative committee item or another committee item? I'll defer to councilmember Garza on this.

>> Mayor Adler: And I wasn't recommending that it go to committee because this might be the kind of thing that doesn't need to go. And one option is to send to committee. One option is to say we'll post it, but give people 10 days to look at it rather than three days to look at it. I wasn't prescribing a solution on this one. I think for me this is kind of been vetted. I'm not sure there's additional stuff to get. I don't know on this one. I was making a broader request for the transition committee to take a look generally. Ms. Garza, did you want to respond?

>> Garza: Yeah. I guess -- first, I feel like as elected officials it's our prerogative to bring forward any item that we feel we're supportive of and if five other people agree with us it becomes a resolution. I'm respectful of a timeline that if some feel uncomfortable in putting this to the next meeting, I don't feel it will change the vote on this issue. And the reason -- I think it's timely.

[11:33:44 AM]

I think it's a big issue and I think it's an opportunity for this council to make a statement. And this council has done it before on other things. I think there was a resolution on the the jail, I forgot what it was, the --

>> The booking center?

>> Garza: Yeah. And the deportations this council has made a statement like this on other issues like that. So if I'm comfortable -- I'm comfortable going forward with it if people want to postpone it until next week. I think the language is pretty broad. It speaks to planned parenthood and that's going to be my reply is that it specifically speaks to that because that is the organization's leader was in front of the senate or whatever and had to defend the organization. So that's why it specifically speaks to that one organization. Then it was a little more broad on the state side because I think that planned parenthood is a part of women's health organizations that the state has to defund it little by little. I'm happy if this needs to be postponed. I don't think it's going to change the vote on this at all.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Thank you, Mr. Mayor. I want to thank councilmember troxclair for pulling this off. I completely disagree that this vote needs to happen immediately. I do agree with councilmember Garza that delaying the vote probably won't change the outcome, but I don't think it has to be done now. I think a pretty clear majority of my district 6 constituents would not support this. I will be voting against it. So I agree that I don't think the time will make a difference, but I don't think it should be done now. But admitting that the vote probably won't be different if we do it later.

>> Mayor Adler: Mr. Casar.

>> Casar: Mayor, given that admission I just think we should vote on it and some folks will vote yes and some will vote no and it will pass and it will state the city's strong position.

[11:35:47 AM]

Why talk about it next work session. Let's just do it. It.

>> Mayor Adler: Anything further? Councilmember troxclair?

>> Troxclair: I guess I too agree that it's probably not going to change the vote, but if -- I guess I will just work on bringing forward an amendment that there's eight references to planned parenthood in this resolution and I think that we could make a broader policy statement that accomplishes the same goals without talking specifically about funding one particular entity. I mean, they receive half a billion dollars a year from our federal government and that money could be used to fund a vast majority of other

providers of women's health services. I'll just work on bringing an amendment forward and we can have the conversation on Thursday.

>> Mayor Adler: Further discussion on this? Thank you very much.

>> Zimmerman: So Mr. Mayor, we had pulled item number 30. I didn't make it on to the list here and I think it would be a very -- a pretty quick comment I would like to make if we could just do that quickly.

>> Mayor Adler: Why don't you go ahead and make your comment.

>> Zimmerman: Item number 30 is about the 60-month revenue contract with collection services for E.M.S. And we ask for some information. I think this was on a prior agenda. And I guess it not postponed. We got some data -- some of our questions are still pending, but we did get some data regarding the amount of money we're talking about. And I don't know is that in your backup material, this form that shows the years 2011 through 2015? And how the uncollected balances in 2011 were 24 million. 2015 it's up to \$121 million. It's a 492% increase in just four years.

[11:37:50 AM]

So I had some questions along those lines and I probably would like to refer this to the all the and finance committee to try to figure out what's going on here. You have a 500% increase in uncollected balances, then something's going on.

>> Mayor Adler: Okay. So if staff could email us about what a delay impacts and send that to committee, how that might impact that item, that would be helpful. Council, moving forward, do we want to go to the briefing on the historic preservation or do we want to continue with the agenda items?

>> Zimmerman: Could we continue with the agenda? Would be my suggestion.

>> Mayor Adler: Ms. Gallo?

>> Gallo: If we have staff sitting here waiting for us to take this up I think we need to take it up or tell staff to come back at a certain time. It doesn't seem like a very efficient use of staff time to --

>> Mayor Adler: My sense is if we don't call it up now we would hit these additional items, we would break for lunch, go into executive session and then come back for the presentation. If we were going to do it that way. Ms. Houston?

>> Houston: I want to thank you for holding off on this particular briefing. So I agree they've been sitting here a long time and if we could go ahead and have the briefing, then break for lunch and come back and continue with the agenda items.

>> Mayor Adler: And we have a department head meeting at 3:00 today so we'll have to book. So the choice is real fast whether or not we -- we're going to be meeting -- we're going to do the executive session, we'll come back, because we have additional work to do. And the question is do we hold the briefing now or the briefing after lunch. My sense is it probably doesn't make much difference because we will get to both of them. How long will the briefing take on historic preservation?

>> Zimmerman: Mr. Mayor, could we do a time certain for the briefing immediately after lunch? Would that work?

[11:39:51 AM]

>> Mayor Adler: How long will it take to do --

>> About 20 minutes.

>> Mayor Adler: Okay. So my preference would be just to have the briefing, break at noon. We'll be doing the same amount of stuff, take -- yes, Ms. Troxclair?

>> Troxclair: What are we discussing in executive session?

>> Mayor Adler: Power. Solar. And we can make that lunch a 30-minute break and then we would be back.

>> Troxclair: I don't know if it makes a difference in the decision, but I need to leave for a previous commitment in about five minutes. So if we do the -- this is an issue that I'm interested in, but I can go back and watch the video if y'all go forward with it now.

>> Mayor Adler:.

>> Mayor Adler: Let's do the presentation at 12:30. We'll go until noon, break for executive session and come back at 12:30 and do it then. Let's continue on and see how many things we can knock out. The -- we'll do the investment policy issue. It was pulled by councilmember kitchen. Did you want to talk about that?

>> Kitchen: No, I'll just go on in the interest of time.

>> Mayor Adler: Item number 48 was long range master plan. I think we just discussed that. That gets us to the tnc issues, 50 and 51.

>> Kitchen: Are we going to break at noon. I don't know if we will get to that.

>> Troxclair: Mayor, I'm sorry, I don't want to confuse anymore, but I'm going to lunch so I'm probably not going to be back. If you made that decision because you thought I would be back --

>> Mayor Adler: You're gone and gone-gone.

>> Troxclair: I will probably be gone from noon to 1:00. But again I'm happy to go back and watch the video. So do what you think is best for the rest of the members.

>> Mayor Adler: Okay. At this point we'll go ahead and proceed this way.

[11:41:53 AM]

Ann, why don't you lay it out, councilmember kitchen.

>> Kitchen: So what I'm going to do is talk about items number 50 and 51. These relate to the tncs and so I'll lay this out and then I'll ask my fellow committee members, councilmembers Gallo, Garza and Zimmerman, if they would like to add anything. So first off by way of background -- and impassing out some materials and I'll explain in a minute what is in your materials. So basically let me talk about the timeline first. And then talk about the two proposals that are in front of us for Thursday. Basically what we're doing and the reason that we're bringing up the issue of regulation of tncs in the first place is because what we're doing is we're building -- we're following off of some directions that were made by the previous council in the ordinance that was passed last year about this same time. So the ordinance that was passed last year directed the city council to review council to review within six months, which we are late on. We were supposed to review this in the spring. But to review the regulations within six months. That ordinance also stated that the previous city council passed an ordinance stating that there would be a fee on tncs just like there are on all other ground transportation. So that was never done and so we're having to follow up on that also. And then the third thing is that the ordinance that was passed last year directed that we look at -- directed that the regulations be viewed in line with -- I can't remember if they said even playing field or whatever, but the direction was out of that previous ordinance to look at the regulation of ground transportation across the board in a way that was equal.

[11:43:55 AM]

So that's the reason that we are taking up tncs at this particular time. So with that said, for this mobility committee let me just give y'all an idea of what we've been doing and the track we think we're on, and just want to -- we obviously need the feedback of the whole council about this timeline. And after I lay it out we can get some feedback on the timeline. So basically what we've been doing, we received our first briefing in the spring at the time that we took up the ground transportation in general and we went through the process with taxis first. So then we took up tncs again in the summer. And so we've had three mobility committee meetings so far that have taken up tncs. The first one was a -- in the summer

was a briefing from the staff again on proposed recommendations regarding tnc regulation. The second one was a full public hearing where we had -- and we were able to hear from everyone who came to that public hearing. And then at the last one, the most recent meeting is when we started to deliberate on the proposed recommendations and the different issues. So what we -- just taking a page out of str's in sense of taking these in pieces. So at the last committee meeting we took up two issues and then -- which was all the time we had to take up those issues and then we determined we would take up the remaining issues at the next mobility committee meeting, which is in November. So that's the timeline that we're on. We had also -- the way that we -- I think I'll go through the motions first and then we'll talk about the thinking about how to proceed with the motions, if that works for everyone.

[11:45:58 AM]

So what you've got in your packet is I will take up the one on the fees first. And I think that's like the third page in. And it's the resolution -- the short resolution right here. So I'm going to run through that real quick. Basically as a reminder, the -- there is existing in our ordinance right now a law in the ordinance that states that tncs will be charged a fee, but that fee was not set. So we're building off of that. So what this does is it says the city manager is directed to initiate an amendment establishing fees. And so our discussion at the committee meeting was, well, how do you measure those fees? There's basically -- our discussion was that there's essentially two components of these types of fees for ground transportation. One component relates to the cost of regulation similar to what we have discussed with other types of fees. And the second component relates to the basically maintenance and the use of the roads. So those are the two components that are considered when you set -- when the fees are set for ground transportation. So we came out of our -- the recommendation that was made out of the committee was to offer an option to tncs about the -- we did a couple of things. First, this resolution offers an option to tncs on which formula or calculation or whatever you want to call it they would consider appropriate to pay. And the reason for that is there's a recognition that there's somewhat of a different model. So we didn't just say the same as taxis. So the first is an option to pay a permit fee, which is just what all the other ground transportation companies do. So this would be the same permit fee that taxicab companies pay, times the number of persons driving for the tnc. Okay. So that was one option.

[11:47:59 AM]

The second option was a percent of the tncs annual local gross revenue. That mechanism comes from -- it's built off of a recognition in state law that allows for up to two percent. I think the committee in our deliberations came forward with one percent because it and to be with the best information we have that might be more comparable to what the taxicabs are doing. You will see the part below the tncs with the [indiscernible] With the number of taxicab permits. We had a new tnc company that had a small number of drivers to get into the market it might be more appropriate that their choice of number one might be a lower level than the 550. So we did that. Now, we also requested some additional information from the staff which they are working on, and that has to do with cost of service, what is the cost of regulation. I guess cost of service may not be the right term, but what is the cost of regulation. And also -- I believe councilmember Gallo had asked for that information and I think councilmember Zimmerman also asked for some other information that would be another way of looking at calculations that related more to like a proportional fee. So I wanted to bring that to your attention. The last thing I would bring to your attention with regard to this particular motion is this item, which was in your backup. Do y'all see the grid in your backup? This was the comparison we did back in the spring between all the ground transportation regulations and tncs. And you will see the permit costs

that's near the bottom. Currently tncs don't pay any fee, but you can see the range of fees that are paid by the other ground transportation from 450, which is paid by taxis.

[11:50:05 AM]

That's an annual fee per driver, down to about 250, which is paid by pedicabs and horse drawn carriages. So that just gives you the information about how we do charge all other ground transportation and to give you the range of how we charge them. And the last thing I would say and then open it up for this particular item for any questions or anything else anybody wants to say, is in discussions with tnc companies when we asked them from the dais as part of our mobility committee discussion, they did say that they understood that there was a fee and they expected to pay a fee, so I think the question is what's an appropriate fee, what's the appropriate calculation? And that's where we came forward with this recommendation. So councilmember Gallo or Garza or Zimmerman, is there anything that you all would like to add to that?

>> Garza: I'm trying to think. I'm sorry, I had to step out for a second.

>> Kitchen: We're just talking about the fees right now.

>> Garza: Okay, the fees. We were trying to -- the level playing field is a big part of it, but I know there was discussion on we recognize there are different, they do provide different services, but there should be some fee associated. I don't know if councilmember kitchen touched on it, but both tncs said they were prepared to pay a fee, they expected to pay a fee, but there seemed to be disagreement or no resolution on what that fee should be. So the one percent was kind of a compromise from the two% that state law provides. Also recognizing that a tnc couldn't really do the 450 per permit because they have people that come on and off their platform.

[11:52:08 AM]

They have people that drive for a couple of days and decide they don't want to do that. So it would be a fee that was cost prohibitive for the driver or taxicabs. We're just trying to find options, you can do it this way, this way, here are some options. So that was my, I guess, thought process as we went through the fees.

>> Zimmerman: Yes, thank you. We did have a pretty extensive conversation and with full disclosure I was the one vote opposed to moving this forward. So just to get that out and be clear I was opposed to all of these regulations and fingerprint demands and fees and what have you. But again, what was the state law exactly?

>> Kitchen: There's a state law --

>> Zimmerman: Local government code something.

>> Kitchen: I'm so sorry -- there's a large amount of background information which I will make sure and post that and get you the citation, but what that particular section says is that it recognizes the authority for municipalities to charge a fee on ground transportation related to their use of the roads. And then it sets a max. So it says --

>> Zimmerman: It was use of the roads. I thought it was an administrative fee, kind of like recouping fees that were necessary.

>> Kitchen: It didn't speak specifically to regulatory cost it spoke more to -- that might not be the right term, use of the roads. But it didn't speak to regulatory cost. It was more of -- I don't know if it said maintenance or -- maybe our staff can speak to that.

>> Zimmerman: Maybe they can. The reason I'm asking is because I do have concerns about the legality of it. And kind of the way I looked at the tncs, they seem to be regulating themselves pretty well. They're a market based company. The people that use the application to get rides, the people that sign up for

driving it. It just seems like they're an incredibly efficient model of how a market is supposed to work. You have drivers that sign up voluntarily. You have riders that sign up voluntarily. They're regulating themselves, have their own policies in place.

[11:54:09 AM]

We don't need to do anything to them. And so that's why the questions come up and I keep asking this is if you have a business company that's regulating itself, the consumers seem to be very happy with it, why are we even doing any of what we're doing? I can hear the argument that the tncs are resulting in more driving on our roads, which would make the roads wear out faster. Now that makes rational sense, but I don't know if that's legal under the law to charge additional fees compared to what other drivers charge?

>> Lela fireside for the law department.

>> Microphone.

