

City Council Work Session Transcript – 6/12/2018

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 6/12/2018 6:00:00 AM

Original Air Date: 6/12/2018

Transcript Generated by SnapStream

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[9:11:47 AM]

>> Mayor Adler: What do y'all think? We're missing a few. We have enough to get started for a conversation. It's always good to have everybody here for it. So it's 9:11. We have a quorum present. I'm at least going to call the meeting, but I think we should discuss or wait for a few more to show up. The calendar that got posted has us starting with codenext, breaking at noon, doing the executive session, coming out of executive session and then doing the briefings and the pulled items. And then if there's time remaining and desire, going back into codenext. With a 5:30 adjournment today. So let's go ahead and get started. So if staff wants to come up and consultants come up to the mics. So I know we're figuring out this process as we go through and it's iterative to a degree while we figure out what works or doesn't work. We said we're going to generally proceed in this direction for today and tomorrow and then at the end of tomorrow look it up and figure out what it is that we do next, if we continue on or make changes. I think last week we were able to with respect to the ads, which I think was really helpful.

[9:13:52 AM]

We were also able to come up to a general statement with respect to corridors and cores of neighborhood. We also went through the goals statement. We have put up on the message board those broad goal statement, just trying to capture what people said. Obviously when we do that it's not going to be perfect, so everybody is invited to kind of weigh in on that and correct that and make changes to that, and we tried to indicate what was bookmarked and what seemed to be generally agreeable with people. Obviously the zero to 5 indications we're taking again are not votes because different people are saying different things by the indications -- the indications where we are, but I was asked by several members of the community to call out names when people did the zero to 5 just so somebody was listening later on could better tell what indications people wanted to give someone and if I mess up on that would someone remind me so that I make sure that I do. What we do for this time, I think the mayor pro tem and Alison and Leslie and/or a put up a -- and Ora put up a list of where we should go with respect to topics. We put something up that generally followed that. We put in front of the topic the language that was from the goal list that we had gone through just to provide some context for the questions that arose. That list had us starting with talking about affordable housing with topics that related to the income-restricted housing and the housing supply question.

[9:16:02 AM]

Talking about density bonus programs. If we can get through that, then the next thing up was to talk about preserving, respecting neighborhood identity and quality of life, which basically focused us in on a conversation about transition Zones and compatibility. If we got back from that it was more generalized conversation with respect to housing supply. And then a conversation about -- beginning to have a conversation about what happens after adoption or what happens next. So I think that's where we'll start. Thank you, staff, for putting together this notebook for us that has that agenda and that topic list under tab 1, and then other documents behind that relating to PC and staff recommendations and the work of the planning commission. Ms. Kitchen, did you want to say something?

>> Kitchen: Yes. For anybody in the public that might be watching, I believe the agenda and the topics list are posted as backup to this meeting, so they're posted as backup to this meeting so if anyone would like that information to follow along they can see it as backup to the meeting posted.

>> Houston: Mayor?

>> Mayor Adler: Mount.

>> Houston: Staff always does a great job, but the book was put together by the clerk's office. Just want them to get their due.

[Laughter].

>> Mayor Adler: Great. We do like it. All right. Let's go ahead and get started then. So let's talk about affordable housing, what should be our overall housing capacity goals to meet goals in imagine Austin and the strategic housing blueprint.

[9:18:04 AM]

What is the income-restricted housing goal, what capacity is needed to reach that goal? How often and how do we calibrate those programs? How does the base zoning entitlements relate to the affordable housing incentives? How do we maximize income restricted housing, what should be the goals? And should there be size limits. Should affordable housing be limited in residential house scale Zones to create income-restricted units? And then what do -- what should we do to revise or should we revise the smart housing to better incentivize programs? So generally speaking, what we're looking for is telling us how these things are handled under the existing code, how they're recommended to be handled under draft 3, and what the planning commission or other commissions did. Do you want to talk to us about this?

>> Good morning, councilmembers. My name is Lauren aveoli, I'm a planner with the neighborhood housing and community development department. We could go through each of those questions if that's what -- how you want to do it. So for the first one, the income-restricted housing goal, the

capacity needed to reach that goal and how often we should be recalibrating the program? The strategic housing blueprint, which this body adopted in 2017, sets an affordable housing goal of 60,000 units over 10 years. You can find that on page 18 of the blueprint if you are following along at home or you have that with you right now.

[9:20:11 AM]

And the codenext consultant team had provided a briefing to you with the release of draft 3, I believe, that talked about capacity, having a good metric as about two times your planning process or planning goal. That's also linked in your booklet if you want to see those slides. So based on our blueprint goal a capacity of 120,000 units over 10 years would be our baseline capacity. And I would like to point out that the blueprint goal includes all of the ways that we could get affordable housing, not just our density bonus programs, not just through land development code regulations, but also through increased subsidies, community land trusts, home repair and the like. You'll also notice in that same presentation that the capacity for the affordable housing bonus program as proposed in draft 3 is around 6600 units for affordable housing. And speaking of how off we should evaluate and recalibrate our affordable housing density bonus program, in codenext draft 3 we have proposed a section that would have the housing director to evaluate the program's production on an annual basis and provide recommendations if needed to update that program so that is section 233-e-1070. The planning commission talked about establishing annual affordable housing goals. In the land development code, having council establish those goals.

[9:22:12 AM]

And staff do support annual evaluation of the program and recommending updates as needed, but we don't believe the land development code is the appropriate place to put annual goals. And further, this is a market-based tool subject to fluctuations in market conditions, so some years we might have a lot of production and some years we might have very little because of market conditions that we don't have any control over. So therefore we recommend reporting the annual affordable housing bonus program production in the context of how we're reaching our blueprint goals from the strategic housing blueprint. And I can move on to the second question if you want.

>> Casar: Two quick questions. First you had mentioned 120,000 units being base. Can you explain that? We have our 135,000 goal and that's the 120,000 goal?

>> That's just two times the 60,000 affordable housing unit goal. So based on the information that fregonese and associates provided to you where they said typically best practice is for meeting your planning goals to have twice the capacity available.

>> Casar: Understood. And then you mentioned that draft three has 6600 affordable housing bonus capacity. Do you have a number yet or an order of magnitude of how much higher it would be with planning commission's recommendation from 6600 up to -- what?

>> Not yet.

>> Casar: I recall from some of the fregonese presentations that during planning commission that there were some levers that were being pulled that were multiplying that by two or three times, but we don't know -- even if you don't have the specific number, if I asterisk this and say we're not going to specifically hold this to any order of magnitude taught, what they did, how it changed that?

>> I think it's hard to tell because they also made some changes to base entitlements. So the bonus might have gotten bigger through their recommendations in some Zones, but the base could have gotten bigger or in some Zones maybe only the base was recommended to increase.

[9:24:20 AM]

>> Casar: Understood. Okay, thank you.

>> Pool: Thank you. I've just got a couple of questions. First the strategic housing blueprint on page 18 as you mentioned has the number of units recommended to be approved, I guess, as 60,000 over a 10-year period.

>> That would be our production goal, right.

>> Pool: And then later you said that there is a recommendation for -- so that would be 6,000 a year.

>> If you divide it by 10, right.

>> Pool: And later you said there was a goal of affordable housing of 6600 per year.

>> That's the capacity number that was modeled and provided in the report card for draft three.

>> Pool: So capacity is over the recommended number of what the units would be over a 10-year period?

>> Right. But capacity is just what's possible to build.

>> Pool: Absolutely. And I just wanted to emphasize the point that you made, which I think is a good one, and it's realistic and true that we can talk about capacity all day, but as you mentioned, it really is a market -- it's a function of the market. I agree with you on the land development code not being a place for goals and I think we need to remember that. And I appreciate the report on the annual goals. I think that also is really important. And I expect that that would continue to happen. Where is the table or the document that shows the number of units approved and complete that are ready for people to move into with the map that tracks the achievement of our goals? This is an item we've been urging staff to produce for us for awhile.

>> We do have online a map and kind of a table with contact information of all of the properties that have units that we've either subsidized through funding or created through incentive programs like density bonus programs.

[9:26:27 AM]

So we can provide that link to council and post it. It is on our website and we can post it on the message board.

>> Pool: That would be great. I did see it and I looked at it and I clicked on some of the pins that were on the map. And it seemed if I were someone looking for an apartment at a certain cost, I'm not sure that I would be able to navigate myself through that. And I know that I'm really, really glad that you guys put that up there. That's achieving direction from council that's been out there for quite some time. So and I know you will be improving the information on there to make it more robust. So I wanted to highlight the fact that you put it out there. Let's get that link widely disseminated so people who are being priced out of their apartments because they're being torn down to build something newer and fancier know that they have some other places where they can move to. And then I'd like to continue following that whenever you guys make up grades or improvements to the level of information on it, it would be useful to let us know that's happened so we can also continue to amplify that. Thanks.

>> Kitchen: Let me make sure I'm understanding the goal. So we've talked in terms of --

>> Flannigan: Turn your mic, Ann.

>> Kitchen: We've talked about the income restricted over 10 years, right? We've talked about capacity being 120,000 units. So the the additional level of detail that I'm looking for is of that 60,000 -- I how much of that 60,000 we were looking for from the density bonus program?

[9:28:32 AM]

>> We did to some extent on page 18, which is a large bar chart. I don't know if we can put it up. Is it possible to put that up so we can look at that?

>> So this graph depicts the different ways that we can achieve that 60,000 unit affordable goal. One of the stacks, I guess, in that chart is for our current density bonus program production, so we have approximately 10 programs that we currently administer based on sort of a business as usual production scenario over the next 10 years. We could expect around 1500. This says 1450 units to be produced from our current programs.

>> Kitchen: Okay.

>> And then there is a very large dark green section of the -- on the top that's sort of our all other tools bar and that is where changes like the affordable housing density bonus program would be factored in.

So it's large category, sort of a catchall, and we estimate that we would need around 47,700 units from that. So that includes not just our affordable housing density bonus through codenext, but more tax benefit programs, the improved smart housing program. So lots of other tools that are in that bucket as well.

>> Kitchen: Okay. So I just want to make sure I'm understanding. So -- I'm not suggesting we need to. I'm just trying to understand. So we don't have a specific target for the density bonus program, per se.

[9:30:39 AM]

We have that lumped with a number of other programs to get us to a goal of what did you say, about 47,000?

>> Uh-huh, in the blueprint, yes.

>> Kitchen: Okay. With the difference between 47,000 and 60,000 coming from?

>> All the other tools that we have-- that we currently have, so we were able to project out what production might be, like using federal funds, our 2013 bond program. And then working with community partners like Travis county housing authority and haca.

>> Kitchen: Okay.

>> And if I could just clarify quickly. I'm Laura Legionson on the consulting team. And the number in the blueprint specifically related to the density bonus program, that's the 1450 number that you're seeing kind of down here at the bottom. It's all color coded, but the Oranges are very close to the same color so it's a little hard to tell. And the 6600 number that you heard Lauren reference just a minute ago is talking about the capacity that draft three adds to density bonus programs in the city. So we've extended through draft three the capacity for density bonus by quite a bit.

>> Kitchen: The reason I'm asking is I understand the capacity, but I don't know what we're shooting for. So I see the bigger goal, which is the 60,000, and I think I heard about 47,000 from this bucket. And if there isn't one that's okay. I'm just trying to understand if there was a particular target we were trying to reach for the density bonus program.

>> I think your affordable housing advocates would say as much as possible, please.

>> Kitchen: Well, sure. I would say that too. I would always like as much as possible, but when I'm trying to understand what trade-offs are and I'm trying to understand timing, in other words, when do we need these and where do we need these, that's where I would love to have a little more specificity, understanding of course that you can't nail it down to the number.

[9:32:43 AM]

So I'm trying to explore how much we do know. So and how far we have gone as far as determining what those goals are.

>> I think from the department's perspective, given that our current 10 or so density bonus programs could yield around 1500 units over 10 years, the 6600 unit capacity for our affordable housing density bonus program which could yield us -- [overlapping speakers]. Two times. Is an exciting opportunity for us.

>> Kitchen: Okay.

>> As we think about capacity or production, I think there are also questions in here talking about monitoring and resources and so I think that's part of the conversation when we talk about goals as well.

>> Kitchen: Okay. Just to repeat to make sure I'm understanding. Currently we get about 1500 out of the density bonus program. We -- and that's just from the density bonus program, not the other things that we do. We think that draft three is giving us 6600 capacity, which maybe will produce around 3300 from the density bonus program. And we're talking about that in a setting where we have the larger goal of 60,000 overall from income restricted, but we have not established a specific goal for the density bonus program. Did I repeat all that right?

>> Yes.

>> Kitchen: I have other questions, but I'll yield to other people.

>> Mayor Adler: Okay. Jimmy.

>> Flannigan: To be clear, capacity should be two times the production goal, is that right?

>> Yeah, that's what the consultants have told us as sort of a best practice.

>> Flannigan: You responded to councilmember pool saying it was 10%. When you were talking about 6,000 versus 6600 and she asked you if capacity was only 10% over the goal and you said yes. I want to make sure I'm understanding.

>> Maybe I misunderstood her.

[9:34:44 AM]

I thought what we were talking about is if you take 60,000 and you divide it by 10, because that's our timeline for the blueprint, that you would get 6,000 per year.

>> Flannigan: Twice the production goal. The blueprint is a production goal, not a capacity goal.

>> Correct.

>> Flannigan: The language is so important that we say it correctly every time. The blueprint also calls for 75,000 market rate or at least 80% of mfi or higher. I know most of the tools we're going to build are related to affordable housing, but there's actually more market rate housing than affordable housing

called for under the blueprint. I think that's an important thing to remember. Also the blueprint is only over 10 years, but the land development code, recently speaking, is a 30 year document. So what we're putting in our Zones and what we're communicating to the community, should on some level think about a 30-year time frame, not just a 10-year time frame. Then in the chart, in the bar graph in the larger bar -- and forgive me, the colors here are very difficult for me to read so I'm having a hard time connecting where the pieces go. But I see under the largest bar expanded density bonus program. So density bonus is actually accounted for twice in this chart. So right in the middle of the paragraph where it says includes, it says tif, homestead preservation, p.u.d.'s, expanded density bonus programs, smart housing and other tools. So I don't think we can look at that 1450 as the only number that density bonus needs to account for. I think that's an open question. Literally the part that says policy direction required, there's a big number we have to find the tools for. So that's what I'm looking at as far as density bonus is concerned. Then another comment about goals. I agree with you that you wouldn't codify your annual goals in the land development code, but it is one of or maybe the most important tool we use to achieve those goals.

[9:36:50 AM]

I mean obviously that's what we're trying to do here. And then another comment, I'm curious, is there any analysis either from the anti-displacement task force or others that would identify how many renters were dismissed from their complexes due to demolitions versus just market rate increases and rent due to housing supply? That's a question I know you probably don't have an answer for, but I think it's an important distinction because I will tell you the people displaced in my district are not having their complexes torn down after they move out.

>> I don't know that the task force has looked into that. We can check and see if maybe the UT gentrification study is taking that into account and get back to you.

>> Mayor Adler: Yes. Did you have something? Your light's on.

>> Alter: No, just looking pensive.

>> Mayor Adler: That's okay. Keep it on.

>> Tovo: I wanted to verify some of the things that councilmember kitchen had said. As I understood what you were saying, currently our density bonus program is yielding 1500 units.

>> All of them. So we have about 10. And so this is sort of extrapolating past production of all of those programs over 10 years.

>> Tovo: Per year?

>> So this chart represents at the end of 10 years.

>> Tovo: But, the 1500 number is per year total.

>> Right, it would be over 10 years, 1500.

>> Tovo: And the capacity that you were just discussing was 6600, which you think will yield 3300 over each year over 10 years?

>> I believe the report card is over 10 years, but I was just speaking about the 3300 as using that two times your planning goal benchmark.

>> At the risk of confusing this, some of the existing density bonus programs actually stay, right, downtown, U.N.O., some of the tods, they stay and are not being changed.

[9:38:58 AM]

As a result the 6600 number is additive.

>> Tovo: Okay. That was my third question. I thought I heard you say that that that was in addition to the existing.

>> Correct. But some portion of the existing programs do go away or are replaced by new programs. So our estimate is of the 1450, about 1200 stay and the 6600 is on top of that.

