

## City Council Work Session Transcript – 08/15/2017

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[9:06:46 AM]

>> Mayor Adler: All right. I think we're here in sufficient number. Today is August 15th, 2017. This is the city council work session. We have some pulled items. We have a couple of briefings. We have an executive session. And the other calendar item is that the mayor pro tem and I are going to be leaving here a couple of minutes before 9:30 and then we will be back. There's a gathering on the pilot program for the homeless downtown. We're going to run out to that and then back. So with respect to the pulled items, I had pulled three items that were at the top that relate to the highland mall area property. Staff has let me know that they're still in negotiations, so I'm not going to ask any questions about that. They would prefer us not to at this point, so I'm not going to do that. And if anyone has any questions on those, we could ask those, but otherwise I would not have these items pulled. Is that okay?

>> Tovo: Mayor, that makes sense to me. Are we planning on having an executive session about any of those? Or no?

>> Mayor Adler: The questions I was asking was more not executive session type questions, which I think is one of the reasons why they didn't want me to pull it, but we can certainly -- this will be coming up on Thursday, we can both go into executive session and talk about it publicly. Okay. That gets us then to --

>> Kitchen: I apologize, I'm sorry. I couldn't quite catch what item y'all were talking about?

>> Mayor Adler: This is the item 16, 17 and 18 that relate to the Austin mall 5.164 acres.

[9:08:56 AM]

>> Kitchen: Okay.

>> Mayor Adler: On that I was asked -- they're still in the middle of negotiations. So I'm not going to call them up and ask them the questions I would have asked --

>> Kitchen: But we don't want to do executive session today on those? We're going to do it on Thursday?

>> Mayor Adler: We'll just do it on Thursday. There will be a report to us on the conversations they're having.

>> Kitchen: Okay.

>> Mayor Adler: In fact, at that point those numbers probably become public at that point.

>> My guess is on Thursday we'll be having a conversation in public about it.

>> Kitchen: Okay, just in regard with timing I wanted to making sure we took the generation plan up early enough in the day so I wouldn't want it to be after executive session.

>> Mayor Adler: And I would hope that we would do the generation plant first thing after we come back from lunch.

>> Kitchen: Okay. I wouldn't want to the do executive session over lunch because that will end up taking a long time.

>> Mayor Adler: We'll set a hard stop for that executive session so we make sure that we can cover that. I know that you want to have that discussion and vote before you have to leave, and we're going to make sure that that happens.

>> Kitchen: Okay, thank you.

>> Mayor Adler: So next item was the parks item. That was Greg, but he's not here. I pulled that, which was I had some questions about that. The next item Greg pulled, item 53 was the -- 53 was the displacement issue, and this was pulled by both me and by councilmember alter. It's my intent with respect to the displacement issue not to have a budget item, prebudget-budget item. So while I would like to have the task force formed on this because I think it's important for the community to be answering some questions and doing some things, there will be no budgets request as a part of resolution and I will put that on the concept menu.

[9:11:08 AM]

You pulled the item.

>> Alter: Thank you. I was trying to understand the role of the consultant and whether you could provide a little bit more information about the consultant like who will hire the consultant and supervise it? Some of this might go into the question you just raised about the budget on how the consultant will be paid. And will it be a local or non-local? I was just trying to understand, you know, who this consultant might be and what we're thinking about that.

>> Mayor Adler: Well, I think that the concept and the people that are working on this are still tweaking it. Before Thursday's meeting. The intent of it is, as stated for the task force, is to take up a relatively comprehensive look at displacement issues. And I think that the displacement issues will have some questions which will lend themselves best to a task force made up of people from the community, including folks that I've experienced or are experiencing displacement, but I think that there are also some questions that involve possible literature review. We're looking at other cities, gathering that information and data on what's been tried, where things have been tried, but also potentially taking a look at some of the questions that continually are being asked in the community related to displacement and cause and effect so there was, I believe, an interest not only in having the people that were appointed by the council, but also having someone that would be coming at that issue from more of a research or academic place to augment the work was task force and to be working with the task force.

[9:13:14 AM]

>> Alter: How does that relate to the consultant in item 55? Which is the other displacement.

>> Mayor Adler: On the other one. How does it relate to that?

>> Alter: I was trying to understand if it was the same person or --

>> Mayor Adler: Different person. My understanding is the work on 55 is addressing the -- I don't want to speak for councilmember pool, but at a really high level, it is doing in Austin some of the work that has been done in other places to take a look at where displacement exists in the city and the different kinds of displacement so the different levels of maturity of displacement. So it's taking a look at -- so the 53 displacement panel would be taking a look at what tools have worked or what tools have exacerbated displacement, but also taking a look at why those tools happen or don't happen in the community. So the logistics of getting those things done, taking a look at what we did in 2001 or other studies to see why when there are ideas they didn't happen. Also taking a look at some of the academic questions so that as a community we can get a little more information on the issues of displacement and demolition so the displacement and rezoning. Or whatever questions that would be relevant that the task force or others would identify. So I see them as being two different things. But very complementary. And I hope being able to inform one another.

>> You can go first.

>> Tovo: Mayor, I just wanted to indicate thank you for bringing the resolution forward. One thing that I wanted to be sure doesn't happen is that the task force sort of starts at -- at the beginning stage of some of these questions when we've had considerable work on most of those elements.

[9:15:23 AM]

So my stuff very quickly yesterday pulled together a list of resolutions that we believe are relevant to the work -- that the task force will be undertaking, previous work regarding tenant displacement, affordable housing preservation, controlling land for community development. We've tried to use the same goals that were identified in the resolution and map very -- this is not by any means a comprehensive list, but 36 or so resolutions that are related to the work that I think this group will be doing. Some are more relevant than others, but I think they fall within that. We do have good work done by previous task forces. They've offered very good suggestions with regard to housing presentations. And some other work with displacement and gentrification. I think it's a valid concern that if we begin in the same place and come up with some of the same suggestions we may not push on -- push further. So I do think we have a body of work that points to some programs and some investments that we could make and I want the task force to be aware of those. So I don't have copies of this right now, and probably can't get them before I leave, but hopefully by the end of our work session I can distribute this. And again, we can refine it for Thursday. But I think it would be appropriate for the task force to have, you know, some sense of that previous work.

>> Mayor Adler: I think that would be really, really helpful. Just gathering all that stuff in one place would be a service to the community so that it happens. In the last resolve clause we talked about pulling together all the city council work to date because obviously there has been some. So I really appreciate that kickoff of that work. And absolutely we don't want to recreate work we've already done. But one of the things to look at is with respect to those recommendations, were they actually tried. And if they were really good recommendations and no one actually tried them it would be interesting to answer the question why didn't we try that? Or if we tried that why didn't it work?

[9:17:28 AM]

Ms. Houston?

>> Houston: Thank you, mayor. And I thank you for bringing this resolution forward. In this first be it further resolved, the last paragraph, I have some real concerns about the twice a month, the meeting of people, because if we're encouraging people who have been displaced or who experience displacement, I'm not sure that's reasonable for them to be able to commit two times a month for six months to be

able to meet with a group of people. It's very important to them, but they have real jobs. I mean, they don't have the latitude to say I'm going to take vacation time or maybe they don't have a job where they can. So I would like for us to reconsider that twice a month. That's a lot of work. And six months is a really short period of time, especially when you consider Thanksgiving and Christmas where most people are not doing anything. School's out, they have childcare responsibilities. So I think we're trying to compress a lot of work into a very short period of time. And if we really are intentional about having people who have actually been displaced participating in this task force, I'm not sure how that's going to work for people.

>> Let me work with your office and see if we can extend that or relax that. The push-pull on that is that I also want to get back information in case it could help inform the codenext process, but I think we can accommodate that, so let me work with your office in doing that, finding the right balance there.

>> Houston: Thanks.

>> Mayor Adler: Mr. Flannigan.

>> Flannigan: I have similar concerns that the mayor pro tem had. And I'm hesitant to create more task forces and boards and commissions around items that have been worked on repeatedly in the past. I'm curious if the city manager has any insight when those reports are generated or in general when reports are generated at the end of a task force, does it go into a rabbit hole, memory hole, and we never see it again?

[9:19:34 AM]

Is there a staff assessment that we get? Those reports are older so they would have happened probably before any of us were on council, but is there a built-in part of that process that says two years later, three years later here's the report, we give it back to council and you guys approve the stuff the report said never to do, which I guess by and large is mostly on council's head? Is there a built-in part to that process?

>> Yes, there is, councilmember Flannigan. Every time that the council approves a resolution we track those as well as all the activities in support of accomplishing the resolution. Most of these that the mayor pro tem listed out loud are related to housing in some way or form. And I believe that most of these you will find on our neighborhood housing and community development website because they have an extensive list of reports related to housing that are out there. Generally when we have a resolution there's multiple one or more staff departments assigned to work with that -- work on that resolution, work with a task force to support it. So they would sort of own that resolution. I can't speak to any of these individually, but we do have a process that tracks them and it's not likely that they would have been put on the shelf after work had been done. They would have been assigned to a department. That department -- we will follow-up processes to see what can be implemented and what can't.

>> Flannigan: And the timeline is short given it is on the agenda this week. It would have been interesting to see the results of those reports, what their recommendations were, what the out puts were, how much of them got done, how much of them didn't get done. At this moment I don't know if those free task force and gentrification generated ideas that we never did or generated ideas that we did and failed or generated ideas that worked, but didn't work enough, which are kind of off the top of the three possible scenarios.

[9:21:41 AM]

So I'm reticent -- I will support, but I'm reticent to create another task force that might end up in that same place where we get a list of recommendations, but it is inherently a political problem, not an idea problem. I think the ideas are out there, but are the votes? And I think -- my hesitation, and are there other task forces that we have debated just this month that I think fall under that same category where we pull in the community and we have this debate, but ultimately it's a failure of political will.

>> Mayor Adler: And it could easily be that the task force comes back and says exactly that with respect to -- as I go around and talk to the community, as I'm sure all of us, the issue of displacement continually is coming up. And within ever greater frequency and fervor. And I think it's something that we need to take a look at. And we purposefully put in here that we want this task force to begin in that place, with the kind of work that the mayor pro tem has just identified, to look at the questions that you've asked. Because those are not only your questions, those are questions that many people in the community are asking at this point. So I think there would be value in having a group take a look at that just to even answer that question I think would be really helpful. Yes, Mr. Renteria?

>> Renteria: This is really a complicated question on that because we knew back then that we were getting gentrified. We came up with solutions. We worked with a state representative, Eddie Rodriguez, on some of the legislation. And the problem has always been the lack of will, city, taking initiative of investing into affordable housing because of the tight budget that it was.

[9:23:44 AM]

When we had the homestead preservation act, we would have been able to collect more money. Really was set aside to collect 25% of the revenue of the tax added value that was coming in because of the gentrification that was happening. We weren't able to convince a city to pass any of that and it took 10 years to get the city on board on just that one district that we have, a, the homestead preservation. And then also we invested heavily into building homes for residents that didn't have -- that their house was in such a condition, wasn't worth investing into money into it and we didn't have the land trust at that

time. So a lot of this came very valuable later on. So it got sold -- they were getting 200,000, \$300,000 for these houses that we built for them for 80,000 and gave it -- basically just gave it to them. And now we lost those homes. So we had a lot of problems also with trying to educate the people that they needed to put down in their will and leave that home to their kids in a way it didn't have to go through probate courts. And a lot of people ended up dying without leaving any kind of will at all so the kids didn't have any ability to pay that sudden added -- that homestead gets lost in those kinds of incidents and what happens is that they're faced with a huge tax bill. So the kids decide that they want to invest into that house and they end up selling it and that's what gentrification and thousand what was going on and going on. Induce said please do something, please do something. And we just couldn't because with the budget restriction that was going on at the same time, you know, and at the same time when George Bush was in there they were cutting the grant, the community development commission grants by 20% every year.

[9:25:57 AM]

So we were getting less funds. And that's when the city came in and started investing into housing with the -- and we convinced them to pass a bond election that gave us \$55 million for affordable housing. And the voters gave us the grant instead of

[indiscernible]. And I would like to find out what's going on in and what we can do. Now we have land trust, we have other tools, but at the same time when we were being creative, the state was taking all their abilities away from -- we couldn't have rent control. We don't have inclusionary zoning. We don't have linkage fees. It's gone. They've taken that away from us. It going to be a real struggle to try to find the resources. And the only tools that we have now is density bonus. That's the only tool that we have. And that's why, you know I try -- I like to see that we don't lose that ability and take advantage of it. That's the only way we'll have some lower income people living in the inner core of the city besides the projects, the courts that we have, Santa Rita. Thank god we still have those and we're not going to radios lose them right away. And we have Rebecca baines, but they've made a commitment to keep on renting out to low income seniors. So those are the things that we have worked and it's working now, but it's a regular struggle finding the money. We have the Guadalupe foundation sitting on about 21 lots and there is no funding for them. There is infrastructure sitting there. I hope they can come with a creative way to be able to finance -- maybe some kind of small bank or something, but I would like to see that happen.

[9:28:10 AM]

That's always been a real struggle here in Austin because there are a lot of issues that are involved.

>> Mayor Adler: Mayor pro tem and I are going to leave. If I could turn the chair -- if you were going to make the presentation, do you want to make your presentation? We should be back in like 15 minutes.

>> Alter: With item 56 -- it's going to be real quick?

>> Mayor Adler: You could certainly -- you could call it up if you want to in our absence.

>> I wasn't sure. I wanted to make sure we were going to get to it.

>> Mayor Adler: Why don't you do 56 and then your deal.

>> I'll call up item 56 and that was pulled by councilmember alter.

>> Alter: Thank you. So I want to start by thanking councilmember Renteria and habitat for humanity for their approach in this resolution. I totally support it. I want to just make sure that the language is as sharp as it can be because hopefully this may be a precedent for future todies. So I wanted to -- future tod ass. And if your expectation is 75% of the units are income restricted under this density bonus program? Yes? So my concern is that in the final be it further resolved, it could be read that only 40% of the units must be income restricted. And that the units that are required to be affordable at 60 mfy could be couldn'ted as what is affordable at the 80% of mfi. So we're working with legal to make sure that 75% of the units will be affordable.

>> Renteria: I will support that. I didn't realize that it could be used any other way because the commitment that has been at a time had made was 75.

[9:30:17 AM]

And when they first made that presentation we worked real hard for them to make sure it was going to go for low income residents because I've gotten beat up enough over there about not getting enough low income housing. And it was a great opportunity for us to jump on it because it was the first that I know that's ever happened here in Austin. So this is a great opportunity that we have to demonstrate to the other people that there are groups out there that are willing to donate and sacrifice a lot of their resources so that low income people can live there. And I would think you could-- if this was owe foe it could be rated 40, they would like to correct that.

>> Alter:

>> Alter: We'll work with legal and we'll hopefully post something on the message board once we figure it out. It's a bit complicated and we'll work with habitat for humanity. We know incident tension was 75% and that's what habitat for humanity wants to do, but I think if we're going to use similar language in moving forward in other cases it would be good to have it tightened up so that we get as much affordable housing as we can.

>> Any other questions on 56? Okay. I'll jump over to the joint -- to the waste policy -- wait management policy working group. And that was recall remember councilmember's alter, Garza, kitchen, and I chaired that and we were charged with coming up with some recommendations or to unravel some of the quandaries that were presented with as far as how we handle our zero waste and how we achieve our goals. So first I want to remind you all that we have video transcripts of presentations, all are up on page [austintexas.gov/workinggroup](http://austintexas.gov/workinggroup) as all of the presentations up there.

[9:32:23 AM]

So we were trying to break the log jam that created several of the waste management contracts to crater both at the zero waste advisory commission meetings and at the council. We had eight policy questions that Austin resource recovery and Austin water brought to us to try to resolve. So let me run through those with you. And let me also say we had some really, really good input from people in the industry and other stakeholders who sat at the meetings with us. In April and may we learned a lot and as I said before, there were a whole lot of folks sitting around that table. At the front end we didn't resolve every issue. We didn't reach consensus on every item, but we did make some headway on the policy issues. There were be some issues coming back to us after we have some additional work with stakeholders and avidest waste advisory commission and Austin water look at some of these issues, including the anti-lobbying ordinance. So let me go to the recommendations. And I'll start with the anti-lobbying ordinance that was policy question number eight. You'll remember that we suspended that ordinance for arr contracts so that all of the stakeholders could come to the table and talk about the various issues confronting us and them, and that there wouldn't be any chance for penalties or issues being taken wrong. Our recommendation is that the ordinance remain suspended until council has voted on the revisions. Lawsuit department has been working on those revisions with our purchasing folks and I'm expecting late September -- could I ask staff if the target date for the anti-lobbying ordinance coming back to council for review is still late September? Morning, Mr. Scarborough. Thanks for coming up to help.

[9:34:29 AM]

>> The question is do you have an updated time frame for the work that you are doing with regard to with the law department and the anti-lobbying ordinance and the changes we were asking?

>> Yes, ma'am. The purchasing office convened the representatives both from our office and from law to review the ordinance and the issues raised in the work group. And we have put together a revised draft based on the objectives that were communicated from the work group. That revised draft has

been passed over to law and so they're doing some final edits now. I have not received any updates as far as timing, but I do believe that we're on a flight path to meet the September council meeting.