>> Sorry. Lela fireside for the law department. It's Texas transportation code 505.003, and it authorizes the municipality to impose a fee, a permit fee or street rental charge for the operation of each motor vehicle used to transport passengers for compensation other than a motor vehicle operating under a federal permit.

>> Zimmerman: That helps.

>> And the fee charged cannot exceed two percent of the annual gross receipts from the vehicle.

>> Zimmerman: Say that last part again?

>> The fee charged may not exceed more than two percent of the annual gross receipts from the vehicle.

>> Zimmerman: Annual gross receipts, okay. That sounds like it's written for taxi companies, doesn't it? How would I know what the gross receipts would be from a tnc car? I think we do have that information for taxis? We know how much they're driving?

>> Kitchen: That goes to a whole other -- I'll just say one thing here. I mean, you know, I would respectfully disagree with you that this is an industry that should just go off and regulate itself.

[11:56:11 AM]

Our public safety is really at issue and that's our job as a city, to protect the public safety. I would probably agree with you that our regulation does not need to be onerous and I would agree with you about all ground transportation on that. But I certainly wouldn't agree with you that this is an industry that needs to just go off and regulate itself. But with regard to your question on the fees,, you know, I think that what we are trying to work through -- first off, I think that a fee is absolutely appropriate. Our staff has certain things that they have to carry out. And just because we're trying to get certain information from tncs, that doesn't mean -- they can't just say I'm not going to give you information so therefore you can't charge me a fee. I mean, to my mind that doesn't make sense. So what we're trying to do is work through our process or work through an approach where we can get the information and we can then charge an appropriate fee.

>> Mayor Adler: Okay. Yes, Ms. Gallo?

>> Gallo: I think one of the underlying components of our discussion of -- in that chart that is in the backup I think presents it very clearly with how different transportation companies are treated differently, but the 2015 ordinance said that the city manager is to treat with equity tncs and taxis and other vehicles for hire. So I think that was the bottom basis for our thought process. But I do think that we tried to be sensitive to the issue of tncs having a business model that perhaps they had several situations. One, they may have more part time drivers so a per vehicle fee like the taxi franchise might

not be as appropriate for them because part time drivers wouldn't be generating as much fees.

[11:58:13 AM]

So we felt like doing the percentage option in addition to the per vehicle option it did give them the ability to perhaps pick a different fee structure that would work better for their business model. Now on the same token if their business model was the same that they were reluctant to provide the city information on their total fares then they would have the option of the per vehicle. So I think it really did give flexibility for the type of business and the business models that the tncs had, but also address the equality with our other transportation companies in the city of Austin. So everyone is on a level playing field. But they do have some options there. Our hope was and we did ask the transportation department to give us more information is that by adding this fee from the tncs it may very well be that the cost to provide that service from the city department would allow a reduced can fee to be put in place at some point. And I think that what was indicated to us is that after about six months or so of evaluation it may very well be that we might be able to reduce that per vehicle fee for all of the transportation entities. And that would be cost savings to the companies, to the drivers and better for all those companies that are participating and giving riders an option.

>> Kitchen: I just wanted to --

>> Casar: I just wanted to express thanks to the committee for working on the issue. I know it's a contentious one. If and when we do include some level of fees, I know we included in our budget an increase to the transportation user fee in order to do some of this regulatory work so I'm interested, once this comes back, for y'all to help us know whether are we then considering a gradual decrease in the transportation user fee since we'll be regulating through this fee or are we going to maintain that level of fee perhaps more goes to maintain and roads or of what you.

[12:00:14 PM]

By passing this, we'd be collecting more revenue, I'd be interested in how it is we budget that. Second, y'all can perhaps -- maybe you know the answer just offhand. I know the tncs traditionally have this 80/20 split of revenue from fares with their drivers. Do you know if local gross revenues would include the 20 -- I guess what I'm trying to figure out is if this is really .8% or if it really is a full 1%, when we calculate local gross revenue -- maybe this will be worked out in the ordinance. Does that gross revenue include the 100% of the fare and they distribute that 20% back to the driver or would the tncs be claiming their local revenue is -- excuse me, I it flipped that, would the tncs claim that under our ordinance that they only are getting 20% of that fare and that is their gross revenue or is their gross revenue all 100% that's being generated and then they distribute 80% back to the driver? The reason being that it sounds to me from y'all reading that piece of transportation code that they are really talking about we can charge up to 2% of the revenue generated entirely by the vehicle, which would include the 80% that goes back to the driver is what we're authorized -- sounds to me like what we're authorized to do. You may not have the answer to that right now but I guess my question is are we really charging 1% or are we charging actually .2% of what's being generated by those fares?

>> Kitchen: I'll tell you our understanding from Houston, who charges the 2%. My understanding is it's on the whole amount but we can go and ask them. Also, my understanding is that we're authorized up to the whole amount on the 2%. But, again, that's a policy question.

>> Casar: Sure. So it is 2% of everything paid by riders?

>> Casar: Right. Again, this a policy decision, what we want to charge. Again, what we were trying to do is make this comparable.

[12:02:16 PM]

So a -- you know, a taxi going to councilmember Gallo's point, you know, what would be comparable for tncs to 450 a driver or can we lower the 450 a driver for the taxis and if we can get a comparable level? In other words, the thinking is to be fair and equitable across all these ground transportation companies, that there needs to be some analysis that -- that's fair and equitable across all of them, and you bring up a point that probably relates to the driver's portion of it, but I would just remind everyone that the taxis -- 450 per taxi, that's pushed down to the taxi driver right now. So for good or for bad, that's what's happening is our drivers are paying a portion of that fee right now.

>> Casar: And I was asking for clarification entirely to know.

>> Kitchen: Sure.

>> Casar: Just what it is. From my perspective, I'm more interested -- less interested in setting things just to be sort of the same on both and more interested in what it goes to pay for and what the need is what what we're authorized to do. Just generally, I would want -- I think it would be helpful to know what the cost of regulation is and then what the externalities that those companies are causing to our roads and just charge fairly based on that to both of them.

>> Kitchen: Yeah. To my mind it's -- you know, I guess I'm operating off the assumption of a level playing -- I can't say it playing field and fair and equitable because I'm operating off the assumption that the regulatory burden and the use of our roads is equivalent for all of our ground transportation. So I'm not seeing a policy difference between charging tncs a certain amount or formula and charging taxis or other ground transportation a different amount. So. . .

>> Mayor Adler: Okay.

>> I agree.

>> Mayor Adler: Mr. Zimmerman?

>> Zimmerman: That's good. I brought this up in our meeting, that the one thing that was common between the taxis and tncs, you know, irrespective of the big differences in business models, they're both driving for hire on the road.

[12:04:28 PM]

If we came up with a metric that had number of miles driven by all the taxicabs, number of miles driven by the tnc drivers, it's all mileage. And it could go into a formula where if you're a taxi franchise or if you're a tnc, it doesn't matter. You drove a certain number of miles. We collect a road-use fee and it goes into the city's fund for maintaining, you know, the city roads and it will be fair and equitable. That's a level playing field. Number of miles driven for taxicabs, number of miles driven for tncs. And that data is not extremely difficult to know. That data is known. So it seemed like a solution I could certainly live with.

>> Kitchen: I know that -- I don't know if our staff is prepared to speak to that or not. I know they've been working on that. Is that something you need more time for or are you prepared to speak to that, to the formula that he's talking about?

>> Gordon, Austin transportation system. One data set that we have is taxis, so taking taxis for the last year, we did -- they drove about 50 -- 37 million miles, which about 17 of that was revenue. We collected 340,000 in fees so that works out to about 2 cents a mile. If you calculate the 2% of the revenue, that would be about 6.4 cents per mile. So we're -- that would be about a third of what we could collect under the city -- I mean, under the state law. Again, the state law speaks specifically to gross revenue and not to vehicles and all its travel.

>> Mayor Adler: Yes, Ms. Houston.

>> Houston: Mr. Doctor -- Mr. Derr, thank you for that. How would we collect how many miles a

transportation network company would run?

[12:06:31 PM]

How would we get that information?

>> We would -- they would self-report their mileage as the taxi companies do for us right now. So --

>> Houston: So each --

>> There would be a certain level of --

>> Houston: Each transportation network driver would have to self-report how many miles their car drove or would the company have to report that?

>> It would be a report from the company.

>> Houston: Okay.

>> I would assume. But likely --

>> Houston: Then the company would give that information to staff?

>> Yes.

>> Houston: Has the company been willing to give us additional information that we've asked for in the past?

>> They've been reticent in all -- all information provided to us has claimed to be prior propriety, so the taxi information is available N the public record so that's why we felt it would be the best way to communicate what the potential was per mile.

>> Houston: Thank you.

>> Mayor Adler: Any further conversation on fees? Okay. Then we're going to go ahead -- sorry, Ms. Kitchen.

>> Kitchen: I would just ask -- sorry. I would just ask, you know, we're here to provide information that you might need to deliberate on this so I would just ask if anyone has any other information that they need to understand about the fees, to please let me know. You can post it on the message board. I will commit to posting what we talked about today, and to get to the questions that you asked councilmember Casar. So it would be very helpful to understand if there's any other questions that people have on the fees.

>> Mayor Adler: Okay. Yes, Ms. Garza.

>> Garza: I wanted to add for context for those not on the mobility committee, this really was an effort to find a compromise in what the tncc explained to us, what they could and couldn't do, and our need to reimburse for the administration of whatever regulation we decide to do, in addition to, you know, making sure that we're -- we have funding to repair roads that are being used.

[12:08:47 PM]

I also want to point out that, you know, this started at a \$1 per fare discussion and they, loud and clear, said that is way too high. And we listened to all of that. This really was an effort. I've been disappointed in how it's been framed, that, you know, this is an effort to get rid of tncc. And to come to councilmember kitchen's defense, she's been, you know, put out there and councilmember kitchen is trying to stop tncc from coming and, you know, and I just think that's really unfair because it was -- this was really an effort -- we said, loud and clear, tncc are important to our transportation network. We just want to find a way to ensure public safety and make sure we're setting an appropriate level of regulation. And so I just wanted to add that as a context.

>> Mayor Adler: Okay.

>> Kitchen: Thank you. I'll move on to this. You want me to move on to the second for a moment.

>> Mayor Adler: Let's go ahead and break.

>> Kitchen: Okay.

>> Mayor Adler: We're going to break and go into executive session to talk.

>> Kitchen: Okay.

>> Mayor Adler: City council is going in closed session to take up one item of the government code, we're going to discuss item e2. E1 has been withdrawn. Any objection? Hearing none, council will now go into executive session. We're going to come out as close to 12:30, 12:40 as we can and we're going to have a briefing on the historical preservation and then we'll come back to complete tnc.

>> Is anything going to be withdrawn?

>> Mayor Adler: With respect to items that may be withdrawn, item number -- Ms. Houston? When we come back, one of the items that was originally pulled but then taken off being pulled was bluebonnet hills historic district. You had mentioned an interest in hearing that. Do you need that pulled? Okay. It looks like item 60 and 69 are going to be pulled.

[12:10:51 PM]

While we're here, item number 71, which is the mcmansion items, is it the incident to postpone those? That was items 71 and 72.

>> One of those. I don't have my notes in front of me. I thought one of those at least was being postponed. But I think Mr. Rusthoven is in the --

>> We'll check. I'm not sure.

>> Tovo: General area.

>> What I saw posted on backup was for item 72, postponement request. But I did not see one for 71 yet.

>> Tovo: Yeah, I think that jives with what I remember.

>> Mayor Adler: 72 being postponed by 71 still being heard? Okay. So it looks like 60 and 69 will not be heard this afternoon.

>> Tovo: And 72 as well.

>> Mayor Adler: Well -- and 72.

>> Tovo: Mayor, are we still going to have a briefing on the local historic districts.

>> Mayor Adler: That's what we're coming back to at 12:30. You did just say that. Thanks.

>> Mayor Adler: Let's say at 20 to 1:00 we'll being back. Okay.

[Recess]

[1:51:24 PM]

>> Mayor Adler: So we're going to gear this back up. It is -- we're out of closed session. In closed session we took up and discussed public power utility competitive matters related to item e-2. It is 1:52. Before we move on to items, we're going to lose staff here in big Numbers in about 40 minutes, so we have to decide how we're going to use the time we have. Coming out of the Austin energy discussion I would just state for people that are watching this, that the conversation that we had began with conversations about cost and contract pricing, but then went to a lot of related areas that went beyond contract pricing, that were related to other elements of the contracts, security issues. We spent time talking about the location of plant issues. And one of the conversations that we had talked about what the net revenue was of the different contract groupings. We've asked that information to be any proprietary or confidential information to be taken out of that so that it can be posted as best it can so that the public can understand the conclusion that the net revenue loss in year one for increases over the initial purchases already approved is about three to four times more expensive on an incremental basis because of those additional elements that go beyond just contract price. So I mention that because I

think that's going to be an important issue. We've asked staff to put that in the material so it can be discussed. The other question that we asked specifically again was do we -- if we increase the amount of solar that we have would that result in a reduction of the time or the amount of gas plant operation we have?

[1:53:30 PM]

And we've been told again in pretty uncertain terms coming from Austin energy that the answer to that is no, that we don't run the gas plants except when the gas plants are in the money. So whether or not we buy solar is an independent issue as to whether or not or when we run our gas plants. So I point those two issues out there. I think that's information to share. Are there any items on this agenda that we would be bringing up that we want staff here to speak with us about? Because we're going to lose staff and we could continue discussing issues amongst ourselves, but are there any issues that were pulled on this agenda. We've already talked about the density program, the secondary dwelling units. Adu something that we could discuss. We have short-term rental conversation. We have the bluebonnet hills historic district, which is not going to come up. And then we have the mcmansion item. So I think we're down to the tnc, the secondary dwelling, the short-term rental and then mcmansion. Do we need staff for any of those items? Then we have the historic briefing. If we don't need staff for any of those items do we have the historic briefing?

>> Kitchen: I would like to finish the tnc if possible. I thought we only had another 40 minutes for our entire time. Did I hear that right.

>> Mayor Adler: We're losing staff at that point in time. We could stay here -- there were people that were willing to stay here. The question is losing staff. It looks like the only item that we're going to lose staff from is the historic preservation briefing so let's go ahead and call that up and then we'll come back then to the tncs.

[1:55:38 PM]

>> Tovo: And mayor, I'm sorry I was just out when you were having this conversation. I just wanted to let the group know what I had indicated to you earlier and that is that I need to leave probably by about 2:20 and I know there may be questions about the amendments I've proposed for these or for the short-term rentals but I'll just have to address those on Thursday or on the message board and I apologize for that.

>> Kitchen: Could I ask a quick question? That's on the ads and centers str -- strs.

>> Tovo: If there were specific questions. I have a process question. Just the same process question I had earlier. Is this an open public hearing or did we complete that? What kind of testimony are we going to have for those?

>> Tovo: It's up to the group but both went through council committees.