>> Tovo: So the capacity and the production goals are as you said, additive or existing.

>> Which is to councilmember Flannigan's point, expanded density bonus program was anticipated in this bar chart, thinking about production. So that 6600 is definitely representative.

>> Tovo: Thank you.

>> Mayor Adler: Yes. Councilmember alter and then back to Ms. Houston.

>> Alter: I'll be quick, it's right on this point. I appreciate that, councilmember Houston. So the 1200 is an estimate and the 6600 is a capacity estimate there what you just said.

>> That's right. Mount so -- this goes back to a base question. How is affordable housing defined throughout the code? Because neighborhood housing has it defined one way and H.U.D. Another way. How is it defined in draft three and is it consistent across all parcels or all entities?

>> The income limits that we would be setting the rents or sales prices at differ by program. So for the affordable housing bonus program, the density bonus program that is proposed in codenext for a rental unit, it would be 60% of the median family income would be the income level you would have to qualify for. And that unit would have to be affordable for 40 years. For ownership it would be 80% of the median family income, and that unit would have to be affordable for 99 years.

[9:41:02 AM]

And we've tried to make that more consistent across our programs. So for example, the smart housing program is being proposed under codenext to mirror that -- those income levels and affordability periods.

>> Houston: Thank you. That's for those couple of programs. So Greg, for all the rest of the programs where we mention affordable housing, are those the same criteria or do we go to the hud housing? Because there are other things that are not in neighborhood housing or smart housing where we talk about affordability.

>> Off the top of my head I can't remember every place in the code that we might discuss affordable housing, but the ones I can think of all reference -- they either specifically say what the income limit and the affordability periods are or they'll reference like the smart housing program and say an affordable unit as defined by smart housing.

>> Houston: Because at some point there was some affordability up at 120% of mfi.

>> 'Em yes, ma'am, the density bonus program downtown has higher affordability levels.

>> Houston: So that would be specific to that program, it would not be across the board. Okay, thanks.

>> Mayor Adler: Ann?

>> Kitchen: A follow-up question on our goals. On that page 16 of the blueprint, down at the bottom there's a number of bullet points related to different aspects of the goal, and these relate to things like the geography and the income levels. So, for example, talking in terms of at least 75% of new housing units should be at least within half a mile of imagine Austin centers, corridors. So there's that kind of language. There's also language about percentage of income restricted in different geographic areas range from single-family, et cetera.

[9:43:18 AM]

So ranging in council district. So I know when we adopted this we talked a lot about these goals and if memory serves we talked a lot about these goals and we talked about in terms of geography as well as, you know, income restricted levels. So I just want to confirm this. I'm operating under the assumption that the implementation planning that's going on right now with the consultant will provide some drill-down. And the reason I'm operating under that assumption is that in the resolution we passed there were two things that we asked for and they were related to refining the geographic goals for non-market housing. Affordable housing, subsidized housing and income-restricted housing. So we asked for a drill-down on that so we had a better idea of where we needed to be sure that we had sufficient both capacity and anticipated yield to meet our goals. And then we also asked to refine the goals for the council districts. Again, recognizing where affordable housing currently exists as well as drilling down. I'm not reading the whole be it further resolved here, but it's in that resolution that we passed from my colleagues. So I'm operating under the assumption that those -- that the data in response to those two requests from council, will come back to us when we get briefed, and based on a conversation that we had in the housing committee the other day, my understanding was that would be the summer some

time. I thought I heard July. So is it safe for me to think in terms of in July or so we should get further drill-down in terms of our goals and what that might mean for where in the city we need to be sure to focus as well as what that means for particular council districts?

[9:45:25 AM]

Is that right?

>> Yes.

>> Kitchen: Okay. But we don't have any of those goals right now.

>> The drill-down?

>> Kitchen: Any of that drill down.

>> No.

>> Kitchen: And I apologize. I know you have given us a lot of information and I want to make sure I pinpoint where it's located. In draft three, and in the analysis that you guys did with the density bonus program, I think there's a map somewhere that shows us where we think we're going to get the 6600 capacity. Am I right? Can you point me to that map or send it to me? You don't have to pull it up right now.

>> I think I can try to dig that up for you. It comes through the work that fregonese associated did and is tied to their mapping work. So I can pull that up and sort of show where the capacity that includes Zones that have density bonus, where that capacity is located. >>

>> Kitchen: So for draft three if we think we'll have 6600 in capacity, there's a map that can show me where.

>> Right. We can show you where all the Zones that have density bonuses in them are located.

>> Kitchen: But that's the map that would relate to the 6600.

>> Correct.

>> Kitchen: Okay. All right. I have one more question, but I'll yield.

>> Alter: Can we get all that information.

>> Kitchen: Can you send that to all of us, I guess?

>> Of course.

>> Flannigan: Councilmember Houston, the section of the code of draft three that talks about affordable housing is surprisingly clear about the 60% of mfi and the 40-year requirement and then the 80% and the 99-year requirement for ownership, which is one of the things I appreciate about draft three is as you go through the Zones it all keeps referring back to that same chapter. So it really does show that it's

the same requirement all the way across. I have the same questions about how we'll see the Zones -- not the Zones, because I don't want to confuse my language.

[9:47:31 AM]

[Laughter]. I think they're called subareas under the affordable housing chapter. And it wasn't clear to me where that existed in terms of where the sub-areas were defined. Because we're trying to stay focused on capacity, isn't that right, mayor?

>> Mayor Adler: I think so.

>> Flannigan: I don't want to deviate too far away from that, but one of my questions about the way that program will work is if the opportunities for fee-in-lieu change on the sub-areas. I was talking with the developer trying to do some transit oriented development in my district, and because of the trump tax laws, the tax credits weren't as available and he didn't know how it would be available. I said what if you build another story. He said the rents in my district aren't high enough for a bonus to build affordable housing. So then it made me think about then the fee probably needs to be different in order for it to be justified. So also trying to figure out in the fee-in-lieu is also different based on sub-area.

>> So the question is where are the maps of those sub-areas? Are those geographies? The geographies speak to the percentage of units that have to be set aside as affordable if you take the bonus program. And on the draft three web page there's a document called proposed general administrative procedures for affordable housing and downtown density bonus programs. We can send that link out as well. In that document we talk about administratively how we would implement the affordable housing bonus program and the downtown density bonus program and part of that is the sub-areas and where the different geography percentage requirements are mapped. So there are two links in there, one for a rental map, one to an ownership map, because the numbers do change based on your project type.

[9:49:34 AM]

And the maps differ by zone because each zone has its own set of base entitlements and its own set of other entitlements and those contribute to how many units someone could provide as affordable. So that's where you can find those maps.

>> Flannigan: I see, it's on page 7 of that document. It's hard to see because it looks like just the title of a graphic, but it's actually a link. I see it now. Thank you.

>> So the second question about the fee-in-lieu, this document also describes the fee-in-lieu on the next page, page 8. The proposal is for a per unit fee. The same fee would be applied no matter where your project is located in the city.

>> Flannigan: Because there would be fewer units the fee-in-lieu would be lower based on the geography, is that the intent?

>> Yeah. You would end up having a lower fee to pay if you had fewer units to provide.

>> Flannigan: All right. I'm going to think through the math on that, but I understand the intent you guys put together.

>> And I'll say as well with that, the department's primary goal was to incentivize on-site units over fee-in-lieu. So the fee-in-lieu in some cases might be more than it costs to provide the unit, but that was because we were trying to incentivize on-site. So that's just another element to think about when you think about using the fee-in-lieu in different ways.

>> Flannigan: I think the challenge for me is talking to developers who are trying to do in one of the few places there is transit in that district and then finding that the economics doesn't work to do a bonus in order to get affordable housing because my market rate rents are -- as long as you're not building class a, whatever, they're kind of affordable, at least middle class affordable. So that's kind of what I was looking at. Thank you.

>> Mayor Adler: Ann?

>> Kitchen: I have a question about the PC recommendation, which is broader than this first policy question.

[9:51:37 AM]

Should I go ahead and -- I can ask it now. I think it relates to it, but it relates to several of these. So I can go ahead and ask it, or do you want me to hold off?

>> Mayor Adler: We can do that. I was trying to figure out what a statement of the council could be with respect to the supply itself. And I think that the -- when we look at where the affordable housing comes from in the city, we're limited in what we can do on the code, and it requires us to use lots of other tools to be able to really get there. But a statement that said something like "Within the limits -- within the limits of the code's ability to facilitate production of income-restricted housing." We should be doing all we can to maximize production of those units, including the calibration and mapping of areas appropriate for density bonuses. I mean, at a high level I'm not sure if there's -- with respect to supply. Does that statement ring true or does it not ring true? I'm trying to bring out issues on supply where they exist. I mean, does anybody have -- is that -- Greg?

>> Casar: Yeah. I would be interested in getting more specific on the affordable housing front, but the first question we had posted was also on overall supply of housing as well. And I think we've dived out some specifics on both of those. So you know, I think that we could say on income restricted that we reaffirm the 60,000 income restricted unit goal in imagine Austin and the blueprint and that our expanded density bonus program should create at least 6600 more in affordable housing capacity, that's in draft 3. And that we'll strive to increase that capacity. For example, this is just an example, through a well calibrated bonus program with an affordable housing capacity of 20,000 affordable units, then we could potentially anticipate 10,000 of those if we used the two to one ratio.

[9:53:44 AM]

10,000 would be one-sixth of our -- one-sixth of this chart. I'm just throwing that out there as a point of discussion.

>> Mayor Adler: So the question I'm asking generally is there some kind of statement we can make about supply that makes sense for us to be able to do on the dais? Greg proposed one. And the question is should we do one. Question, mayor pro tem?

>> Tovo: I guess I would have to ask that you say it again. These are such compliment complicated issues and if it's going to result in a slew of changes down the road, I need to have a better understanding. Some of us are -- hear things and learn best. Some of us read them. I'm a reader. So kind of talking it through on the dais when the sentence is lengthy is just not working for me.

>> Casar: I understand. We're having the presentation and I'm writing it down probably just like everyone else is. So if there's general interest I could have things printed or written up. But this isn't something that I or I think many of us were writing prior to this.

>> Kitchen: Just say it again.

>> Casar: So I put -- so what I wrote down just now, maybe my staff will email me and tell me change this word or that word. This is just me on my computer. That we reaffirm our 60,000 unit income-restricted housing goal as exists in our plans, and expand the density bonus programs should create at least 6600 more in affordable housing capacity. So that's just what's in draft 3 in and of itself. And the council will consider and strive to significantly increase that capacity, for example, through a well-calibrated affordable housing bonus program, an affordable bonus program of units could be 10,000 units which is one-sixth of our goal over the next 10 years.

[9:55:44 AM]

>> Tovo: Mayor? I'm just not even sure what we're like now amending. So we did -- last week we talked about a goals document, what are we doing with this statement if we all agree to it?

>> Mayor Adler: What I'm trying to do, I think, or what we're trying to do is to get to some of the other questions that get us to greater galed and specific questions. So I was trying to have something that moved us from this to that. And I didn't know whether it would be a truism to take and omitting the example that was given at the end. The first two sentences of what Greg just said was, we affirm the 6600 that was in draft 3 and we're going to strive to increase it. I mean -- and that was then a collective statement that would enable us to move on if that's something that made sense to people. If that doesn't make sense to people, I think it would be helpful to hear why it doesn't make sense to people because that would then help us understand if there's an issue in that. Sue the simple estimate that said we affirm 6600, but strive to create more, --

>> Tovo: So in essence we're weighing in on that piece. I'm just trying to figure out how what we're doing in terms of getting back to general goals statement sort of relates to the code in front of us. So it sounds like what we're doing is weighing in on a goals statement that is reflective of what's in the code draft 3 and then we'll get into the more specific points of draft 3?

>> Mayor Adler: I saw it as a transition to it good us into the more specific things of that, but if there was an issue with that, if three or four members of the council said I can't agree to that statement, then hearing why might be helpful to understand the issue that has to be unpacked from that if there's an issue with that statement.

>> Tovo: Then I hope we're not going to start wordsmithing and whatnot. If this is going into any kind of document, then I want to spend energy on that.

[9:57:48 AM]

If it's just a general statement that's going to get us to the other points, then it's fine.

>> Mayor Adler: That's how I see it, a general statement to get us into the other point.

>> Tovo: Trying to understand the objective here.

>> Mayor Adler: Unless there's an issue with that. If there's an issue this gives us a chance to surface that where someone says I have problems with that for these reasons. Leslie?

>> Pool: I think part of the issue is we have strayed from answering the questions that we've asked here, and we didn't do that the last time we met. My concern with what Greg is saying is that I'm not ready to go to that level of specificity. I am -- I think we have satisfied ourselves with answers to the three, four questions that were listed under 1-w an 1, what's your restricted housing goal, what's the capacity to reach it, we've been told what it is in our existing documents and we've kind of talked about how we want to have some stretch goals and aspirations so everybody knows that. There are concerns about where that might be or how that would be achieved and whether we could actually do it. And then the third is how often should we evaluate and recalibrate the program to ensure we meet that goal? And we've got that too. And I don't know -- are we on to a different one of the questions here? Are we still on --

>> Mayor Adler: Let's fill in those numbers so we can make sure what you're hearing is the same as other people. And part of it is not just hearing what they're saying. Part of it is the council on the dais saying that's a goal that we're comfortable with.

>> Pool: Okay. Well, I'm comfortable with what has already been established and we've already voted on with regard to the strategic housing blueprint and the other information that our staff has listed with the continuing caveat that there's really very little we can do to affect market forces.

[9:59:48 AM]

I'd kind of like to move away from the continuing conversation how we're going to move away from market.

>> Mayor Adler: The first question what should be our overall housing capacity goal to meet the goals in imagine Austin. Is that the 135,000 or --

>> Casar: I've written up something else to try to get to that, but we can't have our overall housing capacity goal be 135,000 if we want to achieve 135,000. So I -- again, while folks were talking scribbled something to see if it makes sense.

>> Mayor Adler: Ann.

>> Kitchen: While you are doing that --

>> Casar: I have it. Mine is that codenext should create overall housing capacity that allows us to reach the blueprint in imagine Austin goal of 135,000 housing units being built in the next ten years to address housing needs. Overall housing capacity must be greater than 135,000, potentially two times greater to not inadvertently prevent us from achieving that goal and other factors to achieving that goal.

>> Pool: I might be willing to put up more than three fingers to indicate support for that except for the directive language in it must and shall, for example, and I don't know how we can either ensure that that happens or direct other future councils. Usually when we write these documents we put it in the conditional, this is our goal, we're going to do everything we can to try to get there but we recognize we may not be here to achieve that is really the intention.

>> Casar: The goal of codenext should be to create overall housing capacity that allows us to reach 135,000 units being built in the next ten years, and we believe that overall housing capacity has to be greater than 135,000 potentially two times greater to not inadvertently prevent us from achieving that goal with the understanding there's other factors.

[10:01:54 AM]

>> Pool: And I think that is what our consultants are recommending, but I think that that capacity goal would also need to be reassessed and calibrated based on whatever the external market is doing at the time. It could be that we end up in a busted economic bubble and we are in a recession and we are tied to some document that says we need to have triple what the market is currently willing to give us in Austin when all of the developers decide it's not in their best interest to build anything and then we're stuck with a goal with language surrounding it that ties our hands.

>> Mayor Adler: I think that's a good point. All we can do is say what our goal is at this point in time.

>> Pool: Right.

>> Mayor Adler: What about the statement that Greg just made? Allison?

>> Alter: I was not going to talk about that. We have invited our consultants to come speak with us and I had some questions for the consultants if I might. I'm not sure where this conversation gets us and I would like to ask them some questions. So you have spoken -- we obviously have the blueprint with the different option and you have spoken about the density bonus and what we can achieve through the code. The code is one tool of many that gets us to our goal and you guys put forward proposals that provide this 6600 capacity. Can you speak to what you think is reasonable within the code and how we should think about what can be achieved through this one tool? We have lots of other tools. The market is never going to provide the housing we need for the 60,000 people. It is going to have to come from other means. And I would like to hear from you how you arrived at what you came to and the planning principles and other kinds of things that went into how you think about this question.