>> Pool: Okay, great. So I'm not going to go into too much detail, but we're specifically looking for clarification from staff on communication, which is when vendors can and cannot communicate with us or with staff. Clarification on enforcement, appeals and complaints. And we also recommended in this section of the ordinance that having an option to have a third-party reviewer, for example, the ethics review commission, to come in and make a determination rather than staff. So I'm going to jump around a little bit. If you are looking at the report, I want to draw your attention to the very last page under other recommendations, the second bullet. It says the draft revisions to the ordinance will require continued participation from the stakeholders. And judging from the engage. That we've had with many of the stakeholders I'm sure they will want to weigh in. So I want to communicate here officially and publicly that we do expect to have more input from the stakeholders. And if we go back to policy question number 1 I'll run through all of these really quickly. We were asked should the city continue to competitively solicit waste management contracts? This was an easy one. The answer was yes with some probably revisions.

[9:36:31 AM]

Top of the list of recommendations is to broaden our reach so that vendors just outside of the city limits can participate without losing points in the matrix. And we want staff to create a process for zwac and water wastewater commission to provide input on those solicitations to make sure they align with our environmental policies such as our zero waste. So that's a pretty important change to policy question number one. Number two, direct waste to or away from certain landfills. This is one the council will need to consider. There are a number of policy decisions to be made with regard to this. We opted to have staff create a landfill criteria matrix that reflects our environmental priorities and to include considerations such as the impact on community, social equity and existing levels of hazardous waste at each landfill. And then knowing all of that we can look at that and decide if we want to make some specific recommendations when we do rfps for where waste would be hauled. Number three, should some city contract services be consolidated? This is another one for council review. And this is a tough one for us on the task force, so we recommended a cost analysis to help us guide this determination. And we'll be getting that information from staff as well. Number four, should the city set diversion requirements for waste management contracts? And that answer on that one was yes. We do believe that it's best for city departments to handle their own diversion rather than consolidating them all into one overarching contract. So we generate the waste and we should be responsible for ensuring recyclable materials don't end up in the landfill. This will come back for council review. On this point we recommended that staff explore whether to include options for building point incentives into contracts for vendor-based participation.

[9:38:36 AM]

That might be harder for the city to track, but we'll see what staff recommends to us. Number 5 was what to do with the old utility poles, reuse and store until other uses are found was what we came up with. We would like more reuse on the reuse of utility poles and what proper storage plans look like and what we might be able to take advantage of while we determine what other reuses. Number six was should arr provide special events services? This is also another difficult decision. This will come back for council review. Our recommendation is for to us leave as is for now and conduct a cost of service study. Basically we didn't have enough information or enough time to get the additional information. And number 7, is there a preferred policy for managing biosolids. We recommend the adoption of recommendations of a joint working group of water wastewater admission and the zero advisory commission. You may remember seeing this document here with the inverted pyramid. I'll pass it around. Again, we'll give y'all additional copies. You have it? You guys are so good. Well, I do have some additional copies if anybody needs them. So last year the contract for handling biosolids was on our agenda several times and each time it stalled out or it was withdrawn. And council asked the two commissions to come up with recommendations to help us guide this policy. The council working group said it and added some additional recommendations and I also want to just make sure everybody is clear, we also recognized the real importance of continuing, sustaining and maintaining the dillo dirt program and so we're going to work to do that. We're looking for contract in late 2017, early 2018 and that will come back to council for approval.

[9:40:38 AM]

There was interest in having the zero waste advisory commission and the water wastewater commission also see the report and weigh in and give us their recommendations on it. And I know that zwac has planned to take it up. They were going to take it up this month, but I think they're taking it up next month and I'm hoping that the water wastewater commission will be taking it up too if that's what they desire. One more thing about dillo dirt. Austin water is anxious to put out the rfp because the responses to the previous rfp are no longer valid. I think that's -- James, is that correct on the rfp for dillo? The rfp is no longer valid? We need to reissue that. At the time that staff gave its presentation at one of our working group meetings we had 16 compost piles at Hornsby bend that need to be removed. And we heard it takes 5860 dump trucks just to remove one pile. So this is a critical health and safety issue and there's already been one fire this year. And if anybody has any questions about that, there may be some staff here who can answer that question. But the bottom line on that is we really do need to address these compost piles and make sure that we're managing them properly and that we also open it up for any of the vendors who wish to a haul them away. So the other members of the working group, if there's anything you all want to add or weigh in, and if it's possible to kind of take the temperature of folks in the room if this sounds good as far as additional information we will request of staff, trying to

get the dillo dirt contract rfp reissued and work on the anti-lobbying ordinance. If that sounds good to everybody we will move in that direction. And if there are any of the working group members that wanted to offer any insights or anything. I just want to thank everyone for all of the work, and especially our staff.

[9:42:39 AM]

They helped us tremendously in pulling together these recommendations and working through all the various permutations that the issues took. And that's all I've got. All right. Anything else on that?

>> Casar: I have a question. And I know you've touched on this briefly, but if you could just summarize for me to best idea the approached changes to the anti-lobbying ordinance, are they -- just to repeat, and I think you did say this, but just for my own clarity, are they across industries or just for waste? And if they are just for waste, what is the best rationale or explanation for why it should be different there?

>> Pool: Yeah, thank you for bringing that up. The bottom line is whatever changes are made will effect across the board. We're not doing a carveout specifically for the resource recovery contracts. We're specifically looking at how penalties are assessed and applied and there's a debarment element in there that I want to look at and make sure that that's being handled properly. But the short answer is whatever changes we make the council decides with the changes to an ordinance will apply to all the contracts.

>> Casar: Thank you.

>> Pool: You're welcome. And thanks to James Scarborough and our legal staff for working on that ordinance and to Robert Goode for helping guide and lead this and to Austin water especially for the support and input on the dillo dirt issue. All right. That's all I have on that. Around unfortunately, I still have the gavel. Is there anything else on this -- anything else that we need to take up? Any other -- where are we? Councilmember alter.

>> Alter: I just had a quick comment on 54 and 72, if I might.

>> Pool: Great.

[9:44:39 AM]

Let's bring that up.

>> Alter: So item 54 is the resolution, approve a resolution relating to legal actions that concern housing discrimination based on source of income. I wanted to ask councilmember Casar if I could be added as a co-sponsor, please?

>> Casar: Absolutely we'll add you on.

>> Alter: Thank you. And then for 72, conduct -- sorry, I'm on the wrong -- I clicked on the wrong number about the small cell. Do you know which number that is?

>> Casar: I think that's in the addendum.

>> Alter: 76, sorry. So for the small cell litigation I would also like to be added as a co-sponsor.

>> Casar: Sure. And we'll just read that in maybe during changes and corrections at the beginning of the meeting to make sure that you're in both. Thank you for offering.

>> Pool: So I think we have a briefing on the visitor impact task force next. Yes, councilmember Houston.

>> Houston: I have a question on item 54.

>> Casar: on page 3 of 3, you're directing the city manager to not only explore and identify, but also allocate the necessary resources, financial resources. Is that bumping up against the budget?

>> Casar: I think that's something likely best answered by the city attorney's office. Or the city manager.

>> I think you mean by resources who is going to do the work, and I think it would be handled in-house.

>> Houston: It says financial, resources, single or otherwise. So if we're directing the city manager to allocate the necessary financial resources, is that for implementation, and does that come out of the 2018 budget? I'm just trying to be clear about where that money will come from. Who would direct that.

[9:46:40 AM]

>> That would come from existing budget funds or current resources. We would use in-house attorneys to do the work. And I know some of the departments added some work -- some monies in their budget for small cell.. This year Austin energy added some staff to handle the projects, but I don't expect this to be a significant financial burden.

>> Houston: Is there some way we can legally say that so it's not saying something different than what I'm hearing today? That it's going to be handled in-house with current staff resources and will not require additional revenue?

>> I'd be happy to work on the resolution with the councilmembers to clarify that.

>> Houston: Thank you.

>> Pool: Councilmember troxclair.

>> Troxclair: I had a similar question on both of those items. I think we might have submitted it through the Q and a. But just because it can be handled within existing resources doesn't mean that there's not a cost associated with those resources, so it would be helpful for me to understand what the estimated cost is for both of those items regardless of whether or not they're handled in-house or with external legal representation.

>> Pool: Councilmember Casar.

>> Casar: And I think that that -- that those questions are certainly -- I'd be interested in those answers as far as what staff time calculates out to. I would just reemphasize that -- for each item since I haven't had a chance to speak on them. The cost of the legislature's small cell bill in our upcoming budget is well over three million dollars, which clearly dwarfs any resources that we would be putting into this in staff time. And potentially and most likely does escalate further in costs in the out years and is going to be -- the Texas menu league estimates a 750-million-dollar transfer in resources from Texas taxpayers to the private telecommunications industry.

[9:48:52 AM]

So if our -- if my understanding is correct and this state law is clearly in conflict with other laws and therefore should be struck down, we would be spending some small amount of resource in order to save Texas taxpayers \$750 million. On the source of income discrimination issue, I think that a decent amount of city resources is a worthy thing for us to put in, if it's staff time and in-house and existing budget, so be it. So Mike sure that folks on on housing vouchers are able to get into housing and not discriminated against. I think that's something that is a worthy thing for us to invest resources in. So I'm not -- I would just suggest that the reason that I listed it is because I do want to ensure that we put in adequate resources to ensure both of those goals because I think they're worth putting resources behind and I believe that our legal staff here is excellent and that the work that they will be putting into this is worthy and that's why I wanted to make sure that it has the blessing of the council with a vote.

>> Pool: Any other questions on any of the items, whether pulled or not? If not, we'll go back to the briefings. I think we have a briefing on the visitor impact task force. And I don't know which staff may be coming up to talk to us about it. I do know that Mary Ben Ramsey was out in the atrium and maybe James Russell also. We'll just hang here while they come in.

>> Casar: And chair, I was gone when y'all discussed item 55. I apologize. I wanted to add some potential language to add in, but I wanted to float it now. I think it should be friendly. I wanted to add that the council desires that the council ensure that special attention be given to those that might be harmed

most by displacement by assessing unique factors, included, but not limited to class, race, being elderly or someone's age when evaluating the risk of displacement and the degree of harm from displacement.

[9:51:08 AM]

>> Pool: That's great. And my guess is those were all of the elements or -- all of the elements that we have that would include those things. But thank you for that.

>> Pool: I think it would be helpful for us to be looking at vulnerability as who is most likely to be displaced and vulnerability of those displaced who is most vulnerable in that process so that we can best direct limited resources. So if the sponsors don't mind I'll post that up and hopefully just bring something shortly that is friendly.

>> Pool: Sure, that's fine.

>> Casar: Thank you.

>> Pool: You bet. It looks like we have our guests with us now at the table, James Russell, Mary Ben Ramsey. Welcome. Come talk to us about the visitor impact task force and thanks for being here.

>> Sure, absolutely. Since the -- I don't see them in here, but I'm sure he's watching so I have to mention this. Since I was in here last with the last task force, I've upgraded from David king to a Mary Ben Ramsey.

[Laughter].

>> No comment.

[Laughter].

>> He's laughing right now, I know he is. Visitor impact task force. I'll go through the overview quickly. In August a resolution put us together. We had 13 meetings in four locations, starting December 12th through may 23rd. 41 hours of public meeting time. 192 staff hours. We were subject to the provisions of the open meetings act. All meetings were open to the public, including opportunities for public comment. Scope of work per the resolution, study the impact of tourism on city infrastructure, services and facilities, investigate opportunities to offset those impacts by using hotel occupancy tax revenues.

[9:53:13 AM]

Review of current uses of hotel occupancy tax and the impact of those activities and expenditures on tourism in the city. Review of current tourist activity in the city of Austin and what events, venues and cities those tourists attend while visiting. Review state and national best practices for tourism programs. Review Texas code 351 and allowable uses of hotel occupancy taxes under the tax code, including parks, homework preservation, -- historic preservation, cultural heritage, music, special events, fee waivers, convention, visitors bureau, transportation, downtown districts, venues and other facilities, and debt defeasance for city owned hotels and convention facilities. Review the Austin convention center expansion, all possible design options and potential funding mechanisms. Make recommendations to city council about how to best utilize all hotel occupancy tax to impact tourism. Whew! Meetings and input, in person, we had 13 meetings. We used speak up Austin, a discussion forum. 78 responses from 28 total participants and we had many folks email us with their opinions, their thoughts, and they were all shared with the entire task force. So here's the meat. The legal uses of hotel tax, our first meeting we were briefed -- our first several meetings actually we were briefed the city's interpretations of chapter 351 and chapter 334 of state code.

[9:55:17 AM]

And what we could and could not do with that money. So beyond that legal interpretation, our report reflects that interpretation. I think that's fair to say. So under 351 we are currently at a seven percent assessment for the city of Austin. It can only be used to promote tourism in the hotel and convention industry. Further limited to the following allowable uses applicable to Austin. So Austin has a bit after carveout in the state code on what we can specifically do with it. So the convention center, advertising and promotional programs to attract tourists and convention delegates. Cultural arts up to 15%. Historic preservation up to 15%. Signage directing public to sights frequented by hotel guests, transportation system for tourists. So we have a lot of questions about the transportation system for tourists. Some folks asked if, you know, can we use this money to build a rail? From the airport to downtown? Sure, only if tourists are riding it, locals would not be allowed to use it. So that fell off rather quickly.

>> Kitchen: I will just note that I don't think that's an appropriate interpretation from a legal standpoint but I understand you worked within the parameters. I can't imagine you could build a transportation system and only check if they were tourists or not. But anyway --

>> I didn't write these rules. So when we say cultural arts, up to 15% and historic preservation up to 15% I want to be clear that that's 15% of the city's allocation of the hotel tax, not the total between the city and the state.

[9:57:24 AM]

That is just the city's. So we take 15%. Currently we take 15% of Austin's seven percent and that goes to cultural arts. And that is the state maximum. Additional two percent assessment for eligible central municipalities, and this is applicable to us. The only way we can raise our hotel tax rate is by expanding the convention center. Under 351. Revenues derived from this chapter may not be used -- this was another one that we went back and forth on, and Lela was very gracious with her time with us. Revenue derived from this chapter may not be used for general revenue purposes or general government operations of a municipality. So one of the things that we looked at was, for example, paying for police during south by southwest. And that is not allowable because it is a general governmental operation. Of public safety. So -- and there's a long list of other things that we also tried. For instance, I had a bit of an agenda coming into this. I was appointed by the parkland event task force and I was appointed to that task force by the open space committee, and I wanted some money for parks. To be quite frank. And I did everything I could, but Lela -- I don't know if she's here or not, but -- Lela kept smacking my hand.

[Laughter]. So when we get into our recommendations, you'll see how we kind of addressed that.

[9:59:28 AM]

Okay. Chapter 334 is a two percent increase of hotel tax, if that were to be approved. That is approved by voters. I believe in -- we currently have one for the last expansion of the convention center from a '97 election. That is scheduled to be paid off currently in 2029. And we are allowed one at a time. And then we also have the palmer events center that is paid for by rental car tax that is also scheduled to be paid off in 2029. So, our categories of final recommendations, we have over arching recommendations which we've referred to as overlays. And these, quite frankly, should be done no matter what else is done with the report, in my opinion. As we look through the current recipients of the hotel funds, and the current, I guess marketing of the availability of those funds, there's a significant lack of equity. A lot of folks don't know that these funds exist, and that they can apply for them year after year. And that's a problem for me personally, at least, and it was a problem for our task force, and that's an easy change. That's an easy change. Also, consideration of sustainability practices, you know, we looked at we got a lot of information about sustainability when it came to greening buildings and facilities and things like that.

[10:01:37 AM]

And there's the argument of it's pretty expensive to do that and do it well, but we're strongly encouraging that folks take a long, hard look at it and really dive into what it means, and it's not a zero some game. It's not an all or nothing game. It's a phase-in game. It doesn't have to go from zero to 1 million. It can just go zero to 10, zero to 20. We don't have to throw a touchdown on every pass. Expansion of the convention center was another one of the recommendations from this task force.

However, there were several conditions attached to that. So, it wasn't just a blank slate of expand the convention center. It was expand the convention center if, and a laundry list. Through that, we want to continue funding our arts at a maximum allowable level. We also want to provide a bucket of money for commercial music to be used for commercial music in Austin. Historic preservation. We want to create a nice pot of money for these folks as well, currently. Up until this year, the historic preservation allocation has been \$200,000 a year, and that has been administered by the company formally known as acdb, now visit Austin. What we found is that in the past, they haven't been able to give that money away. And that's -- that's our own creation there. What we found is that in the '90s, the city passed some rules on allocation of that money, and put some arbitrary parameters on it, including the maximum grant was \$47,000.

[10:03:55 AM]

You can only do projects that impacted the outside of a building. You had to be a non-profit. Those don't really make any sense and I don't know of too many historic preservation projects that can be completed for \$47,000. So, I think that there's a bit of hesitation from the preservation community to work so hard on this very cumbersome process for \$47,000. It's -- I don't know if you have more to add to that, but it's fairly painful.