>> Casar: And we had the full hearing at council as well.

>> Kitchen: That answers my question.

>> Casar: We've had four hearings on it.

>> Kitchen: The last process question, the time certain you were asking for was the density?

>> Tovo: Yes. I know that several of us at least have probably received a request for short-term rentals as well, but I had already submitted one for another item.

>> Kitchen: Well, and I submitted one. I talked about 2:00 earlier, but I think moving it to 6:00 would be fine on the tncs. I just meant to put that out there.

>> Mayor Adler: Do we just want to call and indicate we may -- I'm conscious of your issue which is to try to give notice to people so tncs being at 6:00 is fine with me as well.

[1:57:42 PM]

>> Kitchen: Okay.

>> Mayor Adler: Ms. Gallo. Ms. Garza.

>> Who signed up to speak and I just wanted them to understand -- I don't think we closed the public testimony, but I could see where it would be limited to the -- I just wanted to know.

>> Mayor Adler: We limited that last time down. I would see us limiting it again. We had an allowance that went past the four and four last time, I think we went to [inaudible]. We've had excessive -- probably will set some kind of limit within 30 minutes. Otherwise it would be eight minutes a side. This is an important issue so somewhere between eight minutes and 30 minutes I think.

>> Garza: Sounds good. I just want to be clear we will be allowed to have public comment.

>> Mayor Adler: There is some public comment, yes, but it will be limited. Anything else?

>> Kitchen: I think -- I think it's important for people to know -- I just think people show up with certain expectations so it's clear --

>> Mayor Adler: Let's ask the question. The first is we're going to have an issue this comes up, the first question are we going to have any public debate at all and the next question would be how we limit that public debate. We can't really take a vote because we can't take actions, so --

[1:59:57 PM]

>> Casar: I would be happy to hear 40 minutes debate and leave it up to you to make sure if there are folks that signed up for and against that we have some representation of those different voices, but it's an important vote and so, again, hearing 45 minutes of testimony is -- it's going to be a busy day but I'm ready to hear it.

>> Mayor Adler: Ms. Houston.

>> Houston: I think we need to have limited debate so that would be eight and eight or 15 minutes for each side and then they could determine how people can get in that 15 minutes.

>> Mayor Adler: Yes, Ms. Troxclair.

>> Troxclair: Since it's something that we've had -- I don't know why we would deviate from the four and four.

>> Kitchen: I would say four and four if that's all right with the sponsor.

>> When this came -- when it came before council they compromised and agreed to a compromise. I think there was over an hour of testimony people signed up and said they would be acceptable for 30. So I just want to point out they have compromise and there was -- [inaudible]. My preference would be the 30 and 30 but I'm open to compromise.

>> Mayor Adler: Total debate on the solar issue, I would suggest people get together and talk about the order that they have and also incorporating that time period, people that might be speaking neutrally.

[2:01:58 PM]

Do we want to decide what we're going to do on the short-term rental issue? Same thing? Short-term rental has also been discussed on several occasions. I'll treat that the same way unless someone indicates otherwise.

>> [Inaudible]

>> Kitchen: So that would be following the four and four standard that we set up? That one did go through public hearing.

>> Mayor Adler: It did. 30 minutes a total because I think there are additional issues that have come up and I'm fine -- if council wants to do that. Ms. Tovo, do you want to do any more -- is.

>> Tovo: On the short-term rentals? I think providing for a little more testimony on either side makes sense to me, but again -- mostly I'm at this point really just anxious [inaudible]. Most of them came from the community. They were direct responses to suggestions they had made and so --

>> Mayor Adler: Okay with the four and four on short-term rental? My sense is yes we're going to do four and four on the short-term rental. That gets us to the Adu. Questions? Ms. Houston.

>> Houston: Mayor, I'm sorry, it seems like if all this is going to come up Thursday there needs to be consistency in what we do on Thursday and I'm not saying that we go away from four and four, but we have the 30 minutes and that's 15 each side and then they could traunch together who they want to talk.

>> Kitchen: You were waiting to use that word.

>> Zimmerman: Ms. Houston has made that a verb and noun and adjective.

[2:04:05 PM]

>> Your rules do say if it's gone through a committee, so if you want to be consistent.

>> Mayor Adler: But my sense is every one of these has had a public hearing at this point.

>> Kitchen: Some of them did.

>> Mayor Adler: So I'm fine with what I said earlier, back to the 30 minutes portion of the -- with respect to Adu and --

>> Casar: Mayor, I'm looking at it now, but I believe it's the public hearing is closed on accessory dwelling unit code changes, but I could be wrong.

>> Mayor Adler: Check that.

>> Kitchen: While we're doing this, on the tncs we had a full public hearing so our expectation will be the four and four.

>> Mayor Adler: Okay. Four by four and hearings otherwise closed. Okay.

>> Let me go over the time certains one more time.

>> Mayor Adler: The time certains we're aiming for would be 4:00 on the density bonus and 6:00 P.M. On the tncs. It looks like the others have gone to committee are going to be four witnesses each side, two minutes each unless the public hearing has been closed. As posted.

>> Troxclair: Is there a reason we wouldn't have a time certain earlier in the day like 2:00 for the density bonus and then we could move the tncs up to 4:00?

[2:06:14 PM]

>> Sure. The request was really to get it as close to the end of the day as possible because some of the people who are coming need to come after work hours and so 4:00 doesn't completely accomplish that, but that's easier than mid-day. For them.

>> Mayor Adler: Okay. Presentation. Yes.

>> Tovo: I apologize, but since I'm going to miss the Adu discussion, I wanted to call my colleagues' attention to there was an amendment made at our committee meeting that I have asked some -- that I believe we should consider a little more thoroughly and I submitted some questions through the Q and a process to get at what some of the impacts could be citywide and none of those answers are posted yet but as part of that I've also requested the single family 2 maps be made part of our backups so you can see where the areas are, where that would be relevant. Sorry, I know that's -- I submitted a lot of questions and hopefully there's a map coming as part of the backup.

>> Mayor Adler: Great. Thank U. The briefing these.

>> Steve Sadowsky, planning and zoning division, planning department, sorry, and I'm pleased to present this briefing to you about our historic preservation program. Our program was established in 1974. It's had a number of revisions and I will touch upon those. Really I wanted to talk about the highlights of our program, especially the types of cases that you all are bound to see. I'm going to talk about city historic landmarks. We have 600 of those and the process of designating a landmark. Local historic districts because this is what the direction of the focus that we want to take in designating historic areas of the city rather than individual buildings.

[2:08:17 PM]

Briefly touch on demolition and relocation. These can result in historic zoning cases that you all would see. Demolition by neglect and I also want to talk about the economic benefits of historic preservation in the state of Texas. Let's talk about our landmarks first. As I said, we've got 600. Landmarks can be owner occupied, commercial properties. They need to be at least 50 years old. They need to maintain their historic appearance and then they need to have significance in at least two of the following areas. Architecture is the obvious one. But several years ago we made changes to our designation criteria so that we're not just looking at high style architecture, we're looking at excellent examples of other types, utilitarian type architecture. Houses like this in Hyde park which is a wonderful example of a bunk -- a bungalow. And then we've got another example on red river street that was recently designated as an historic landmark. If the house has historical significance it has to have one more type. Here's a house at the corner of rosewood and northwestern avenue, a great example of a utilitarian-type bungalow bow its significance lies in the fact -- she was a freed slave and gave her narrative as part of the Travis county slave narratives and this is part of the educational function of historic preservation. This is the colin Yearwood house in east Austin.

[2:10:18 PM]

Dr. Yearwood was a very prominent African-American physician in Austin. The house also has architectural significance because it's a great example of vernacular Victorian house. This is the home in east Austin and the guardos are prominent in the hispanic community in east Austin. They ran a store and this is all part of telling the story of the history of Austin. It's not just the most prominent people but the people who really make up our community and make it run. The victory grill on east 11th street has historical associations and community value. This was the center of African-American must call life and -- musical life and center of the African-American community on the east side. You can see architecturally it doesn't have a whole lot going to it but its importance to the history of the city cannot be overstated. Community values obvious through our museums like the Elizabeth ney. But community value is also in more modest buildings such as sweet home Baptist church which is the heart of the Clarksville national register historic district. We also have landscape features. The 24th street bridge which some of you may think how is that important. Without this bridge we wouldn't have had settlement across shoal creek. This bridge is extremely important in telling how the city grew over the years. Our landmarks are designated by the city council. They first go through the historic landmark commission. The appropriate land use commission, generally the planning commission and come to you the staff recommendation and recommendations from both commissions that have heard the case. Once a house is designated or a building is designated as a city landmark, the property owner has to get a certificate of appropriateness to do any work on the exterior on site of the property and this is because these landmarks are the most significant buildings that represent our community history. And we want to have the oversight of the historic landmark commission when they are proposing a change to the

exterior or site to make sure that significance isn't compromised through an unsympathetic change.

[2:12:34 PM]

We do have administrative approval and that is where it's usually a minor project, it's set out in the code as to what I can approve or my office can approve, but not every change to a landmark has to go through this process. We do have the power to administratively approve a lot of projects. City historic landmarks are eligible for a property tax exemption. I just want to tell you almost every single jurisdiction in this country has some sort of financial incentive for historic preservation. We don't have a state income tax, we have to rely on the property tax as a way to provide a financial incentive for the owners of historic properties. In a lot of other states it's an income tax deduction. For owner occupied properties they are eligible for an annual property tax exemption which is based on 100% of the structure and 50% of the value of the land for the city and county and then you divide those in half for aid. Income producing properties are half of what the city, the county and aid. We have caps on this. We have -- let me go to that slight. We've had numerous discussions about the propriety of our historic tax exemptions. And over the years councils have made various changes and they have instituted caps for new landmark cases and a change of ownership in older landmark cases. We have a three-tiered system for landmarks designated before December 1st of 2004. If it's under the same ownership as in 2004, they get their full exemption. From 2004 to 2012 there's a cap of the greater of \$2,000 or 50% of the ad valorem tax that the city would otherwise levy on the property. For landmarks designated after December 31 of 2011, there's a cap of 2500.

[2:14:40 PM]

The county also has a cap of \$2,500 and aid has instituted a cap of \$3,500. So for new landmark cases that are coming through to the council, there is the most that that property owner can get off their property taxes is \$8,500 and that's whether the house is worth \$70,000 or \$7 million. It doesn't matter. Now, they have to be able to reach that cap. We still put that proportion in the calculation so if somebody's tax exemption wouldn't be \$2,500 under those calculations, they don't get \$2,500, they get what it would be. This is just putting a cap on the maximum. That is for owner occupied residential structures. We don't have caps on income producing properties. Let me go back now and let you know that our process in going through these tax exemption applications is that the owner has to file an application. This is not automatic. They file an application with us and the appraisal district. They also have to file an affidavit stating that the property is in need of tax relief to encourage its preservation and that's pursuant to the Texas tax code. And I want to point out something very quickly here is that the property is in need of tax relief, not the person. We're not looking at the person and their income and wealth when it comes to the tax exemption. These tax exemptions are based on the building and its need for preservation because of its importance to the history of our community. We also inspect every single landmark every year and we make sure that these landmarks are being kept up simply again because of their significance to the community.

>> Gallo: If I could stop you there because I just want to ask a question about if -- so you inspect the properties each year.

>> Yes, ma'am.

>> Gallo: And if you -- it seems like what we're intending this relief to be is an ability for the owner of the property to use that money to keep the properties in appropriate condition.

[2:16:46 PM]

If upon your inspections you are seeing that's not happening, then what approximate is the protest for eliminating that -- process for eliminating that tax benefit Fort Worth for the following year -- for the following year?

>> Actually it would be for the same year. What we try to do first is work with the owner to get them to address what we see as issues on the property because our interest really is in the preservation of the property. And it's not the property's fault if the owner is being neglectful so we try and work with that owner so they will take care of the property. If that doesn't work and we set a time line for that, you have to do this by this date. If that doesn't work, then we recommend denial of their application. And usually that is enough of a penalty that the property owner will then come in and fix the property. If the condition persists, we have the ability to file a demolition and neglect case. So and that is again another opportunity to work with the property owner, to resolve the issues that are threatening the continued viability of the property and if that doesn't work then it really turns into a code compliance issue and code compliance can issue fines.

>> Gallo: But I guess my question would be even if properties have been maintained in good condition, it seems like the intention of these tax credits is to allow the owners to have the ability of a source of funds to continue to improve. Do you look for that also or are you just looking for situations where the properties are deteriorating and not being fixed up? We did this for a reason which is to keep these preserved appropriately and I just want to make sure that the money that we are losing as a city with these tax credits is actually being spent on these properties.

>> Yes.

>> Gallo: Seems like that's the intention.

>> That is the intention.

>> Gallo: Do they show you invoices? When you do the inspection, is there a conversation that says we've spent -- we've done this this last year and here's the amount and it exceeds equal to the tax benefit?

[2:18:55 PM]

>> We have not gone that far, but each property owner files an affidavit saying that this property is in need of tax relief for its preservation because. And then they fill out the reason. And we review those with our law department to make sure that those are sufficient. You know, it's not something that a property owner may have to do every single year. But they may have a huge project, rehab project or restoration project that they then amortize over a number of years with their --

>> Gallo: That makes sense. I think that's a really appropriate use. I think we all really want to make sure that we maintain the historical nature of the valuable properties that we have, but I just want to make sure that we also have checks and balances so that it's not abused. But it sounds like your department has a system in place that that's monitored and if it's not happening and the funds aren't being spent and placed back into the property for renovations and improvements, then you have a system that -- that watches for that.

>> We do. We do.

>> Gallo: Thank you.

>> Mayor Adler: Let's hit on local historic --

>> I just have one more question. But there is not a requirement for a property owner to spend incentive that they received on the house. That's not a --

>> No, that is not a requirement.

>> Troxclair: So -- okay.

>> Well, not on an annual basis. The other thing that -- you know, that I want to bring up is that landmark designation also involves a loss of property rights. To a certain extent. And our tax exemptions

not only help the property owner maintain the property, but they also are designed to -- I don't want to say compensate because that's not really what it is, but when a landmark owner, say, has a rotted window, they have to replace that window in kind.

[2:21:00 PM]

They can't go to the local chain hardware store and say give me a vinyl window. So their maintenance costs are by definition significantly higher. And it's because they don't have that option. So not only the maintenance but also the fact that they are following specific city rules and they also have to go through the process of getting a certificate of appropriateness which a nonlandmark owner does not have to do.

>> Mayor Adler: Okay.