[10:04:03 AM]

>> Mayor Adler: So you're talking in your question about the overall housing goal or the affordable housing goal?

>> Alter: We are talking about two different capacity issues here. We're talking about -- and part of my frustration now is that we are combining all of them into one and we are leaping from one thing to the other. We have consultants here who we're paying to be here and I would like to know from them about the affordable housing capacity that comes from our density bonus's within the code that they have drafted and what they think is feasible. Because I think if there was a lot more capacity they felt we could reasonably get via this mechanism which does rely on the market willing to play along that they have already incorporated it, and I would like to understand how they arrived at what they arrived at and what they see are the constraints with respect to this affordable piece.

>> Mayor Adler: Okay.

>> Alter: They have already given a capacity they think is capacity we need based on our blueprint, based on our imagine Austin goals. What we're doing now seems duplicative what they've already done and he would like to hear on what they've already done rather than us who are not planners try to reinvent what they are doing.

>> Mayor Adler: I think you are right, we've conflated those two supply questions so as to be able to move forward as a group here. We could divide those questions and --

>> Alter: But I don't understand what moving forward means. We have invited the consultants to provide us the information we need to make our decisions and I can't begin to grapple what the question is that you are asking us here without hearing from them because the two things are so conflated. And if we -- if the reality is that our density bonus can only give us 6600, we can talk until we're blue in the face that we want to have 25,000, but if it can't happen, then it doesn't matter if we have that conversation.

[10:06:04 AM]

And I don't understand from the planners whether that's probable.

>> Mayor Adler: Okay, so what we're going to do is we're going to -- we have to -- the question ultimately first is going to be for us is there some agreement we can make about housing supply generally because some people on the dais want to have an overall housing number in order to be able to -- they think that's important with respect to guiding decisions we make later. The second question that's also been raised is what should our affordable housing goal be, which brings up all the questions you just answered as well. We can hold off trying to address both those questions until we're ready to address both those questions at the same time, but I think it's important for us for our discussion to understand that those are -- there's a total housing question, there's an affordable housing question, and the question is is there any consensus we could have on the dais with respect to those two questions.

>> Alter: But mayor, they already have 287 as the goal, the capacity that we can reach which is double the 135.

>> Mayor Adler: But do people agree with that?

>> Alter: But I mean if we said in our blueprint our goal was 135 and you need double the capacity to reach it, then what's in draft 3 already does that. So I don't understand --

>> Mayor Adler: Why we would be asking that again.

>> Alter: If that's already in draft 3 as what they are doing.

>> Mayor Adler: Because I thought that if we asked that question since it was already in that deal we would look at each other Asay yeah, we all -- then we would be past that.

>> Alter: I'm hearing people saying we're coming up with some goal different than in the draft.

>> Mayor Adler: With respect to the overall housing goal, I haven't heard anything on the dais or anywhere else to suggest our goal is anything but 135 which could lead to us having capacity of twice that. I haven't heard anything else other than that that's consistent with what the consultant said. But I can't tell if there's resistance on the dais to say yes we touched that and agree that is in fact our goal as we start looking at this.

[10:08:09 AM]

>> Kitchen: Mr. Mayor, I have a suggestion. I think that -- it's important to me to get -- to try to get to a statement that we can agree on, but I sense that people aren't ready to do that so can we just keep asking questions? If we could keep asking questions of the consultants, then we can come back to that 2a1 and 1a1 and ask those specific questions again. Because I think it's important that he with all feel ready to take up the consensus item. So we may need to ask some more questions before we're ready to do that.

>> Mayor Adler: I don't have any problem with that. Jimmy.

>> Flannigan: To answer your question, mayor, my concern with using that number is that it's a 10-year number and this is a 30-year tool kit. That's where my unsure position is on whether or not codenext needs to be predicting for 30 years. If I've got a blueprint that says 130,000 whatever units market affordable in 10ers 82, but real list particularly I'm doing a code that covers 30 years, are the numbers we're assuming are became into draft 3 which accomplish that, are those 10-year numbers that were baked into draft 3 and what should we be expecting 10 years from now, council 10 years from now in order to have to deal with the next 10 years.

>> Mayor Adler: Consultants, I would like you to answer both the questions that have been surfaced. We have Allison's questions which relate to the affordable housing side of this, which is to say you have given us something that was the basis of the 6600 and if we could have achieved more why didn't you do that. In other words, talk to us about the 6600 number that's in draft 3. And then I want you to also answer Jimmy's question which was how do you reconcile a 10-year document with a 30-year horizon document?

[10:10:11 AM]

>> Alter: Man -- and my question was for the consultants.

>> [Inaudible].

>> Okay, so you asked an excellent question around sort of what were the philosophical under pinnings of the work we did on the density bonus. And the first and most important one relates back to points that councilmember pool made, that we are operating in a situation where the density bonus has to be attractive in the market because it cannot be a requirement. And if the bonus is not more attractive to build the bonus with the affordability requirement than it is to build the base you will no see take-up of the program. That was the first and most important lens that we brought to this. The second thing actually gets a little bit to the way that the program is administered, and what I would say is that the current recommendation really is a best practice around being responsive to market changes and setting up a system by which as market fluctuates you can change the fee in lieu, you can change the set asides, you can be responsive to different geographic components, and over time make sure that you are really maximizing the takeup. As far as it relates to where that 6600 number came from, a lot of it -- because we're talking about capacity, a lot of it relates to where Zones that have the density bonuses in them are actually mapped. A lot of that relates to where it's appropriate to have density where there are supportive services and where it's supported in the community. And I think the PC recommendation extended that a little bit and kind of thought about where it makes sense to include density and how much density and that would certainly affect the total capacity, potentially increasing it. We haven't done the math to really know what that would look like, but it really does come down to a mapping question of putting more bonuses in places because we've thought carefully about what the base should be and what the bonus should be in order to be able to understand what the capacity would look like for density bonuses.

[10:12:27 AM]

So I hope that answers your question.

>> Alter: I'll have a follow-up, but let me think through.

>> Mayor Adler: What about Jimmy's question.

>> Councilmember, John with office design. To councilmember Flannigan's question about 10-year versus 30-year code, it's important to remember there was a difference between the text and the map and the text is definitely text that could be 30 years. You've got multiple years to use the tax across the city. The way that the draft 3 maps is looking at a 10-year horizon, so it is thinking over the next 10 years what can we expect to build. Understand that you as council will be doing zoning map changes in the future. You will have as you do your imagine Austin updates every five years, you'll have the opportunity again to understand where is the market strengthening, weakening, where might we consider more smaller plans to adjust the mapping to continually be looking out 10 years. Three years from now we might be looking 10 years, how do we make sure 10 years we have the capacity. You have the ability in the future to continue to make sure you are reaching your housing capacity needs.

>> Flannigan: That's a really interesting comment. Do we have -- is the blueprint a document that's going to get refreshed on a certain -- I can't recall that was part of the deal. Can staff speak to if the blueprint is something on a regular basis council is going to --

>> As far as implementation, we'll be doing regular reporting. I'm not sure if at the end of ten years the document would --

>> Flannigan: Not at the end of ten. John is saying in three or five years, look at five more years to the --

[10:14:28 AM]

>> Are we required to look at our strategic plan documents every five years?

>> Flannigan: Maybe that's part of the strategic plan. Good to know.

>> Mayor Adler: Ms. Houston.

>> Houston: Whether we are talking about housing capacity or housing supply or -- we pretty much know from the mapping where most of the capacity is going to be put. Is there a way to make sure that it's throughout the city and not localized in one part of the city?

>> Greg Guernsey, planning and zoning. Right now we have it distributed across the city. There are some districts that obviously have more than others, but there is a better distribution in draft 3.

>> Houston: When you say better, can you define better?

>> Yes, that there is more distribution of housing units, in particular the density bonus program is spread over a wider part of the city than it previously had in previous two drafts.

>> Mayor Adler: And we'll get to -- if you look at 1a4 on the questions, it's like two down, three down, we'll get to a conversation that talks about where it is and what our goals should be --

>> Houston: I bring that up, mayor, because we were trying to get consensus around a goal statement, and it didn't talk about throughout the city. And that's -- if we're going to have a goal statement that says we're committed to this number of units, period, then it needs to be clear from the beginning that this is throughout the city.

>> Mayor Adler: Absolutely.

>> Houston: That's what I was hearing being said.

>> Mayor Adler: If we can come up with what our overall goals are, when we get to a4, 1. A4, we'll layer in the question of geographic distribution, higher opportunities, lower opportunity areas.

[10:16:35 AM]

But let's see if we can stay focused for just a second on what the goals are both total and affordable. Yes, Allison.

>> Alter: I would like to follow up on my question now, if I may. So you talked about in order to get these affordable housing through the density bonus they have to be attractive to the market. One of the things I noticed is that outside of ads and rural residential Zones, you didn't create any kind of affordable housing in single-family areas. Can you speak a little bit to why that was not a tool that you chose to move forward with?

>> Difficult to think about how you would apply a density bonus to a single-family property. Was the main reason. And there were a lot of conversations about that as it relates to ads, and I think there are questions further down the list specifically about that. It becomes a homeownership question as opposed to a development question and maybe [inaudible] Can speak to programs they have to support affordable homeownership.

>> Alter: But there is a planning commission proposal that would be doing that and I'm trying to understand that.

>> Affordable Adu's?

>> Alter: It's on those units and, if you could speak to that a little bit. And what you as consultants think of that proposal and, you know, you didn't recommend a structure like that and trying to understand if this is used other places or whether it would be attractive to the market and how we should think about that.

>> It becomes a policy question as to whether you want to encourage the production of affordable ads and we did back of the envelope math on that and it appears it would be attractive in some circuits and you would take some -- circumstances and there would be some takeup in that.

[10:18:37 AM]

Those questions are not unique to Austin. We've run into those same questions in other places including Portland where there have been conversations about trying to encourage affordable a Dus. Because the situation is different with a homeowner with a unit in their backyard, trying to figure out how you monitor compliance is the challenge. The current recommendation even included in the list for our deliberations here is you would use a fee in lieu as opposed to trying to in cent production of affordable units. You would have the revenue off that. The short story that's a policy question and if you want to encourage the production of affordable auds or the production of fee in lieu refuse few, we think there are some places in the city would be attractive.

>> Alter: That wasn't in your original --

>> It was not.

>> Alter: And can you help us understand why it wasn't in the original?

>> Maybe you have more on the history of that. It's a policy question that had not come up.

>> I think I'll just reiterate what she said and note from the neighborhood housing department's perspective, monitoring and finding tenants for ads would be much more different than monitoring and ensuring compliance in larger properties or properties run by property managers. So that is one of the reasons I think that we hadn't brought it up.

>> Alter: Thank you for that clarification.

>> Mayor Adler: Okay. Ann.

>> Kitchen: Just one quick clarifying, I just want to make sure I heard what you were saying in response to all this. So if I heard you correctly, actually in response to both councilmember's questions, the thinking -- is it accurate or am I understanding correctly that you all think that the draft 3 text in terms of how the affordable -- the density bonus program is -- is set up, that it reflects the market.

[10:20:51 AM]

>> Uh-huh.

>> Kitchen: And it's one that will -- that the market should respond to, but that the question about whether or not we could push the envelope and get more, for example, than the 6600 is really a mapping question? Is that what I heard? And did I also hear the way to calibrate it with the market over

time is a mapping question more than a text question, so that for example if the market changes in different parts of town, that looking at the mapping -- I'm just trying to make sure I'm understanding because both of you talked in terms of mapping being the way to adjust to the market and mapping was the element that determines whether there's more places? Is that what I'm hearing?

>> Councilmember, so the answer is yes to both.

>> Kitchen: Okay.

>> I apologize for that because I think when I answered earlier I wasn't being clear. That text is going -- is proposed to be reviewed annually. Doesn't necessarily mean changes would be made to either the percentage set aside or the fee in lieu every year, but that it would be evaluated every year, so that would be an ongoing change that would allow you to adjust to the market. When I was speaking about the text versus the 'marginal --, I was talking more about the overall capacity within the city of understanding, you know, one might consider changing zoning in the future or if new state land comes available and there is an opportunity to zone new land, that those are additional opportunities that in the future to map and consider the overall capacity and understanding where the city is in meeting the blueprint goals. So for the affordable side, it will be a text issue, and then the overall capacity, potentially in places of having more affordable units, it is a mapping question.

>> Kitchen: Okay.

>> Mayor Adler: Jimmy.

[10:22:51 AM]

>> Flannigan: So when I read the r1 Zones, it says in order to build an Adu you have to participate in the affordable housing bonus program. What does that mean?

>> What that would mean is that you would have to provide the Adu as affordable, or what's not in draft 3 but -- but we would be open to having the discussion is -- or a paying a fee in lieu to achieve that aduen Florida plan okay. And when I look at r2 and r3, you can build an Adu, you get the F.A.R. Bonus -- the F.A.R. Doesn't count if you preserve the existing house? Which I heard some of my colleagues refer to preservation as afford built. I'm not necessarily in agreement with that, but I know others seem to think that. And then when you get into the r4 Zones, you see affordable housing bonus return, but it's less clear how it works under r4. If we're thinking about the house scale Zones, r1 you can build Adu if you most likely do a fee in lieu, is what it sounds like. 2 and 3, affordability is achieved through preservation bonus. In r4 how does it work? It's more complicated than the text.

>> In r4 there are multiple bonus levels allowed. There is a F.A.R. Bonus and a dwelling units per building bonus, so you could utilize --

>> Flannigan: That's under multi-family under r4.

>> It's tied to what type of housing you are building too.

>> Flannigan: Thank you.

>> Mayor Adler: So at a high level, going back to the two supply questions because the first two questions are high level general what's the supply. The first question says what should be the overall housing capacity goal.

[10:24:54 AM]

And then the one -- second one is what is income restricted housing goal. It sounds like the goal would be -- the question is the goal 135,000, recognizing we have to have capacity for more than that generally, and then on affordable are we saying at least 6600, recognizing that the capacity, again, has to be -- is that a capacity number? 6600 is a capacity number.

>> It's the capacity for the affordable housing bonus program in codenext. The 60,000 unit number was the goal from the blueprint for affordable units.

>> Mayor Adler: And what was the capacity goal in draft 3?

>> For affordable units?

>> Mayor Adler: Yes.

>> 6600.

>> Mayor Adler: So -- so is the statement about what the goal is 6600 over a ten-year period of time? That's what's in the thing now.

>> That's what's shown in the report card on draft 3.

>> Mayor Adler: What we're saying is codenext has capacity for 6600 which we think would give us around 3300.

>> Right. Through the bonus program, the smart housing program is something in the code that allows you to build affordable units, and then also keep in mind that even foundation communities, who is not necessarily taking an incentive program, are subject to code regulations. It's 6600 for the affordable housing bonus program --

>> Mayor Adler: And that's additive.

>> There could be more capacity just through affordable housing developers building more units.

>> Mayor Adler: If I'm trying to stay at the goal, at least 6600 units that are additive to what the existing programs have, and that's a capacity issue, not a production issue.

[10:27:01 AM]

>> Yes, that sounds --

>> Mayor Adler: Can we break those in half and see if there's some kind of consensus on the overall housing goal and then consensus on the affordable housing goal? Dahlia.

>> Garza: I just had -- I wanted to say that I agree with Greg's earlier statement, and I don't understand the hesitancy for that to be the broad goal. I -- I like that councilmember pool just a little while ago said that there's very little that this will do or something about the market, we can't control the market because that is absolutely correct. At the very least we need to provide the framework for the capacity. So regardless of recession or anything like that, we still have to have the framework for the capacity. The capacity still needs to be what we voted on in the blueprint. And my car has a capacity for five people, things can change if I put five people in my car, usually I put one. I can choose to sell my car because I can't afford. Capacity is difference. I don't understand the hesitancy for the number of 135 as a broad goal, so I would -- I am on board with voting on that and moving on.

>> Kitchen: I would like for councilmember Casar to restate it. Part of my problem I'm a reader also and I'm trying to retain in my mind -- it might be the problem with the sentence you were reading out is I tracked it until the third set of numbers. And then I couldn't hear it anymore because I'm a reader.

[10:29:03 AM]

Maybe if we break it down and you just talk about -- if that was your intent, if you just talk about the first part that -- that I think councilmember Garza is talking about, I think that we might be able to degree on that.