>> Well, and suggest that in Austin, Texas, you cannot grant \$200,000 for a purpose like this, is surprising, but I'll just say surprising. One of the other rules on it is whatever you ask for, you cannot get more than 50 percent of the overall budget. For some projects that may be appropriate but that may not always be appropriate. So there's just no flexibility, and so the result has been that when the -- when visit Austin couldn't give that money away, it fell back into their budget, and there's a lot of opportunity out there, and a lot of people who could do wonderful things if there was more money that could -- was more easily available for these purposes.

>> Well, I'd also weigh in and say that -- and I see the mayor is back so I'll pass the gavel back to him. But if the money -- if they didn't -- if they were going to -- if the convention center was going to get that money back if they didn't otherwise award it for whatever the reason was then there really wouldn't have been much, especially if council was not prodding them, and the benefits to the community were small, then it's not really surprising that there wasn't a whole lot of effort put on it, but I think -- I know I want to work on changing that, and I think some of my colleagues around this dais also want to.

[10:06:01 AM]

I'm going to give the gavel back to the mayor. Thanks.

>> Where was I. Ah. Tourism and promotion. Short-term rentals was an interesting conversation. We were briefed on the amount of money that the city currently collects from short-term rentals, because short-term rentals also have to pay hotel occupancy tax, and there was a sentiment that it seemed very low for Austin being such a popular short-term rental town. So, after looking around a bit, so, the city collects from the property owners directly. And our recommendation was to accept payment directly from the company like airbnb, like home away. So here's the quagmire. We currently collect hotel occupancy tax from registered short-term rentals. Not unregistered short-term rentals. So, that being said, there's a lot of unregistered short-term rentals in the city, you know, to the tune of nearly \$60 million that was left on the table. Uncollected in hotel tax from one company alone. That's a lot. I know that the state recently entered into an agreement with airbnb. The airbnb is going to start collecting and remitting the state's portion of the hotel tax directly to the state.

[10:08:09 AM]

In the past, the state has not even collected it from the short-term rental city, but now they're going to and it's going to be remitted. I'm not quite sure if it's quartz Erle, if it's annually or how they're doing it but that has begun with the state. So, I know that we have an ordinance on short-term rentals, and I know that our collection process speaks probably directly to that ordinance, but six million dollars of hotel tax on the table is a lot. So I don't know if there's something that can be done with that or not. I'm sure it would be nice. All right. So, our overarching recommendations, the equitable consideration of oh tell uses and recipients --

>> I can -- with regard to all uses of hotel occupancy tax, equity should be considered and funding should be inclusive and reflect the diversity of our community, with inclusive consideration for underserved areas and underrepresented communities. Consideration of sustainable practices. We went through all of this. So let's talk about convention center expansion. I know that this is a popular topic. Sorry. So, you'll see convention center expansion, if. So we had 18 people on our task force. It was a diverse group of folks. There was some questions at the beginning about conflict of interest, and we did address that with Lela again. Some of the folks decided to recuse themselves from any vote because of that conflict.

[10:10:12 AM]

Some did not. At the end of our task force, when we took a vote on this package, we had a vote of 15 to zero to one. We had one abstention and we had a couple of people that weren't there, which was also pretty standard for our task force. So, expand the convention center, if. Utilizing the financing concept that the convention center had put forward months ago, a year ago, I'm not too sure on when it was,

but they referred to it as financing concept, 2b which was increasing the 351 portion of the hotel tax rate to expand the convention center, and in the spirit of most of us having iPhones, we changed it to 2b plus, because we had some extra parameters that we wanted to put in there. So, we'd increase the hotel tax rate by 2 percent. The only way to legally do that in Austin, Texas is to expand the convention center. Further, we recommend strongly that the convention center retire its existing debt, hopefully by 2021 is what we had recommended, meaning that that venue tax that is currently assessed goes away, which would put us right back at the hotel tax rate that we're currently at. Seek land acquisition through a long-term ground lease or some other development agreement. One of our "IFS" was do not remove any property tax from the property roles. That was a non--starter. And we wanted -- we thought it would be a good idea to work with the developer, enter into a public-private partnership with somebody that could put that land deal together with all of the property owners in the expansion area.

[10:12:18 AM]

And we also, and this gets into the plus of the 2b plus, we also did not want another shoe box downtown. That was a non--starter with anybody and we did not want to lose more streets downtown. Maintaining the downtown street grid is very important, for mobility, for everything else. And we don't, again, with the shoe box, we don't want a shoe box, so, whatever is built, if it's built, it needs to be part of the downtown cosystem. It needs to be vibrant and active on a daily basis, not just when there's a convention going. We recommended reserving the first floor for retail, et cetera, there are other cities that we looked at that that did similar things with our convention centers and they did incredibly successful. Seattle was one of them. That's probably the closest to Austin. And also, we wanted to have an affordable housing element to this. So we recommended building a couple of towers on the expansion. An affordable housing tower, and also an office building. There is no view corridor restriction in that area, so that was not -- that wouldn't present that from happening. I know that it is assumed, and I think it is correct, and I'm looking at Carla on this, that going that route would actually add to the property tax roles in the long run, and ten years, that is a very significant amount of money. All of this was taken into consideration in these recommendations.

[10:14:20 AM]

Including additional allowable area improvements that are important to the community. So, this is where I like to say my little piece about their being two types of people that want a convention center expansion. There are folks like the hotel industry. There are folks like the cvb and the convention center itself that, you know, want to do more business, and then there's people like Mary, Ben and myself, that quite frankly, sorry, don't care about the convention center business. I care about being able to do

things in this community that otherwise I'm not able to do. You know, and we have a list of these things. Potentially purchasing palm school, working on the master plan or funding the master plan for the mexican-american cultural center. Preserving nearby historic landmarks in the convention center complex. You know, working with Wahler creek on their conservancy projects. There are things that we don't have money to fund, and this is a mechanism to fund them, and that is -- that's where I come from on this completely. Obviously, if we're going to expand the convention center, I want it to be successful. The entire purpose of having a convention center is to maximize the amount of hotel tax that is collected by a city, so that it can go to these projects that we all care about. So, I don't know if you have anything to add there.

>> No, I mean, we're -- really the whole task force was in support of this. For one reason or another, most people in there didn't have an interest in the convention business, so, a lot of people are interested in the fact that this would produce more funds that are not paid by local taxpayers to make things happen in the community that we find desirable.

[10:16:28 AM]

>> So, included in bond coverage flow of funds, direction that excess funds remaining after debt service convention center operations and capital funding be utilized for, very self things. One is commercial music. We can fund commercial music in the first year to the tune of about \$3.5 million that does not negatively impact the funds that currently go to cultural arts. This would be different money that we would use specifically for that purpose. Historic preservation in the first year would go from \$200,000 to \$3.5 million. We did not get very specific on the preservation projects. We are lucky enough, and I'll go -- this is where it connects back to me for finding money for parks and recreation. We are lucky enough to have a lot of historic assets throughout our park system that can be funded with this money. Therefore, freeing up parks general fund money to go and do other projects, master plan projects, that we currently don't have master planning money for. The parkland event task force made recommendations to, on these other parks, but we don't have money to build them out. We don't have -- this is a potential way to do that. Other allowable uses, as funds are available, including visitor centers, visitor centers, are a good use of these funds. There was a lot of talk of potentially having a visitor center in zoeker park that would be part of, a potential rebuild of what is needed in the park with flash and other things. Obviously a big fan of that option. Arts and commercial music, you know, consider the following of economic development cultural arts division grant program.

[10:18:36 AM]

Marketing access and outreach, websites, grants, and funding pages need to be more user-friendly. Enhanced community outreach and enhanced community outreach are really very important. The marketing. Increase visibility in the underserved communities, through strategic and targeted outreach campaigns. Consider the following. For use of a portion of additional funding allocated to commercial music, and -- or from the convention center funds. Establish administration of the commercial music funding program as independent and transparent organization. For example, the Austin community foundation, with an advisory board that makes the decisions on the grants. The advisory board should be composed of a broad and inclusive set of stakeholders representing a variety of commercial music and tourism interests. Grand funding as artist entrepreneurs is the core funding. Funding preference two ideas and plans that stimulate growth and develop tourism opportunities in underserved communities. Specific funding to expand and develop individual artists that are building successful art ventures with the history for growth. Artists receiving funding in growth and expansion phase must become mentors. Each funding level can only be received once per artist. So, we didn't want folks coming several times for the money. If this is getting too granular, please stop. Visit Austin and their tourism promotion. Visit Austin formally known as convention and visitors bureau, we recommended staining a, ma eting advisory committee that would meet quarterly and include local small business groups.

[10:20:36 AM]

For instance, the -- I missed a page. Historic preservation. Like I said. Transfer administration of the historic preservation program from the acvb visit Austin to a non-profit. Austin community foundation was an example used again or city department with an advisory board that makes the decisions on the grants. Advisory board should be composed of take holders representing cultural Herridge and tourism interests. Look to other grant programs as model. Including Texas historical commission, Texas preservation trust fund. That's a mouthful. His tore Colorado state historical fund. With expansion, maintain percentage funding lefts from hotel tax revenues based on 7 percent assessment for the cultural arts grant program and Austin cone vengs and visitors bureau tourism promotion fund. Revise eligibility and grant administration guidelines while retaining consistency with state law and city code. Establish percentage of revenue from hot associated with the expansion of the Austin convention center. Plan 2b plus, or from the tourism public improvement district. We'll get to that in a minute -- to be dedicated to historic preservation. Prior to any expansion of hotel tax, due to the convention center, tpid, continue to allocate \$1.5 million per year to the historic preservation from the us toism promotion fund. Is whatever you did last year, we want you to do that again, please. Back to visit Austin. Establish a marketing advisory committee that would meet quarterly and include local small business groups, the red river cultural district Austin independent business alliance, arts and cultural orgs, underrepresented community stakeholders to revise and collaborate with visit Austin on tourism marketing plans and diversity tourism.

[10:22:46 AM]

Visit Austin should continue to support cultural heritage, live music and developing marketing efforts to support robust tourism plans in east of those areas. Short-term rentals. I feel like I did that already. So I'm going to skip that. Welcome centers, within the expansion bonding capacity. Determine if there is a possibility to provide funding, estimated at \$5 million, for welcome center located in Zilker Park. Other areas that promote tourism. In future years as additional funding, available to music through the commercial expansion financing, flow of funds increases. This is a run-on sentence and amount available reaches the maximum of 15 percent. Consideration should be given to allocating a portion of excess funding available to for historic preservation to costs associated with welcome centers located on city-owned property. Impact to the city's economy, taxpayer general fund. Based on information provided to the task force. Positive impact on the economy, including the city's general fund estimated up to \$6.4 million in the first year. That is based on current projections. Representing the first year after current debt pay-off. New debt issuance, as depicted in the 2b concept. Through additional annual funding for historic preservation, projects for parks and recreation department, assets. The transfer of general fund dollars to those project funds is reduced. Providing for all other general funds services to utilize those funds depending on the allocation assets.

[10:24:53 AM]

Estimated up to 3 tonight \$2 million the first year. Through the identification of additional funding for professional and commercial music. Musicians and key initiatives to city council, efforts to address certain challenges facing local musicians will be funded through hotel occupancy tax as opposed to general fund dollars estimated at \$3.6 million in the first year. Through the creation of a tpid with agreed-upon funds provided to the city, certain costs typically covered by the general fund will also be alternatively funded. Let's talk about the tpid. The tourism public improvement district is an assessment that the hotels put on themselves. What they typically do with that money, they will use it for promotion and marketing. We had a panel of hoteliers come and talk to us about a tpid. They are -- they are supportive of having a tpid in Austin. They are supportive of sharing a portion of that tpid with the city of Austin. The parameters of a tpid are not the same parameters of the hotel tax. The tpid board would need to agree on what that money is going to be spent for, or spent on. We did not get granular with this at all. We recommended having a tpid, because more money is better than less money, in my opinion. And we don't have to live in the same program trs as hotel tax with that money. We recommended that council negotiate the best deal possible with the hotel industry to get as much of their assessment as possible. We did have, you know, folks that wanted to use that money for south by southwest police costs.

[10:26:59 AM]

We had, I think it was Dan who mentioned doing something with homeless, with that money. We just want you to get the money. And use it, you know, for things that are important to this council and things that are important to this community and that does sound like Forrest gump but that's really all I have to say about that. The combined effect of the task force recommendation provides with the continued success of the convention center and visit Austin, maintains the funding for the city's well-established cultural arts grant program and allows for additional funding and commercial music and historic preservation. For these reasons the task force encourages the city council to move forward with all of the recommendations as outlined. So we did this little illustration that I find helpful because this is a fairly difficult thing to follow how this money flows. So, this first illustration is where we currently are. Right? Yes. Is see? Is and how it's currently allocated. So, we have -- truly, we have a 7 percent, 351 assessment then we have a 2 percent venue assessment. That 2 percent venue assessment, based on the ponds that were approved, can only be used for the convention center. So, we really have nine, but it's seven. So, we have 15 percent of the 7 goes to cultural arts. 20.7 going to tourism and promotion. That's cvb or visit Austin. And 64, nearly 64.5 goes to the convention center.

[10:29:00 AM]

Following page shows what happens when we increase the hotel tax by 2 percent under 351. Cultural arts stays the same on their percentage, but by definition, their amount of revenue goes up. Tourism and promotion stays at 1.45. The venue stays. The convention center stays and then the additional 2 percent, which is spread throughout, with the exception of the venue portion, is what essentially gets bonded against if we were to expand. Out of that additional 2 percent in the bonding is where we get our money for commercial music and historic preservation. And then this is -- this last one is when we go back to 9 percent. After the current debt is paid off from the hotel -- the hotel -- the convention center expansion, it brings us back to where we currently are. And that is estimated to be in 2021 in this program or 2029 if we do nothing. That's all I got.

>> I know a lot of people spent a lot of time on this. It represents a lot of work. Thank you, thank the task force. Questions?

>> Troxclair: I'll echo the comments that this was a very time consuming task force so I'm grateful for the efforts that you and your other members spent on this.

[10:31:02 AM]

I want to have -- I have several questions. It's such a complex issue, I just want to make sure that we are -- we really are all on the same page. First of all, the -- going back to council member kitchen's question about the transportation, was it -- so am I to understand it was the city's legal advice that if you spent the occupancy tax money on transportation, that only tourists could write it and residents that lived in the city could not?

>> The transportation that is specifically culled out in 351 as an allowable use is for transportation of tourists. Period.

>> Troxclair: And we spend, obviously, the money that we spend, for example, of hotel occupancy taxes for, say, I don't know, Bali Austin, just to pick one. That there are plenty of things that receive occupancy taxes and of course they promote tourism, because we hope the people are coming to the city and enjoying valet while they are here but we don't say by any means only tourists can purchase tickets to valet Austin?

>> Correct.

>> Troxclair: That's just an interesting interpretation. So, how -- and I know you made a point of kind of saying at the beginning that -- I want to understand the dynamic of the task force. I know that you mentioned the legal -- that you felt there was a conversation -- that the conversation that you were directed to have was -- had to be in the confines of a very strict interpretation of maybe that city legal was giving you and you also mentioned something about conflict of interest. What context should we be taking these recommendations and can you help us understand I guess the dynamic of the task force and most importantly, do you feel like you are able to consider the full -- the broad range of options that were available to you?

[10:33:07 AM]

Or do you feel like -- or were you trying to say that conversation might have been limited to a certain area? Can you help me understand that? I don't think it was limited to a certain area. I'm going to try to be incredibly diplomatic and it's going to be tough.

>> Troxclair: I'm sorry. If you don't feel comfortable answering, I totally understand.

>> I'll answer it, I just got to figure out how. The -- the conflict of interest portion of this was obviously, having the CEO of visit Austin on the task force, and so the question became about, is this a conflict of interest. This is somebody who receives funding from this, making decisions about this. And I will say, you know, mark tester, the CEO of the convention center was also on the task force and he recused

himself from any voting. He would participate in the conversations, he would add his two cents but he would not vote on anything. If you go back and listen to the audio, I don't think anybody can argue that there were a couple sales pitches given on expanding convention center. But it had the opposite effect of a sales pitch, to be quite honest with you. It was a pretty big turn-off to a lot of folks, and, you know, I told Mary Benn. I won't put you on the hook for this. I told Mary Benn that if this task force ends up recommending a convention center expansion, it's going to be in spite of, not because of, and that's, quite frankly, where we got to 0. This task force, while it was diverse, in that we had Tom and Mark, and other folks from the restaurant community on the task force, the sentiment was pretty clear from the other folks that we really don't care about that side of it.

[10:35:20 AM]

We care about the other side of it. So, I do feel that we were given clear opportunity to make many recommendations. But when we as a group started considering all of the other options, we frankly decided that more money was better, and the way to get more money was to expand the convention center, and -- so, I don't know if that answers your question or not, but --

>> Troxclair: Yeah. Thanks for helping me understand that. And -- to build off of what you just said, you said a couple of times that the only -- the only thing that you can use, if we increase the hotel occupancy tax by 2 percent, the only thing that that 2 percent can be used on is the expansion of the convention center.

>> Not to be used on. The only way we can increase it is if we were going to expand the convention center.