>> Okay. Let's talk about local historic districts because this is the way that we have seen our preservation program move forward into the future. Up until now we really have been doing preservation on an individual basis one house at a time. The national districts have not proved as effective as we would like to see them so about 10 years ago we instituted local historic districts and this is something most other cities in the country already had. I used to joke we wanted to see how well they worked in other cities because we introduced them in Austin. They have worked unbelievably well in other cities. We are still going through growing pains with local historic districts in Austin and will continue to do it, but we have three local historic districts right now and they are all doing exceptionally well. Local historic districts instead of focusing on an individual building as what we are preserving, we're really looking at a collection of interrelated buildings. These buildings share a history and they share a common architecture. Local historic districts provide a greater bar to demolishing contributing structures and those are the ones that really make the architectural context of the district viable. There are design standards which are included in the preservation plan and these apply to new construction and for additions to existing contributing buildings, and we also have tax incentives for rehabilitation of contributing buildings.

[2:23:10 PM]

But in historic districts these buildings are not individually significant as landmarks. In an historic district the tax exemption or the tax abatement, I should say, is for rehabilitation. If you are the owner of a contributing building in a locally designated district, then you apply to the landmark commission for a certificate of appropriateness to do certain work. You have to spend a threshold of money on the property. A certain percentage needs to be in rehabilitation. You get approved for that work by the landmark commission, you do the work, we then go out and inspect the work, make sure it's done the way you said you were going to do it, and then the property taxes from the city only at this point on the added value based on your rehabilitation are abated. For owner occupied properties it's for seven years, for income producing properties it's ten years. It's only on the added value that this rehab would provide for the abatement of the additional property taxes. And after that's over, then the property is reappraised and property taxes would go to where they would normally have been. We have three local historic districts -- districts right now. Bluebonnet hills coming up on Thursday. We have several others in the pipeline. To qualify as a locally designated district at least 51% of the primary structures within the district have to be contributing to its architectural character. And you need the support of at least 51% of the property owners or the owners of 51% of the property within the district and that's at the time that my office accepts the application. So we have provided you all with bluebonnet coming up. As you all recall the level of support overall, but really the only time that that figure counts is when we say that the application is complete and we move it forward.

[2:25:13 PM]

>> Casar: Mayor?

>> Mayor Adler: Yes, Mr. Casar.

>> Casar: How many primary structures are in the three we have existing and is there any best practices to how many -- how big or how small the district should be?

>> Our code says -- I'll answer the last part of your question first. Our code says an historic district needs to be at least one block phase. Harthen street is the smallest. I think there's nine or ten properties on that. Castle hill is the one in the middle. That's got maybe 70, 80. I would have to -- I'm not familiar with the Numbers. Hyde park obviously is is largest and it's from 38th to 45th street in between Guadalupe and Duvall so there's -- bluebonnet has a little over 100. It's bigger than castle hill, not as big as Hyde park.

>>> I have a question. Is that rule set by ordinance or a policy?

>> No, that's actually in our code.

>> Okay. Thanks.

>> I'm sorry, which part?

>> The 51% matters at the time of application.

>> That is -- that's actually in the code, but it is policy as to when that actually applies. That part is not in code.

>> Garza: Okay, thanks.

>> Here's just a map of the castle hill historic district to show you how these are set up. There's buildings that are designated as contributing shown in the dark color. The landmarks within the district and then the buildings not contributing to the district. The buildings that are not contributing to the district don't go through the same process as the design standards because these buildings are usually noncontributing because of their age.

[2:27:19 PM]

Really tailored for the rehab with older buildings and to take a building, say a house built in 1985 and apply these design standards just doesn't make a lot of sense. So owners of noncontributing buildings do not follow the same design standards. They are not under the same responsibilities.

>> Renteria: So what you are saying is that the homes that are not contributing doesn't require -- I mean they can go on and remodel their house any way they want to? That's right.

>> Who decides the boundaries?

>> The boundaries, actually in our instruction packet for the nomination, what we try and do is -- I mean because these have to be unified somehow or united somehow we really start looking at individual subdivisions as the boundary it should meet. And you may look at that and say, well, there's been so many changes that really the core of that subdivision is this area so you can whittle it down to what really makes sense as an historic district. But we really want to look at something that makes sense from the beginning and that would be the original subdivision or, you know, the original plat. Frocks transaction I'm just looking at the --

>> Troclair: I'm looking at the top middle like why the rest of the houses on that block are not included. Is that a staff decision or decision of the people who are submitting the application?

>> There are -- and I don't know what those are, what they would be, noncontributing is my guess. Generally it's not a -- it's not really a staff decision. It's the nominators that come through and say here's what our original subdivision is, here's what our historic is and these are the houses we would really like to see protected.

>> May I ask another question.

[2:29:20 PM]

Thank you, this is great information. Thank you so much.

>> Thank you.

>> Gallo: I'm trying to understand looking at the castle hill map, so the properties marked in red that say city landmarks, those are historically designated as landmarks already.

>> Individually.

>> Gallo: Could you help me understand if we go back to the three different current local historic districts. It looks like harthen has two, but cast -- Hyde park how many would be landmark historic?

>> I'm thinking probably about 15 to 20. One would be the Elizabeth ney museum. I'm just trying to think through my head. Hyde park has been an historic district for a long time.

>> Gallo: How long is it -- I was curious.

>> Locally designated district just a couple years ago but it was a national registry district from the 1980s, I believe.

>> Gallo: And what about castle hill, how long has it been?

>> Castle hill was designated in 2010. As a locally designated district.

>> Gallo: Okay. And the harthen street?

>> It is part of the west line national register district which was also designated about the same time.

>> Gallo: Thank you.

>> Sure. Just to give you all briefly an idea, the types of houses that we are dealing with in our districts, this is castle hill. This is the type of house that typifies the castle hill historic district. Hyde park is a neighborhood of bungalows. We're not talking about the mansions of the cities in these historic districts.

[2:31:23 PM]

These really are more working class and middle class neighborhoods where it's important to keep their character. In local historic districts the same sort of regulation applies that you need to have a certificate of appropriateness for any work to the exterior of the site, the design standards that are part of the preservation plan or what the landmark commission applies to each project as to whether or not to approve that certificate. And also administrative approvals are generally available for certain minor projects. The difference between our locally designated districts and national register districts that we have 15 of those and we have over 4,000 structures in our national register districts is that in our locally designated districts the design standards are what are used to make decisions about how these buildings are going to change. In the national register district the landmark commission's authority is advisory only. So in a national registry districts they like old west Austin, the property owner comes in says I want to make these changes. They go to the landmark commission, the landmark decision says we think this would be a better way of doing it. Because we're saying these areas are significant to our history, there's a binding decision by the landmark commission. And that's really the biggest difference between them. Of our national register districts --

>> Gallo: So the national register districts are less restrictive from the standpoint of being able to come in and remodel and do work to your homes than the local?

>> Yes. Yes -- well, not so much because it's just the standard of review is different.

>> Gallo: But you said something about nonbinding. The landmark commission can make a -- so the person could either accept the suggestion or do what they wanted to do.

>> That is true.

>> Gallo: But that would not be the case in the local historic districts.

>> In the locally designated districts, no.

[2:33:24 PM]

That's why they have design standards.

>> Gallo: Thank you.

>> I should say we've worked with a bunch of architects on developing the design standards and they actually like that because they know what the parameters for design are. They can talk to their clients and say, okay, yes, you want to make an addition, here's how I understand this could work because of -- taking into account the character of the neighborhood. So the architects and the builders really do like them. Our national register districts, I'm going to fly through these. We've got commercial districts like sixth street. Old west Austin, breaker woods, Clarksville is the African-American historic district on the west side of the city. West line is a little further south of old west Austin. And it is more transitional victorian-type houses. Then we have willow Spence just on the east side of the freeway that is an older Victorian neighborhood that has since -- since its founding is now one of the centers of hispanic neighborhoods in the city. I know y'all are pushed for time. Y'all don't really ever see demolition relocation permits. I'm going to fly through this. Just to let you all know that historic zoning cases can come out of an application for demolition or relocation. If the staff researchers all these cases, presents it to the commission, the landmark commission can say we think this building slated for demolition has historical significance. They recommend it for historic zoning. So that historic zoning case can start without the owner's consent. If the landmark commission does that, they have to do it by a two-thirds majority. So their version of the super majority, goes to planning commission, then to you all where you all have the super majority to override the owner's desires for the zoning change to make it a landmark.

[2:35:37 PM]

Demolition by neglect is unfortunately becoming a little more common and this is where an owner has an historicly designated property that they are not tending to and they are allowing the -- basically they are going to allow the city to come in and condemn it and so they can tear it down. If it's been designated as a landmark or it's contributing to an historic district, it has significance. So we've instituted a process to work with the owner to try to rehabilitate these houses rather than forcing their demolition. Last point I want to make is the economic benefits of historic preservation and you all can read this in here, but historic preservation is -- generates a lot of tax money and a lot of revenue for the state of Texas. There was a study done earlier this year by U.T. In conjunction with Rutgers university, it was basically an update of a study that was done several years ago and you can see that preservation activities in Texas generate more than \$4.6 billion of state gross domestic products and account for over 79,000 jobs. The net tax revenue for state and local governments was over \$290 million and private property owners invest almost \$741 million annually in the rehabilitation of designated historic buildings. What this costs the city of Austin, \$1.45 million every year in the tax exemptions that we give to landmarks and that accounts for less than one-fifth of one percent of our general fund. So the cost benefits of historic preservation clearly show that preservation brings a lot of money into city coffers and it doesn't cost that much to support a program like this. As I said at the very beginning, every jurisdiction in this country has incentives for historic preservation.

[2:37:44 PM]

And in Texas ours is through property tax incentives. We can have discussions about whether our incentives are appropriate for the program that we have now. And I think that's a good discussion to

reevaluate every once in a while, make sure these are still working. But it's something that I think you all need to recognize how much historic preservation does for the city and state and recognizing if heritage is a big part of Austin's tourism dollars. People come here, they are going to sixth street. If all the entertainment on sixth street was in a strip mall, it would not be nearly as attractive to people as it is today. Pulmonary -- people are coming to Austin because of the way it looks and the heritage we've preserved and it says a lot about a community and municipality that they put money into preserving their history and heritage. Thank you.

>> Mayor Adler: Ms. Troxclair.

>> Troxclair: The -- the figures that you have on slide 36, those are for the entire state of Texas? Do you have economic development Numbers for Austin in particular?

>> I'm sorry, they were not -- they didn't separate it out by city so it's just done on a statewide basis.

>> Troxclair: Okay. And do you know, was that -- I guess the same question as councilmember Gallo asked earlier of the convention center. Do you know how the figures -- I mean they are estimates based on tourism-related businesses or --

>> I would be happy to forward that study to you. They are based on 2013 figures so they are looking at heritage tourism, they are looking at the employment levels of craftsmen and building materials company, they looked at -- it's a very comprehensive report.

[2:39:52 PM]

I can forward that to you if you would like. It's fascinating.

>> Troxclair: I would love to see it. I have a couple other questions. On slide 33, the historic landmark commission process, owner opposition historic zoning cases that council requires super majority to change the zoning. What constitutes owner opposition? I mean obviously if it's one property that we're talking about it would be the owner of the property. But in the case of the district, what is the criteria that triggers a super majority?

>> That would be the valid petition. And that's for the owners within the district. So it's a little different than a valid petition for any other type of zoning case.

>> Troxclair: Right. Okay. On demolition and relocation permits, you said the historic preservation office has reviewed close to 1100 applications in 2014. Do you know how many of those or just generally how many are demolition, how many are relocation?

>> Most of them are demolition. The vast majority are demolition. The unfortunate thing in Austin for relocation purposes is that there's very little vacant land. So most of them are for demolition.

>> Troxclair: May last question was a couple of -- let's see if I can find where the site was. There were different standards both for the local historic districts and for the individually owned properties when it came to tax exemption, the tax exemption. So local historic districts, they receive the incentive for seven years if it's owner occupied and ten if it's investor owned?

>> Correct.

>> Troxclair: And similarly, I don't know where it was, but there's a difference -- oh, there's no cap on if it's an individual property, there is a cap of \$2,500. If it's owner occupied, but no cap if it's investor owned?

>> If it's commercial. Nonhomestead.

>> Troxclair: So why would there -- I mean I feel like in other poll advertise we make we -- policies we make we tend to favor the owner occupied.

[2:41:57 PM]

Why in this case does the policy favor not the investor?

>> If you look at it from this perspective, the Scarborough building, Littlefield building, Driskill hotel, these are buildings that need to remain competitive for tenants. So when we've had discussions about the property tax exemptions and limiting them, the commercial property owners have come in and said if we don't have that tax exemption, we can't remain competitive with much larger buildings either downtown or out in the outlying areas and we won't be able to maintain the building. So the councils who heard all this said that it is important especially to maintain the economic health downtown with maintaining you're the historic landmark buildings in the center of the city.

>> Troxclair: And about how many -- what is the percentage or about how many owner occupied versus investor owned?

>> About half and half.

>> Troxclair: If the cap is 25, there is no cap, what is the maximum exemption that a commercial property is receiving?

>> I would have to look. There is -- we've got buildings like the Littlefield building that are receiving -- Scarborough building, they get big exemptions. I couldn't even tell you right off the top of my head, but I can get that information for you.

>> Troxclair: Is that all included in the final number you provided about 1.45 million?

>> Yes.

>> Troxclair: Thank you.

>> Mayor Adler: Mr. Renteria.

>> Renteria: On the historic homes, do you -- do you all go in there and do an inside inspections?

>> No.

>> Renteria: None at all. You do it before you all give the historic designation?

[2:44:00 PM]

>> Yeah, we visit each property that's up for historic zoning. Actually we visit each one that's up for demolition. To really familiarize ourselves. But really what we're looking for in our inspections are things that would fail code compliance inspections. So we're not going inside -- you know, we've done, all of us have enough experience to tell the siding is falling off, the foundation is rotting, holes in the roof.

>> Renteria: Anesthetic altar the inside -- they could altar the inside without you knowing?

>> Our designation does not go beyond the front door. People do what they want on the inside of the house and it's really the -- just from the exterior that the city has an interest in preserving that house as important to the history of the community.

>> Renteria: And another case that I was at, if there's a -- a knots for demolition and -- a notice for demolition and you determine there is no historic significance, just very little, are there other parties that are allowed to, you know, come in and say we believe this is historic and are able to present it to the -- the landmark commission?

>> Definitely.

>> Renteria: Is there a fee related with that or --

>> For?

>> Renteria: To --

>> Well, there's the fee for the demolition permit, but for the other parties coming in, there's no fee. It's an open public hearing.

>> Renteria: And it's up to the landmark commission to decide.

>> Yes.

>> Renteria: And that's how it gets to us.

>> If the landmark commission decides and then they recommend it with that two-thirds majority, then yes, it would come to council as a zoning case.

[2:46:01 PM]

>> Renteria: Okay. Thank you.

>> Yes, sir.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you all for being here today. On slide 3, could you talk just quickly about some of the other significant features that a property might have to be considered like community value or landscape features? What exactly are you looking for there?