>> Garza: I think the example at the end is what accused people.

>> Mayor Adler: Mayor pro tem.

>> Kitchen: Can we just hear it before we talk anymore?

>> Mayor Adler: I think mayor pro tem is going to respond to some of the things you said.

>> Kitchen: But if I could hear it one more time, if that's okay.

>> Pool: Maybe Greg could write it out and put out the overhead.

>> Casar: It's typed to my computer. I'm happy to comply.

>> Mayor Adler: Why don't you read it and write it down, but read it out loud first.

>> Casar: I'll read it and then plug it in, if that's helpful. One of the goals -- I tried to modify it to meet expect's suggest. One of the goals of codenext should be to allow an overall housing capacity that lets us reach the imagine goal of 135,000 housing units being built in the next ten years. Period. So this is reaffirming what's in imagine Austin and the blueprint. 2, overall housing capacity must be greater than 135,000, potentially two times greater, to not inadvertently prevent us from achieving that goal. With the understanding other factors can affect achievement of the goal.

>> Pool: I have a problem with that.

>> Mayor Adler: Hang on. Let him finish reading.

>> Casar: To councilmember Houston's point, if we would like, I would be happy saying the housing goal should be achieved equitably throughout the city.

>> Mayor Adler: Mayor pro tem and then --

>> Casar: It's written down. I just have to plug it in.

[10:31:04 AM]

>> Mayor Adler: Mayor pro tem, did you want to --

>> Tovo: Yeah, I mean, I don't know -- I'm not sure I heard anybody expressing uncertainty about the 135,000. I certainly expressed uncertainty about generally -- I'm not clear what we're doing or how it feeds into what we need to do next, but the 135,000 is fine. I thought I heard earlier a capacity, I thought I heard councilmember Casar you say three times the capacity.

>> Casar: I said two times.

>> Tovo: But I heard you -- if I could finish my sentence, but I heard you just restate it as two times. Let's be frank about the fact that the capacity goal and the 135,000 are being used in various contexts out in the community. So, you know, we're -- we can talk about it generally and agree on it generally, but the fact is that in the community there are conversations about how we can only achieve that capacity by rezoning these areas or we can achieve thisness kanaly it without rezoning these areas because we have pre-existing capacity studies that show for example in Bouldin creek you have increase by a big percentage, 40% just with existing zoning prior to codenext. If there is -- if we're spending a lot of time on this question, it's because this question is -- is in and of itself noncontroversial for the most part. But it's the -- it's how -- it's what follows from it. And the conversations that are going on in the community that have become so tense. Again, I'm not sure -- that's part of why I wouldn't have dwelled here so long, but if we're just trying to get consensus on 135 and capacity beyond it, there are no issues. I still think we're conflating regional growth with city of Austin growth as our demographer showed, but I'm happy to just move forward because for me it's -- the actual code and how we're attempting to achieve it that's going to matter more than those differences in estimations.

[10:33:16 AM]

>> Mayor Adler: If I could understand the concern that in doing this we might be implying answers to questions down the road, but I think that we could also say that if we get to a question down the road, we will discuss that question independently. And if it means we have to come back and revisit this because the consensus of the group later in those conversations -- there's nothing to stop us from doing that too.

>> Tovo: I understand. I thought it was worth acknowledging if there are hesitations around it, it's not necessarily around this question but down the road.

>> Mayor Adler: I was trying to minimize the risk associated with do that we can revisit this if in context of a later question it requires us to do that so as to minimize that. So I think the question in front of us can we agree to that 135 with Greg's first two points. It's behind me. Ann.

>> Kitchen: I think -- I appreciate, mayor pro tem, the concern you are raising. From my perspective, I just think it's important to make this statement as a council, not implying anything else about the details that come under that. I mean the details, of course, is the -- is where we will need to have much of our conversation, but I think it's really important, and I really want to understand what my colleagues think so I can just assume that we all are okay with the 135,000, but unless we go through this conversation and give some indication, I don't know. And that's what -- that's why this conversation is helpful to me because I don't want to make an assumption about what anyone else thinks. So to me if there's nothing more -- to me this is just a straightforward statement of where we're at. It doesn't imply to me any -- it doesn't imply any particular answer on any level of detail below that, and I really see it as valuable to make -- to acknowledge where it is that we have some agreement.

[10:35:25 AM]

So that's where I'm coming from in thinking that this -- it's a valuable exercise for me.

>> Mayor Adler: Pio and then Leslie.

>> Renteria: Yes, mayor, I support what Greg has out there. We're near a crisis right now. We need affordable housing. You know, and I agree with mayor pro tem, you know, there is a lot of fear out there, but, you know, it's the incentive we're going to get to create more affordable units that people should really look at. We have a potential now, I can give you an example right now at haca, we gave them 60 feet to build up but they said they only have the money -- they got the capacity but they don't have the funding to go up 60 feet. They are just going to go up, I think 40 or 45 feet, somewhere around there. So, you know, but that's what I think the argument is that, you know, we're going to need this -- these affordable units out there and the whole question of how to achieve it, and that's fine. I don't have anything -- my goal has always been to build as many affordable units as possible, and that's my goal. I would hate to see the bubble bust because the last time that happened we had a lot of affordable housing here in Austin because people had to leave Austin with loss of jobs, you know, and I would hate to see that happen. You are either growing or you are dying. That's the whole thing. So I mean we're going to have to make that choice and depends on how Austin wants to handle that. Do they really want to have their kids move out of town to other little communities or -- and do we just as seniors happy to stay here because we have senior exemptions, our school taxes are frozen, we can stay here all we want to.

[10:37:39 AM]

And live our own little community where prices are going to go up, up, up and we're going to lose all our low-income people. So I agree with that.

>> Mayor Adler: Leslie.

>> Pool: Okay, so the 135,000 that's in the first sentence, that came from the strategic housing blueprint. Is that right? All right. We voted on that. We have accepted that. There is no issue about that. So let's just -- I mean I don't know why we're lingering on that. We've already voted that we agree with that. The second piece says overall housing capacity must be greater than that, potentially two times greater. I have to put on my glasses to be able to read this. To not inadvertently -- so forth, so on. I don't know that it must be greater, that's my point. So I would not agree to that second sentence. At all. We do have tools in a toolbox and we have a recalibration opportunity annually and a larger opportunity to review the housing blueprint every five years, according to votes we have already taken and policy directive we have already given. I don't know why we are spending this much time with this particular piece because we don't know what the market is going to be a year from now or five years from now, but we have the tools, we have the back stop, the ability to look at the mapping for higher density and missing middle at the time or closer to the time we have issues. Right now I would just like to see us move beyond this piece here because we've already spent more time than necessary rehashing a point that we have already agreed upon. And then the last one, housing goals should be achieved equitably throughout the city. We've already agreed the that too. That's just a general high level point of agreement of policy. So maybe we should -- maybe we should go ahead and vote this one or show our preferences or nonpreferences to each of these three pieces and move on to something else.

[10:39:47 AM]

>> Kitchen: I'm sorry, I think it's important to -- councilmember pool, I really appreciate, but maybe I'm not -- maybe it's just me and that's okay if it's just me. I didn't know that some people were concerned and may not have felt like we needed greater than 135,000, and that's new information for me and it's good information for me to know. I wouldn't have known it if we hadn't had this conversation. So it concerns me if we continue to say why are we having this conversation. I think the conversation is helpful to us and it just takes some time and I really, really appreciate hearing where everybody is coming from because it helps me understand so that otherwise I would be going forward assuming that everybody thought that, okay, we're at 135, we're all on the same page, I would be many suing everybody thought that that meant that we needed something greater than that. Obviously that's not an appropriate assumption to make so this conversation is great, it's helping me understand that because it's important. And so I hear what you are saying and I understand the frustration with it and it's okay. I may be the only one that needs that kind of clarity and I just wanted to explain myself.

>> Pool: I think the point I'm trying to make is that we have already achieved that understanding around this table multiple times today and I just would like to go ahead and move to the next section.

>> Mayor Adler: Let's do this.

>> Pool: Let's call the question.

>> Mayor Adler: 0-5-the first line, people give a zero to 5 indication. Jimmy 5, Ann 5, pio5, Leslie a 4, Ora is -- is a 4. Councilmember alter is a 2 and the mayor pro tem is a 4. I'm a 5. Calm alter, do you want to explain the two?

>> Alter: Sure.

[10:41:49 AM]

So we had this debate when we had the strategic housing blueprint, we voted, put the 135,000. I continue to believe 135,000 is the number for the msa and not for the city of Austin and I feel we're inflating those so this makes me uncomfortable in that regard. I want to offer a counter example or counter statement that might be simpler but still get us to the same place. We could say one of the goals of codenext should be to allow an overall housing capacity that lets us reach the goal of 135 units. Must allow for us to achieve that goal equitably throughout the city. And I'm happy to repeat that.

>> Mayor Adler: And explain what's different about that than what was in the first paragraph.

>> Alter: It's shorter and simpler and -- it's, you know -- I've lost the debate over the 135,000 over the msa, but, you know, I -- this just -- I'm trying to move forward with the spirit of consensus and offering something that I could support. I'm not understanding the goal of this exercise, but I would say one of the goals of codenext should be to allow an overall housing capacity that lets us reach the goal of 135,000 units. Overall housing capacity must allow for us to achieve that goal equitably throughout the city.

>> Pool: So that's essentially the first and the third of the points that are there and just tied together.

>> Mayor Adler: Is there a substantive difference between what you read and what was in number 1 and number 3 that I'm missing?

>> Alter: I mean, I was trying to build off of what there was and cut out some of the extra -- unwith of the goals of codenext should be allow overall housing capacity that lets us reach the goal of 135,000 units.

[10:43:50 AM]

Overall housing capacity must allow for us to achieve that goal equitably throughout the city.

>> Mayor Adler: So my -- I agree with that --

>> Alter: Overall housing capacity is a little different than what Greg has up there. So it's overall housing capacity must allow for us to achieve that goal equitably throughout the city.

>> Pool: Should allow.

>> Alter: Should allow.

>> Mayor Adler: So I understand how you've rewritten points 1 and 3, and I'm a five for what you have there. If there's a substantive difference between 1 and 3 I'm missing it. I'm checking to make sure there's not a substantive difference. I like the thank, it's shorter -- I like the language, it's shorter. But is there a substantive difference?

>> Alter: The two times the, you know --

>> Pool: It's the second point that is --

>> Mayor Adler: We're not talking about the second point right now.

>> Pool: Right.

>> Mayor Adler: My question was about 1 and 3.

>> Pool: Right.

>> Mayor Adler: Because I have questions about the second point. I have questions I want to ask about that in a second. But respect to 1 and 3, am I missing a substantive difference?

>> Alter: It's shorter and more to the point.

>> Mayor Adler: Let's ask for --

>> Alter: It drops number 2. I'm trying to move forward with this, but I don't --

>> Mayor Adler: I think we're all trying to move forward but apparently we're having difficulty doing this even on something everybody says they agree on. Yes, Jimmy.

>> Flannigan: I want to remind colleagues about the discussion in the last meeting, but we agreed eight people in support was consensus, not 11 so I think we can just move forward.

>> Mayor Adler: Just for grins, does anybody have a problem -- I'm going to ask zero to five.

[10:45:50 AM]

>> Flannigan: On? On what?

>> Mayor Adler: On the wording that was proposed by councilmember alter. So we're going to move forward with that one without objection Allison had to the language. I wanted to ask the question about the second bullet point. Soso the question is, I think, the question -- if I want to achieve housing capacity or housing that lets us achieve 135,000 units, do I have to have a code capacity that's higher than that?

>> I'm not a consultant, but they are looking at me and saying yes, so --

>> Mayor Adler: Why?

>> I think it has a lot to do with the -- like the glass itself is how much capacity you have, and if we think about how many units might be built as any liquid you would put in the glass, you definitely can't put more liquid in the glass than you have volume in the glass. So the capacity is important because it sets sort of a ceiling. You could never achieve more units than you have capacity to build. And beyond that, because of a litany of things like the market or individual owners or developers' decisions about what they want to build or when, you probably aren't going to reach the top of the glass. You are probably not going to build out your capacity. Depending on how high you set it. But I think what we were told by the associated is two times capacity.

>> And you have capacity that may exist but it may not come on the market as she said, it may be because there's a family interest, they want to hang on to the property longer, it may be they bought the property at too high a price so the idea of turning it into a new project that might have units or affordable units might be put off longer because of the purchase price that they arrived at.

[10:48:16 AM]

The number and types of dwelling units that may be built are not always going to be the same. And so there are market forces and then the owners have desires to build different housing types. It's not 135,000 units of all two bedroom, three bath -- three bedroom, three bath houses. It may be different types of units that may be distributed. There's any number of reasons why if you just hit 135 you may fall lower because of market conditions, owners' own desires or where they are in building those units and just the type of units that are constructed.

>> Mayor Adler: Okay, Greg.

>> Casar: There's a reason I listed potentially two times because I've heard from a variety of folks it makes sense to have two times and over the course of years continue to keep it at two times. I've heard from some people in California they try to keep it higher, like three times. That's why I have potentially two times because I figured we could achieve at least eight people consensus around that. I thought we got the perfect example why capacity has to be way greater than supply desired during our -- the historic district that we had come up for council consideration the other day. You had a bunch of single-family homes zoned multi-family. The vast majority will never become multi-family because they sell pretty well as very -- they sold that as a home, if you can sell a home for a million dollars, there may not be -- you may not be getting that much more out of turning that into four or five units or some apartments that I used to live in, I know were zoned at the height for three stories, but two-story apartments they were renting just fine and they could continue making more money by increasing rents without ever demolishing the apartments and making the investments for three stories. It's really clear that we need housing capacity that's significantly greater and I put the two times in because that's what we were hearing from.

[10:50:19 AM]

>> Mayor Adler: Leslie.

>> Pool: So every time we increase the capacity, that provides an open door for additional entitlements, and there are a number of other recommendations that the planning commission offered, like for example five block deep transition Zones, expanded transit corridors and 90% of entitlements without need for variances or exceptions, and this opens the door to force us down that lane. I am a zero as far as my vote for that second bullet which I've now said three or four times I think that we have adequate if not complete -- adequate if not total consensus on items 1 and 2. Allison's rewrite of 1 was a conflation -- I'm sorry, 1 and 3 and Allison's was a rewrite putting them together. The way we had agreed to proceed last week was if there was dissent on any point we would book mark it. So I am requesting that we book mark this and not spend any more time on it.

>> Mayor Adler: Ann.

>> Kitchen: I have a question for the consultants just to make sure I heard correctly. The concern with -- my concern with the second statement is the potentially two times greater just because I'm trying to understand -- I understand we talked in terms of best practice being two times greater with regard to the density bonus program. But what we're talking about here is overall housing capacity. So I'm not hearing whether -- I'm not hearing -- and my question is what is the bench mark for overall housing capacity as opposed to -- because this one is about overall housing capacity. This is not the question about what we need to have for density bonus. So have we done any analysis that tells us what the level might be for the -- --

[10:52:24 AM]

>> This best practice applies to he take tall housing capacity.

-- Total housing capacity.

>> Kitchen: So I need to understand that a little bit better. So are we saying that if we zone something residential, for example, that we may not get it? I mean I'm not understanding why -- so if we zone something as a single-family house and it is a single-family house right now, I'm not sure -- I'm not sure why two times the entire amount is necessary. I'm just trying to understand better -- I'm trying to understand better what that -- the why behind that best practice. I can understand it with regard to the density bonus because of what you are building there with the density bonus. I'm not understanding it with regard to overall housing capacity so maybe you can help me with that.

>> So if you -- the existing use on any number of properties in Austin may not match the density in the zoning. And I think what we're saying is that the identify idiosyncrasy mid suggest that person may choose not to redevelop to the density allowed in the zoning for any number of reasons, some of which we've talked about around the table today. They have a family interest, I believe marginal -- it's a commercial property and it's got a 99-year lease so think can't redevelop it or they may choose to redevelopment but not choose to reach the maximum density allowed. So if the capacity is not greater and you think about the fact not every individual property is going to redevelop, you will not achieve your -- you will not achieve your production goals unless your capacity is greater.