>> Troxclair: The -- is it true that we can use that increase -- we can increase it and use it on something different, we just have to go to the voters and ask for permission to do that?

>> No. For Austin specifically. Because there is -- when you read the code, you have to read it up here and then you have to track it way back down here to see what are the qualifying municipalities. Austin is one that the only way we can increase it, is if we're going to expand the convention center. Right? I mean -- that's --

>> Troxclair: Okay.

>> Can I just jump in on that? I'm looking at the language, and it's not just to contemplate expanding it, it says, allocation of revenue, eligible central human, eligible central municipal can use the amount of revenue from the tax that's derived from the tax for, one, and there's only one, the construction of an expansion of an existing convention center in this facility.

[10:37:25 AM]

It's not just the contemplation of it. We can say we're going to expand it and use all this money for other things. That's the only thing that money can be used for.

>> You have to build it.

>> That's not what I was hearing you say either. I am talking about what council member troxclair tried to get to. As soon as we triggered that expansion, we can use the money for something else.

>> No, you have to build it.

>> I have some questions and I said I was talking with Greg cannely and he was ready to report back on that. We thought we made have presentations together. But we felt it made better sense to have your presentation and then another one. My question is if you do the 2 percent, undertake convention expansion and it comes in cheaper or there's public-private partnership. That means you don't need all that revenue. What happens to that additional. Can you use it to other allowable uses?

>> So, we asked the same thing. Because if we -- we say p-spend \$609 million, right, if it only costs us 400 and our understanding was that that extra 200 million that isn't spent, can be used for allowable uses under 351, even though it's bond money. But we're --

>> I'll weigh in. Is, the pledge to the bonds is going to be more than just the additional 2 percent, so, the bonding capacity that the 2 percent gives you will not be -- will be lower than the total cost. It's -- a 2 percent assessment only gets you about 200 million of bonding capacity. The remaining bonding capacity will be coming from the pledge of convention center revenues and convention center current portion of chapter 351.

[10:39:34 AM]

The current portion of the chapter 351 assessment is what actually in the end is giving you additional funding through the flow of funds. So additional 2 percent will be used for just construction of an expansion of the convention center. It's the additional pledged revenues that are coming in to this equation that are offering up the excess funding.

>> Okay. Thank you. Just so summarize, another way of saying the expansion would cost more than 2 percent so there's no way we would have a savings. In addition of the cost it would need some of the revenues and some of the other things coming in.

>> Correct.

>> Just to pay for expansion.

>> Correct.

>> Thanks.

>> Was council member Troxclair done?

>> Troxclair: No, I wasn't. I know one of the charges of the task force was to look at other cities and other best practices in the state to see what other people were doing with existing hotel occupancy taxes, how they were allocating it. Can you tell us what other cities you were talking to and how they were spending money that was maybe differently than what we're doing in Austin?

>> Yes, I'm going to have to have Mary Benn chime in. So when we had San Antonio days, I had strip throat and I missed it so I don't want to speak out of turn and speculate.

>> So, we heard from San Antonio and we heard from El Paso. San Antonio uses, obviously, a lot on the river walk for a variety of things, and they've recently done an expansion of their convention center. Some of the things that -- and I don't have my notes to tell me exactly what they did there. There was an impression that those are things that were outside of what we understood was allowable uses of the hot, and we're not quite sure who gave them their advice.

[10:41:44 AM]

So, but since it was outside of that, that was one of the things when we started is that didn't seem reasonable to consider any kind of use that wasn't allowable by law, so, we are restricting ourselves to only those things that were legal uses. So, some other cities may have interpretations that are broader than we understand the law to be. But they probably have gotten some advice.

>> Troxclair: Because they are under the same -- I mean, it's the same -- there are obviously cities in Texas so they're under the same law that is dictating our uses, but is it -- am I remembering correctly, San Antonio does a direct -- do they do a direct -- you said something about the river walk. They do a direct transfer to general ref for maintenance and operations of the river walk. Because they've schemed it a tourism zone, right?

>> Yes.

>> Troxclair: Is that something the task force considered but was told by the legal department that was not allowable?

>> I don't even know that Lela was there that day to tell us specifically, but our understanding was that that was a use that was, you know, a general government purpose. And therefore, outside of the scope of what we understood to be allowed.

>> And, El Paso, were they doing something similar?

>> El Paso actually get to have an additional allocation due to the legislature. So, they were not doing anything that I recall that was general government purposes. But they simply have more money, because they can have a higher rate than we could.

>> Troxclair: Okay. And were there any other -- was there a reason that you talked to those two cities or were those just the cities that happened to be available?

[10:43:50 AM]

>> I think we had reached out to Dallas and didn't get anything back from them but El Paso, I believe, was specifically called out in the resolution, so we reached out to them as was San Antonio. We also wanted to talk to San Antonio because they just went through an expansion and all of that.

>> Troxclair: I'm particularly interested in San Antonio, of course, because they're doing exactly what we're told in the city they can't do and using hotel and occupancy tax for the maintenance of the river walk. And something a historic district could benefit from. And I wanted to ask -- I think the El Paso -- I know you mentioned at the beginning by south by southwest you couldn't pay for direct, you know, the city gives basically a waiver of a tune of \$1.5 million much south by southwest to cover police costs and I understand the legal direction is we can't -- we can't cover those costs through hotel occupancy taxes. Was there conversation about maybe having them pay for their full police costs but doing something like allowing visit Austin to provide them with a grant for marketing to the tune of \$1.5 million so that they are able to use that money -- they come out even, but we're using the money in a perfectly legal way?

>> So, we did not but I would imagine that -- well, I hate to speculate on it. I might to speculate on it because I don't want to get it wrong. I saw Whalen running around here and I don't want to get in trouble. But I think -- I think that no matter where the money is coming from, 351 is 351 and I don't think the Noonan's budget could be used for it or -- that's my that's my assumption.

[10:45:58 AM]

>> Troxclair: Thank you for your patience. I have a couple questions. I know as recently as the next to the last meeting there was a conversation or at least contemplation of making a recommendation if you expanded the convention center and making a recommendation if you didn't expand the convention center. Was there -- it seems to me that a lot of things that you laid out in your plan were really great. The points about providing additional money to things like parks and historical preservation and other

things. Was there a question whether or not those things could be done within existing hotel occupancy tax revenue. For example, if we spend more money -- if we maximize the money that we're spending on parks and preservation, I think we could spend up to \$11 million of that 15 percent to go towards parks and preservation that we're not currently maximizing out of hotel occupancy taxes, and then take the difference, that would leave -- if we're able to offset general fund expenses, then that would leave \$11 million in the general fund to then contribute towards music or homelessness or anything else that the city wants to spend our general revenue dollars on because there's no restrictions how that money is spent. So it seems like some of the things in your recommendations could be done without an expansion. I just want to know if that was discussed.

>> I don't disagree with that statement at all but I will say the amount of money is dramatically different. You know, over the first ten years it's estimated that the historic preservation could be, what is it, 70 million? Isn't that right? That their allocation of money from the expansion could be \$70 million, rather than just the 11, right? So, and we'd also lose other things such as truly funding the commercial music which would also be close to \$30 million, because they are going to follow under the 15 percent cap, such as cultural arts, but the other project, such as palm school and the Mac would be gone if we did it that way.

[10:48:16 AM]

I think the Mac master plan is about \$25 million and I think the -- who knows what the palm school costs. I don't know that there's a price tag on that, but I think we could -- I know we would definitely lose the ability to focus on those projects as well as the other ones without expanding the convention center.

>> Troxclair: And did you -- thanks for men touring the cultural centers. If think that was one of the things that I heard other cities were funding through hotel occupancy taxes. Did you find that?

>> Cultural centers? Yeah. It's allocation from the cultural arts. >>.

>> Troxclair: Okay. I know there's other questions so I'll let other people go.

>> I think I was next. Mayor, I was next.

>> Mayor Nirenberg: Okay. Go ahead.

>> Thank you. Just to tag on what council member troxclair was asking about the calculation, the rise in the revenues in the out years with expansion, you said 70 million, when is that amount -- is that over a period of time?

>> Ten years. It's cumulative over ten years. And that includes years where it wouldn't be -- there wouldn't be an increase because you wouldn't have expansion of the convention center. Is that right?

>> So, this only -- this only pertains to expansion, that \$70 million.

>> Okay. And the 11 million that you said, is that the current amount or is that also in ten years?

>> So that's the current amount and the 11 million here's how we get to the 11 million number. Cultural arts, 15 percent is about 1 million bucks and the state statute caps historic preservation at the same 15% cultural arts is so it would be about the same as today's numbers. That's how we got to 11 million.

>> And that's also over the same ten-year period?

[10:50:18 AM]

>> I don't know that. Do you know that off the top of your head?

>> 11 million is a single year's 15 percent. It does grow year after year.

>> If we talk about 70 million over 10 years. With the expansion, I want to hear a number of what do we see over the same ten-year period without the expansion, which would be, I think the cultural arts is -- is it 13 million this year? I think it's close to that.

>> That's 15 percent, over 10 years would be 130 million. If we say 70 million over 10 years with the expansion, is that in addition to the 11 million? So it's 81 million. So, help me understand, because saying 11 million is just what it is, either last year or currently and that doesn't give us a true comparison, which is what I think you were trying to do. And you don't have to tell me right now.

>> That's a little too number for me.

>> I can characterize the 70 million for you. That projection was based on recommendation of expansion being implemented. So the funding through that recommendation that's going to historic preservation is part of the bonding, paying the debt, and additional funds that would flow through. So the 70 million is based on the recommendation of issuing debt for the convention center and then what the additional funding would be each year.

>> And then that is based on having more tourists come to town? So there are more heads than beds?

>> That's including very conservative projections that don't include an uptick. So our projections for determining bonding capacity in the additional funds we remained very conservative and used only 3 percent growth rate of hotel tax even though our historic rate over the last 10 years has been 8 percent a year.

[10:52:28 AM]

So those are very conservative estimates that don't include any incremental increase as a result of expansion, just so we know that those targets are reasonable.

>> So, I don't yet have the grasp and grip on these finances at the level where I can explain it to my constituent he is and that's kind of my standard if I'm able to extrees it back. So, we need to break that out, not here, but it would be great to have a better understanding the information we've gotten here still has not informed that question at the level I think the community needs to see, and there is some skepticism that expanding the convention center downtown will in fact result in the flow of revenue for a lot of different things that is being held out as promised, and I can't support an effort that has so much uncertainty related to it. It's nice to think that this would be a money waterfall, but I'm not convinced that it's there yet with downtown. Let me ask a couple of other questions. Where in either of the two state codes is the authorization to use hotel occupancy tax for building affordable housing? James, you were talking about the convention center would have two towers one would be office, one would be affordable housing.

>> Right.

>> How do we pay for either of those towers? It sounds like you're expecting it to come from this revenue.

>> I don't expect it to come from this revenue.

>> Why are we talking about that.

>> Because we were trying to maximize the space available to us by parter inning with a developer in public private partnership to give them the rights to develop on top of it.

>> So we need to separate out these additional extra efforts and try to drill down them as well.

[10:54:32 AM]

Tours and pid is entirely separate, the money to expand is entirely separate having a public private partnership to do two towers is entirely separate. I understand the idea is combine them all in order to bring us to a large revenue outcome that we can then send out to lots of really legitimate justifiable issues and concerns that we all want to fund? I'm -- I don't think we have -- we're not there. And we don't have enough information to understand how they are separate, how they interweave, so that the community even would understand what it is we're talking about. The percent of those who visit Austin, do we have -- how many people who come into Austin are tourists coming for a convention? I've seen some numbers on that.

>> The number that we hear most frequently is 2 percent.

>> Right. That's the number that I think you may have had in your report and that I hear, too. And the percentage of the hotel occupancy tax that goes toward the Austin convention center is about 80 percent, is that right?

>> 65, something like that. Well, with the 2 percent venue, yes.

>> And then if we were to expand that tie and send more money to the convention center, that number would tend to go up even higher?

>> Sure.

>> We don't have any certainty that we will see an increase in tourists, coming to go to the con against center.

>> Right.

>> So that discrepancy builds in my mind, so I'm just making a point.

>> Sure.

>> I support our efforts on the dais to look at the funding that goes to the convention center and the visitors bureau, visit Austin in order to maximize historic preservation. Historic tourism. Welcome centers trying to find a way to put money in those iconic places and structures that bring people to Austin the way people go to San Antonio. We don't have an Alamo but we have Barton springs and we have 0 promise along waller creek and the Elizabeth name museum and French resolution, and a good number of structures that can use funding that I think we currently have not been sending their way.

[10:56:55 AM]

So, basically -- and I'll just finish up. I have more question, too, but I'll defer to others to ask their questions. We have not yet done our budget yet for fiscal '18, and I think that we also haven't engaged the recommendations to get an analysis and a review of how the convention center is using the moneys it currently has, or that it might get and visit Austin, so I think the next thing we need to do here before we embark on this really complex, fit all the pieces together endeavor, is to get our current budget out of the way and see where we can shift existing revenues to those iconic structures and places that we all agree we need to fund.

>> Right.

>> And make sure that we are actually acknowledging with our revenue what it is people come to Austin for. Is it to go to the convention center? It sounds like it isn't. Sounds like only 2 percent of those people

who come to Austin are going to the convention center. Where else are they going in they are going to other places along the city just for everybody to get a sense of where I'm going with all of this, is that's where I think our additional revenue that come from the tourism tax should be going to support those efforts and those locations and those structures where people are actually going.

>> Thank you.

>>> Miss kitchen and mayor pro tem? &I wanted to circle back to the use for transportation and I think this is a question for our legal staff and our legal staff -- I don't know if we have legal staff available here or should I submit it? Basically, I'm wanting to -- oh, great. Thank you.

[10:58:58 AM]

I just wanted to first ask if you could give me the citation to the chapter section of the Texas tax code 351 that speaks to transportation.

>> I'm Ms. Fireside with the law department. 351.110 --

>> Kitchen: Okay.

>> Speaks to the transportation use.

>> Kitchen: Okay. Uh-huh.

>> And it is somewhat limited.

>> Kitchen: Okay.

>> You want me to read it?

>> Kitchen: Yeah, that would be great.

>> Sure. Notwithstanding any other provision of this chapter, a municipality may use the revenue derived from the tax imposed under this chapter for a transportation system to transport tourists from hotels in and near the municipality to the commercial center of the municipality, a convention center in the municipality, other hotels in or near the municipality.

>> Kitchen: Okay.

>> First -- first at transactions, and B says the transportation that transports tourists may be owned and operated by the municipality or privately owned and operated, but partially funded by the municipality.

>> Kitchen: Okay.

>> This section does not authorize the use of revenue derived from the tax imposed under this chapter for a transportation system that serves the general public.

>> Kitchen: Uh-huh.

>> Other than for a system that transports tourists as described by subsection a.

>> Kitchen: Okay.

>> That's what it says.

>> Kitchen: Well, I'll request -- well, you may have already done a legal opinion because -- which I'll request if you need me to request, because there's several things about that language that I'm hearing as allowing for taxes to be used to pay for transportation that tourists and others use. So I'm not reading that to say that you can only allow -- so if you did a shuttle round downtown, for example, that you'd have to check everybody that's got on it to make sure they were tourists. I'm not reading the language that way.

[11:01:00 AM]

So -- so I don't think we need to have a detailed conversation right now, and maybe that's not what the intention was, but it sounds to me like there is some room to pay -- to use some dollars for some kind of transportation system, as opposed to you can't use it for any kind of transportation transportation at all unless only a tourists steps foot on it. I don't know what the interpretation is from the legal department. Seems like there's some opinion there.

>> Mayor Adler: Maybe we'll get an opinion and move to executive session.

>> Kitchen: Yeah, we'll get a opinion and move to executive session. My second question -- thank you very much. I appreciate it. Let me ask you another question. I don't know -- are there rules related to that, adopted rules, or is it all in the statute?

>> It's all in the statute and attorney general opinions.

>> Kitchen: All right. Great. Thank you. My second question relates to the arts. Recommendation, I think, if I'm hearing it correctly, focuses on the music industry? And so I'm wanting to know whether the task force considered visual arts, for example, or other arts which are very important to tourism also. So I personally would be concerned that we also consider artists, those visual artists and performance artists and those kinds of things, and not just limit this to music. And I'm wondering if you all had a discussion about that.

>> Yeah. So the current allocation of cultural arts -- Mary, this is your wheelhouse, so correct me when I go wrong here -- is set up to fund those types of arts. The one thing that specifically does not have funding under cultural arts was commercial music.

>> Kitchen: Okay.

>> So we're looking for a way to fund commercial music, specifically.

[11:03:04 AM]

>> Kitchen: Uh-huh.

>> Since it is not currently funded. While the current grants that are through the cultural arts department, or through EdD, do address the visual arts and those types of other performing arts.

>> So was the thing in the task force that there was sufficient dollars sent -- sufficient dollars allocated towards visual arts, and that we didn't need to will a indicate it any more and it should all go to music? Is that the thinking?

>> Well, we can't give cultural arts any more money. It's at the state maximum.

>> Kitchen: Okay.