>> Well, community value is a little bit more of a tenuous one. I mean there are some properties that have obvious community value. Like the sweetholm Baptist church, the community grill has value. Community value generally comes up as a case progresses. It's not one that my office and staff generally assigns. We usually are looking for the architectural and historical significance of the building and the community value is something that is brought to our attention as a case progresses generally. Then the landmark commission generally is the one that adds community value to their reasons for designating or recommending designation.

>> Houston: Could you speak about landscape features?

>> Sure, a landscape feature is something that is like the 24th street bridge or treaty oak. The gardens at Laguna Gloria are landscape features that were designed and important to the context of that -- of the city or that property.

>> Houston: Okay, and one more question is about notice of properties. Several years ago the housing community center which was landmarked was sold to a homeowner and nobody in the community knew about that.

[2:48:07 PM]

What -- what if one of these properties is being considered to be sold, do you notice anybody to let them know or that they might be able to -- just notice. What kind of notice is given if one of these properties is sold?

>> The only notice we would give is a notice of a public hearing on something that the landmark commission has the authority to take action on. So a property sale is not something that the commission acts upon, but if a new owner wants to come in and make changes to that property and they needed a certificate of appropriateness, then the community would get notice of that public hearing.

>> Houston: Is that the same 200 feet, within 200 feet?

>> 500 feet, yes, ma'am.

>> Houston: What about demolition?

>> The same thing.

>> Houston: 500 feet.

>> Yes, ma'am.

>> Houston: One of the problems is when you get the 500 feet notice, it doesn't tell you except demolition. In order to figure out what it is that's being demolished or anything about the property, you've got to actually come down to the hearing. So if we could say something in those notices about what it is that we're doing and what the -- what the age of the property is and why you don't think it's significant, then that would help people who receive them know whether they should come down or not. And I had that conversation a long time ago about another property on chestnut and 20th street. I had to actually come down to one Texas center to be able to say what is this about and there's nothing in the notice except demolition has been filed. If we could give the public a little bit more information about why they are getting it, I think that would help.

>> And actually, councilmember, we've started doing that because we recognized the same issue that the notices don't give really a good proper notice about what the case is about.

[2:50:07 PM]

So when we get the notices that are prepared by another department in, we add in what the subject is. If it's a demolition of a house or a certificate of appropriateness to make an addition. Things like that. We have that information -- we add that into the notice before we approve the notice to go out.

>> Houston: When you do think you are going to have this survey of properties in east Austin. Get the daily notice of demolition and they are gone and it's too late. I thought you all were going to do a survey and when can I expect that.

>> The previous council did allocate funds for a survey. We have been going through the consultant selection process and I believe we will be bringing the consultant to the city council at the end of this month or early November.

>> Houston: I hope we have some houses left to landmark by the time we get through this process.

>> We'll be going as quick as the purchasing process allows us.

>> Houston: On page 34 is the hurdle house on the corner of comal and 12th street, demolition by neglect. And that home was brought by a developer here in town and it's just gotten consistently worse over the years and so it would be hard to see that, reverend Fontaine's house is right across the street and so it will be hard to see that go, but, you know, if -- you can't encourage developers to rehab the house, then I guess it has to go.

>> Actually, councilmember, we're working closely with the property owner who is still a member of the hurdle family is still a part owner of this house. Lives in Alice. And we have regular conversations with him. The house has since been secured since this picture was taken so that's a positive step.

>> Houston: Okay. Thank you.

>> Yes, ma'am.

>> Mayor Adler: Ms. Gallo.

[2:52:08 PM]

>> Gallo: Since we have you here to answer questions, councilmember Houston and I have been talking about the -- the situation with the three housing project developments in Austin, Santa Rina Chalmers and rosewood that were some of the first subsidized housing properties in the country and seemed to have an historic value to them. The concern is as you have these properties that are obviously located in really good areas from the standpoint of support services for the affordable housing units, is there a way, I mean I think what we talk about, is there a way to make sure that the historic nature of the property is preserved but also with an ability to develop in a sensitive way the properties with our historic designation or historic districts or does that really move us more into a national registered situation? You know, what -- what would we be able to do within the pieces that we have to do something like that, to take one property, preserve a component of it, but then allow reasonable, responsible development that actually works with the neighborhood and the population that is there and preserving the existing population? How do we do that?

>> There are several ways we can do that. We're not the only player in that game either, which is good. Any time that federal funds are being used such as a public housing project, that would trigger section 106 of the national historic preservation act and that's administered by the Texas historical commission. So changes that are made using federal funds on a property that is either listed or eligible for listing in the national register and Santa Rita is listed.

[2:54:13 PM]

There's a proposal for rosewood under consideration right now. The proponent or the applicant for the fund or the federal permit would have to show that their proposal is not having an adverse effect on the historic property. Or if it is having an adverse effect that they are taking steps to mitigate that adverse effect. And it is not a -- it's not a binding decision. Buildings still get torn down under section 106, but it's something that every agency dealing with federal money wants to take into consideration and they want to do something -- they don't want to be in a position of losing federal funding because of bad behavior. So there is definitely an incentive for an agency whether it's the city or the county or the state to do the right thing by historic projects because of this section 106 coordination that they have to do, and the Texas historic commission evaluates where the property is eligible for designation in the register and then there's consultation about the effect of the project on that property, and then they also look at what is the appropriate mitigation of any adverse effect. So it's not something that the city has to take the first -- I should say the first role in that is actually being taken by the Texas historical commission because there is federal money involved or federal permit. We had to do the same thing on the waller creek tunnel because the federal permit was involved. It's a very detailed process and very time consuming. And one that comes up with a good result because we've got the state historical commission involved in the process and the ability of the agency to get federal money basically is dependent on doing the right thing.

[2:56:25 PM]

>> Gallo: And you did mention Chalmers. Is that -- is anything happening with Chalmers?

>> There is not -- that I'm aware of right now there is nothing with Chalmers.

>> If there were, there would be -- if the housing authority came up with the demolition permit. Go through the process we've already spoken of of meeting with the landmark commission and they could possibly initiate an historic zoning case. Recently a citizen asked them to do that and they did not, but later down the line if the federal grant comes through at some point there will be a plan for demolition permits. >> Charles de gaulle I think it's such a balance. It's a balance of preserving the historical importance for all three of these because they all dealt with a different segment of the population when we were built and I think all three were important, not just one over the other. So making that uniform, but also giving us the ability to add to housing in those areas as we try to increase density and try to find more and more affordable housing, but try to have that component so you do both. It's a balancing, protecting the importance of the historical nature, but also being able to move forward to provide for that neighborhood the ability to provide housing for residents that are being displaced because of economic reasons and affordability.

>> Mayor Adler: Are we ready to --

>> Houston: Mayor, I have one more question. Is there a possibility that the city council could move this forward to have the landmark commission take another look at rosewood?

>> The city council could ask the city manager to initiate a zoning case on that property, but it would still require the two-thirds approval of the landmark commission and three-quarters of the city council.

[2:58:26 PM]

A at this time they have not filed any demolition permits for anything so there's nothing in imminent possibility of being torn down. I think at this state they're waiting to see whether they have the federal grant or not. But yes, the city council could initiate the case and we would go through the process.

>> Houston: And then the last thing, mayor, is as I look over the designation criteria, and I watched the

proceedings that night at the landmark commission, the issue to me was whether or not it met one of these five criteria. Not two of the five. And obviously it's old enough. There is community value because people testified to that. And there were people of significance related to it or important to it. So I am having difficulty understanding the role of the staff making some assertions that had nothing to do with whether or not it met those criteria, and then of course it was the whole thing about not having the right quorum and not being told that the forum wasn't there and pulling it down because there was no quorum there. So there are a lot of things about what's going on inside those meetings that concern me because, you know, we have staff that sit here with us and if we don't have the right amount of quorum or the right -- or the language is not right, they say we can't talk about that now because it's not posted as that or it's on your agenda, but we don't have a quorum and so we're going to pull it down and present it the next time. But none of those things happened that night. So something is going on internally that helped this not move through in a timely way. And make sure that staff is saying to the commissioners these are the things that you can and cannot do and if you don't have a quorum you can't take any action.

[3:00:40 PM]

>> Context there was a quorum that night. The majority did not vote for the case, but there was a quorum of the commission present.

>> Houston: There were supposed to be 11 members and there were four that voted against it and four that voted for it, four that voted -- wait a minute. It was three and three and one abstained.

>> Right. And six needed for a quorum and there were six members present.

>> Mayor Adler: The city council acting by rule of ordinance we couldn't send it back down to them and say we want you to take another vote on this when you are not tied?

>> No. What we had is there's not an appeals process. We're in the process right now of I think we just sent a letter to the citizen who requested it, but the council could initiate a case, but there's not an appeals process for a decision that has already been made. So the council could ask, as councilmember Houston alluded to --

>> Mayor Adler: And the ordinances don't provide for one. What if there was an ordinance that -- the council enacts ordinances.

>> Yes.

>> Mayor Adler: Couldn't we pass an ordinance that said we want you to consider this again and give us a recommendation.

>> You could initiate a code amendment that will allow for that process or you could basically initiate the same case yourself, which is the action that the commission failed to take, and ask them to try again.

>> Mayor Adler: Okay. Any further -- Ms. Gallo?

>> Gallo: One more question. In lieu of doing that would moving the process towards getting those three properties approved as national register historic districts, would that -- would that serve the same purpose? Would that do the same thing?

>> No. As Mr. Sadowsky said, one is already a national registered district. Chalmers is not. And there's a pending application on rosewood. As I said, when an actual demolition permit is filed on rosewood, it would go back to the landmark commission for their consideration as well.

[3:02:44 PM]

>> Because at that point hopefully we'll be finished with the process and be a national registered district?

>> No. It was just because of its age and because of its significance we would bring that demolition

permit to the landmark commission. The housing authority does have a proposal to save a number of units on the site, and six of them. And that of course is part of their application to the federal government for the hud grant. So I think at this point their preference would be to wait and see if the hud grant comes through and then move forward from there. But there would be another chance for possible historic zoning at the time of the demolition permit. What the housing authority is not asking is asking not happen is that a landmark status be imposed on the property right now in its entirety until they wait and see whether the hud funds come through or not. Because if it were designated as a landmark, of course, there would be no possibility of tearing any portion of it down, which I understand some people would prefer to happen, but the housing authority, is asking that it wait to be seen whether this federal grant comes through or not.

>> Houston: And councilmember Gallo, the staff followed what the housing authority asked them to do, not what the community was recommending.

>> Gallo: So I'm going back to the question of if you wanted to have the flexibility to be able to remove some of the buildings, but not all of the buildings because there needs to be an historical component that reminds us of the significance, am I hearing that you could not do that if it was historically designated?

>> No. We could do that -- what we could do is when the actual -- let's presume for a moment that they receive the hud grant. I presume after that point they would come in with demolition permits for a portion of the site. What we would do is in approving those demolition permits we would not approve -- we would not be asked -- possibly the council and definitely the landmark commission, they would present to the landmark commission I think maybe the same idea they're presenting right now, which is that we would save six of them and apply for demo permits on the rest.

[3:04:50 PM]

And the landmark commission and possibly the city council will weigh in on that decision and may say no, we want you to save all of them or we think that the saving six is a good trade-off in exchange for what we're getting on the ones that we're losing, which is the increased new or affordable housing. That's a decision that's further on down the road. What's happening at this point was a citizen was asking the landmark commission to initiate the case to zone historic at this time and the landmark commission did not have the votes necessary to move that to the next step. There will be another chance at this if they actually file demolition permits in the future.

>> Gallo: So I want to be very clear on this because it's confusing. If the historic landmark designation was granted on this property, the owner of the housing authority could still come back and request a demolition permit that both the landmark commission and the city council would have the ability to review to determine if a portion could be demolished or they would want none to be demolished.

>> But it would be much more difficult. The burden would be much higher after it already has landmark status. I believe what they would probably prefer is if down the road we get to the point this works out with hud, we would probably be in situation where we would be designating a portion historic, the six units that would possibly be saved under their recommendation. And then we would not historically zone the remainder of it. You could zone the entire thing historic right now and that would make it so that it would be very hard for them in the future to come in with any demolition permits because I don't know that we've ever issued a demolition permit for an historic structure in the city, ever. So they're asking basically -- the housing authority is asking right now that we don't do anything at this point. Let us wait and see if the money comes through, but it is their intention, they tell us, to save at least six of them. And when they come in with a demolition permit that it is certainly something that we would be looking at. I don't think that the city preservation office would by any stretch favor any situation where they demolish the entirety of the property.

[3:06:56 PM]

We are -- we agree that there is historic significance there. I just think that we felt at this point it's preemptive to consider landmark status for the entire property given that there is currently an unknown up in the air as far as the plans for the property.

>> Gallo: Okay, thank you.

>> Mayor Adler: Ms. Houston is going to close us out on this.

>> Houston: This is the last thing. This is a perfect example of staff not being neutral. I want staff in a neutral space so we are able to take both sides, not take one over the other. Sometimes in our community it's the developer's side over the neighborhood's side. In this particular instance it's the community side against the housing authority. And they obviously have taken the housing authority's side, which puts the community that wants to save and rehab, restore rosewood courts. Not all of the 124 units, but there's 60 original units and six is just casting a stone's throw at what we're able to negotiate. And so I think this is an example where it's very obvious that the staff wants one thing to support one -- the owner of the property, but it's a public property. It's not like a private owner like councilmember troxclair might own it. This is a public property that we pay taxes to do and there's no consideration to what the community who lives in that area wants to have happen. So these are some of the things that we're going to have to work out at some level. I don't know what level we work it out at, but those are the conundrums that I find when we're trying to deal with commissions and how we are equitably using our resources and how people are honest and fair and balanced when people come to a commission.

>> Mayor Adler: Okay. Thank you. Thank you for your time. Ms. Kitchen, do you want to bring us back to tncs?

[3:08:57 PM]

>> Kitchen: Yes. And I will be mindful of everybody's time. I know that we're starting to look a little glazed over here.

[Laughter]. But what I'd like to do is just cut to the -- this is number 52, I think. 51? Okay. This is number 51. So what I'll do is I'll just -- I'll just cut to the chase on what the facts are and the information I provided. And then we can have whatever level of discussion people would like to have, but I'd also like to just ask if there's additional information that you all need to have to let me know. We have a whole lot of information and part of our challenge has been parsing that information in a way that's digestible. So what you have in your packet that I passed out earlier that's relevant to this particular molestation which relates to the back grouped checks and fingerprints is the first page which is a letter from the Texas department of public safety. The second page, which is the resolution. And then the very last page, which is a flow chart. So I will start with the resolution and just talk about what this is about. Basically as I said earlier, which seems like hours ago now, but as I said earlier what we're talking about is building what was done in the last ordinance. So the standard that has been set for public safety is fingerprint based background checks. So the question before us from my perspective is why wouldn't we do that for tncs just like we do for all other ground transportation. So that's the question before us. And the resolution attempts to -- to go through this in a way that recognizes the importance of doing a fingerprint based background checks in a way that's not onerous for driver's application as well as recognizing that there's a few areas in which the requirements as they relate to taxis should be brought in line with the requirements as they relate to tncs.