>> Kitchen: Okay. My related question, is it possible to have a more refined best practice than just the general of two times? In other words, is it possible to look at the different housing types, to look at the different geography and -- if I'm understanding correctly. So if I'm understanding correctly the best practice is a general practice across, you know, generally what you've seen, but, if I'm understanding correctly, that doesn't drill down the specifics of any geographic area, the specs of Austin even necessarily, or the specifics of other aspects that might be impacting us in Austin.

[10:54:43 AM]

Is that right? I mean we haven't done any further legal of analysis and maybe it's not possible, but this is just a general best practice across cities, is that the thinking?

>> That comes from many decades of observation of what happens with development markets of zoning changes.

>> Kitchen: Across cities, right?

>> Right. Right.

>> Kitchen: Am I hearing it's not possible to have a more refined estimate? I'm just asking --

>> I'm an economic analyst so I would be able to think of ways you might be able to do that, but whether it would change the nature of this conversation, I can't say. I would be surprised if it came up with a number. I would be very surprised if we were to do any analysis that would suggest you don't need to have more capacity in your zoning code than you want to have housing production.

>> Kitchen: Yeah, and I'm not asking about the more, I'm asking about the two times. So -- okay.

>> Mayor Adler: All right.

>> Houston: Could we -- just throwing out language to say recognizing that we need more capacity than 135,000.

>> Mayor Adler: All right, so let's do zero to five. Omitting -- if you could underline potentially two times greater. We're going to take zero to five first on the language that's up there not including the underlined language. In other words, the potentially two times greater is going to come out. Zero to five on bullet point number 2, but not including the underlying language. Let's take a vote on that first. Give me indication where you are on that. I'm at five, Jimmy three --

>> Houston: The manager's head is in my wave.

>> Repeat, mayor, what you suggested.

>> Mayor Adler: First ask for on that sentence with that underlyings language not included and then with that language.

[10:56:44 AM]

I'm going to ask it twice. The first time I'm asking zero to five with the language stricken. Overall housing capacity must be greater than 135,000 to not inadvertently prevent us from achieving the goal. Can you give me an indication, please. Jimmy three, Pio five, Ann four, Greg two, Ora four, I'm a five, the mayor pro tem is a four. Councilmember alter is a three. And Leslie is zero. And Delia is two. That was all of us except two were a three or more on that. Now the sentence with the language included potentially two times greater. Tell me where you are on that statement. Ora zero -- I'm a five Garza a five. Alter is two, pool is a zero. So we don't have general consensus on including potentially two times greater. We have the -- the last one about housing equitably throughout the city, zero to five on that point, the third bullet point. Looks like everybody is a five on that except for councilmember pool, who is a four.

>> Pool: So what is the outcome of that? Is that second bullet removed entirely?

>> Mayor Adler: Well, we were just recognizing there was a consensus except for two people on that with that language removed. There was not a general consensus with that language included.

>> Pool: So this is different than how we handled this last week. Whenever there was disagreement on an item we book marked it.

[10:58:45 AM]

>> Mayor Adler: Last week we were trying to come up with a document. Now what we're trying to assess where we are on these issues so that we can learn from each other and understand how -- where we can get to consensus ideas. I'm just moving on. So the next question that we have in front of us --

>> Houston: Mayor, before you move on, I think there may be some less angst if we just said rather than two times, recognizing we may need nor -- more capacity.

>> Mayor Adler: And we did. Everybody except for two of us agreed overall must be greater than 135. Garza were not there but the others of us were. Three no's on that.

>> Casar: I just want some recognition that based on other cities we're hearing two times greater and even three times greater. I just don't want to -- if this had been the first one presented just like this I probably would have supported it. But then the vote to remove something that our experts are telling us is widely recognized as national practice seems difficult. Just some recognition that is national practice would be helpful.

>> Mayor Adler: Okay. I think we heard that. Councilmember kitchen.

>> Kitchen: In response to councilmember Casar's question, mine was a two because I don't want at this point to have a statement that has the two times in it. I recognize there's a need for more capacity. I recognize what our consultants are saying in terms of best practice, but just at this time in our discussion I'm not ready to say it. That's why.

>> Mayor Adler: Ora.

>> Houston: I didn't cut it off.

>> Mayor Adler: Okay. Leslie, your light on.

>> Pool: What was the vote on that because it sounded like it was a 7-3, which haven't achieved the 8-3.

[11:00:53 AM]

>> Mayor Adler: It's not a vote. It's an indication where people are generally thinking. 7-3 on that.

>> Pool: Which isn't the 8-3 you said earlier you were looking for.

>> Mayor Adler: Ultimately, again, we're just trying to talk to each other and find out what people are thinking and where they are feeling. Eventually we'll get to a place where we actually take votes on things. So this is a chance for people to daylight what they think, what things they don't like, what things they do like so we can learn from each other so we can see as a group whether or not we can get to something that ultimately we can agree on. So the indications are what they are and everybody can take different things from them that they want to take from them.

>> Pool: Mayor, thank you so much. I would just say one more time, that's fine except that we keep changing the process from meeting to meeting to meeting. And it's hard to know which kind of process we're going to use, so this is different from what we did last week.

>> Mayor Adler: Part of it is that we're trying to move forward and as we gauge how people are participating in the process, I would imagine we'll continue to change so we can move forward in this process. Are we ready to move forward? Councilmember Garza, your light is on. Did you want to say something?

>> Garza: So moving forward, can you clarify the process? My understanding was last meeting was about that goal statement, and that's where we were about book marking things. I thought today moving forward was we were going to the eight. Is that correct? That eight would be a consensus? Because we're not talking about the statement anymore, we're just talking about the questions.

>> Mayor Adler: We're just talking about questions.

>> Garza: So moving forward, so we're all on the same page, to councilmember pool's point, moving forward any of the -- whatever the five things, it will be eight or more and then we'll move forward?

[11:02:58 AM]

>> Mayor Adler: If we can't get eight, that is an invitation for us to have further conversation to see if on that issue we could get to a place that's eight. If it doesn't look like we could get to a place that's eight or

we've exhausted the thing or people just are not going to change votes we're going to move on. I think that's where we are. My sense is that we were at a 7-3 vote on that statement that -- that the first statement up there, which was 135,000 is the goal. It was 7-3. If people think if we talked about that some more we could get more -- we could get some of those three people to join we could do that. My sense was no so I was moving on. We got to the one whether we have to say whether we happened more capacity -- I'm sorry, that was a 7-3 vote. We could spend more time talking about that or note it was 7-3 and move on. My suggestion is we move on because I think we've exhausted that and I think people are voting on that not necessarily because they disagree with the statement but because they are afraid what the implication might be for questions down the road and I don't know how we get around that other than to say we're not deciding any questions down the road. And if we get down the road and somebody says wait a second, if -- I want to go back and revisit something earlier, we can do it. I don't know how to get people to focus on the question in front of us other than to try to remove that risk as much as I can.

>> Garza: May I offer to change my lower vote to get us to eight because I think there needs recognition there happens to be more capacity to get to 135. For me there's an asterisk that says our experts have told us too, but I believe it's important to have in whatever this document is going forward there has to be capacity.

>> Casar: I do the same with that.

>> Pool: I think we need to reindicate with the zero to five.

[11:05:01 AM]

>> Mayor Adler: Let's do that. Can you pull up that --

>> Kitchen: Just read it.

>> Mayor Adler: Did you already erase it?

>> Kitchen: Just read it so it's clear.

>> Casar: I hope this is still the same. One of the goals of the codenext --

>> Microphone.

>> Mayor Adler: It's the second bullet point. And turn on your mic.

>> Casar: At this point you all can read all of my emails.

[Laughter] Someone whose trash hasn't been picked up. Overall housing capacity must be greater than 135,000 units to not inadvertently prevent us from achieving that goal, with the understanding there are other factors that can affect the achievement of the goal.

>> Mayor Adler: Okay.

>> Casar: Asterisk, we've heard this testimony from our experts.

>> Mayor Adler: But as a general proposition, indication of a vote, please. Ora three, Greg three, Anne four, Pio five, Jimmy four, I'm five, mayor pro tem is four. Allison is three, Leslie is zero, and Delia is three. Everybody was up above three except for councilmember pool.

>> Kitchen: I do think it's really -- I'm going to repeat what I think the process is because I think we all need to understand the process. So I think the questions councilmember pool and Garza were asking. So my understanding, if we reach eight that are three or more on our zero to five, then it's a statement we're going forward with? I think that's what we said.

>> Pool: So when did it get to three. I thought it was four or five.

[11:07:01 AM]

>> Kitchen: I don't know what it is. I just want us to state what it is.

>> Mayor Adler: So we're having a conversation and we're trying to figure out where we are. When we have a proposition, we're going to ask people to give us an indication. If there are eight more or who indicate three, we're going on. If we have less than eight, we're going to stay to discuss it to try to get to eight or something that gets us to eight, or if we don't want to spend more time on that in the search much eight, we're going on to the next thing. That's all this process is. It's a way for us to learn where we each are and to get indications of. All right, so --

>> Kitchen: It's still important for us to understand so we're all on the same page. I repeated where I thought they were at, but sounds like maybe we are not all understanding that.

>> Mayor Adler: We got indication eight more more agreed with the proposition that we need more capacity than what we will ultimately achieve.

>> Kitchen: As measured by what? A three or more on the five?

>> Mayor Adler: Measured by three or more.

>> Pool: And the continuum is a three just neutral? Because last week we were looking at strongly agree --

>> Mayor Adler: Five is very enthusiastic, four is a I like it, no substantive changes, three, I could support as opposed, but I believe they could benefit from modifications, two, okay but they have key gaps that would need to be addressed before I could support it. One is I feel way off the mark, I require significant changes. Zero not only do I not support it, but I would actively work to block it. If we get eight or more we'll move on. If not we'll linger on it and eel either get to eight or won't and move on.

[11:09:05 AM]

Let's get to the next one. I think we're ready to move on. The question is calibration. Can you talk about how you calibrate? I'm sorry.

>> Kitchen: I'm so sorry, but we skipped the question and we can skip it if people want to, but I want to point out we skipped the 1a1 about the income-restricted housing goal.

>> Mayor Adler: I didn't mean to do that. What is our income-restricted housing goal? Sounded like it was 60,000 in the blueprint. Is everybody okay with reaffirming 60,000 as the goal as it was contained in the blast?

-- Blueprint? Can we ask zero to five on that? Looks like this side of the table --

>> Garza: Is it at least 60 in the report or just 60?

>> Mayor Adler: Whattist the --

>> It's 60,000.

>> Garza: Could we do a vote on at least 60?

>> Mayor Adler: At least 60. Let's take a vote on at least 60. Indication. Councilmember Houston is a two. Casar five, kitchen five, Pio five, Jimmy five, I'm a five, mayor pro tem is a five, alter is a three, pool is a one, Dela, five. General consensus we should get at least 60 income income-restricted housing goal. And then what capacity is needed to reach that goal.

>> Alter: We're talking about the number of units -- this is not the density bonus units we're talking about. I just want to clarify.

>> Mayor Adler: That's correct, this is the overall goal. Most of which is not being achieved through codenext.

[11:11:06 AM]

>> Alter: Thank you.

>> Mayor Adler: What capacity is needed to reach that goal? Can we all agree we need more than -- capacity for more than 60 to reach 60? That's the same vote before.

>> Casar: Mayor, my reading of this question is codenext specifically, so that we don't get into tax credits and bonds and all the other stuff, at least within the affordable housing bonus program, how much affordable housing bonus capacity we want.

>> Mayor Adler: I think that's probably a fairer question.

>> Casar: That seemed to me to be what this means.

>> Mayor Adler: So the income goal that's in codenext is 6600 of added units. Is that right?

>> That's the capacity for the affordable housing bonus program, yes.

>> Mayor Adler: Do we want an indication whether we think codenext should deliver at least 6600 of added income-restricted units? Mr. Casar.

>> Casar: I find that number too low for what is possible, so I again -- I've minimized constituent emails and plugged in again.

>> Mayor Adler: Are you plugged?

>> Casar: I told them not to plug in before.

>> Mayor Adler: Next time we all promise we just won't look.

[Laughter] Jimmy.

>> Flannigan: So I want to make sure we're being clear when we talk about what's in draft 3 and how that compares to the blueprint. The density bonus is one tool, but it's -- maybe the strongest tool that doesn't require outside tax dollars.

[11:13:07 AM]

Be it tif or housing bond or whatever. So to the extent that we can maximize the amount of affordable housing we can get without having to spend taxpayer dollars to do it, that is my preference. I would not want to set -- I would not want to say that 6600 is good enough. I think -- in the context of capacities twice the production roughly speaking as a planning tool, when talking about density bonus it would have to be more than twice because all the things that limit capacity to half -- that two times thing, then there's on top of that more reasons why you don't get units under the density bonus. I would think we would need -- I don't have a number. I think we should be seek to go maximize the impact of the density bonus program or any of the -- you know, I don't necessarily feel the same way about smart housing because that's a fee waiver and there is actually a cost to the staff time and you don't get reimbursed and all that. But we need to be maximizing the tools that don't require taxpayer dollars so when we spend taxpayer dollars we are maximizing its impact. So I'm not -- I'm not okay with 6600 as a number.

>> Mayor Adler: If you look at the first line

>> Mayor Adler: Okay. If you look at the first line up there, on the board, it's creating 6600, but it says there's the proposition the council will consider and strive to increase that capacity. Does anybody have any concerns with the first paragraph that's up on the board they want to talk about? Alison?

>> Alter: So I continue to hear lots of concerns in the community about how these affordable units would play out in reality. I'm hearing from folks who are developers that are telling me that the market doesn't work this way, and that they get 20 more dollars per dollar of income, and when you start adding -- you know, there's just a lot of -- I don't want to go into a lot of the details here because I really want to try and stay at a high level.

[11:15:28 AM]

But I'm hearing a lot of concerns about what's in there already may not yield that capacity. So I'm concerned about claiming that we're going to be adding even more capacity, and we can add more capacity, but that doesn't mean that you're going to get the production. And so I am -- I'm trying to get my head around that, and I haven't landed where I'm going to land, but -- but I am -- I have concerns about these numbers, and so having to make statements about the numbers before we've interrogated the actual programs makes me uncomfortable.

>> Mayor Adler: Well, in this, it's -- it doesn't recommend any particular program to do it. We may differ about programs, we may differ about geography, we may differ about lots of stuff, but this question is, as a council, do we want to be striving to get more than 6600 of added affordable units.

>> Alter: And for me, I need to know the details of how we're getting those, and where, and all of that, because, you know, you could put them all in councilmember Houston's district, and I wouldn't be for that. And I just -- I don't -- in the abstract, I'm having trouble with it because so many of the details can be manipulated in different ways.

>> Mayor Adler: So help me with the process. If as a council we move forward -- we're not going to answer any of those questions until we're basically deciding pretty much all the aspects of codenext, both the non-zoning portions as well as the mapping and the zoning portions. So everything that we're doing here comes with those caveats that I may or may not agree with any particular application of it. In fact, I may say that as it gets applied, ultimately find that we can't even reach 6600 because I don't sign off on -- on really putting it anywhere.

[11:17:32 AM]

So we will get to it. And we're not going to know the questions that you're holding out as non-questions until we decide those. So somehow or another, we need a process where, as a group, we can say, subject to the caveats that I'm not agreeing on where they go, how they go, what programs we use, what incentives we use, I'm not even agreeing that we can achieve 6600, given the reservations I would have about mapping or programs, somehow or another -- well, we're not going to know that until we actually get way into code details. We've -- my hope is that we could figure out how to create a safe place for councilmembers to be able to say, with all those caveats, yes, I would like to have us striving to significantly get higher than 6600. I mean, I would like for us to do that and subject to all of those caveats -- because if all of those caveats are present for all of these votes, then we're not going to be able to agree on anything because everything would be subject to those caveats which are reasonable caveats for -- for us to have at this point. So the process we're trying to set up is we start big and we telescope down is to say, isn't there a consensus that we should be trying to consider and strive to significantly increase more than 6600 units in affordable housing. Is it possible to create a safe place where you could say that if you believed that without feeling like you're committing to any execution of that?

>> Alter: I can tell you that I'm comfortable saying that we want to increase the number of affordable units that we're getting from our code as it is. I -- but we can do that in so many different ways. We can reduce the base entitlements that we give people, and then you can increase it.