>> That's why we separated it out to cultural music. They have -- the cultural arts department, synovia, has a very seasoned process for administering their grants, with a matrix and everything else, and you know more about this than I do, but I believe there's new applications submitted every year by different organizations. But the carve-out -- the reason we went to that carve-out, because that was the only way to not take any of the current money away from cultural arts. Because when we didn't want to do is say, okay, we took 2% of the 15%.

>> Kitchen: Sure.

>> And use it for commercial music, because somebody is going to have to suffer on that side. You know, the long center is not going to get their money or the ballet or somebody is going to have to take a hit for that. So we got to the conclusion of this pot of money could just go to commercial music and let cultural arts be what cultural arts is.

>> Kitchen: Okay. Then I'd just like to dig into it and do more homework in terms of the dollar amount we're talking about. Because like councilmember pool -- I think she has a better handle on it than I do, in terms of where we're -- how much we're talking about in terms of dollars directed to these different pods.

[11:05:04 AM]

I agree with the approach to not take dollars away from the existing, but I also wouldn't want to create a bigger pot over here that arts could not participate?

>> You're going to have to chime in here because the way that is set out, because it is still considered a commercial art, commercial music is, we've done it with the new 2%, so we're taking 15% of the 2, and not 15% of the whole.

>> Kitchen: Okay.

>> So commercial music will never -- I mean the -- if this plan went ahead, the historic preservation bucket grows way faster and way more than the commercial music ever will because it's already capped.

>> Kitchen: Uh-huh.

>> With just that new 2%.

>> Kitchen: And do you consider the commercial music to be comparable? I'm not asking for exactly the same dollars, I'm just asking order of magnitude, do you consider that to be comparable to what we're currently providing for our visual arts? We'd have to look at the dollar amount, I suppose. That would be a question I'd want to understand. The other thing, I understand that commercial music category. Is there any other category of the arts that aren't covered? I'm not thinking of one. Was that the only thing? Was it just commercial music?

>> Commercial music is the one that we separated out.

>> Kitchen: Did y'all identify any others that are not covered under the 15% currently used for art?

>> We did not, because it is -- to what we were told, is that commercial music was the only one that is currently excluded.

>> Kitchen: Okay. All right. Well, obviously, I am not -- I would never try to pit music against art. Both of those categories are hugely important for our community.

>> Yes.

>> Kitchen: And so my questions are not suggesting that. It's just that I want to understand what we're talking about in terms of order of magnitude and what our categories are, because we have huge needs in both of those -- in all of those areas.

[11:07:11 AM]

>> Mayor Adler: Thank you. Mayor pro tem.

>> Tovo: Thanks. I just want to pick up on this you know, as I read the statute, too, I think -- I just want to say cultural arts as defined by the statute is relatively broad, in some ways, it includes drama, which I think we sometimes fund through art grants, architect, photography, so it's not -- it's not just visual arts, it's really cultural arts, more broadly. One that I would -- I try to bring up every time the subject comes up, because I'm not sure we have very many applications or funding examples, is creative writing, is also a cultural art as specified in the statute. So I hope that as a city, we can continue to look at the statute and really encourage -- I mean we have some very, very talented artists in our community. And I'm going to get some information probably afterward from the arts commission about the ways in which they are aware of that and they're continuing to fund the breadth of that. Just again for our audience who may be watching, know that cultural arts at the city is defined broadly and it's defined broadly in the statute. Thank you for all the work you did and the impact task force. I agree with a lot of your recommendations. I'm going to have to think a little bit more about the convention center piece of that. But I really appreciate -- really appreciate you digging into what the impediments have been with regard to historic preservation and the grants program and the funding, and I just want to pause there and see if I'm thinking about this correctly. As I -- if 15% of the total hot tax, total hotel occupancy tax, is about \$13,000,000 this year for cultural arts designation, then actually we could be spending \$13,000,000 right now on historic preservation.

>> Sure.

>> Tovo: Because we are 15% -- we're allowed to spend 15% on, so that would equate to about \$13,000,000 this year. And as you indicated in past years, we've been spending 200,000, if that I think.

[11:09:12 AM]

>> 200,000 has been allocated and they have not spent it.

>> Tovo: I was going to say, I spent hours and hours and hours in preparation for the discussion we had last year, kind of combing through budget questions, and trying to align with the state statute, what's a city ordinance and what not, and I thought I was remembering that we have not in recent years spent anywhere near \$200,000, when actually, again, we could be spending millions and millions and millions on historic preservation under this statute. So thanks again for digging into that area. But I know you were talking about raising it to that level, with the convention center expansion, and I want to be very clear, we could do that with our existing -- we could do that under the existing plan if we shuffled things around. And, again, last year, I think we were able to allocate a little bit more, but that was through direct action and really a revision of our current practices. So questions for you, I think -- I have a slew of questions, and some of them I think are more appropriate for tomorrow's budget session and for the 29th. But I have to get back to the strs because that is something you mentioned that I want to get back

to. You referenced \$6,000,000 of hotel occupancy taxes that are not being paid. Help me understand, your 6 million, how you learned about that, what is it exactly.

>> So I had -- I had -- this was outside of task force, I had a conversation with some of the folks at airbnb, directly, and I was trying to figure out what their story was, what they were trying to do, and they said, well, you know, we have about \$6,000,000 that we'd love to remit to the city, but we can't. I said, well, what do you mean? Well, they won't take the money because it's -- you know, it's not connected to a property owner, it's not connected to these things.

[11:11:13 AM]

So, you know, push came to shove, and essentially that was the uncollected money from unregistered strs operating.

>> Tovo: Well, that is extremely timely and interesting information. I appreciate you doing that additional research. And so I've been thinking, since this came up, I don't know why, but like maybe six times in the last couple weeks in various conversations I've had, this issue of the remitting of taxes directly to airbnb or home away. And I just want to remind my colleagues I did actually bring forward an amendment when we were talking about the str revision, it did not pass, but it would have required companies to collect that tax for us and remit it to the city. And I would just love to -- maybe you could think about it overnight, we could talk about it in the budget session tomorrow, if the political will is there to make that revision, I sure would be happy to bring that back for consideration, if it looks like we can get six votes for it now. So thanks for including that. Now, that doesn't get us -- that doesn't solve the issue of the heart -- I mean it would help, I believe it would help, and I think it would help -- we don't need to get into that now. I think it would help for all kinds of reasons. It's not going to suddenly make registered and make legal short-term rentals that are operating outside the boundaries of city law.

>> Right.

>> Tovo: But I still think it would be of value, so thanks for bringing it up. And thanks, too, again, for that information. I had -- somewhat related to the question that councilmember troxclair asked about this, I had heard -- I don't mean to backtrack completely, but I had heard that there was an intention to do some -- some recommendations without an expansion, as well as with the expansion. And would you say that it was just a matter of time, or was it really the consensus of the group that they were so solidly on the side of expansion that it didn't make sense to contemplate the alternative?

>> It was truly a consensus, as indicated by the vote that the task force took on this thing, but I think that we had kind of -- what we were trying to do was -- you know, because our historic preservation and recommendations, for instance, are regardless of whether we expand the convention center or not, that needs to happen and should happen.

[11:13:36 AM]

You know, and again, the task force looked at it as more monies better than not, so everybody was on the page of, again, not for the business aspect of it, but for the benefit, the community benefit aspect of it, it was, okay, the convention center expansion just makes sense for these different revenue streams to do different things with. That's kind of where we fell. You're both absolutely correct, there was conversation about do we have two, is that two reports, can we do two reports, what do we do. So this is just where we ended up.

>> Tovo: Thanks. And I completely agree, I think the historic -- the changes that your task force has suggested are very detailed, very useful, and I think regardless of what happens with all of these other moving pieces, we absolutely should initiate changes.

>> Yes.

>> Tovo: I'm very much prepared -- I hope my staff is link. I'm very much prepared to bring forth a resolution to initiate those changes to the preservation program. I think we've had suggestions to do that in the past but your task force really dug in and offered us some very focused suggestions about how a program of that sort could be implemented. And you know as I see it, it's also -- I think the grants are important, I think also a direct allocation to our city, to our parks department, as we did last year, is also warranted, you know, to having those two streams of funding, preservation.

>> It was very clear that this task force was very concerned with historic preservation, parks and arts. Those were the top three, followed by convention center.

>> Tovo: Great. And then I have one last question for you. I appreciate your candor in saying that there were kind of two groups of support for the convention center, and they had maybe slightly different reasons for supporting the convention center expansion. So I think that brings me back to wanting to understand better how much exploration your task force did of alternative funding sources.

[11:15:39 AM]

As I mentioned before, you know, part of -- part of the package that's being described is \$11,000,000 for historic preservation, which again, we should achieve under our existing structure. Did you spend -- although it would require some pretty dramatic changes in on you we spend the money, did your task force look at other kinds of financial strategies or other tools that could help generate funding for the things that I think, you know, all of us -- I don't know if I speak for everybody, that many of us in the community and on the dais want to see us fund, like how -- you know, housing, affordable housing,

housing for those experiencing homelessness, case management for those -- we all want to generate -- not all of us, but many, many, many, there's tremendous support in the community and elsewhere for generating funding. And I'm hearing again and again that there's -- part of the appeal of this is that it would generate funding for some of those uses and it would generate more money for arts and the like.

>> Sure.

>> Tovo: But did you spend really concrete time looking at other financial tools, public program. Districts, other kinds of funding strategies for doing -- for achieving those same things?

>> So we didn't, simply because our scope was specifically the hotel tax. If we had explored those, we'd probably still be having our meetings. But we didn't -- I mean we looked at the T pid, obviously. The hotel folks brought it up to us, and, you know, we didn't look at tif's at all. We didn't look at any of the other financing, you know, tools that are available to the city. We looked purely at the hotel tax and T pid, since that's basically hotel tax's little cousin.

>> Tovo: Okay. Well, again, thanks so very much to all of you for your service on the board, on the task force.

>> Mayor Adler: Councilmember Houston, then councilmember alder.

[11:17:41 AM]

>> Houston: Thank you. And, again, thank you all for all the work that you did and continue to do to help us figure this all out. On page 8 of your slides, fourth bullet, it talks about include additional allowable area improvements that are important to the community. Most of those are downtown, and then it says nearby historic landmarks. Is there a geographical boundary where these funds could be used?

>> Carla? It's like a domino effect. Everybody looks to the right.

>> I'm sorry. This is Lela fireside for the law department. Despite James referencing my name often, I only did come to speak to them a couple of times, and I was not involved in the drafting of this or their report.

>> Sixth hide. Report.

>> You can't hide.

>> I can hide. I think it's important to note the task force did their work very independently of my, requested by them, invitation to come and give my perspective. And so I appreciated that, and I encouraged them and said I think that's what the council wants, is for them to look more broadly than simply what the law department had previously recommended. And I think that they did that. I guess the brief answer to your question is, it depends. If you are simply using the 351.101 funding for general

things, then for historic facilities, for example, you can use it for historic facilities that are in the vicinity of the convention center, or that are in other areas of the city that can be -- that are visited by tourists.

[11:19:50 AM]

So there's not -- within the city is a geographical boundary, but it can be broader than just within the city. And I think the example of that is the parks department doing a really excellent job on putting together a couple of projects that were not necessarily right at the convention center, including the oakwood cemetery chapel, to document how that was visited by tourists and convention-goers, and, thus, a proper use of these funds. So for the historic facilities that specifically contemplated by the statute. Some of the other, waller creek, Mexican red river cultural district, I think to the extent there are historic components to the red river cultural districts, that would again fit into that historic bucket, if you will, or part of the bucket, as James's illustration has shown, palm school, I think again it depends on what are we -- what's happening with it? How are we characterizing it and what are we saying so that we could -- either that it fits into the statute or it fits into another source of funding like the T pid or another public improvement district or what have you. Waller creek, I don't know what exact components they are talking about, so I think I'm going to say it depends. I have to have more specifics on that. Are there historic resources along that that could fit into it? Then, absolutely. The Mexican American cultural center, its focus has largely been a community center.

[11:21:53 AM]

To the extent that it's attracting tourists and convention visitors, and it is providing cultural events that fit under the cultural -- very broad, as the mayor pro tem has described, very broad description of cultural arts, certainly that's something that could be eligible for that cultural pot of money. Those are mainly for performances that are open to the public and that are marketed towards tourists, which I think as Carla has indicated, that economic development department has worked very hard on those cultural grants to make sure that they do comply with that first part of the -- of the statute, which is to attract tourists and convention visitors. So it really depends on what we're talking about. But I think that there's not necessarily a geographic limit, depending on what it is that you're looking at and whether you're bringing in the tourists and convention Goers.

>> Houston: And so I was thinking more about geographical, as far as oakwood cemetery is an example of how this was used, but Laguna -- the fresh ligation is something that comes to mind. Is there something that could be used in that area, there are buildings at houston-tillotson university that need to be looked at for historic preservation, and so how wide do we go when we talk about it, and is that something that's going to be left to -- whose discretion? That's always a concern in my community.

>> So the French ligation has, I believe, applied for and received historic funding before.

>> Yes.

>> I'm not sure about houston-tillotson, whether they've applied for it, but if they have historic facilities, and they're eligible, absolutely, as long as they're attracting tourists and convention Goers.

[11:23:53 AM]

And I think they're currently in our funding cycle. Saint eds --

>> They get the maximum every year.

>> They get conferences and other things like that, so that's pretty far away from the convention center but they document that they're visited by tourist and convention Goers. Just to perhaps explain some of the requirements that have been put on the program, I think the focus has been on, one, to give grants that are within the manager's authority, so that there wasn't a constant needing to go back to council with each grant. There was also, by focusing on non-profits, instead of for-profit businesses, the focus was auto facilities that would attract the tourists and convention Goers, and not necessarily interfere with the commercial business of the businesses. The thing that we did hear from quite a while back when we were talking about making sure that the historic facilities were something that could be visited was that we didn't want, for example, to redo a historic building that had a law office or an insurance company in it, and then find that they didn't want to let the tourists and convention Goers in to see those historic improvements. So I think that was why the limit was put in place. So I hope that that helps you understand those limits as they have existed over time. Certainly council can update them and give us direction to do that, but that's part of what went into those limits at the time.

>> Houston: Thank you. And the task force has made recommendations about more broadly making people aware of these grant funds if we could get the grant funds up. Because I think that was some of the problem. Some people knew about it. Other peoples -- other people had no clue, and so it's a kind of very quietly kept secret.

[11:25:54 AM]

>> Right. Requirement.

>> Mayor Adler: Councilmember alter.

>> Alter: Thank you. Thank you, Mr. Russell and Ms. Ramsey for your service on this task force. Mr. Russell, the other day we were speaking about this and you men'sed the \$6,000,000 from airbnb, and thank you for raising that. I want to put together that with a comment by mayor pro tem tovo in that we have an opportunity to increase the amount right now for the historic preservation. What if we got that \$6,000,000 and figured out a way to collect it? We could put it right into historic preservation without having to resolve all of these other questions within the next six weeks. So I think we really should seriously consider how we do that. I understand from our conversation -- I don't know if that was absorbed earlier, but the state is accepting their portion of these taxes and already have that in the works. I understand that there are issues of how this interrelates with our str ordinance, and I'd like to invite the city manager, if you have some thoughts on how we're moving forward to make sure that we can collect that money, or what the obstacles are, or an appropriate time when we can have that discussion if you're not ready to talk about it today.

>> I'm not ready. I don't have the background. I'll have to get staff together to brief me, then we'll figure out a path forward, going back to council. We only have two more council meetings this year, fiscal year, August 31st, which we would post on Friday, or September 28th, and I would think possibly September 28th would be the likely candidate; it would be too early to get anything ready for the August 31st agenda.

>> Alter: So I also just want to point out that airbnb is only one platform, and so there may be lots of other platforms that have similar amounts of money that they have collected. I don't know the total mechanics of it. But there are several of them, and if we can already give up to -- what was the amount?

[11:27:57 AM]

13 million that you said? Or -- 13 million?

>> Yeah.

>> Alter: Yeah. That's a lot of money that could be invested in historic preservation in our parks and elsewhere. I also wanted to clarify from the task force, if you explored whether historic preservation dollars could be used for historic music venues.

>> Yeah. So -- yes. They can. So they're kind of -- so there's -- we tried to draw a line of delineation between historic preservation and how that interacted with commercial music or anything else because one of the overlays is, if you are going to apply for a grant, you're either going to get it from music, you're going to get it from historic preservation, or you're going to get it from cultural arts. You're not going to double-dip. So we wanted to make sure that it stayed separate. So, yes. Historic music venues, so continental club, for instance.

>> Alter: But in the absence of having the commercial music pot of money available one could potentially think about, if we had the \$6,000,000 airbnb has just from this year --

>> Sure.

>> Alter: And from other -- other str companies, then there might be a way to provide some for the music venues and others. And so I just want to strongly encourage, if there is a way forward that respects our str regulations, wherever we could secure that money, that would allow us to have additional money that doesn't have to take money away from the convention center acbb to accomplish some of the goals that we really want. So I would really encourage us investing and figuring out a solution to that. Mayor pro tem, I'd just like to say I would love to work with you on redoing those historic preservation rules and moving forward with that as soon as possible.