[3:11:10 PM]

So that's what you'll see here. And then on the last page I think it's-- let me just point out -- I have to say without going into too much detail on this, but there's a whole lot of misinformation out into the public. It's not the intention of the mobility committee or anyone else to shut down tncs. And I also don't believe that putting fingerprints in place will shut down tncs. This is a standard practice that's done in other communities where tncs are operating. And I also want to point out that at the last item in the motion very specifically states that we want to bring back a mechanism where the process is completed quickly and do not create barriers for onboarding drivers. So I would also like to just point out -- again, I can provide as much information as people would like to read, about fingerprint-based background checks being the standard for public safety. So I'll read one thing for you and then I'll put together the rest of the information for you. But basically the U.S. Department of justice, their national task force compared the efficacy of name-based and fingerprint-based background checks and they found that 11.7% of the name-based background checks result in false negatives. False negatives is defined as when a record is missed because an individual provides false identifying information. So there is a wealth of information out there which I'll provide for anyone that wants to read it. There's a wealth of information out there confirming the weaknesses and vulnerabilities of name-based checks and the importance and accuracy of a fingerprint-based system. So I wanted to make you aware of that. And also I think what may be really helpful for people is the flow chart that I provided. The flow chart shows you how a fingerprint -- I can't speak.

[3:13:15 PM]

How a fingerprint-based background check can work. This is a combination of the way that it works right now for ground transportation with some enhancements that we've discussed with the department. So you can see that all of this can be done electronically. I want to point out just a few things about the flow chart without walking you through the whole thing. Basically at the front end this can be done in six to eight minutes average. There's a range of ways in which someone can have their fingerprint taken. They can do walk-in -- first off, there's multiple locations and times. They can do walk-in, they can make an appointment. There's even an option for bringing mobile-based fingerprints to locations if you have a location where there's a group of drivers that want to come be fingerprinted. So there's a lot of options for how to be fingerprinted. And the process only takes six to eight minutes on average. The whole process then is electronic back and forth going to D.P.S., then to the FBI, and then back to the city of Austin. That whole process takes approximately two days or so to actually do the background check. And then the process from there is all electronic to approve the application and get the information back to the driver. So I don't want to take up -- I can if y'all want, but I didn't want to take up your time going through this whole flow chart, but the purpose of the flow chart is to illustrate that this is a process that is not onerous for drivers and is a process that we do with all the other ground transportation. And I would welcome any questions that anybody has about any part of this process because the goal is to make it as expeditious as possible, as quick as possible while still protecting the public safety. And again as I said before, the reason that I think this is important is that fingerprints are the gold standard in terms of background checks.

[3:15:20 PM]

It's the standard that we use now for all of our other ground transportation. And, you know, I'm not aware of any reason not to do it. So from my perspective, it's why wouldn't we do it? So this is the information that's out there. There's a lot of details I can provide to folks. If you would like it. The motion itself just to explain, is to start the process. So it's like we've done in other places. It's to initiate

an amendment. It's not the language itself. It's to initiate an amendment to come back with a code change that aligns the background check process for tnc drivers with taxi drivers. That aligns the driver eligibility standards the same across taxis and tnc drivers. To add the fingerprint requirement and to authorize the city to contract with -- basically the city to contract with a third-party to go through this flow part -- this process. So I'll stop there and see if anyone -- you know, we can talk about it as much as y'all would like now. You can also just ask questions and I can provide more background information for y'all after this. So do councilmember Gallo or Garza, would you like to add anything? I wanted to see if the mobility committee wanted to add anything.

>> Garza: Sorry, I was trying to juggle meetings I had and calls to make.

>> Kitchen: I wanted to say I've been working very hard to really get into the nuts and bolts of how this process can be done. We heard the concern from the tnc about a process that is not onerous to onboarding drivers. I think the flow chart demonstrates that the process would not be onerous. Other than that objection I haven't heard any other definitive objection to doing fingerprints from the tnc companies.

[3:17:29 PM]

>> Garza: Again I would just add from my former public safety background and that -- it's just a really big -- I've heard from some police officers that they really support the fingerprinting and I've in fact heard from Uber drivers. We had a informal conversation yesterday and they all have seemed to support the fingerprinting because it's a public safety measure. And so we again just like the fees to put this in context, we asked a lot of questions, you know, what -- what's your biggest concern with allowing this and we asked if we could do this expershing -- in as -- expeditiously -- in as fast a way as possible. Would that be acceptable? And the response was it's impossible. It's impossible for you to do it as quickly as you think you can. And we did our homework and I think we can do it as quick -- very quickly. So I strongly support this and I would encourage my colleagues to as well.

>> Mayor Adler: Ms. Gallo?

>> Gallo: I want to thank you, pitched, because I think you laid it out -- thank you, councilmember kitchen, because I think you laid it out and presented it very well. I think what we were tasked with by the the ordinance is that our transportation companies are treated equally and we obviously have a system that's already been set up by our department, city department, that has established a process for everyone else but the transportation network, the tncs. And so my feeling more is that I want to always ask and support what our department suggests as the way to best protect public safety because that is their job. You know, their job is to figure out what the issue is and what they need to be doing to protect public safety with the transportation company.

[3:19:37 PM]

So you know, if they have determined that this is the process that they recommend and that they want to do uninaturally, I support that. And if they would come back and recommend something else I would support that, but I think we're catching the fallout for a process that really is intended just to equal things out and to give our department the ability to recommend to us what the best solution and process is for -- for background checks and protecting public safety. And I think we've heard that from them. On Thursday I want to make sure that that question is asked of the department because I think it needs to be very clear that this recommendation is a recommendation that's coming from the city department that's tasked with making sure public safety is truly protected in this community.

>> Kitchen: I can add to that too. In addition to working with our transportation staff, we've also worked a lot with the department of public safety, with D.P.S. And you'll see that letter at the front. And we

expect to have someone from D.P.S. That will come and testify and can speak to the best practice that fingerprinting is for -- the best practice for linking the person that you're doing the background check to the person that's driving. So we can ask those folks to go into detail with us. And D.P.S. Is the department that our staff works with in terms of background checks.

>> Mayor Adler: Here's my concern on this. And first let me begin by saying I think that the committee has worked really hard on this for us and I think it's obviously really appreciated. And committee has taken on several of these big issues. And I think the work has been great. I think you've laid it out really well. I think it's real clear that it's not your intention or the intention of the committee to end tncs. And I think the suggestion otherwise has been made publicly has been really unfair because that's clearly not the intend of where you're -- what you're trying to do.

[3:21:45 PM]

You're trying to fashion a solution that would be the safest for the people in our community. And I am totally on board that our job is primarily to ensure the public safety of this issue. I'm unclear as to why -- since it's something that can so easily be done and so quickly to be done, why it is that Uber and Lyft seem to be leaving every jurisdiction that does this. And I and the one jurisdiction they haven't left where they've done it is Houston, but their jobs have gone down apparently in Houston is what they say such that the response time is three, four, five times what it is here. And I would like to call on Uber and Lyft and those tncs to help us understand better what it really is because my understanding is that they had initially said that it's a barrier to driver entries and I think the committee has done a really good job of trying to address that. But if the concern is still there what I would really like to hear them say is that having somebody who drives by and takes three minutes to give it to an Uber driver still presents barriers that are so great. My concern is because I am cognizant that the most important thing is public safety. You know, in a city where -- when I know that a lot of times when demand was high there were not a lot of taxicabs to take people home. I believe that we have with Uber people that are now getting in a car that were otherwise driving in those cars that shouldn't be driving in those cars. I mean, I know that my kids calling me at 2:00 in the morning to come pick them up because they couldn't get a cab and otherwise now have an opportunity to take advantage of this new technology.

[3:23:59 PM]

And I look at other cities that these organizations have pulled out of and I look at that as a huge impact on safety. So if we say you haven't demonstrated to us why it is that you can survive with this business model if we do the fingerprinting and we say fingerprinting and we lose those technologies, then we may very well have inadvertently made our community less safe by going after a more safe solution. And I would like to see the work that you're talking about and I think that would be helpful. And from a staff perspective and if you could come here and talk I would be interested in knowing when you say it's the recommendation was that because the fingerprinting was the more safe route? Or because it's more safe for us to require fingerprinting even in the event that we would lose the tncs. On balance it's still more safer for us to have a system that doesn't have those technologies without fingerprinting.

>> Kitchen: I would like to correct some misstatements first, if you don't mind.

>> Mayor Adler: And if I made misstatements, it was inadvertent.

>> Kitchen: I know you didn't intend to. I don't know what people are being told, but it's not true that Uber is only in Houston as a place that's doing fingerprints. So that's not accurate.

>> Mayor Adler: Where else are they?

>> Kitchen: I'll get you the other list.

>> Mayor Adler: I think New York is a different deal because that's a chauffeur driven deal as opposed to

on demand deal. But if there are others other than Houston I would like to know that.

>> Kitchen: I will provide those to you. I appreciate you asking questions. I would also like to say one, two other things. I think we're smarter as a city than to say between public safety and transportation.

[3:26:02 PM]

I think that the tncs as innovators are smarter than that too. I would also say that we have all school for the asked name Russon -- numerous times. They haven't answered our question. We have asked very specifically why cannot you do fingerprints? The only thing that we've been told is this friction issue. Which is the issue of the ability to onboard quickly. We're answering that and in fact this process is as quick or quicker than they do it. So I think that a company threatening to leave and threatening to leave and holding our access to transportation over our heads is a disservice to this community and to the drivers. So I am here and very much willing to try to work through and problem solve whatever their issues are, but I'm not a mind reader. And if they won't answer my question I can't work through it. And I also reject the concept that we have to choose access to transportation over public safety.

>> Mayor Adler: I understand. Can you answer that question. I'm asking the two public safety questions. I think it's important for us to make sure that we know that the driver who is driving that car and who is associated with the picture I look at, whether it's on the visoor or on my phone is actually the person driving the car and the person who underwent the background check. That's one public safety question. And another public safety question is if Uber and Lyft were to receive the community, is it there a safety impact associated with that and how you looked at that. That's the other side of the question. Now, I'm not saying how I would vote because I'm feeling the same frustration I think that councilmember kitchen is feeling that -- and again, I will call on the tncs to make clear to us why it is that we seem to be faced with a forced choice in this regard.

[3:28:11 PM]

And I reiterate that. But putting that aside for a second, could you address the safety issues associated with those two paths.

>> Gordon durr, assistant director Austin transportation did department. I think as councilmember Gallo spoke eloquently about the mobility committee, she has to have fingerprint checks -- she has a half dozen jobs and most of them it seems like she needs to get fingerprints for. So I think it's a base level of safety. Yes, we have the fact that the tncs say they're going to leave. Again, we are setting up a framework where another company could come in that uses similar technology that could meet our requirements that could meet our needs for safety and provide the service to the community because they're serving a lot of trips. They're serving as many trips if not more than the taxicab companies are at the moment. It's an important part of our conversation system. And I think one, we want to make it as safe as possible. Two, we want leverage so that we as local regulators have the authority. Just today there was -- 5830 this morning there was an ourer driver sitting in a travel lane over here on lavaca. We don't have the authority of telling him he has to move out of that travel lane. We would have to get a police officer to do that. With regulatory framework or regulators would have the authority to tell them to move or cite them or whatever. That's something we haven't really talked about. But that's to me an important part of how we make the transportation system work. Again, we had Uber and Lyft. Last year we worked out that they would use Austin high school to service Austin city limits. They used that, but it wasn't organized.

[3:30:13 PM]

It used like in future years we will have to provide regulators to regulate those folks that there's not the chaos there's been in the last two years there. Again, we need some way locally so we have something that we can say. You need to do this or else you will lose your permit or whatever we want to call it. But there was an incident this weekend that again if we have the proper regulation, the proper identification hopefully would not have happened. And I think it all goes back to the baseline is if we want to know who the person is we need to have fingerprints and we found a way that we can get that done very efficiently and I think that's the standard we're going to see throughout the country as we move forward. Again, once we get past the fact that the companies don't want to take responsibility for doing more than taking people's money.

>> Mayor Adler: Are you aware of any cities other than Houston where fingerprinting is required of Uber drivers?

>> Well, New York City was cited. I believe that New York City is using people that previously had chauffeur's permits.

>> Mayor Adler: Uber has one level of service that is Uber chauffeur service and the same chauffeur drivers driver for Uber chauffeur service so they have fingerprinting associated with being chauffeur drivers. But Houston is an open market like Houston and that one, Uber driver in Houston, that's in the open market, has to have their fingerprints taken. I have heard and I don't know this is true. I think that councilmember kitchen's point is well taken, that I don't know anything and I'm just saying what I heard. And I'm trying to find out what the truth is. That in those cities where there was a request that open basis that fingerprints be provided that Uber and Lyft have left other than in Houston.

[3:32:21 PM]

And it may very well be that it's important for our community to say even at the expense of losing this service the safety risk associated with whatever background check they're doing doesn't meet the minimum standard that we would require so that each even if that risk were true we should let them go. We should also say they can't leave or even if they did leave a different technology or different company would come in. And I understand the arguments. I'm just -- I'm asking more discrete questions than the questions that you came in and answered. You were suggesting more the broader policy questions and I'm trying to address more closer. Do you think that having a service like Uber in our city contributes to public safety? I believe I believe based on the activity level that there have likely been people driving that shouldn't have been driving.

>> Mayor Adler: So you think on balance Uber presents a safety harm for the community under --

>> No. What I meant to say is there have been people not taking trips by bar when they were impaired because there were tnc options available. And I think people have used that also to go to the bars initially because we haven't seen a whole lot of vehicles just hanging out. Now, in the testimony before the mobility committee, Lyft said they have left all the cities that required for required fingerprints?

>> Mayor Adler: Is that true?

>> That's what they stated before the mobility committee.

>> Mayor Adler: I'm trying to test the veracity.

>> Kitchen: I think we maybe need to get some information. Yes, Lyft said that but I think we need to verify that. I am also aware of the fact that that they do -- Uber operates in Columbus, but could I just suggest -- I don't want to stop your line of conversation and I think it's important to be able to ask the staff, but I really am -- I'm very curious about how the question is being framed.

[3:34:32 PM]

So are we saying that we should never regulate anybody because a company might leave? Because

they're threatening to leave? At some point we have to say that we have some public safety standards. And to ask whether the public would be safer with having transportation versus having fingerprinting is a false choice as far as I'm concerned. It's like saying why doesn't any industry threaten to read because they don't want to be regulated. We can decide are we better off with nobody or not. Of course we're not better off with nobody. But I think that our -- I don't think our choice as a community is to throw up our hands and say -- so that we have no solutions. We just have to take their terms or nothing. I mean, I don't understand why we're saying that. Why can't we say that we've got a requirement for public safety because that's our job.