[11:19:36 AM]

I mean, there are just so many things here that we would have completely different ways --

>> Mayor Adler: Absolutely.

>> Alter: -- Of achieving them. So, to me, you know, I'm fine if you want to say that, you know, -- you know, codenext should expand, you know, increase affordable housing bonus capacity, but I'm just uncomfortable with these very specific numbers, just divorced from the specifics.

>> Mayor Adler: So the hope is, on a process, that if we could agree to the general statement that as a council, one of the things we want to do is to significantly increase the number of housing units, then eventually we can say, okay, everybody kind of agrees with that. Now let's talk about how we might do that. And the next conversation, at that point we would have a conversation about -- about housing bonuses and density bonuses, we would have conversations about how base mapping would impact that. We would have conversations about putting it on corridors or not putting it on corridors -- we would have all those conversations, but we can't even have that conversation, I would think, until enough of us have indicated that's something that we want to try to do, that we do want to try to significantly increase affordable housing. But we don't know whether everyone wants to do that. I mean, it could be that several of us just really don't want codenext to do that. In which case, they should say, they should say, I don't want codenext to do that.

>> Alter: Mayor, that's not what I'm saying. This has particular numbers that come out of f3 that say I want more than what's in draft 3, but we haven't even interrogated draft 3 as a council to say we can get this capacity that's promised in there, or we like this or -- you know, I'm totally comfortable with saying that we should use our code to increase getting more affordable housing bonus capacity, but without actually interrogating draft 3 as a council with those pieces, I'm not sure what -- where this gets us.

[11:21:45 AM]

I mean, I don't think anyone here is disagreeing with the idea that we want to use the code to increase our affordable housing bonus capacity. That's why they came up with recommendations that have it four times the capacity of what we have -- or four times the production that we have right now. But I'm uncomfortable -- you know, it's -- the numbers are, you know, amorphous to me, and I don't know that I want to go further than what they have because I may find, when I interrogate what they have, that there's some question in my mind or we might want to change something or, you know -- so to me, it's difficult to get beyond that -- that piece of it.

>> Mayor Adler: If there was a way -- so that I understand --

>> Alter: But I just want to be clear, I'm not saying that -- you know, I am saying that I want to increase the affordable housing bonus capacity, but the numbers are meaningless to me at this point.

>> Mayor Adler: Is it -- recognizing that we may not be able to get more than 6600, because we may not be able to get more than that, we may not be able to agree on policies that would get us to that, and we may not agree on policies that are in draft 3 for how to get to the 6600 because we haven't asked -- we haven't asked the question, do you agree with how those 6600 are achieved. Do you -- would you agree with the proposition that we should consider and strive to get at least 6600?

>> Alter: Again, I just -- I don't -- like in absence of how you get there -- like, my problem is, I don't believe the market is going to produce them. I feel like some of this is wishful thinking, that the market is going to do this, and I think we've given the base entitlement so high that the market is not going to have any inducement to do this affordable housing.

[11:23:46 AM]

And so for me to separate that is really a challenge. Because if you give them everything in base entitlements, when you then try to get your community benefits on top, you're not going to get them. So -- you know, and I'm not hearing from other colleagues that they want to go that route. But --

>> Mayor Adler: Well, at this point none of the colleagues have -- we'll get, in a little bit, to tools to achieve that. And one tool would be to lower everybody's base entitlement. And we'll have that conversation later. And that's an important conversation for us to have. The question we have in front of us is without regard to whether or not it could be achieved, and without anybody committing to any method to achieve it, do we want to consider and strive to get at least 6600 units. Let's take a vote and let's see where other people are.

>> Other people might have concerns as well.

>> Kitchen: I understand the concern with the number, and that goes back to what I mentioned earlier. That's why I was asking about what our targets were. And my understanding is that we don't have an analysis that points us to the 6600. What we have is the fact that that seems like a good number, because it's like -- it's more than -- you know, it's twice the capacity needed to double what -- roughly double what our previous program was, but it's not -- it's not based on an analysis of a target. So -- so I understand the concern. You know, certainly I want to get more than 6600, but at this point in time, because I don't know if we can even get the 6600, I'm understanding what councilmember alter is asking.

>> Mayor Adler: I do too. So let's take out the 6600 number, and let's see if we have a consensus on that we want to -- so, first, strike through that or -- so the question is just the last phrase.

[11:25:48 AM]

>> Kitchen: Yeah.

>> Mayor Adler: Council will consider and strive to significantly increase affordable -- the capacity of affordable housing, of income-restricted housing. That's what we're talking about. Right?

>> Kitchen: Okay. I don't know. Redo it again? He's working on it.

>> Mayor Adler: So I think the sentence begins with "Council." Council will consider and strive to significantly increase the capacity of affordable housing.

>> Casar: [Off mic]

>> Mayor Adler: That doesn't get it for you because it has beyond draft.

>> Kitchen: Yeah.

>> Mayor Adler: So consider to increase the capacity of affordable housing. Period.

>> Casar: But I think what I articulated when I wrote this, as well as councilmember Flannigan, is that I think that draft 3 is -- 6600 is too low --

>> Mayor Adler: My sense is, we're going to get there in a second. I'm going to ask that question in a second but I'm trying to work up to see what is the broadest statement that gets support, and then we're going to add additional specifics to it and see where we lose the consensus. So at its broadest point, council will strive to significantly increase the capacity of affordable housing bonus -- housing bonus, it just says housing units so I would take out the word bonus. However -- however it's achieved in the code. There are lots of different ways. One way is a bonus. There are other ways to achieve affordable housing that we can talk about in the code. That proposition, one of the things we're looking for is we want to consider and strive to significantly increase the capacity of affordable housing units. Does anybody have a problem with that? Ms. Pool.

>> Pool: Well, clearly we need to define significantly, which is, I think, what Greg was getting to, 6600.

[11:27:48 AM]

So the other point that I need to make -- because I don't agree with significantly because we don't know what the future need is going to be even a year from now, and this doesn't include any touch-back to market -- to market forces or what is actually happening -- the economics of the city in any future. And so we need to include something in there. We may consider and strive, but we have to base it on something, which I think was probably the -- my understanding of what Alison was saying, was what are the specifics? And we can't forecast that with any real specificity. So we have to put in there something that says we will at least connect back with what the economic drivers are in our community and what the reality is on the ground. Otherwise, this is -- otherwise, we will be falling short of a goal regularly.

>> Mayor Adler: Pio?

>> Renteria: You know, we've always set goals, you know, and most of the times we have never reached it. I mean, when we did cure, you know, we can didn't realize that we were just trying to bring economic development to a certain area, but we didn't realize that it was going to pick up and just do what it did without getting community benefit. You know, when we did the domain over there, you know, our goal was to create a vibrant area there and use that area there to expand and create jobs and business. So, you know, we don't know, we wouldn't have given those incentives to go out there and do it, because that's what they are. They're just goals, you know. I would love to be able to reach -- do I think that's going to get 6,600 units built? I would love to, but that's just a goal. I don't believe it will reach that many units. But that's all I see it, is we will never be able to predict the future, but we know we desperately need more housing now, especially affordable units.

[11:29:58 AM]

>> Pool: Which is exactly why I want to craft the language so we --

>> Mayor Adler: Jimmy, you want to go?

>> Flannigan: I believe we agreed to discussion agreements.

>> Mayor Adler: You go ahead, Jimmy.

>> Flannigan: Staff, as I'm making my way through the text, I only see density bonus. There's different kind of versions, but it's really more how it applies in different Zones. Is there another tool -- that and smart, which is more a fee waiver program. Is there another tool in codenext that's affordable housing that I'm missing?

>> One of the sections toward the end of chapter 23-3(e) is titled additional housing incentives. There are a few tools there, like a parking reduction, for example, that would apply either to any affordable units that you can get through that chapter, which would be S.M.A.R.T. Housing units, affordable housing bonus units, density bonus program units, or it might have a specific definition, like --

>> Flannigan: But it still generally takes the form of a loosening or shifting of a requirement, provided you're creating an affordable unit.

>> Correct. Yes.

>> Flannigan: So roughly speaking, that's the tool provided in the land development code for -- not all the ones on this list, there's a bunch on this list that have to deal with sources of funds.

>> Yes.

>> Flannigan: Tax credits and things outside the land development code. When it comes to the code, it's really just different versions of a bonus program.

>> Yeah. Broadly speaking, would be a density bonus program, fee waivers, or waivers of other requirements like the parkland dedication waiver, for example, is waived on affordable units.

>> Flannigan: Okay. So I think when I see the phrase affordable housing bonus and it's not capitalized, not referring to actual, but more general, I think about all the things required in the code that may be shifted in order to achieve affordable housing.

[11:32:00 AM]

So I see this as a fairly broad thing that you can actually define under a single phrase. There's a lot of ways to do it, but this is really the only tool the land development code gives us, this and the fee waiver program that we call smart.

>> Mayor Adler: My thought in taking that out is not to get hung up on any particular tool or execution of that tool because there are lots of ways to do the bonus programs and I just didn't want to get caught up in that. Delia, then the mayor pro tem, and then Alison.

>> Garza: If we're --

>> Mayor Adler: You're on.

>> Garza: We were just talking about this statement. I have no qualms about significantly increase, representing a district that has one of the highest amounts of evictions, significant evictions, I would hope we could all agree to strive to significantly increase. You know, when one of our strategic goals is addressing -- prior sizing homelessness, these are all -- this is a way for us to be able to address those big issues that we all agree on. I would hope agreeing on getting a handle on these eviction rates that families are being significantly impacted by, and I'll just say for me, for the record, I -- when it comes to what does it mean and how it affects down the road, I don't care what we have to do down the road. I don't care what policy it changes, if it means I'm going to live next to a four flex or a six-plex or a ten-plex, I am okay with that I want to do whatever needs to be changed to significantly increase the capacity of affordable housing units in our city so we can keep our minority and our working families in Austin.

>> Mayor Adler: Mayor pro tem.

>> Tovo: So I just want to do a time check because I know we were scheduled to talk from 9:00 to 12:00, and I had some specific questions about this area that I had included in my list last week that I think demand the consultants, and you've heard a couple of them this morning.

[11:34:09 AM]

One was about by right entitlements versus setting the entitlements lower and having a density bonus. I wanted to talk about some other issues, the fact that currently we allow projects to qualify to use the same units to qualify both for S.M.A.R.T. Housing fee waivers, as well as a density bonus. I was not aware and I think many people I've talked to including some staff, were not aware that projects in west campus are using -- are qualifying for both programs with the same units, instead of -- and so in my

mind, we are losing the opportunity for twice as many units in west campus if we had them qualify separately for those programs. So that's an issue I wanted to address with the consultants here. And then some others along those lines. And, you know, my guess is that we probably will have some significant places of consensus in those items. I wanted to talk about the proposal, and I think there still are some in draft 3, that allow fees in lieu to be administratively approved, rather than have those go to council. Those are things I'm thinking about as we look toward amendments. So if we could make space to talk about those, knowing that at noon, we were scheduled to move on to the rest of our day's agenda. So, you know, I -- I am supportive of the two very general sentences. I think it's absolutely true what my colleagues said, that the ways in which we achieve those matter a whole lot. I mean, we could -- we could, you know, set a much bigger goal of achieving even more affordable housing units and say we're going to achieve that, you know -- we could achieve that by any manner of things. We could roll back everybody's zoning to the lowest possible, justifiable category, and have everything be a density bonus, for example. So I mean just understanding that we are going to -- we're going to have to have a conversation, and I hope we're going to get to that conversation, about how to achieve that.

[11:36:13 AM]

I'm happy to support -- I'm happy to say we significantly need to increase it, because we do, but I'd like to then move on to these questions that require the consultants before we run out of time at 12:00.

>> Mayor Adler: Anything else before we do 0-5 on the second sentence that's on the board? Alison.

>> Alter: I'm totally fine it as it is, but if it would make people comfortable, sort of having a chance to reflect -- I agree we need to increase the capacity. My concern is that I still think we need more work to do, building on draft 3. So if it would make -- we don't have to do this, I'm fine with it as it is right now, but if we want to put building under draft 3, rather than beyond draft 3, I'd be comfortable with that because I think that's the starting point and the challenge before us, is to work on it, building on draft 3, which doesn't tie us to the numbers, but the goal is still to have the increase and, you know, my concern is, we're not getting that 6600 even, and so that is my issue, as opposed to --

>> Mayor Adler: That's a helpful nuance to understand. Greg, can you put at the end of that second sentence, comma, building on draft 3? So there's the sentence. Council will consider and strive to significantly increase the capacity of affordable housing units, comma, building on draft 3. Let's take a 0-5 vote on that. 0-5. Yes.

>> Garza: Is draft 3 -- that will -- is draft 3 what draft 3 is will never change, and what we approve could be draft 4 or 5?

>> Mayor Adler: Yes, draft 3 is a given at this point. Okay? Delia 4, pool 3, alter is a 4, mayor pro tem is 5, Jimmy a 5, Pio, a 5, Greg's a 4, Ora's a 4, and I'm a 5.

[11:38:23 AM]

Okay. That gets us past that. Now, the next question that we have on this is, how do we calibrate income -- and I think that some of the questions that you ask, mayor pro tem, are going to relate to this. It might be good to understand how you calibrate, and then we could talk then about the specific applications of that that are in our questions here. Does that work?

>> Tovo: I guess so. I mean, I would be -- I would rather dive into the specifics as a way of understanding the general, but I'll leave it to the group to determine. I just, again, are conscious of our time here.

>> We can really briefly go through the general. And I'll let Laura talk the most about how the draft 3 bonus program has been calibrated. In current code, we have several bonus programs. They're all calibrated individually by specific area, specific regulating area. And they -- some of them allow fee in lieu, some of them do not. And so it's really just what program you're in, as to how many units you're required to have and whether you have an alternative option. And then I think that Laura lie has talked a little bit about draft 3 response already in response to councilmember alter's question.

>> I'm happy to reiterate it, again, because this is a voluntary program, it has to be more attractive to build the bonus with the affordable units than the on build the base. And so we have -- we have endeavored to make sure that that is the case.

>> Mayor Adler: How do you figure that out?

>> The way we've calibrated it. We have a number of different development prototypes that are sort of example building typologies, and we run a feasibility pro Forma with the base, and then the same feasibility pro Forma with the bonus and the affordable unit included and compare the two, and try to set the set-aside percentage, which is again the only thing that's actually in the code, is these percentages of units that are set aside as affordable, to be attractive, relative to the base.

[11:40:40 AM]

And it might be helpful just to clarify that what's in the code, as you've probably noticed, is a table of set-aside percentages that are then separately applied to a map. And we talked about that a little bit earlier. The set-aside percentages are the same in code going forward, but the way that they're applied on the map varies by geography and varies over time as the market changes, if that makes sense. And those are the maps that are available online that Lauren pointed you to earlier.

>> Mayor Adler: Okay.

>> So it's calibrated -- the most direct answer, how is it calibrated, it's calibrated on an ongoing way, on an annual basis, to make sure that it's reflective of market realities, and that the bonus is more attractive than the base.

>> Mayor Adler: So that takes into account what the cost is of providing --

>> Correct.

>> Mayor Adler: Median income that can be derived from the extra cost.

>> It does. Yes.

>> Mayor Adler: Okay.

>> That's -- so the pro Forma just compares the cost of constructing the building, within and without the bonus and the requirements for affordability included, to the revenue that can be produced from that building with and without the affordable units included.

>> Mayor Adler: Okay. Mayor pro tem, do you want to ask some questions?

>> Tovo: Yeah. My first question is just about the maps, and I think I may have stepped out earlier when you showed us them. Are they actually something that we would be approving as part of the land development code and the mapping, approving the phasing in of one of those -- so one of you is nodding no and one is nodding yes.

>> We're talking about two different maps. The maps that show where the Zones are that have density bonuses in them you will be approving through this process. The maps that apply the set-aside percentage to the specific geographies happen administratively and Lauren can talk a little bit more about that process.

>> Tovo: So you would approve them through an ordinance? It would not be the codenext land development code vote.