[11:30:00 AM]

I think this might be a question for Carla. One of the things that I am trying to understand for the convention center is, what are the risks involved and what are the assumptions that are underlying the projections that we're seeing? You said earlier today that the 2% alone would not be covering the cost of building the convention center. If we move forward and we build a convention center, what risks are the city -- is the city assuming, what risks are the taxpayers assuming, what are the underlying assumptions? I'm not -- I haven't had a chance to dive into the details of the budget for convention center, but I've had people writing in and saying it's running at a loss. And so if we're talking about its revenues going to cover this, how do we -- how do we understand that, you know, all of this is predicated on all of this being covered by all of these things? We have already got sales tax projections that are lower than we would like them to be. And, you know, the economy is an uncertain thing. I'd like to understand, if we were to move forward, what are the risks and what are we assuming in our modeling to get us to the proposal that's before us?

>> Okay. So the pledge of the additional revenues of the convention center's portion of the current 7% and our facility revenues are what get us to the bonding capacity of the estimated \$609,000,000. When you forecast out the cash flow stream of the additional 2% over the life of the 30 years, that actually does cover the debt service. But in any given year, certainly in the early years, the additional revenue streams would pay debt service. The assumptions we use to come up with that bonding capacity are very conservative. They took into consideration a growth rate of hotel tax 63% a year for the first five years, and then actually no growth for the remaining 25 years.

[11:32:06 AM]

So very conservative estimates. I don't remember the rest of your questions.

>> Alter: Well, I'm really just --

>> Oh, the risks, I'm sorry.

>> Alter: Yeah.

>> So the city's full faith in credit would not be backing these bonds. The hotel revenue bonds that the city has issued previously and would continue to issue in the future have their own credit rating. So the risk is solely on the hotel tax revenues coming in. There's not a back stop of the city's credit rating that would be backing these bonds. So the risk to the task -- to the taxpayer is basically nothing. Citizens. Not the hotel taxpayer.

>> Alter: What happens if the revenues are not there in the early years?

>> Certainly, that's why debt service reserves are built in and are funded first, as part of a debt issuance. There are several layers of debt service reserves and bonding reserves that are funded. Again, the projections are very conservative, and it doesn't look like that certainly there would be an issue. Again, if there are issues, then you do work with bondholders to see if you can rework your bonding agreements, your payments. I'm not aware that the city has ever had to do that. I would look to Elaine or the legal department.

>> Well, we have recently done that with our April Hilton hotel that we own. We just did a workout deal with our bondholders. But in addition to the reserves that Carla talked about, the convention center itself has an operating reserve that is its back stop in case operation -- operational revenue does not come in as expected. But to my knowledge, we have not had a default on any bonds like this.

>> Alter: Is that reserve -- thank you. Is that reserve separate from our budget stabilization?

>> Yes, ma'am.

>> Alter: Okay.

[11:34:06 AM]

Thank you. Would it be possible to have some of this in writing for those people who who are doing the math in their head or want to kind of see it out visually? I think people are concerned about what the risks to the taxpayers are of the convention center beyond the taking of that space for the -- for the convention center, and so if we can communicate that and the assumptions that are underlying it, conservative or not, I think that would help. Another piece that I think would help the community to understand the timing of when you're hoping to have a decision on the expansion portion and, you know, whether they should be expecting that this is something that we're leading towards doing within

this budget framework, or what the time horizon is for authorizing the use of the 2%, because I'm sure that there are still -- still work to be done on the design and all of that kind of stuff, which also has to be funded from somewhere. And I'm just not sure at what point we're making this decision. And I think that the public would like some clarity on that. We've had some, you know, TV coverage and whatnot, and I just think there's a lot of confusion over that.

>> The convention center is not expecting that this will be part of an fy18 operating or capital budget decision. I think on the 29th, as Greg canally comes forward on the presentation on the downtown puzzle, and this is talked about in that context, I believe at that point it'll be council's decision on when the timing to move forward on any of those decisions.

>> Alter: But from a financial perspective, for the convention center, what was your projection about when you'd be moving forward and needing a decision by? Because there's -- I mean, there's still some ambiguity in there.

>> So our consultant's report was completed in 2015, and it presumed that we would be opening, I believe, in 2022.

[11:36:14 AM]

But it had a caveat that all of its projections would shift, determining on when all of this actually started. So there's not a set deadline that the convention center has come up with in terms of needing a decision.

>> Alter: Okay. And then the last thing I wanted to clarify was for the venue restrictions, people have been asking about whether the expo center is eligible or not. And we had a conversation, and I was told it wasn't. I'm just wondering if you can explain, for the public --

>> Sure.

>> Alter: -- Why the expo center is not an eligible venue, if I'm remembering.

>> Yep. I'll answer it, and then you correct me. Venue projects under 334 are a tool to build a venue. Right? So if we wanted to build an A.M. Amphitheater, that's what that is used for. However, there are things you can't do with it. You could build a venue on parkland, which eliminates the expo center because the expo center sits on parkland. Now, that being said, the parkland can be alienated, and then you can build a venue on it, but you can't do it while it's currently parkland.

>> I think James has the framework for the hotel occupancy tax portion of the venue statute stated correctly. It's a challenge to read the statute. It looks pretty simple, and the definition of venue is really broad. But if you parse it out, what you see is that there are subchapters that set out different types of funding that can be used for different types of venues. And there definitely is one for parkland, but that

envisions being funded out of something that's not hotel occupancy tax. So part of the challenge with the -- with the Travis county expo center is figuring out, more specifically, what it is that the county envisions working with us on, and then what the best type of funding is to have that work.

[11:38:25 AM]

And that'll be both a legal framework, and then we'll look to people like Carla for the financial framework to make sure that it cashflows. So I hope -- I have reached out to the county to ask them if we can get in touch with their bond council, because part of the challenge with this, too, is that when we look at it, we can sit here around the table and contemplate the wording of a statute, whether we think we can interpret it more broadly or whatnot, but when it comes to bond funding, we have to look to those bond attorneys because those bonds go through the attorney general's office, and if we haven't met their very conservative interpretation of the statutes, then we can't issue the bonds. So I hope that the county bond council will reach out and I can have those conversations so that we can figure out, if it's not hotel tax, are there other sources of taxes that we haven't explored or that they're thinking about that we could use to move forward together.

>> Alter: So in non-legalese, the expo center is not eligible because it's parkland, in your interpretation, but there may be other ways to fund that?

>> Yes.

>> Alter: That we are going to explore.

>> Absolutely. Yes.

>> Alter: And so would the palmer center's rental car tax be one of those, potentially?

>> If those bonds are paid off --

>> Alter: Yeah.

>> -- Absolutely, that could be another source we could look at.

>> Alter: Okay. Thank you.

>> Mayor Adler: So I just wanted to -- I just wanted to say that I am also really here and working with Travis county, and I've had the opportunity to sit and talk to the county judge, and also to commissioners traviion, Gomez, and Shea. I think it's a great opportunity for us to do things together. There was a letter that listed certain things they'd like to work on.

[11:40:27 AM]

Many of them are economic development and other infrastructure kinds of needs in the eastern crescent, and I really hope to be able to -- that collectively, we'll be able to do some things together. My understanding is, is that for the reasons that were stated, this particular funding is not a funding source that's available to be used on the things that were in that letter, but we want want -- I think we want to find the available funding sources that we can, work with the county on to be able to do that. The way that this is set up right now, the chapter 334 funding that we have right now rolls off in 2021, so certainly that's available for the county, if that's something that fit at that point in time. But those are the things we want to fund, seem to be things that come from someplace else. And I think that's a really important thing to note, and I think it goes to a lot of the questions that councilmember pool was asking. You know, perhaps in a perfect world, we would have drafted the allowance for the use of the hot tax money differently that then the legislature did. But for whatever reason, the legislature drafted the use of the hotel money very narrowly. It was a tool that the legislature basically said we're going to give you this tool to raise money, but you can only spend on it a very limited thing. And, therefore, if we're going to access the 15% for cultural arts or for arts, if we're going to access the 15% for historic preservation, we have to do -- we have to first access the funds. If we don't access the funds, we don't get the 15%. But in order to access the funds, we have to comply with that really limited section. And with respect to the 351 monies that we have, and I'm sure that Greg will talk more about this, but -- in two weeks, but in order to access that, if you're doing it after you already have the convention center and you're going after the additional 2%, it says pretty specifically you have to use this money to expand the convention center.

[11:42:46 AM]

So while that's a lot of money, a half a billion dollars or more, and while we might like to spend that on parks or -- or lots of other things in the city, that's not what the legislature said we could do. And I think that that is the concept that really drove, as I understand it, the task force, which makes sense, which is, there's money out there we can get to spend on community benefits that go beyond the convention center, but we can only get those if we do this convention center expansion. And I think that the questions with respect to risk are questions that the community is asking, so I think the question that you asked, councilmember alter, is real important. But my understanding is that the city taxpayers are not put at risk, and the people taking the risk are the bondholders, the people that are putting up the money. And quite frankly, they're not gambling on the convention center succeeding, and they're not gambling on the convention center driving any tourist business. The only thing that they're gambling on is that the hotel tax revenue in the city, from wherever tourists come from, are going to be sufficient in order to pay back the bonds. So the discussions that take place in the community with respect to the convention center modeling and the like, for me, I haven't figured out yet how that's -- how those

conversations are relevant, whether the convention center makes money or not, putting aside for a second that I'm not convinced that the convention center model was ever designed for the convention center to make money, the convention center gets billed for reasons other than that, it's not an income generator, but whether or not it makes money or how it makes money doesn't alter the overall tourists that are coming into Austin, and the finances are based not on the convention center business model but on the overall tourists coming into the city, because that's the income stream that the bondholders are gambling on so then it opens up the door to get money that we wouldn't otherwise have if we didn't do it.

[11:44:56 AM]

That then gave me the question that gave me pause, which was, do you do the convention center? It's great to have money that we wouldn't otherwise have that the taxpayers don't want to pay for, but what is the cost associated with doing that? Which is the question that as a council we were asking when this came to us a year ago, or however long it was, when it came to us. Is there a burden associated with the convention center that is so great that we don't want to access the additional money? And I applaud the task force work again for picking up that and making that part of the process. The concerns that I expressed back then, and many of us expressed back then, was that we would end up with another block on our streets that was going to be dead space, kind of like our convention center is now, that we would do something that would interfere with the transportation grid that we had, and that we would lose the opportunity to be able to collect ad valorem tax on that property. We've gone back, and quite frankly, I think you got the convention center to agree to things that, at the time these questions were being asked a year ago, they weren't ready to be able to agree to, that they could in fact do a convention center that would meet the requirements. But to preserve the street grid, to build around that, to program that in, to program out, so the first floor is active in commercial space, I think, is another concession. Then the ability to be able to generate ad valorem tax venue, perhaps from a private/public partnership, or the first ground floor or two is active retail space, then the private market builds office or residential tower above that that would be subject to the ad valorem tax of the city, I think -- I'm happy happy you gave those requirements to them, and I thank the convention center for figuring out how it was that you could program around that in order to be able to deliver those. But when those objections went away from me, then I'm just left with, then, there's additional money that this community can access for benefits that we couldn't otherwise get. I would like to join mayor pro tem, if you'd let me, to join with you.

[11:46:58 AM]

I think I probably now understand better what you were trying to accomplish a year ago now than I did a year ago, in terms of taking a look at the existing income streams and making sure that they're appropriately used. I like the idea of finding additional money for additional things. And however, there have been lots of conversations that table about additional funding sources, for homelessness, for historic, preservation. I think we should look at all of those. I don't see that as an either/or choice because our community needs are great, and I would see us bringing all of the available resources and tools that we have to bear. So if there's additional resources above and beyond what can be generated from the convention center expansion, I think that that's great, too. And we just need to take a look at priorities in terms of how that is -- and how that would be spent. From a schedule standpoint, what I would anticipate is, after the -- this presentation and after the presentation from our finance people at the end of August, it would be my intention to try to bring a resolution back to the council by the end of September that gave the staff pretty high level and broad instructions on the kinds of things that we would want the staff to start spending time on to put in line and to figure out what we would need to do and to be able to get from here to there with an eye to this council actually having to make those decisions and give those authorizations four to six months after that period of time. But the council giving some broad direction to the kind of work that we would like staff to be -- things that we would want staff to be working on over that -- over that period of time, because I think that would make sense to me.

[11:49:00 AM]

So at the -- at the bottom -- at the end of this week, I just see this as, we have a lot of community needs. Money is always an issue. There is a tool that seems to be present to us that can deliver on a lot of community needs. We've been waiting for a long time and haven't been able to fund. I want to thank the task force. I think this was an incredibly big and hairy thing to be working on, evidenced by the report, not only the handout today, but there was a tremendous amount of work that was done, and I appreciate that. I'd like the convention center staff, because goodness knows, you have gone through dozens and dozens and dozens of options and different scenarios, and you have been incredibly responsive to the questions that I think council has been asking and giving alternatives for the community to consider. And this just seems to be one of those projects that is just hanging with us and hanging with us and hanging with us. So I'm excited that the council will at least make decisions on the deal. I also want to thank the hotel industry for coming to the table with the T pid, which is something we can't do, no matter how much we would like to do it, without the cooperation of the industry, and for looking at that T pid that probably was primarily intended to be direct investments on tourists, but to allow that some of the projects that we have downtown, like the homelessness situation, really tie into that, and, therefore, offering to make that part of the program, and I think that we're appreciative that you would give us -- that you would work with us in terms of being able to present that option to the -- to the community. And I just think this is a real to find money for I-35 to make that historic and bring

families back down there at 11 o'clock in the morning and keep them there through the evening, and to be able to provide for just a lot of -- a lot of things.

[11:51:14 AM]

So I really appreciate the work that you've done.

>> I hate to follow that, but you stole many of the words right out of my mouth, so I won't repeat them. But definitely thank you for the hard work that you all have done. There's a lot of great data and information that I'm looking forward to dig into. I did want to just clarify something that councilmember pool brought up about the 2%. Where did that number come from? I've done a little googling and haven't been able to find it.

>> Are we talking about the 2% of tourists?

>> Flannigan: Yeah.

>> Okay. I believe that with the calculation that took into consideration the estimated number of tourists, the state reports that came to Austin versus the number of attendees that were reported that same year as convention attendees.

>> Flannigan: Okay.

>> I didn't do that calculation myself.

>> Flannigan: Yeah. I pulled up the state reports. I'm looking at the 2016 one here that shows, you know, five, six, or seven percent is convention-related tourism, and it divides it between leisure and business. But with more interesting, when we think about this in context, is the plurality of people visiting family. It's not that 2% was convention and 98% was historic preservation, it's far more complicated when we think about who's coming to Austin, why they're coming to Austin, what would drive more people to come to Austin, and what of those people are having positive and what level of economic impact. I would expect someone coming to visit Austin, visiting their family, staying with their family, spending far less money in our economy than someone coming for a convention staying downtown, going to bars and restaurants, et cetera. So I want to get more into the data on exactly the impacts that this could have compared to the broader set of, you know, the people that are using the airport, the people that are staying in hotels, and really drilling down to why -- the way the mayor laid out, the concerns that I also had that I feel like have been substantively addressed, the way we get to spending the hotel tax and driving economic benefit in context of all tourism data that will be presented.

[11:53:48 AM]

>> Mayor Adler: Anything else on this topic?

>> Houston: Mayor.

>> Mayor Adler: Yes. Councilmember troxclair first. Hang on a second. Okay. Councilmember troxclair.

>> Troxclair: I don't know if it's the same study you mentioned but I think that number came from the Texas tourism study for the Austin msa from 2015. Is that what you're looking at?

>> Flannigan: When I look at the 2015, I think that's just the leisure side, not the business side. Because weirdly, it's the only thing that's in both places when you divide it up.

>> Troxclair: I have a copy I can give you.

>> Flannigan: I'm looking at it right here.

>> Troxclair: I wanted to ask about the venue tax under chapter 334. We could build something -- if the city decided that they wanted to do something like replace the Erwin center, or do something like that, in lieu of building a convention center, could we do it through -- under chapter 334, the venue tax?

>> Again, I think the question is more which type of tax. There are half a dozen different types of tax under chapter 334. So can you build something besides a convention center with the hotel occupancy tax? You have to look at that and then talked bond council about whether or not that's an eligible use of the hotel occupancy tax. If you're looking at anyone -- ticket taxes and other types of taxes that are contained in the venue statute, then you have to look at the type of venue that you're putting together. There's the legal framework, and then you have to look at whether it'll cashflow. So if you want to give me more specifics about what your ideas are in relation to the Erwin center, which is not a city facility, but it's a UT facility, and how you would envision that working, it's something that we can run by bond counsel to say, which -- which of these would work, legally, and then you have to run it by the financial advisors to say, given lawful use of this particular type of tax, does it cashflow.

[11:56:16 AM]

>> Troxclair: And that's one -- I have become a bigger expert in hotel occupancy taxes than I ever thought I would over the last two years, but that is the one question that I think the council asked -- actually, I think it might have been councilmember Casar who originally raised the question two years ago when we had this conversation, is what -- what is the opportunity cost, what else -- when we're having this discussion about whether or not to expend the convention center, what are the other options available to us. And it's the one question that -- that I don't feel like we've made in it progress on.