>> Part of it I think is -- and I recognize that mobility committee has done a lot of work on this and it got posted on Friday and we're bringing it up here now on Thursday. So there hasn't been a lot of time for someone not in the ability committee to really engage -- one of the benefits I think of having something go to a committee is it really focuses attention and it pulls people roust woodwork and now I think everybody is on point on this. And now part of it is there's only five days for us to be able to resolve that. It would be helpful for me if I had the ability to be able to talk to the people that are emailing me and chasing it down and talking to my staff if I had more than five days. Part of it is I'm trying to catch up on this time frame when best I can. I like the idea that it opens a conversation, we're inviting a public conversation as part of the ordinance-making process, but in a perfect world I would probably have that ordinance-making process take a little bit larger look at more the global issues.

[3:36:35 PM]

And I don't see it -- I mean, I don't want to roll over for any company. Because I think you're right. We should be able to set standard practices that we have. But if we set a standard practice and if that means that we lose the ability to use that technology and somebody gets hurt, then I think that I also have to own the fact that my decision is making a safety decision in the community as well. So either way on this I'm not -- I think it's misrepresenting to suggest that I'm not putting -- my concern does not put safety first because in my mind that's exactly what I'm doing. If we make a choice that results in losing the use of this technology in our city, then we have -- we need to own that. Now, it may very well be -- it may be probable that if we make that choice necessity don't leave or a different company comes in, but the ramifications of the choice -- and I am looking at the ramifications of the choice I make at this point purely on safety interests in the community. And I know that you've been living with this for a long time and I appreciate the whole committee taking that bullet on behalf of the rest of the council and part of the process I think that it's turned people out on this issue. And quite frankly, the conversations that I've had over the last three days have gone deeper than the conversations that I had several weeks ago in part because of the work that the committee has done. But, no, I don't think that -- I know that I am not suggesting that we adopt policies in the city that are dependent on what companies want us to do or not do. I am trying to look at the end of the day in terms of what are the options available to us, so I'm just asking questions, trying to understand the impacts, recognizing that if I make this decision there's going to be an impact -- there's going to be good impacts and bad impacts, things I know and things that I don't know.

[3:38:42 PM]

And all I'm doing is trying to ask questions that go to those.

>> Garza: I appreciate the analysis because it is -- we have to weigh so many factors when we're considering decisions like this, but I feel like the question posed is -- it's almost impossible to even, I guess, say that because I don't know if it's the right way to put it because in my head I'm thinking is the risk of one sexual assault or something bad happening in a tnc, does the fact that we took 10 drunk

drivers off the road outweigh that? Like, I feel like that's kind of an impossible thing to do and because of that I feel like that's why we have to be firm on our commitment to public safety. I really do. And this is an idea that I've thought that -- I feel like there's got to be five or 10 other companies in line waiting for this market. And if certain companies don't want to follow these regulations because they don't agree with our emphasis on public safety, I think there's going -- we're Austin. We're innovative. There's got to be five people waiting in line to create some app that does the exact same thing that within the regulations and still able to make a profit because it -- the discussion has never been -- at the mobility level was never to get rid of them. We absolutely agree that they're an important part of the transportation network. They just -- it's just important to stay within the framework of what we've been told are best practices. The original ordinance was always -- everyone knew, every stakeholder knew that it was going to be reviewed again, it was going to be looked at again. I just disagree with some of the tactics used by these companies. And they pit cities against each other. They were in San Antonio and said, well, Austin does it this way, knowing that Austin was going to take a look at it again.

[3:40:48 PM]

So they've used this, you know, method to, you know, pit cities against each other and I have -- it's a difficult position to be in for all of us, but I think we stand firm and we say public safety matters to us and if you can't operate in this framework then we'll -- I'm certain we can find somebody who can.
>> Kitchen: Yeah. I would just distill down to two things and then I'll let others speak. We should not be framing this around a company. The issue should be around public safety. And the company is not synonymous with the technology application. Anybody can use that kind of technology application. And it's actually not the technology application that is the issue here. It's the issue of onboarding enough drivers, if I'm understanding correctly, which is the issue that we're working on from a fingerprint standpoint. Anyway, I've said what I think, which is essentially I don't think it's appropriate to frame this as we could have public safety or we can have access to rides. I think we're smarter than that as a community and I think that the tncs are smarter than that. And I think that we can work something out that we can do both.

>> Anything further? Miss troxclair?

>> Troxclair: I told councilmember kitchen that I was going to try to stay quiet today because I was pretty vocal at the mobility meeting earlier. Today was only Tuesday. That was last week. Because I feel really strongly about this issue. And I guess just as she does not agree with the choice between -- that there is necessarily a choice -- an exclusive choice between transportation and public safety, I do not agree with the premise that requiring a fingerprint addresses an issue of public safety.

[3:43:15 PM]

I think just like a cab driver who gives his keys to his friend in the middle of the -- just like a cab driver could give his keys to someone who -- sorry. I'm -- it's been a long day. I mean, a cab driver who has been fingerprinted, you don't have any assurance that the person you are actually getting in the car with is the person who went to be fingerprinted. Austin -- there was a newspaper article recently that Austin was one of the most safest cities for tncs. So I just feel like this is a problem in search of a solution. So the talking point about public safety, public safety, public safety, the reality is that our city is a safer city because of the existence of tncs because we've reduced drunk driving since they've been able to operate in the city. The incident this weekend that you alluded to would not have been any different with the requirement of a fingerprint. There is nothing that the government can mandate that is going to prevent someone after having a few drinks getting in a car with someone that they don't know. So I just -- I don't agree with the premise that the fingerprint is synonymous with public safety. I am a firm

believer in the background checks and the security features that Lyft and Uber are already using. I have never felt unsafe using Uber or Lyft. So I just -- what else did I want to say? And I also disagree with your assertion that, you know, tncs don't want to do anything except for take people's money. I don't think that that is a very -- and a conversation that has become passionate and heated for us because all we both -- all of us feel that it's an important issue for our city, that is really not a fair representation, especially when the tncs said at the committee meeting last week that they would be happy to pay for the cost of regulation, and I think that they are willing to work with us.

[3:45:23 PM]

So I hope we can have a more unbiased mindset throughout the conversation. I think it would help -- it would help me if we could get to a place with the driver's -- with fingerprinting process that you outlined, if we could have -- if I could have a better understanding of where that information -- maybe not right now, but before Thursday, because I think the last conversation that I heard, the wait was about two weeks to get fingerprinted and required someone -- it requires someone to make a tripping to do it. So if it is possible to do it in a shorter amount of time I want more information about how that can be done, including the time from start to finish, with the information that you mentioned with the name-based search versus a fingerprint search. Tncs collect a lot more information than their name. They have access to social security Numbers, driver's license Numbers. So just so that we're comparing apples to apples, I can see where just a simple name-based search might not provide as much information as fingerprinting, but I would be curious to know -- to know more about that. So -- and I understand why some members feel like there is a threat to leave, but I think there's a difference between threatening to leave and the reality of a regulatory environment. And I don't think threat when they have had to make the business decision that they can't operate within the regulatory environment that the city has set up. So I feel like it's a little unfair to say they're threatening to leave when they're simply telling us that that's what the business reality is for them.

[3:47:25 PM]

It's different from any other company coming to the city to operate. We're not saying we don't have a responsibility to regulate them. We're not saying we don't have a responsibility to charge them for the cost of regulation or you should be able to tell a Lyft or Uber driver to move out of a zone they're not supposed to be in, but when they are providing I think you said more rides in Austin now than a taxi company and I know a lot of people who would have gotten in a car when they shouldn't have without Uber and Lyft -- I've been in situations before where -- well, it doesn't matter. Cabs won't take me to my home in the middle of the night. I live too far in southwest Austin. And I've had a friend who was recently dropped off in the

[indiscernible] At two A.M., about a mile from her home. So none of the things that we talk about here is going to prevent that situation from happening. But I do think that it is less likely to happen in an Uber or Lyft where you have gps, where you are rating your driver and where you have other features that ensures a good customer experience. So -- I know you're wanting to take this vote on Thursday. I think it would be good -- if we can get to a good place on the fingerprinting and D.P.S. Can do this process in a reasonable amount of time and we can get to a place where Lyft and Uber can -- we can turn around quickly enough for them to continue to operate here, I think it would be important for us to have that information before we make -- take a vote to move forward with it.

>> Kitchen: I can get you the information. What you're seeing here is what was shared with us from D.P.S. And D.P.S. Will be available to testify through this whole process. So we'll just get you the facts. I'm happy to do that.

>> Mayor Adler: Ms. Houston?

>> Houston: Yes, mayor. I'm not here to talk about any specific transportation network company. I'm here to talk about all transit options that carry our precious cargo, citizens or visitors on our streets and who get paid to do that.

[3:49:37 PM]

And so I don't want to talk about any specific issue because it's broader than that. As we continue to grow as a city we'll have more and more people come in who are wanting -- who are offering to carry people around for a fare. So I want some consistent policies for whoever those people are. Because I think that makes it clear what our expectations are as a city. I think when we ask about public safety and whether because of some platforms that are available now are we a safer city, I don't know that -- I think the answer is still out on that. There's so many other variables that come into play in trying to determine whether somebody is safe, a safer city because we have other transportation options. So I want something that's consistent so the next group of people that come in with the next platform that's different from the current platforms here understand that these are some values that we hold as a city and so I would like for us to have those standards already in place and not every year try to renegotiate standards for people.

>> Mayor Adler: I agree with all that. Your microphone is on. I didn't know if you wanted to speak.

>> Casar: Very brief comment. What would be helpful for me informationwise is marginally between sort of what some of the existing tncs are doing as far as background checks up to fingerprinting, how much -- generally how much more thorough that is. Not necessarily between name-based and that fingerprinting because we could always require something in this spectrum. Just because I would want to know what that marginal increase is. And then perhaps if there's information from Houston or other places where it is required, what the effects have been on the number of drivers that exist, and that isn't again tied to any particular tnc operator because obviously we're going to set the regulations as we need them for tncs generally.

[3:51:41 PM]

And if some folks leave and other folks come in or whatever it is, we just want to have the regulatory environment so we understand what the effects are. So I just want to be able to weigh potential loss in drivers because there's some amount of extra work against how much -- how much better the background checks are. So I'll be trying to sort of make my decisions based on that pretty simple information.

>> Mayor Adler: Ms. Gallo?

>> Gallo: Just a couple of quick statements. I think that we also have to keep in mind what our place is as the council and our place is to determine policy. And to carry out resolutions. And the previous resolution that was adopted in 2014 for the tncs said very clearly that the city manager would make sure that the tncs were treated equally with the other transportation companies that were currently operating in Austin. And I think at that point those companies were required to do background checks that included fingerprinting, so it shouldn't be new knowledge that that was how the system was working already with the other companies. So for the surprise to have happened that was part of the conversation awhile back with the original resolution. And so I think that our policy, our function as a council to determine policy is twofold here. It's to make sure we have public safety when people use for-fee services for transportation and also to make sure that the transportation companies are treated equally. I think those are the two policy decisions that the council has made in this last resolution that we're carrying forward that we're tasked with carrying forward. And then there's the operational

component of our city, which is what our transportation does. So we have the policy that we say we want to ensure public safety and we have a resolution that said that we want all transportation companies to be treated equally, but it's really the city manager and the city department that carries that out and comes to us and says upon our evaluation we feel like best practices to carry out the public safety is this and best practices to make sure everyone is treated equally is this.

[3:53:58 PM]

And I really look to that department to do the research and as the evolution of technology changes to change what the requirements are when that gets to be appropriate. If it is appropriate to change that we do based on technology, then we do it for everyone. I think that's what I want to see the department to come forward to us with and continue to update and continue to look at best practices. But once again I think that if the department has come forward and says at this point this is what we feel like is best practices to carry out our policy decisions, then that's where we need to be.

>> Mayor Adler: I too will give great deference to our city staff and I do think we need to equalize for all drivers, let all drivers know. As I sit here I just need to do additional research to see at what point we're equalizing two. It would be helpful before Thursday if you could take a look at San Antonio. San Antonio is nearby. I think they set a rule to have fingerprinting. I don't know if we're sending a rule that is -- has a lot less friction than what San Antonio had. Uber and Lyft left those communities, they were left without that resource for whatever impact that would have both on transportation and safety. My understanding is that San Antonio now has reversed themselves and has come back and said that they're going to have that and that Uber has agreed to go back. I don't know whether any of that is true. If you could look at San Antonio I'd like to know are we proposing something that is with less friction? If their city staff said hey, do fingerprinting and then that other city staff is coming back and saying now that we see what's happening, you shouldn't have done that? Or whether it's a rogue council that's operating independent of what their staff is saying?

[3:56:01 PM]

If you could look at San Antonio and help us better understand what's happening there, that would be helpful as well. Again, I don't know whether anything I said about San Antonio is true. I'm trying to catch up with as much information as I can as quickly as I can.

>> Houston: And mayor, one more thing. I would like to suggest that we stop using the trade names of organizations because there are more than those people out there, and they're just the biggest dog in town. So I would just suggest we talk about transportation network companies.

>> Mayor Adler: And that would be an interesting thing to look at. In those markets where some of the big dogs have left, but it's a good market, what does get infilled in those areas?

>> Kitchen: I can let you know about San Antonio. San Antonio is requiring fingerprints. The latest I've heard, which is maybe two weeks old or some something like that. I can get you the latest information. They're working out an agreement with Lyft to do the fingerprints. They would work out with at least one of the tnc companies to fingerprint. That's the the latest I have for San Antonio, but we can certainly get the most recent.

>> Mayor Adler: The most recent I hear is that Uber has agreed to be in San Antonio. If we can follow up with one of the big dogs that have agreed to go back to San Antonio. So maybe the answer is finding what it is that they were able to work out? Take a look at that. Anything else on this item? Back to our agenda. We have the fee-in-lieu item that I think we've already -- do we need to discuss that further. We discussed that earlier --

>> Casar:. It is a separate item. 6, it's the mayor pro tem's item, but I was a supporter of it.

[3:58:03 PM]

In the interest of time I would like to lay out the Adu's item first.

>> Mayor Adler: And I think we talked about the fee-in-lieu. We talked about it when it was item 33.

>> Casar: That's a different item.