[11:42:44 AM]

We wanted to have the maps outside of the land development code so that they could be updated annually, if necessary, instead of having to continually be doing a code amendment process. So we would bring those to you through a separate ordinance.

>> Tovo: And so is it could not placed that those would come to the council came to we're making decisions on codenext and the maps?

>> Yes, they're ready, I mean, according to draft 3, obviously, they would need to be updated if any planning commission or other commission or council changes were made to draft 3. But they have been calibrated to the draft 3 that was published.

>> Tovo: Are they in any other printed materials we received?

>> I don't know.

>> Tovo: That's -- okay. I mean, because they matter. And so I'm not sure --

>> The links are. But we can get you -- we can get you paper copies, too.

>> Mayor Adler: Would you publish for us both the links and give us paper copies?

>> Yes.

>> Tovo: And I'll have to look back on the website. I mean, is it clearly indicated to the public that these maps are something that will be also contemplated at the time of council decision-making on the codenext and those maps?

>> We could certainly make it more clear.

>> Tovo: Okay. Because I mean, I don't know if anybody else at the table understood that. I sure didn't.

>> Okay. We'll update the website. And I just want to be clear, depending on the changes that are made to base and bonus and to maps and et cetera, all of those will be changing.

>> Tovo: Sure, I understand that, but it's just -- draft like the drafts on the text and maps, understanding that all of those drafts may change, but we still need to make them available for review.

>> And we are also in the process of gathering inputs to the pro Forms around how rents and cost have changed over the course of the year-plus that we've been working on this, so that when we get the final code language and are remaking those maps, we can do it with updated inputs. So those maps are there, and they will be adopted, add Lauren said, through ordinance, but they will be -- they will be changing.

[11:44:45 AM]

>> Tovo: So one of my questions -- so I'll start with what I think might be the easiest question, and that is the administrative approval of fees in lieu versus on-site. And this is a comment I think I've made in my draft comments to every version of codenext, that I think that option should go away, and I wonder if you could tell us if it is -- if that still remains an option that developers have within codenext. It's my understanding it is. And what the rationale is for that. I think if we're trying to -- I'll just say that I think if we are setting the expectation, which we've all talked about a lot for a long time, for setting the expectation that those units should be on-site, but there may be exceptional cases where it makes better sense to take that money and invest in a nearby project, I think those should be council decisions, not administrative ones. I'm very keenly interested in preventing some of the issues that we had in creating -- in creating different paths for people to achieve -- let me leave there. But that's my interest, in making sure that those decisions will be rare, and when they're made that they'll have council approval of them, rather than administrative. So if you could tell us where those are in the code, and I would offer that to my colleagues, that as a general statement, that we want to have those approvals come to council, if it's not currently dealt with in code 3.

>> Draft 3 does provide for a fee in lieu option for projects that have a residential component that would be an administrative approval. You can find information he that in section 23-3e-1050 and 23-3e-1080, and in the proposed general administrative procedures document that I mentioned earlier that is on the draft 3 web page. It's on page 9 of that document. The reason that the affordable housing bonus program is currently proposed to have this fee in lieu option is because, as lauralie stated earlier, it is a volunteer program and we wanted to make it as tacktive as possible for as many people as possible to participate in the program because at the end of the day that's how we get our units.

[11:47:10 AM]

And sometimes fee in lieu is really -- on-site units is really not the best option or the most feasible option for a project, and we wanted to not scare people away who thought that they couldn't provide on-site units from participating in the program. So what we wanted to do was also have their projects be reviewed, not just by staff but by a review group, a designated review group, is what it's called in the code, in the sections that I mentioned, and it's also talked about on page 9, the proposal would be that it would be composed of subject matter experts in development and housing and affordable housing who can read and analyze pro Forma level information. This is a paradigm that is used in a lot of other cities, like Portland in their redevelopment authority, and maybe Laura lie can talk a little more about that if you're interested. But it would help true up developers' statements that on-site units really aren't feasible and help us figure out what a good alternative would be.

>> Tovo: And I liked the idea when I read about it, I liked the idea of the group that you mentioned. I think it would be helpful to a decision-making process and to really, as you said, verifying and validating the claims of the developers, that it's not cost effective or whatever other reasons they're offering. I still think those should come to council for final decision, and so I know we're not making amendments, so I won't suggest amendments to those provisions, but I would offer to my council and colleagues a general statement that we're supportive of the review group -- the housing review group, but with a final decision by council, based on the recommendations of the review group.

>> Mayor Adler: So let's discuss that issue --

>> Tovo: Maybe a question to sort of speed up, I understand that maybe part of it is speeding up the process for developers who want to participate in it, so maybe the compromise here is that it doesn't go through the land use commission, just through the review group and then on to council.

[11:49:15 AM]

>> Mayor Adler: Okay. Jimmy?

>> Flannigan: I -- I'm far more supportive of fee in lieu, but I think this is -- this is a good opportunity for us to think about when we can set better policy direction so that things can be approved administratively, if we could put parameters around -- and maybe it's a subzone thing, maybe in certain subzones where the rents are lower and it's going to be harder for the market to provide affordability, maybe that's where it might make more sense for fee in lieu, where those could be used to buy down units in other areas. I want to avoid a situation where we're taking projects through a laborious political process that's going to cost mean that could have been spent on affordable housing. The costs and lobbyists they're going to hire and all that stuff that we know will occur. I think it makes a lot more sense for us to say as a city and as a council, here's our policy around fee in lieu, and maybe we don't allow it in subzones D, E, and F, but in subzones a, B, and C, here's -- you know, we're going to allow those to be

approved administratively, and finding the right lever on that. What is this review group you mentioned?

>> It's described in those two sections, 1050 and 1080. It was conceived of as sort of a group of subject matter experts in real estate, in development, and in affordable housing, who could be appointed and convened by the director and who could review applications when people have come in and wanted to do the affordable housing bonus program but did want to provide on-site units.

>> Flannigan: I think it's also an opportunity to think about what an affordable housing bonus might look like at the very small scale, when we're looking at the r4 Zones, as an example, where we might find a fractional unit, and you're not -- you're adding one more unit instead of the four, so you look at the r4 unit, it says the affordable housing program applies only in the multifamily, but the bonus you get is four units.

[11:51:26 AM]

What if I just want to build one unit? I want a five-unit site and not a four-unit site? Because I'm not taking the full bonus, I can't make the math work to make that unit affordable, but because I'm doing a quarter of my bonus units, then I could do a quarter of that fee to get that one comma unit, and that fee goes -- I think there's an opportunity to think about, at the small scale, where fee in lieu might be appropriate because they're not using their full entitlements under the bonus program.

>> Could I speak to --

>> Mayor Adler: Yeah. Go ahead.

>> We have been hearing feedback about fee in lieu not for subzones, necessarily, but for projects of a certain size who are maybe only delivering a small number of affordable units. And the current proposal in draft 3 is if someone would owe a fraction of a unit, it would be rounded up to the nearest whole number, even if it was only .2, you would still round it up to the next unit. The planning commission did have a recommendation to take whatever that fraction was and have that be a fee in lieu payment, in addition to whatever full units you have to provide.

>> Flannigan: Yeah. And I think that speaks directly to what the market is willing to provide, if it's a .2 requirement, but then the code says it's 1, you'll get 0, as opposed to getting .2% of a fee in lieu.

>> Mayor Adler: Ann.

>> Pool: I just have a question.

--Kitchen I'm not remembering the detail. Do we have in the code, what the criteria would be for the administrative decision that's being proposed?

>> We do not.

>> Kitchen: Okay. So I'm interested in exploring whether it's possible to put together a set of criteria that at least in some circumstances would allow there to be administrative review. I agree with mayor pro

tem that as written, I wouldn't be supportive of just having the language be administrative review because it doesn't provide the kinds of policy parameters that the council may want to set.

[11:53:31 AM]

So I'm also agreeing with councilmember Flannigan that where I could find it, it would -- you know, if I could find that proper balance of criteria, that at least in some circumstances, I'd be okay with administrative review. But -- so do we have any proposed criteria anywhere? Did the planning commission propose actual criteria? And I'm talking about the criteria -- so there's a decision that has to be made, and we're talking about whether it's made by council or whether it's made administratively, and that decision is whether or not fee in lieu is allowed in a certain circumstance. Is there any criteria written anywhere, anything that's been proposed for what that criteria would be?

>> We have proposed creating program rules through the rule-making process that's outlined in city code, to implement this program and eventually rolling it out to our existing density bonus programs.

>> Kitchen: Okay.

>> And using that venue as a way to come up with these criteria, because it does mandate stakeholder involvement and internal city involvement with other departments.

>> Kitchen: I appreciate that. I would probably still fall down on the side of putting in code the kind of policy criteria that we wanted to look at, that -- because I wouldn't want to rely only on the rule-making process to establish the criteria.

>> Mayor Adler: My sense is that there's considerable angst in the community with respect to the fee in lieu program. So I understand to that extent or for that reason the concerns expressed by the mayor pro tem. My sense is, is that the primary angst that I hear is that there's not a balance or an equilibrium Oracle abrasion between the amount of the fee and what the cost is to put it on site, so that most people choose to pay the fee rather than put it on site because it's a better economic deal.

[11:55:41 AM]

So to handle that angst, which I think is really important, we have to get to the place where the cost of the fee in lieu is equal to or exceeds whatever the cost is of putting it in the building so that the developer is at least ambivalent about whether it's at least fee in lieu or on-site, because the cost is exactly the same. And I think if we can get to that place, that would help a lot because right now, people feel like it's a lower cost, and it goes into a fund -- it doesn't actually turn into real units. And the best way to make sure it turns into real units is just put on it site. At the same time, if we could calibrate those so that it was that way, I think I would support fee in lieu applications. If I have three buildings in a row and each one has to create one unit, it may very well be better to put those three affordable units in the same building so that there's not just one person in three buildings but three families together

somewhere in a building. And it may be that the cost of putting one bedroom -- one unit in something like the austinian might turn into six units a couple blocks away. Sort of thing somebody that could take a look at that and say this is the best use of that money or I like, so having the review panel makes sense to me. The question that the mayor pro tem had, having to go back through all the land commissions I think would be -- we want these things to be used and every hurdle we put into it is going to make it much less likely someone uses it because when you figure out your calibration, you're going to have to put into the calibration model whatever the costs are associated with the administrative process to get it approved. And the more time we put in that, the greater risk we have for approval with that, are all going to mitigate against somebody actually voluntarily giving us either a fee in lieu or a unit on site.

[11:57:53 AM]

So I definitely agree with what Jimmy and Ann said in trying to come up with what the criteria are, and I think that's not something we're going to be able to make until a rule making process, to get the community to buy into a process, just because it is an issue of such considerable angst and I'd have to think about what the mayor pro tem was suggesting about coming kind of in an expedited way to council. Just because of the time that's involved and the fear that it would mean that the program doesn't get -- get utilized. Mayor pro tem.

>> Tovo: So I guess -- I guess I would just say I'm open to thinking about criteria. However, I would still like to -- I would still like to see if there is a consensus on this issue. And I'll just say -- and let me preface it by saying, just because something hasn't worked in the past doesn't mean it wouldn't work going forward, but we did have criteria, pretty -- you know, what some might think was specific enough criteria for, say, the cure program. And one after another, projects went and got cure zoning instead of participating in the downtown density bonus program because that was an option. The same is true -- it's not exactly analogous, but it is something that I think we should learn from moving forward. And I think that, you I think the same is true with our planned unit development, that it had to be a superior development and we worked on getting it more specific but there's still argument about how well something meets or doesn't meet the criteria. So to me I just don't want to see -- I really want -- if we're moving forward with a new land development code, I want the expectation to be on-site affordability. I'm happy to have more discussion about how and when it should apply, but I'm not sure that we're -- I don't understand sort of where and how we would be developing that and I'm still interested in the -- I'm at this point more comfortable with council determining whether or not it meets that criteria than solely a board of -- that would happen administratively.

[12:00:15 PM]

>> Mayor Adler: Let's check on consensus on that issue. My sense is that we could probably reach consensus on the fact that we want it could be calibrated in a way where the fee in lieu is at least equal to, that we have the -- a review panel that takes a look at it with subject matter expertise and the issue

in front of us is whether or not we have consensus on that council should be the final arbiter. Just to test that, let's break those into two pieces. The first piece being with respect to fee in lieu, as a council what we're saying is the fee in lieu, wherever it ultimately is allowed, has to be something that is at least equal to the cost of putting an actual unit on the property. So that the developer would be ambivalent about that choice. Is there consensus on that effort, which I think would be an important message to send to the community. Zero to five.

>> Kitchen: Say it one more time. I'm sorry.

>> Mayor Adler: That the fee in lieu wherever it's allowed needs to be calibrated such that it's at least equal to the cost of actually providing the unit on site.

>> Kitchen: What do you mean by where it is allowed? Can you just elaborate on that.

>> Mayor Adler: The fee in lieu where we allow fee in lieu to be used.

>> Kitchen: As in the code.

>> Mayor Adler: As in the code.

>> Kitchen: Okay.

>> Mayor Adler: However it is we allow them to be used.

>> Kitchen: Has to be at least call to?

>> Mayor Adler: The cost of putting a unit on the site. Zero to five on that proposition. Four from councilmember Garza, five from alter, five from the mayor pro tem, Jimmy is a two, Pio is a five and Greg is a four often Ora is five. Jimmy, do you want to explain?

[12:02:15 PM]

I'm a five also.

>> Flannigan: If that statement had included the qualification when you were reading through earlier about it was analogous to the cost of providing the unit mine must cost of approval of fee in lieu my number would go up to four.

>> Mayor Adler: I meant to take into account all the costs associated with that unit. With that understanding, are you moving up? Jimmy would be a four. We're good on that. Now let's ask the next question that the mayor pro tem asked. Do we want to -- is there consensus at this point that the council should be the final arbiter? That -- approval for a fee in lieu requires a council vote. I think is what you are saying.

>> Kitchen: Under all circumstances? Is that what you are saying?

>> Tovo: Yes. I want to test that. I'm not -- I'm not disinclined to consider down the road or even within this process if we have the time and the capacity to develop criteria and the circumstances, I'm not

disinclined to come back and reevaluate it, but at this point that's the general statement I would like to test, having council be the final arbiter of whether fee in lieu are appropriate.

>> Kitchen: May I ask more questions about that?

>> Mayor Adler: Yes.

>> Kitchen: Do you mean for every single property on whether or not they were using a fee in lieu as opposed to building on site for every single property the council has to vote on that in all circumstances.

>> Tovo: Yes. I wouldn't guess there will be a lot. I mean, if --

>> Kitchen: I know --

>> Tovo: Hopefully they are going to build them all on site and it would be the exceptions that come. I would not anticipate there would be a lot, but yes, the answer to your question is yes.

>> Kitchen: Okay.

>> The draft also proposes allowing off-site units to be built or land to be donated, so I just wanted to get clarification whether for any alternative decisions that council would want to see those projects.

[12:04:25 PM]

>> Tovo: Those I assume too are designed as exceptions to the expectation. I think responding to the community concerns I've heard, I would say yes, those two would come to council so that we can weigh and balance those.

>> Mayor Adler: Pio.

>> Renteria: Is office building and T.O.D. District also going to be included in brewing the fee in lieu? Because in the T.O.D. Districts where they build office, usually they don't like the idea of putting one or two-bedroom houses in a general office environment. So you also are going to ask that to come to us?

>> Tovo: I missed the first part of what you said, but I think I caught it here. Were you talking about T.O.D. And what was the other category?

>> Renteria: Because in office buildings they are required to provide so much for affordable housing.

>> Tovo: I would be happy to exclude that for the moment because I do think that's a different circumstances. How about we just talk about it in terms of residential at the moment. I think that is more complicated and I can't remember how draft 3 deals with that issue.

>> The review group would only apply to the affordable housing bonus program, not the T.O.D. Or other regulating plan areas.

>> Mayor Adler: Okay. Greg?

>> Casar: Yeah, I'm comfortable with their being additional levels of review and I still don't know whether that's council, planning commission or who. I like the idea that it may went sent I have -- incentivize, but I don't know in cases like the one councilmember Flannigan brought up where someone isn't using all of their -- I think we had one of those cases that we approved recently where there was just a little bit of extra height and there was money coming into the fund and made sense. I don't know if there's particular cases where we don't want -- where we can trust that it would work and I don't know -- I'm not sure whether council or some other body that could get it done.