-- Made any progress on. I would love for the task force to have planned on that, but I know it's such a complicated issue, there's so many questions, there was a lot asked of you, and you did the best within - you know, within the resources that you had available to you. So I don't know -- I don't know what the best way is to pursue that, because I don't -- I -- it's not a question that's specific to the Erwin center. That was just something -- I know that that's being -- that that's going away, and I know that UT is building a new arena. I want to understand, in order to make an informed decision on the convention center -- and maybe this isn't -- I can broach this topic another day. I know we've talked this -- talked through this at length today, so maybe it's a topic for another day, but just so everybody knows that's still an outstanding question for me, is what is the opportunity costs, what are the other options that we could do, and I mean I guess I'm happy -- if it's a question of providing you with a list, coming up with potential options and providing you with a list -- I mean, part of the problem is that I -- that I don't know who the right staff person is to provide me with that information, because it's not really fair for me to ask the convention center what other options are available to us, when they obviously -- and should -- have a vested interest in expanding the convention center.

[11:58:21 AM]

So I'm a little bit -- it's hard for me to know where to go to ask those questions and to find that information.

>> Well, you're welcome to submit that to us, and to the extent we can provide you the legal framework for different types of facilities, we can certainly walk through that. And definitely, I can walk through the legal framework of the venue tax statute. The hotel occupancy tax statute, I think, has been discussed. There's not that extra 2% for anything but expansion of our convention center, so there's not another project that could be done with that 2%.

>> Troxclair: Okay. Yeah. It's not necessarily the legal framework that I'm interested in, it's kind of the -- I mean, I don't know, I've been thinking about it a lot over the past, I mean, two years, and recently kind of hoping that we were going to make some progress on that question. And since we haven't, I don't know if it's going to take another consultant, I don't know if it's a study to say what else are our options or -- I don't know if anybody else has input with that, on this question, but it's something that I'm continuing to struggle with. >>

>> I should just say I think there has been consultant work done on this and perhaps Carly can speak to that.

>> I just want to remind you, that was one of the points in the now what we call 14-point resolution that council asked us in late 2015 to pursue. We did provide the response to that resolution I believe in February of this year. I don't remember exactly how much information was in there for that particular

point, but certainly if council needs me to, I can resend the link to that response from staff. And if there are follow-up questions we'll be happy to help answer them.

>> Mayor Adler: Okay. Councilmember Houston?

>> Houston: Thank you, mayor.

[12:00:21 PM]

And in my mind, the other option is the expo center. It's situated between major highways, it's easy to get, to it doesn't add to the congeneration that's already downtown. It's an economic driver for part of Austin that needs an economic driver. And so I was sorry to hear that it would not -- could not be considered in some of these scenarios that we talked about today. But I was pleased to hear that people are looking at other ways to do that. That master plan was completed in 2015, and I think if we could change the name from Travis county exposition center and say Travis county convention center and exposition, would that then be eligible for some of the venue tax? Because it is a venue. And if we do it correctly, with the help of Travis county, then there will be some additional venue space, larger, a lot more parking, lot less congestion than it is to keep trying to build downtown and increase the problems that we're already having with congestion downtown. So that was my other option is -- is let's do another venue at the expo center. I hope we continue to think of that option because that part of town needs that economic driver.

>> Mayor Adler: Anyone else on this topic? Yes.

>> Pool: I just want to weigh in in support of what councilmember Houston is saying and say that I'm continuing to have some discussions also with Travis county and hope that the legal staff at the county and our legal staff can come to a meeting of minds on what the state law says and allows and doesn't so that we can have some updated certainty on that because I do think that the expo center provides a huge benefit to the community in ways that the downtown convention center does not. It has an education aspect that is missing from the downtown convention center.

[12:02:21 PM]

Certainly the points that councilmember Houston has made about economic availability and good jobs would have a huge impact out there near Decker Lake in ways that it would not downtown. So those are things that matter to me. I think those are things that matter to the public in Austin in ways that we're not reaching with the downtown proposition, and so I am -- I promise that I'm going to continue to dig

into what we're doing out at the her tanning exposition center and ways we can expand that project. If we need to have a big infrastructure project, let's locate it somewhere else than downtown.

>> Mayor Adler: And councilmember Houston, I would like to also join with you to try to find, as we discussed, find funding to be able to do the extension as well. Yes, mayor pro tem.

>> Tovo: Before we move on from that particular question, I know there's lots more that we can talk about, including in the context of tomorrow, but I just want to understand, can you help me understand again what the impediments are? If we decided that the expanded convention center space would actually be at the Travis county exposition center, could we accomplish that with the 2% increase or does the restriction on it being on a parkland -- I guess I need to understand, what was the legal impediment to that?

>> Okay. There are a couple of different pieces to what I'm hearing, and if I heard you incorrectly, do let me know. The first part I think you asked, what about the hotel occupancy tax increase, the 2% that can be done without going to the voters and simply increasing it, and that's limited by statute to construction of the expansion of the convention center.

>> Tovo: The existing or could that expansion --

>> The existing.

>> Tovo: -- Be at the -- at -- cot convention center, instead of -- could the convention center instead of being in one building be in two positions, the exposition center and our downtown convention center and perhaps also the school, maybe it's in three buildings.

[12:04:30 PM]

>> Only if we are using those for convention facilities, and they're very limited on that. So it can't be used -- we've inquired of bond counsel, and it needs to be used for the existing convention facilities. So would we want to turn -- let's say we purchased from Travis county the palm school. Are we planning on turning that into part of the convention center? Or do we have another vision for it? Because if it's not part of the convention center and we have other community uses, other -- whatever creative use that's y'all want to come up with or the community wants to come up with, it doesn't end up fitting in that particular 2%. Then the next question that you asked, I think, was the one that had -- as I understood it been raised by the county, which is could we use a hotel occupancy tax-based joint venue fund, which would have to be approved by the voters, for the Travis county expo and heritage center? That is a center that the voters approved Travis county leasing on our city parkland. And the venue statute does not authorize hotel occupancy tax to be used on parkland. And so especially because we're talking about trying to build something that would need bond funding. We have to look to the bond attorneys to say,

can we finance this? Will the attorney general's office approve it? And that's a really narrow, I realize often frustrating, conversation. But that's what we have to work with.

>> Tovo: Thanks. That's helpful. I think then I would like to just kind of put in a request that when we talk about these either in executive session or again in open session tomorrow or the 29th or whenever, I guess I would like to probe a little bit more whether if the convention center expands beyond its downtown location to the expo center, whether that falls within the hotel/motel tax?

[12:06:52 PM]

I mean, if we use that as convention space and it's not adjacent or above or whatnot but it's at the expo center, whether that falls within the hotel/motel tax and then it occurs to me that we could do -- I mean, I think what I'm hearing you say is that we could do -- we could use a venue tax for the expansion of the expo center or the renovation of the expo center if, as you said or somebody said earlier, we went to the voters and asked them to angleinate that as parkland -- alienate that as parkland. I would at least like to explore both of those options in more detail because I think both of those provide for funding for the expo center and maybe even, you know, create kind of an innovative sort of convention center that's not just in one location but two. And I would just say the palm school I think is another conversation I just want to not have now but do talk about because I think almost all of the uses I've heard suggested for the palm school are very much, in my opinion, in line with the uses -- the statutory uses of the hotel/motel tax and would support the uses of the convention center but that's a conversation for another day.

>> Mayor Adler: Okay. Anything else? Yes, councilmember alter -- manager.

>> I had one clarification. There have been a couple of references to the convention center for presenting their budget tomorrow. We had to reschedule that to the following Wednesday on the 23rd because of the other things that got pushed from Wednesday. So I wanted to make sure that you knew that we would not be doing convention center tomorrow. It will be Wednesday, the 23rd.

>> Tovo: I really appreciate that clarification because you saved me maybe four hours of homework.

[ Laughter ]

>> Mayor Adler: Councilmember alter.

>> Alter: Mayor pro tem may have just covered this, but I just want to clarify that one could go -- and I'm not advocating this. I just want to make sure I'm understanding the option. So one could go to the voters and ask them to vote on a violate venue tax and -- joint venue tax and they would also have to alienate the parkway if we did that way?

[12:08:57 PM]

It seems like if we wanted to do the expo center we would have to alienate the parkland and that would require a vote, if we wanted to use the convention center piece for that. The other option is to do the joint venue, which also has to go to voters but it's not a question about doing the -- alienating the parceled or am I confused?

>> It's not surprising that it's confusing. So to use hotel tax for a venue under chapter 334 of the local government code, that cannot be used on parkland. So if we wanted to use hotel occupancy tax for the Travis county expo and heritage center, which currently sits on city parkland and the voters approved that parkland being used for that purpose, we would need to go to the voters not only for the venue funding, the hotel occupancy tax venue funding, but also ask the voters to alienate, that is to make that parkland no longer parkland so that it would be appropriate to use a venue hotel occupancy tax on that facility. Now, there are multiple other venue taxes under chapter 334. And those do not necessarily have that same requirement. We would need to explore one. Can we legally use them for the expo center? And then, two, as far as I know there's not necessarily a prohibition for using it -- using those taxes on the parkland. So the question then becomes, will it cash flow?

>> Alter: But then the visitor task force approach doesn't have to go to the voters? Because that's just going to the convention center and there's a way to do that? We don't have the referendum? But if you wanted to do the other, using the hotel occupancy tax, you'd have to have a referendum that either jointly or separately covered both pieces?

[12:10:58 PM]

>> As I understood it, the visitor impact task force recommendation for use for hotel occupancy tax at the Travis county expo and heritage center would require alienation of the parkland.

>> Alter: I meant that the expansion of the convention center --

>> Our version?

>> Alter: Does not require a vote of the voters? We could choose to have a voter of the voters but it does not require it?

>> Under statute 351 it does not require a vote. Under 334 it does require.

>> Alter: Thank you. Okay.

>> Mayor Adler: Councilmember troxclair. Then we'll come back.

>> Troxclair: So if you're not already doing that -- I mean, I would be interested in seeing a memo or more information about those options in regards to the expo center, the Travis county expo center.

>> I have reached out to the county to ask to engage them in this because it needs to be a joint conversation where we understand what it is that they're envisioning so that I know what the types of taxes are that could apply to it. But I -- and so, yes, I'm reaching out to them. And when we get more information I'll be happy to do that in a month, however I can communicate it.

>> Troxclair: Councilmember Houston, is there -- I'm not remembering the one -- what the report envisioned out there? But it seems like we've already -- you know, it seems like this is kind of a time-sensitive issue and it also seems like we've had a lot of conversations about the possibilities of what could be used out there. So I understand waiting to hear back from Travis county, but at the same time if there's anything that we can be doing proactively for you to demonstrate us to here are some reasonable options that I think might happy and here's how they could work, that would be helpful because it's -- this is -- we're having this conversation now, and so -- and I think that that is an important piece of this conversation.

>> Houston: Mayor, just let me respond to something councilmember troxclair has said.

[12:13:06 PM]

Commissioner Travillion is on board. I've had conversations with several others. If they're not responding I will get on it right now.

>> Mayor Adler: Ms. Pool.

>> Pool: I can weigh in on that too. I've been in contact with folks at the county as well as, also folks that run the heritage center. The report, that was commissioned by Travis county, not by us, but we did get a copy of it and it came to us under cover of a Travis county meeting cover sheet and that was probably gosh a year and a half or more ago. Do I have an update to that. I understand that an update to the hundin report has been commissioned so they're updating all those figures and I think we'll get benefit of that information as soon as it's possible so that's what I know about the hundin report. It's a little bit dated and it is in the process of being updated. And I have that from our good friends are rodeo Austin, who I think is the entities that paying to have the update done. I wanted to ask a question about the alienation of the parkland at the expo center because that vote was already taken years and years ago and so that building was built there and that was approved by the electorate. Do we have to -- if the footprint that was approved, whatever year that was -- and I don't know if you remember what year that vote was taken. Does anybody know? Was it, like, in the '50s or something? It was a significant number of years ago. And it doesn't matter. Whatever -- whatever it was that we approved at that time, what the voters approved at that time, that footprint, if we built within that footprint -- I don't know if

we could or not, but if we didn't change anything about the location, would we also have to have a vote, a chapter 26 vote simply to change the buildings?

>> Yes, we would have to have a vote. The vote that the voters took was to lease the land to the county.

[12:15:09 PM]

It was not to make it not parkland. And that's a requirement from our charter.

>> Pool: Right.

>> There's also, as you correctly noted, chapter 26 of the parks and wildlife code, which talks about making certain findings -- the city has to make findings if we're using parkland in a manner that's insistent with park use. And so those are two different legal requirements that come from two different places, and if we are going to turn that land into a convention center, then I think we need to go through both.

>> Pool: And if we were going to expand underneath the recommendations of the hundin report or if Travis county were going to do that, those requirements would still be in place, right, the chapter 26?

>> Yes. And possibly also a vote, depending on -- I mean, as I understood from -- I haven't reviewed the report in detail, but any understanding was they were exploring many options, including economic development, public-private partnerships, a lot of different things. And each of those has its own legal issues of that to be analyzed to figure out can you do it on parkland or do you need to alienate the parkland in order to be able to do that? So if that's being updated, that's great. Again, I'm happy to talk with the attorneys over at the county and with their bond counsel about how they envision this happening and work with them to try to find the right pots of money to get that done if we can.

>> Pool: And it sounds like everybody is working toward that end. And I agree time is a commodity and we don't have unlimited amounts of it really in this instance. So I appreciate everybody really digging in and trying to get to the bottom of what we can and can't do. It is pretty complicated but I think at the end we'll all really understand what we're able to do and I think we'll pick the right path at that point.

[12:17:11 PM]

So thanks, everybody, for really, really working hard with us on this this morning.

>> Okay. We okay on this?

>> Troxclair: One more quick point of clarification. I just wanted to mention -- I know that mayor pro tem tovo mentioned she's working on historic preservation angle of this and I'm also working with a couple of councilmembers on how we can maximize hotel occupancy taxes and meet some of the goals that the task force outlined in this budget cycle with our existing hot revenue so we're hoping to have that on an agenda in coming weeks and we'll also submit it as a budget question. But there's a few of us that are also working on some of the issues that we've talked about today.

>> Mayor Adler: Okay. Mayor pro tem.

>> Tovo: Yeah, just to be really explicit, I think you had said you looked forward to working with me on the funding allocation and I believe councilmember troxclair is. That's sort of something she's working on. Of course I'm very supportive of that, as I've made clear in last year's budget when I brought forward that resolution and I'm going to be really interested in seeing some of that reallocation work that councilmember troxclair is doing.

>> Mayor Adler: Sounds good.

>> Tovo: So my resolution I referred to earlier is really about tinkering with the -- following the recommendations from our task force and tinkering with how we do our heritage bonds, which absent any of these figurative changes is necessary, are necessary.

>> Mayor Adler: Counsel.

>> Mayor, I want to say I certainly acknowledge this is a frustrating topic for people and I have taken to heart things you have said to me about this and I think as the mayor indicated this is a lot of very specific state trade-offs caused some of the frustration. We're trying to work on communications that we can make public because I know the task force, you had the benefit of talking to a lawyer, our lawyer, leela fireside, as they started the process and sometimes we like to do that because that way you get the benefit of that and don't do a lot of work that at the end we have to say that actually doesn't fit within the law. But I just want to acknowledge leela fireside.

[12:19:16 PM]

She's been dealing with this for a lot of years. A lot of people would have said to me can somebody else please do this topic and she has stayed with it. I know it's frustrating but we're doing the best we can to help everybody get through it.

>> I also want to recognize Carla for all the time and work she's put into this, seriously. I think I've talked her off a length once or twice.

[ Laughter ] But we're all -- we've all benefited from her expertise, her knowledge in this whole thing and we couldn't have done this without her. So thank you.

>> Mayor Adler: I only wish today marked the day that this was ending for you.

[ Laughter ] But it's not.

>> So do I.

>> Mayor Adler: Before we go to executive session, I want to call up the budget concept menu WBE -- menu and I'm going to try to make something fit in that. I want to mark and comment on what happened in Charlottesville, Virginia, this past weekend. One, those activities of hate and the white supremacies going to into a community like that and three people dying, it was all horrific and I just -- my -- our hearts, I think, go out to the victims of that, the three folks who died, their families, as well as the city generally. I had the opportunity to -- the mayor of Charlottesville was in our city not many months ago looking at how we do things here, and I had the opportunity to be communicating with him realtime while this was going on. I think there are lessons for us to learn from a public safety standpoint and I know that our chief is -- is on top of this and doing that kind of work. I think there's also been some calls in our city, and here's my budget link, to taking some steps here that we can to state real strong summary unequivocally that ours is a community where there is no place for hate in our community, and I just wanted to mark that moment.

[12:21:43 PM]

Councilmember Kitchen.