>> Mayor Adler: We'll let you go ahead on adus. The reason I want to lay it out is because it's been such a long process and we're sort of here at the end of it. I have a handout here if anybody needs it, but it was back on June 12th of 2014 under the last council that the initial resolution was passed to look at lot size, Adu size, eliminating the parking requirement along with a variety of issues, and it had something like 13 separate public meetings where there's opportunities for input. When it came to council we did have the public hearing open and then set three separate council committees to discuss various parts of ads, including water meeting, lot size, floor to area ratio and we laid all that publicly and we had lots of public testimony in front of the committee. So what has finally come out as the final recommendations include codifying some updates to the way the water utility does their business so that if you aren't constructing a big Adu with lots of baths and you already meet requirements you don't have to pay for that additional water service and that can be explained by the water utility. Setting the F.A.R. At .15 maximum within mcmansions so that basically means that you can build a Normal size Adu if you have a Normal size lot, but if you have a larger than average size lot then you can build a somewhat larger Adu, but you could never build a larger Adu than you could an extension to your house. So in the end where I came out on this and what really convinced me is there were lots of places where you could build an 800 square foot extension to your house but you weren't allowed to put a door on it and separate it from your house.

[4:00:12 PM]

And so the committee recommended 3-1 to allow you to build an Adu on a standard sized lot anywhere in the city and to allow the size of the Adu to increase slightly if you have a bigger lot to allow for some more sort of family sized units.

>> Mayor Adler: But still the overall F.A.R. Cap would be enforced.

>> Casar: Exactly, mcmansion would still be in place in the mcmansion area. You would never be able to build a bigger Adu than otherwise allowed. If you can build those as an extension to your house if your in-laws are particularly pesky you can create a space between the house and Adu and put a door on it. That's exam basically what we decided.

>> Mayor Adler: Otherwise known as the pesky ordinance.

>> Casar: And we passed on first

-- you have one parking spot required and that if you came in, if the house was built when there was no house required, sort of make you if you build an a du, build a spot and pave your yard. No necessity for the driveway back to Adu and still require one parking space. I suggested there be eliminating the parking requirement but didn't get a second on that so right now just the planning commission's recommendation stands there. Oh, and the other recommendation that passed was to categorize new adus that have strs this them as type 1bs that would contribute to the 3% cap on short-term rentals such that if you live in the house you still can rent out that house as an str but only -- but you may not do so if you are in one of those census tracts that have already reached the 3%.

[4:02:12 PM]

>> Houston: How do you enforce that, the type 2 rental B? How would one enforce that?

>> Casar: Certainly so my understanding is -- sorry, first of all, we supported planning commission's recommendation to not allow type 2 str in the new -- in new dwelling units so if it's not owner occupied you can't do the str in the back and that would be enforced the same way that we would enforce the other str regulation.

>> Houston: Which pretty much is not enforceable now so that's a concern for some communities.

>> Casar: And I understand that's a concern and heard that a good bit in the committee and think that needs to be addressed by code, but I don't think there would be any difference in enforcing that in a single-family home as opposed to a granny flat. Their place is equivalent in both structures and so -- so we were really trying to discuss what changes to the land use would be allowed as opposed to enforcement issues related to short-term rentals.

>> Houston: But as we know with short-term rentals, that's all a part of the same problem is that we gave the ability to change the code but we have no enforcement mechanism to ensure that people follow what you all

[inaudible] In code. So I think that's a part of the conversation that needs to be had.

>> Casar: Certainly, and I would say that I believe the whole committee since we are the ones that handle the short-term rental issue are going to be really interested if we do pass a moratorium as was indicated that we would on enforcing that whether it's in a granny flat or a front house or apartment or wherever it is. That's something we're already working on is how to enforce type 2 str, but I don't see allowing people to build a granny flat as -- basically we're being more stringent. Period, regardless of moratorium or not, you can't do a type 2 in a granny flat.

[4:04:17 PM]

That's my honest answer to your question. If,

>> Mayor Adler: Further conversations on this issue?

>> Casar: I think that we have gotten some emails from people concerned that doing this would allow people to go over the maximum amount of impervious cover or allow people to go beyond the -- a bigger size than they would be allowed under mcmansion. That wasn't what was recommended. We are just saying if you could build an extension to your house you should be able to make it a granny flat.

>> Mayor Adler: While you have the floor, do you want to explain what's different about the density bonus program in 53?

>> Absolutely. This was also recommended out of committee. It's a recommendation to initiate a code amendment to include a density bonus on site affordability required. We've had two cases where mf6 has been applied for and there's been conversations about affordability about how we can't acquire affordability. We have had multiple zoning cases where people applied for that zoning category. I'm supportive of initiating this code amendment to make it work so that if people apply for mf6 and want to change a cs zoned track to mf6 we get some affordability requirement locked in with the city. That may require and I would be interested in making sure the code language indicates this that -- that it works economically. You know, in bmu it works partly because we, you know, allow setbacks to be a certain size, reduce parking to a certain level. We want to make sure that the -- there is sufficient entitlement, that it's attractive to build and we get the affordable housing component but then we don't have to try to figure out how to get affordability on something we can't do.

[4:06:21 PM]

That requires retail and some things that makes it a challenge to zone things vmu and some of our zoning cases so this is a way to make sure that we take advantage of our density bonus programs.

>> Mayor Adler: Sounds good.

>> Renteria: And the reason why we did that was because right now there's no requirement. I mean you can go from mf-4 to mf6 and there's nothing to say you have to give us affordable housing. So that's why we're pushing for the affordable housing.

>> Casar: And I know I rattled on a bit, but to condense my statement I'm open in this code amendment to making sure that mf-6, that the liberalizations in mf-6 are sufficient to support the level of affordable housing we're asking for. I want to make sure that we get affordable housing --

>> Mayor Adler: There are two ways to do that. One would be to increase the -- the benefits that someone would have with doing mf-6. You can do this much extra if you make a certain amount of affordable housing. The other way is to effectively lower the base rate. The base plan in fm-6. Have you looked at both of those, does the ordinance ask to look at both those sides?

>> Casar: My intention is for the code amendment to not specify how to make it work but more that we want it to work and to look at vmu as a model understanding that vmu is different because it's necessarily mixed use and fm-6 is not. But I don't want it to be too prescriptive in saying how to get there but rather that we want --

>> Mayor Adler: Allow both raising the height as opposed to lowering the --

>> Casar: Mf-6 in my understanding allows maximum -- unlimited density but sometimes we in a zoning case set trips per, you know, a trip limit or other limits on it has certain setback requirements that vmu may not have.

[4:08:26 PM]

Long story short what I want -- what I want and what I will vote for is for us to get some required on site affordable housing in mf-6. That may mean just setting a certain affordable housing goal on existing mf-6 or existing mf-6 may not support that and we have to liberalize it or tighten up. Again, I'm not a housing market real estate expert. Want some people who can give us good analysis on if you do it this way you're going to get affordable housing in your denser property.

>> Mayor Adler: My sense is you could make fm-6 an entirely bonus category so that you could do it or said what mf-6 is allow for bone nuts component above and your ordinance would let staff figure out what was the best way to --

>> Casar: We're initiating that code amendment.

>> Mayor Adler: Ms. Gallo.

>> Gallo: And I think the conversation to me is different depending on whether you are moving to fm-6 from -- mf-6 from mf-3 up or down from commercial to mf-6. To me they are different because you are taking an intense zoning that you have already but switching over to residential component instead versus taking a less intensive zoning at a lower multi-family zoning category and trying to make it more dense. And so I don't know if in the process of discussion that we talk about both of those two scenarios because I think that they could potentially be very different.

>> Casar: My hope is to not figure that one out on Thursday and kick off the process to have some minds get put to this. I think we've identified the issue, having had some of these zoning cases come forward. We've identified the opportunity to get affordable housing in those cases. And so we just want to figure out how to cash in on that best and there's not going to be one answer but hopefully over the next few months people will come up with a decent one.

[4:10:31 PM]

>> Mayor Adler: The last thing we had --

>> Houston: Mayor, I'm sorry, I have a question. When we use the word affordable at what level are we talking about?

>> Casar: Councilmember, I think that what is listed in the code amendment initiation on the resolution is to look at vmu and vmu has 60% mfi and 80% mfi depending on where it is in the city. I think my expectation is that since these are going to not be subsidized units that we have to push as hard as we can but usually the target, from my understanding of our work in the housing committee, is for those folks make a low enough income [inaudible] But high enough they don't usually live in sub I did -- subsidized units. I would love for them to come down as low as we can get. A private developer who is getting private money to charge.

>> Houston: And this is rental or homeownership?

>> Casar: These are primarily rental units in the mf-6 which is only two.

>> Mayor Adler: Anything else? Can you speak to the MC mansion change? Does that go through your committee? 71.

>> Casar: Did not.

>> Mayor Adler: Did not. That was pulled. Ms. Kitchen, you pulled that item -- 72, rather.

>> Kitchen: I was curious about what was happening with it because I wasn't sure. I had heard that it was postponed and then I didn't know.

>> Mayor Adler: There were two items, 71 and 72. Looks like one is being postponed. 72 is being postponed, but looks like 71 was not being postponed.

>> Kitchen: Okay.

>> Mayor Adler: 70 was the one that related to residential design and compatibility standards property within the east Riverside corridor for transit oriented.

[4:12:39 PM]

>> Kitchen: I'm sorry, you said 71 was postponed.

>> Mayor Adler: No, 72 is my understanding of what was postponed. I think 71 was not -- am I correct on that?

>> That's what I show on.

>> Mayor Adler: It's looking like 71 will not be postponed.

>> Renteria: Mayor, I believe these two items, 71 and 72 are cleanup items. That's what they are.

>> Kitchen: That's what I was curious about.

>> Renteria: I think the previous council passed it and there was wording left out.

>> Mayor Adler: So not real good policy issues implicated. Anything else that anyone wants -- we have the scheduling issue. Do you want to talk about that real fast? And I say real fast, would you like to help us talk about the schedule?

>> Mayor and council, ray Baray. Joining me in this presentation, it's going to be a very brief presentation of about five minutes. About your 2016 calendar. Joining me is Katy powers who is our acting agenda office manager. I believe everybody has a copy of the presentation as well.

>> Mayor Adler: Yes.

>> So in the past staff has traditionally -- has traditionally asked council to adopt their meeting calendar in October before the start of the next year. We do this really for several reasons. First city hall, as you can imagine, is a busy, high demand meeting location and so by setting the schedule now it will allow staff to book meeting rooms based on your schedule as a body. Another reason is by reschedule, the city's boards and commissions can also plan their schedule for the following year based on meeting room availability.

[4:14:52 PM]

Also you have several departments like purchasing and planning whose work is heavy noticed and for

these reasons staff is bringing this item for your consideration now. So if proposing the meeting schedule, staff has an rca on Thursday's council agenda that's going to ask you to do two things. City code 2-5-24 there is a provision that requires council to meet each Thursday. Staff is going to ask you to waive this so you don't have to meet every week during 2016. And second, staff is going to recommend you adopt a schedule proposed by staff which is going to include your regular meeting dates, the dates the council will not meet, work session dates and budget adoption dates as well. So I'm putting together the calendar, staff worked with the mayor's office, the law department and the budget office and tried to model it as much as they could after this year's calendar. So what you are going to see is that for each month except for maybe about two or three months and I'll mention those specifically, you are going to have three meetings a month. These are three regular meetings a month with a second meeting reserved for zoning. We took into account all city observed holidays. We did not schedule a meeting on a week where a Monday is a city observed holiday. What we didn't want to have you do is to return from a Monday holiday and then literally you would be walking into a Tuesday council work session. And then we increased the number of budget work sessions from 6 to 12. If you remember this past year just a few weeks ago when we were going through the budget development process, we had six budget work sessions but seven special called meetings related to the budget. So that made a total of 13 budget work sessions or budget meetings and three budget reading days.

[4:16:56 PM]

Some other considerations in putting your calendar together, no meetings scheduled during spring break or during the national league of cities conferences held in March and November. We kept to our practice of not holding any meetings during the month of July and we didn't schedule any meetings during the last two weeks of December. With that what we're going to recommend to council, if you have any scheduling -- make those changes and upload revised backup for consideration by council on Thursday. You can also propose changes at the council meeting and do that from the dais. Regardless, staff is going to recommend that you approve the draft schedule on Thursday. And then one last point is that with the adoption of the regular meeting schedule, we recommend that the council committee chairs use this as an opportunity to probably set your meeting schedules and doing that at your November and December meetings. Staff has provided a draft calendar as part of the backup as well for the community calendar. Mayor, that is our presentation and we're willing to take any questions.

>> Mayor Adler: Mr. Renteria.

>> Renteria: I don't -- I don't have a direct question, but I do want to bring to council's attention to the 2016 council committee schedule. I think that we have a problem here on the fourth Wednesday because on the fourth Wednesday we have the audit and finance committee and then we have the open space and housing committee all meeting -- those two meetings are meeting at the same time with just one hour difference. There had been some conflicts where one of our members or two had to meet at the open space committee because they had items that they had concerns about which caused a lack of quorum on my committee at the housing so that we had to postpone -- or wait on our meetings to start for maybe 30 minutes or longer.

[4:19:07 PM]

So -- and so I was wondering if we could work it out so that we wouldn't have two meetings -- two committee meetings going on at the same time.

>> Mayor Adler: That would be best. Can you do that?

>> Absolutely. We'll certainly work with the committee chairs, absolutely.

>> Mayor Adler: Ms. Gallo.

>> Gallo: One comment back on the council schedule and it's just because I'm aware that this happens quite frequently. There's actually two weeks that have the potential to be spring break. Different schools are on different schedules, so we might look at also moving March 10 just so -- I think that would cover both of the two potential spring break weeks.

>> Houston: Move March 10th to what? I'm sorry.

>> So would you want to move over so you still have three meetings during the month, that you move maybe March 31st over?

>> Gallo: That would. Or, you know, I'm looking at January we only have one. In February we have three. It may very well be that in March we could just do two. If you've got people out of town because of spring break or doing stuff with kids where they are not in the office, it might be helpful to not have a fully packed March schedule as if we'll ever do something that's not fully packed. But just if you might take that into consideration because I know a lot of colleges are on different schedules.

>> We'll keep it in mind, absolutely.

>> Gallo: Thank you.

>> Mayor Adler: My preference would be to call the meeting on the 31st so that people kept that day open. I'm concerned about going three months with so few meetings and we can always pull it off the calendar.

>> Gallo: Okay, Mr. Pack king.

[4:21:08 PM]

>> Houston: Two weeks off in December and three weeks off in January, we're going to be short, I feel, of council meetings so we're going to have to add something in and the 31st seems like a reasonable one to add back in. And then I have another quick question. Are we going to be able to schedule community court as we think about how other boards and commissions use the facilities? That's something that we usually do but haven't been able to do so I want to make sure that's on somebody's radar.

>> We can reach out to them. Particularly the --

>> Houston: Is it community court or some other court that usually meets in here?

>> It's the community court. We can reach out to them and get their schedule as well and incorporate that in. We usually start with the council schedule and get you all booked and then move into the other areas.

We>> Houston: We are scheduled to be here.

>> Mayor Adler: Anything else? I think that's all in our work session. We'll stand adjourned.