>> Kitchen: And thank you, mayor. I think that was -- that was well said. I would echo also that -- images that we all have seen in following what has happened there is something that -- I mean, seeing the hatred and the violence, it should shake us all to our core and it's -- I think it's incumbent on all of us and responsibility of the entire country to stand up and say this is not who we are and this is not who we are in Austin, this is not who we are in Texas, this is not who we are in the nation. And I think that we have to speak out and we have to do what we can in every community. So I will be bringing forward an application for changing the name of Robert E. Lee road, which is the road in our city that leads to Barton Springs. It's a road that happens to be in district 5 but it's a road that's really important to our entire community. It's located in a place that's treasured by many in our community. So I will be bringing forward that application to initiate the process. I know that there are other councilmembers who intend to be part of that application, and I will let them speak for themselves and this is an application process that anyone and everyone on our council can sign onto if they'd like opinion I intend to file it in the next day or two, by Thursday. So some of you have already let me know that you'd like to be part of that. And councilmember Casar and councilmember Pool and mayor and others may want to also. And so you just need to let me know and I'll put your name on it also.

[12:23:46 PM]

For the public to understand there's -- our city has a whole process, a process of -- that involves looking at public safety issues for renaming a road, that also involves conversation on what it should be renamed. And ultimately it will come back to the council for a vote. I expect that process to take a few months. It does take some time. And we'll do that. We also have to consider the impact on people who may live on this road and both from a cost standpoint and another impact. And so however we move forward, from my perspective, would be done in a way that is not harmful to those individuals but does accomplish -- and I want to be clear. I focus -- I support renaming that road. Now, I also want to say that there's so much more that we need to do as a city. I mean, renaming a road is a symbol. It's an important, critical symbol, but it certainly is not -- you know, we can't just change the name of a road and say, okay, we've fixed the problems in our community with regard to hatred and violence and racism. We as a community have had a lot of conversation, I hope we've had a lot of conversation. We've had some, certainly not enough. We've been talking about equity, we've been talking about institutional racism and the impacts that we see now. So I trust that as a community and as a council we'll continue that work. So I don't want to speak for others on the council. I know that -- that this is one road, and so I will -- I will just say that I think that -- I just think it's absolutely critical that we do this and we move forward, and so I want to do my part with Robert E. Lee in district 5.

>> Mayor, I'd love for y'all to use the message board to have a conversation about this and you can bring this up in the future.

[12:25:56 PM]

>> Kitchen: Okay.

>> Mayor Adler: [Off mic]

>> Pool: Thanks. I just wanted to echo and so I won't repeat what the mayor has said and what councilmember kitchen has said, another one of the -- there aren't -- there's another road, Jeff Davis road -- avenue is in district 7 and I have asked councilmember kitchen to add that street name on to the application that she's preparing. So I'll be working on that for district 7. And I'm looking to hear from the residents who live on that street and then just in the general community what names they would like us to consider as replacement names. One name that has occurred to me for -- to change the name of Jeff Davis avenue would be to name it sojourner avenue or something along those lines. That's kind of the way my mind is working on that, and I look forward to input from the community on how they'd like to handle it, in particular the people whose street name would be changed. I thank the mayor for bringing this up and for councilmember kitchen for proceeding with the application, and I think councilmember Casar was also instrumental in the conversation that we had that led up to this.

>> Mayor Adler: Councilmember Casar. On this point. That actually, the first city council resolution I ever pushed to get pushed by a city council wasn't in Austin, but actually in charlottesville. What happened this weekend clearly hits very close to home and I'm proud of that city council for setting aside budget dollars and making the policy and budget decision to remove the statue that was at the center of the violence this last weekend. A lot -- I think that we should, you know, sign on to councilmember kitchen's application and also consider in this budget session what it would take to get that done effectively in the next fiscal year and budget for that appropriately.

[12:28:09 PM]

In the conversation the last few days, there have been folks that have said that setting aside money to do this is the eraser of history but I actually don't see it that way. That's why I wanted to speak up a little bit about that. There is a very deliberate anti-historical effort that's been underway since the end of the civil war to actually erase history and to rewrite history as the civil war not being about keeping people enslaved and over a million people dying in a war over slavery. There's actually a plaque inside of the capitol that dedicates several lines to trying to rewrite history and say that the civil war was not about keeping black people enslaved in this country, and so I believe that it's important to address that symbol and write history -- right history, not write with a "W" but to actually do our best to communicate truth. So potentially we may budget for not only changing the street names on Jeff Davis and Robert E. Lee but potentially for there to be explanatory plaques or symbols to say these streets were once named these names and to explain why they were once named those names and why hopefully this council and this community work to change them to something. Because I think that part of our history is important that actually in the south I recall myself being taught in school consistently in Texas things that were just not true. And so I think that that is also a part of our history that should -- that we should teach folks about and then also, as councilmember kitchen so aptly pointed out, clearly, there are other things we are doing in our budget and our policies that we need to do to address -- to address racism in our community and to promote racial equality and we can do both.

[12:30:10 PM]

We need to be able to walk and chew gum and so we can both address this symbol and the historical lie that it represents and then address the policy issues and the policies that have been established oftentimes based on that purposefully revisionist history. So thank -- I'm honored to serve with y'all as a group and I think it is important to recognize that the active domestic terrorism that happened in charlottesville was in direction retaliation to another local government's decision, and I think it's really

important to recognize and respect in this moment really inspired after the massacre that Dillon roof commits, the consistent bravery to ask for these sorts of changes. So thank you all.

>> Mayor Adler: Mayor pro tem and then Ms. Houston.

>> Tovo: I just wanted to thank my colleagues for their work and their comments and I agree. I would just and Q that my name be added to the -- I would just request that my name be added to the petition.

>> Mayor Adler: Ms. Houston.

>> Houston: Thank you, mayor. First of all, the horrors we witnessed the other day were just unbelievable in these United States that people can hate to the degree that they do. But I think when we see it on television it becomes more real to people. But my question is about the process for naming streets. Is there a process? I understand that -- about the application, but is there a process where -- by the people who live on those streets have the ability to initiate a name change? I'm just asking because I don't know. And so if it is, then I'm wondering where we're doing a top-down rather than giving them that option to initiate a petition.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Yes. That's a good question. The ordinance has two routes.

[12:32:13 PM]

One route is the people that live on the street. And the other route is -- actually, I don't think it's limited to people that live on the street. It is -- let me be more specific for you. It says "An application to change a street name may be filed by, one, not less than 50% of the owners of the property abutting the street." So that's one route. Second route is "An officer or attorney representing a governmental subdivision." So that's where a councilmember can initiate. So you ask about giving an opportunity to folks that live on the street with regard to Robert E. Lee, I've received many requests from people in the whole Barton hills neighborhood. We have received some contact from people living on that street, but requiring -- and also there's a petition going on in the whole community, and I forget the number of people that have assigned on to the petition.

>> Houston: It's about 10,000 now.

>> Kitchen: Yeah okay. So my thought was -- and the reason I thought that it was important to go ahead and bring this forward was to be responsive to the folks that have signed that petition, to the folks of that reached out to my office, and not wait or require and put a burden on the owners of that property that live on that street. They will be part of the process. The process allows them to be part of it, but I don't think that we should place August the burden on the people of that street. Robert E. Lee is a short

street. There are renters on that street. I think it's appropriate for us, given the magnitude of what we're talking about and the feedback we've gotten from the community, to go ahead and initiate.

>> Mayor Adler: The city attorney has said we're kind of straying pretty far afield from relating this back to the budget items and that this is an issue that the community is going to be really interested in hearing us discuss. So we need to move this to a forum that the community can actually see and witness the discussion.

[12:34:15 PM]

Given we talked about budget I'll let people close with a budget-related comment, but I would urge you to keep it linked to the budget and as short as you can. Yes, councilmember alter.

>> Alter: Thank you. I just passed councilmember kitchen a note saying I would like to sign on as well. I do have a budget comment related to this. I think that, as leaders of the city, we still have a lot to learn in our ability to respond to the needs of our community, and that's why I'm going to be -- I'm allowing for ways that D looking for ways that my staff and myself can participate in the beyond diversity training which was put forward -- which was experienced by the mayor's task force on institutional racism and was one of the key recommendations in that report. I have funding from my staff and myself to do that. If others are interested in working with me on that, it would be really helpful to understand who among council is interested and able to put in the time to attend that training. It is a two-day training. I think it is a way that we can learn from that and be able to communicate better and be able to understand moving forward with an equity lens so we can get to the root of some of the problems in responding to our decisions. So I haven't quite figured out how to get around quorum -- not get around, but to get feedback on this from people in the most appropriate way, but I'm still figuring out whether this should be a concept menu budget or another way forward, and I will either post something to the message board, but in the meantime, if you are interested, if you could please let Jason Alexander in the city manager's office know.

[12:36:20 PM]

We've been talking with city manager's office about the resources as well. But if you can let Jason Alexander know that will help me get a better count so we can know how we want to move forward with that building diversity -- beyond diversity training. Thank you.

>> Mayor Adler: For what it's worth, I had the opportunity to do that during the task force work but if the council is going to participate in this and the senior management of the city, I would very gladly want to go participate again. Councilmember Renteria.

>> Renteria: Thank you, mayor. You know, this episode that happened in Virginia, it was a real tragedy, but when my colleague was here protesting sb-4 and he was there just before he was about to get arrested and I was left at the demonstration and I was driving down. I took the bus to -- I was going to take the bus home, 17, I stopped there. It dropped me off on third and Guadalupe, and what I saw there was very alarming. There was a group of white nationalists coming down running because there was another group of anarchists on the other side and they came and they were all with their long rifles. I even saw one guy with his finger right on the trigger, you know, like, his ar-15 or whatever it was. They were just -- I was very alarmed because -- and thank god that enough police officers showed up at the capitol park without causing any kind of harm, but we have -- causing any kind of harm, but we have that situation here in Austin and I'm very glad that our police chief is on top of it and recognize that he can handle those kind of situations because it's very alarming when you see a whole bunch of -- group of young men with rifles shouting all those angry words that they were doing back to each other and, you know, all it took is -- it would take is just one incident and there would have been some people there that would have been hurt.

[12:38:38 PM]

So, yeah it's very true, you know, and we need to really stay on top of that.

>> Mayor Adler: Okay. Ms. Pool.

>> Pool: And relating to budget and the street signs and everything, to the extent that I have some money left in my office budgets, I would put it -- I would encoupler it to paying for the changed signs in district 7 to replace for Jeff Davis avenue.

>> Mayor Adler: Thank you.

>> Renteria: Mayor, just one quick.

>> Mayor Adler: Yes.

>> Renteria: You know, we've been working on a resolution to change the misspelling of manchaca, and we actually paid the \$25,000 they told us and we haven't been even able to get anything done from the staff because that was the cost and they -- we raised that money up, you know, for that correction.

>> Mayor Adler: Okay. The manager will check on that. Councilmember kitchen.

>> Kitchen: Just with regard to the budget and the costs that were identified, to more completely answer my question, another reason for bringing forward the application fee -- the application from the council's perspective is that the burden of bringing forward the application, the cost burden, falls on who brings it forward. So by bringing it forward from a council office, we're not putting that cost burden on either the people that live on Robert E. Lee.

>> Mayor Adler: Okay. Ms. Houston.

>> Houston: Councilmember Flannigan showed me the road and the city of Austin owns -- the road and the city of Austin owns most of it so it seems to me right that we make the application because we're the owners and nobody said that.

>> Mayor Adler: All right. I think those are all the things we have. We'll go into executive session -- I'm sorry, Ms. Troxclair, did you want to say something?

>> Troxclair: I just wanted to lend my support to a lot of the things that have been said and to condemn the racist and hateful that he was we saw this weekend -- evidence -- activities that we saw this weekend and I'll hope and pray for the end of racism in Charlottesville and in our city and country and world as a whole.

[12:40:46 PM]

>> Mayor Adler: Okay. Thank you. Yes, mayor pro tem.

>> Tovo: Just on another subject, are we planning on coming back to the work session? If not, could we talk about timing on Thursday for different items?

>> Mayor Adler: Let's talk about timing on Thursday of different items. So it's the intent for us to come back after lunch to do the task force issue. If it looks like executive session is going long, then we will break executive session to come out and do the task force issue -- I mean, the generation plan issue. The generation plan issue we'll handle when we come back from lunch. If it looks like executive session is going long, we'll come back to do the generation plan on Thursday.

>> Tovo: You're talking about Thursday? Just to be clear, none of us were clear whether we're coming back today. Now we're talking about schedule for Thursday.

>> Mayor Adler: I was. Does anyone want to come back --

[ laughter ] I'm sorry. Didn't mean to scare anybody. It's my intention for us not to come back here today after executive session unless people want to do that. Okay? So we will not come back after lunch. I'll come back to close the meeting. I thought you had also asked about timing on Thursday.

>> Tovo: Did I. I saw pulled looks -- I did. I saw puzzled looks around. I have more on Thursday. I'm sorry, I'm still unclear. We're breaking for citizens communication, then lunch and executive session, then we're going to come back and the first topic will be Austin energy and you'll have a limitation on executive invest it's going long. I know councilmember Renteria we had a request from about a zoning case in your district. We all received a request to have that be a time-certain, and that was the salvage yard. So I don't want to put you on the spot, but I know that we did have a request from some community members to take that up after 6:00 P.M.

[12:42:50 PM]

On Thursday so I'll just put that out there. I know we can't vote on it until Thursday anyway, but I didn't know if you had thoughts on that or if you want to just share them on Thursday or. . .

>> Renteria: Notify problems with the -- I have no problems with the time certain at 6:00 but also we're having public hearing so there might be a possibility that we might go all the way up to midnight on this, some of this. So I don't know exactly what, but, yeah, I'll be more glad if we want to put it at 6:00. That's fine.

>> Mayor Adler: If we want to ensure, decide now we'll come back from dinner if we -- whether -- the only problem with putting a time certain that happens after dinner is it means that we have to come back after dinner in case the meeting would end earlier. But we could certainly do that. If the will was, of the council, to do that. Is there a will to say now that we will, regardless, make sure that we convene after dinner to hear that zoning case? GE.

>> Renteria: Me. I never have that problem hanging around here afterwards, if it's -- but it's up to the rest of the council if they. . .

>> Mayor Adler: Then let's -- at this point, I mean, in the absence of a consensus for that I'm not going to set the time we have to come back from dinner. We'll see how that goes and if people want to speak they should communicate that. Mr. Casar.

>> Casar: I've had a request to bring up the source of income item around 2:00 P.M. I don't know if we have to set a hard time certain for that but just to bring that up, there's interested members of the community that wanted to come sometime after the lunch break.

[12:44:52 PM]

>> Mayor Adler: Okay. Let's see if we can bring that up after we do the gen plan and there are no items on executive session on Thursday so we can pretty much be sure that we'll be back timely. Citizens communication going from basically noon to 12:30, we'll come back at 1:30 to begin with generation.

>> Ironically enough there are no citizens communications.

>> Mayor Adler: No citizens communications, there you have it. In which case we could be back at 1:00. So 12:30 -- 1:30 if there's citizens communication or 1:00 if there's not. Ms. Kitchen.

>> Kitchen: I wanted to make a -- just a comment to give people a heads-up on item 61, which is the generation plan. I'm looking at an amendment which I hope to post tomorrow that relates to our goals around vehicle electrification. This is to align what we have previously discussed and adopted in two other resolutions relating to our goals around fleet electrification. It does affect Austin energy because of their role in working with electrification of vehicles. I wanted to give everybody a heads-up that I'm planning to bring forward an amendment and targeting tomorrow to have it posted on the message board so people can see it.

>> Mayor Adler: Okay. Mr. Casar.

>> Casar: And I mentioned earlier that -- and I think the sponsor saw -- found it friendly that I'm going to post on the message board an amendment on -- related to the gentrification vulnerability study and also wanted to alert folks I'm going to post what I think is a very friendly amendment to item 51 related to housing cooperatives, just opening it up to ask the city manager to identify any other barriers that she and the staff may find and to report on those as well.

[12:46:55 PM]

>> Mayor Adler: Okay. Anything else? Mayor pro tem.

>> Tovo: Just very quickly, I've been working on the item 52 which was the aquatics master plan task force that we discussed and taking into account the comments that were brought up during our work session discussion about it and particularly the -- did the comments regarding the competition of the task force. And so -- of the proposed task force. So the option that I believe we're going to move forward with on Thursday would be to have -- to have a subset of the parks board serve as a plan and having that be their focus and setting a time frame. So while most of our committees can set up -- most of our commission cans set up a committee, it would require in this case a waiver of the approval that is required from the audit and finance. Anyway, confusing and I've now exactly lost the details sitting here because my head is in the minority-owned tax. If we approve this on Thursday the staff would have to come back to us with a waiver of the reimbursement that any new committee go before the audit and finance for recommendation for approval which would then have to come to council. Even though we're

the council, we have to waive the requirement and that has to be a formal action that we're not going to be posted for on Thursday so it would be a two-step process.

>> Mayor Adler: Thank you. Anything else? All right. The city council now is going to go into closed session to take up one item, city council will discuss e2, prohibition on housing discrimination based on source of income. E1 has been withdrawn. With no objection, I want to first congratulate our city legal staff in winning yet another battle in the senate bill power action moments ago.

[12:48:57 PM]

The case is going to stay in San Antonio for the court to rule. Now ruled on by the San Antonio judge. Since there were no objections we're now going to go into executive session. It is 12:50.

[ Executive session ]

[12:53:52 PM]

[1:24:15 PM]

[Mayor Adler] We are out of closed session. In closed session we discussed legal matters related to item E2. It is 1:25 p.m. Today is August 15th. The meeting is adjourned.