[12:06:30 PM]

Like I know with the tree ordinance, the planning commission -- it's not all administrative, the planning has a vote or with cops and things like that. I think I'm comfortable in saying some or maybe potentially all cases there should be additional review beyond administrative, but I don't know if I've thought about the specifics to be so absolute as to say all cases to council specifically.

>> Mayor Adler: I'd have to think about it more myself. At this point I think there are so many reasons why in any particular application it's going to make more sense to have a fee in lieu that is at least the cost of building it, you know, brought together with other such fees or on adjacent buildings, and I'm not -- I'm uncertain at this point as to whether having the council review will material ly diminish people going forward for resolutions that I think would be really good. So I'm not prepared yet to indicate consensus on that point. But it's certainly something that I'm open to thinking about once we process the criteria discussion. I'd want to know it was not going to catch a lot of people or take people out of the -- using it. Ann, did you have something?

>> Kitchen: I'm sorry, no.

>> Mayor Adler: Mayor pro tem.

>> Tovo: So I guess what would be the process for processing the criteria discussion since we have a draft in front of us that we're being asked to weigh in on, amend and vote on. We don't have criteria. I mean are we asking staff to draft that? I just don't understand -- anyway, I guess -- I mean if there's not a consent, we haven't voted on as we have on others so I'm not sure where we stand, but I would give one more pitch for it and that is it brings it into a public process where we can have a conversation about it in a way that I think is important, and I do think we would have more -- I don't think any of us know how it works, but it wouldn't be our final opportunity to make a decision about it either within this process or even after we adopted it if we are hearing from a lot of developers that, heck, that meeting at council was so onerous they decided not to complete a density bonus project, but I think absolutely most of these projects will hire consultants to go through the administrative process and the process with the review board so I'm not sure that it's going to be more costly to have that one meeting at council.

[12:09:13 PM]

>> Mayor Adler: Okay. Let's take an indication. Ann, did you want to say something?

>> Kitchen: I have a question for the mayor pro tem if it would be her interest to revise her statement somewhat so that would you be interested in a statement that said something to the effect of approval beyond administrative approval of fee in lieu instead of saying that it always comes to council.

>> Tovo: I guess right now we're saying -- I guess sort of no. I appreciate the creativity, but I think what they are doing administrative is a -- I mean what is -- I think what they have crafted fits what you've described. And what I'm saying is I want --

>> Kitchen: More of the commissions.

>> Tovo: I see. That the planning commission or some commission like that would be the final -- I'm not -
- I think that would be better than what's in the draft, but I'm not sure -- I'm not sure it addresses the concern I heard about having another step -- it creates another step, it's just not us, it would be a different commission. So you still have that step without --

>> Kitchen: Okay, well then --

>> Tovo: I'm not sure what we're achieving.

>> Kitchen: The other question is whether or not you would be interested in adding language to the effect that -- well, you may not be, but language to the effect that at least in some circumstances that the council determines what those circumstances are, but we don't have that criteria in front of us now so I can understand if you don't want to be that --

>> Tovo: Challenging because I'm trying to respond, I can say I might rerespond differently to something else if this other body existed, but it doesn't. But I appreciate the conversation.

[12:11:16 PM]

>> Mayor Adler: On Delia.

>> Garza: I understand at the staff level, I wonder if there is a way, I think the planning commission does do some variances that don't come to us. Maybe if that was a way, I guess my general hope with codenext was this would streamline some of the big decisions where they weren't coming to council because while those decisions are really complex and they are more about, you know, we could have this pot of money and get two units on site or we could use that same pot of money and get eight units two blocks over. And I understand that being the council decision, but when it comes to council, it becomes more than just about that question. It becomes whether you should just vote it all down because of some other issues, and so -- I would prefer it -- I think the middle ground is maybe planning commission makes that decision.

>> Mayor Adler: Okay. So let's take the -- let's show zero to five ongoing to council.

>> Kitchen: Can you just repeat, was it approval of fee in lieu always comes to council for approval of residential projects? Is that what you said?

>> Mayor Adler: Yes. For residential projects should it have to come to council before fee in lieu get approved.

>> Kitchen: She said always.

>> Mayor Adler: Zero to five. Houston is a four, kitchen is a two, Jimmy is a one, Pio is a five, mayor pro tem is a five, alter is a five, pool is a five, Garza is a three, and I'm a two. So there were three of us less than three on that. Six and three.

>> Kitchen: I really would like to explore the middle ground because I do think there are circumstances when it should come to council, and I would like to see -- and I do think there needs to be review beyond assistive review.

[12:13:30 PM]

So -- administrative review. I would like to ask if it's appropriate for staff to work up a suggestion for us that includes -- I see your nodding your head. Can I give you some parameters for that? Just for myself, I would like to understand circumstances -- I'd like to understand circumstance when it would go to planning commission as opposed to coming to town. Using perhaps as a very rough kind of guide how we handle variances right now. I would like to understand what kind of criteria we might put into place as a policy matter for when it's okay to do a fee in lieu, and that kind of policy would guide this review committee -- or this review -- this review committee, it would guide the planning commission and it would also guide the council. So does that give you enough parameters listening to everything that we've talked about to perhaps do some kind of straw man for us?

>> Yes, we can do that. And I wanted to note we've gotten feedback from developer stakeholders who obviously find a lot of value in objective, consistent and clear process, so we'll try to balance the need for consistency with the need for public review. And I also wanted to mention that any time we have extra requirements, we need to be able to weigh those against the value of the bonus to make sure that they don't dissuade someone from taking the bonus because it's much less valuable to them because of some extra requirement.

>> Mayor Adler: Okay. Council -- Jimmy.

>> Flannigan: I just want to note that I think this is a really good moment that this process has succeeded. Because I find that even though we are not in agreement, we are narrowing the field of disagreement on this topic.

[12:15:31 PM]

And what my primary objection is the all, but if we were to develop policy parameters and get to a place where, you know, in my world it would be 80% of them are approved administratively and might be 30% are approval administratively, but we can athlete get to a compromise and we can nod our heads and go yeah, it was a compromise. So I think that's been a valuable moment for me. I just wanted to note that.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I'm not at all clear on what we've asked the staff to do or whether we need to provide some -- I think that we've -- in our original proposal from staff, they asked us to please clarify when we're asking them for direction and additional work to be done, I think they -- so I'm trying to be respectful of that. I think initially they asked us to take a vote on those kinds of things before doing the work. I need to understand what we've asked staff to do in terms of crafting -- are you crafting potential criteria --

>> Kitchen: Could I speak to that for a second since I asked for it? I'm happy to -- to put what I just asked in writing if that's helpful, to post it on the message board. People could add or subtract to it if that's a clearer process for people.

>> Yes, getting it in writing would be great.

>> Kitchen: Okay.

[Laughter] Would that help, mayor pro tem, if I put it in writing and posted to the message board?

>> Mayor Adler: And then other people can comment and endorse it. I think that would be great. And at a really high level giving us more detail might help us get to consensus, providing alternatives might help get us to consensus, so those kinds of things as well. All right, council, are we ready to go into executive session? We're now going to closed session to take up five items.

[12:17:37 PM]

Legal matters related to Munroe versus city of Austin. The Brackenridge development agreement. Pursuant to 551.071 and 551 money 071, real estate matters related to improvements for Austin energy headquarters. And I've also asked to put on here pursuant to 551.074, the government code, personnel matters related to the resolution extending the temporary housing allowance for the city manager. E1 and e5 have been withdrawn. Is there any objection to going into executive session? Hearing none, it is 12:18 and we will now go into executive session.

[1:55:51 PM]

[♪Music♪].

[2:43:57 PM]

>> Mayor Adler: All right. We've concluded our discussion of personnel matters and legal matters and real estate matters in closed session. It was real estate matters related to e-4, legal matters related to E 3, 4 and 6. It is 2:44. We are now back. We're going to do briefings and pulled items. With respect to the first briefing, charter review commission, the representative of the commission is here. They say that they're perfectly happy coming up to us and just answering questions if we have questions rather than giving us a presentation. I think we've all seen the report. We also have a presentation from them. Thank you very much. First, thank you for all the time that you've spent on this. I think you brought up some really intriguing items for the council and the community to consider. Does anybody on council want the presentation or do we just want to go to questions or comments? I would suggest we do that yes, Ms. Houston?

>> Houston: I would like for them to go through quickly because although we may have read it, the people who are watching have not read it and so they've done a lot of work and I'd like for them to at least present it.

>> Mayor Adler: Okay. Really quickly do you want to take us through at a pretty high level? And certainly the charter review materials are in the backup for the meeting so anybody in the community who wants to have those, they're readily accessible, but in a minute or two do you want to take us through the high points?

>> [Inaudible - no mic]. Oh, we appreciate you squeezing us in to what we know is a very packed agenda. I'm Jessica palvino. This is Ingrid Wiegand.

[2:46:02 PM]

She was the vice-chair and Charles muscleman who served on the finance working group. So our final report which was finalized may 7th, contains nine recommendations, and we've got the executive summary showing a fair on the screen. But I want to first say. Before we get into the heart of the recommendations, these were presented in no particular order. We viewed it as the council's domain to determine the priority in order of importance at these recommendations. And so with that caveat the first recommendation on our report is to establish a democracy dollars program which would provide eligible Austin residents up to four 25-dollar democracy dollar vouchers per election cycle. And within their district. The second recommendation, which really goes hand in hand with the democracy dollars is to establish an independent ethics review commission which would administer the democracy dollars program and then would also be responsible for overseeing and enforcing city laws relating to campaign finance and ethics. The third recommendation is to create a city efficiency -- city budget and efficiency office, which would essentially be the council's representative during the budgeting process and it would be a permanent position. The are the fourth recommendation relates to referendum petitions. It requires a notice of intent to circulate a referendum petition be filed with the clerk before collecting

signatures. And that the signed referendum petition be filed with the city clerk within 180 days of that notice of intent being filed.

[2:48:05 PM]

The fifth recommendation relates to recall petitions. It also requires a notice of intent to circulate. It increases the the number of signatures required for a recall petition in city council races from 10 percent of the district to 20% of the district. It requires that recall petition funding would be subject to campaign finance laws. And then it also requires that the petition state a specified reason why the petition is being circulated. Recommendation number 6, we recommend that the city council appoints the city attorney. Recommendation 7 is to clarify that the timing of the planning and zoning appointments be determined by ordinance. Recommendation number 8 requires that all revenue bonds issued by the city for projects whose total costs exceeds 100 million shall not be considered by city council until at least two public hearings are held and that all electricity and water purchases whose total price for each project exceeds 200 million, shall be first authorized by a majority of the qualified owe electors. And then number nine is a correction of clerical matters and routine harmonization that is required by staff.

>> Mayor Adler: Again, thank you for your time and work on this. Does anybody have any questions or comments on this? Jimmy?

>> Flannigan: Can you help me understand the difference between the ethics commission we have now and what's being recommended by the task force?

>> So the ethics commission that we currently have, all of the commissioners are appointed by the city council. This would be a separate office, similar to the city auditor's office. And there would be fewer commissioners.

[2:50:06 PM]

There would be I believe we had proposed seven, and they would be selected through a different -- we recommended selection through a different process.

>> Flannigan: What's that process?

>> Well, the process that's currently being proposed is basically the same process that was used for the independent citizens redistricting commission and it requires a process that is initiated through the city auditor's office where they select qualified applicants and then those applicants are chosen through a lottery process.

>> Flannigan: I've had a couple of constituents come in and talk about this. They were more talking about the democracy dollars, but they referenced this in relationship to that. Is there something about is it the political versus the non-political appointment or is there something beyond that difference?

>> No, there is something beyond that difference. Particularly with regard to the democracy dollars program, this office would administer that program and they would have a staff available to administer the program. The executive director of the ethics commission would be an attorney and then they would have a staff to help them administer the program and then also to conduct any investigations that were necessary regarding alleged campaign or ethics violations.

>> Flannigan: All right. I have a lot of work to do on that. Can you explain again what number 3 was city budget and efficiency office?

>> Yes. So the city budget and efficiency office, this was a recommendation that came to us from Frank Rodriguez. So some of our recommendations came through working groups and were items that we were directed to look at through the ordinance that the council created us with. This is a recommendation that came outside of that working group process from Frank Rodriguez. And what he suggested is that there be a city budget and efficiency office with a permanent staff member who would be able to work with the city manager's budget office on the budgeting process.

[2:52:18 PM]

>> Flannigan: Yeah, I have no idea what that means. I mean, one, it says the word office, but it's really just one employee. But also isn't that the city manager?

>> Well, I believe we have -- I believe we have three staff members allocated. And you know, I would encourage you -- so I believe you've been provided with an electronic version of our report and we linked in that report to our materials, which are all online, and there's a very good presentation and report by Frank Rodriguez which really delves into the reasons for this recommendation. So I believe that may provide you with some more detailed information.

>> Flannigan: Something else that I'll have to dig into then.

>> So one thing that might help clarify that this specific office would be able to do deeper dives into specific programs or into departments, and they could look at this year-round, not just when budget season comes up and people need to scramble to find certain funding or make decisions. So this would be a longer term effort to get the greater overview of the budget. The way the proposal came to us, this might be an office that looks at something for several months and then comes with a proposal to council and says instead of doing it the way you have been doing it, you might have more efficiency if you change the way you run this program.

>> Flannigan: And what the task force is contemplating is that the council would make the appointment that runs this office? Like it does on like you're suggesting for the city attorney, that the council would make that appointment? Or would it fall under the purview of the manager?

>> I believe it would be the council. We did not specify in the recommendation who would make the appointment.

>> Flannigan: Okay.

>> It would make sense for it to be council.

>> Flannigan: And my last question. Can you repeat again on the revenue bonds? It had 100-million-dollar -- if it's between 100 and 200 million, you have to do two public hearings before the city council is vote and if it's over 200 million you have to go to the voters.

[2:54:20 PM]

Is that what roughly it says?

>> Yes, that's correct.

>> Flannigan: Okay, thank you.

>> Mayor Adler: Okay. Mayor pro tem.

>> Tovo: Thanks very much if your work in taking on so many diverse and complicated issues. I want to go back to the question my colleague just mentioned about the city budget efficiency officer. I'm actually looking at -- I'm looking at that section of the report. It's really just about a page. And I'm still -- I think what I need to do is look at the presentation that he made to you. It's a link from our report. But I guess I'm wondering if in considering this recommendation if you had a discussion about our new city department which is doing some of this work, like I can't remember -- I'm struggling to remember what it's called, but there was an interest in sunseting?

>> Mayor Adler: Performance.

>> Tovo: Performance management or something. They were taking different departments and looking at it over a period of three to six months and then coming back with recommendations. So they are doing some of that work. I think I'm wondering what the -- I guess I'm wondering if you had a discussion about why we would want to create another office within the city structure that is performing some -- that overlaps to some extent with our existing finance performance management review and other departments.

>> I don't believe we were aware of that new office.

>> Tovo: Okay, thank you. And I may not be describing it quite right. Again, I'm just sort of struggling with the words. I think it came out of an interest in potentially sunseting some programs or departments and then it evolved into kind of a longer term.

>> Mayor Adler: We had a proposal to do a sunset -- sunset symptom to what happened up at the state and it morphed into two things, I think. One was manager Ott creating that kind of in-house department, and then the strategic planning effort that worked two ways.

>> It sounds pretty much like what we had in mind with this recommendation.

[2:56:21 PM]

>> Tovo: Thanks. And my second question has to do with the ethics. I wonder if you could give us kind of a high level rationale for having that be outside of its current -- having those members appointed differently. And if there are particular problems that have been recognized by those who were advocating for this, if you could give us some sense of what those examples were.

>> Sure. So the -- the independent ethics commission was tied to the democracy dollars and having an outside commission be able to administer that program because there was some concern that if we did a small dollar voucher program it would need to be administered outside the city. And the -- we looked at Seattle's model as I'm sure you're aware and the executive director of their independent ethics commission actually came down to talk with us. So the update ethics recommendation really arose out of the democracy dollars program and needing to have an independent body administer that program separately. And I think that there may have been some concerns by some on the commission about having the ethics commission be separated more from the the city in the way that the city auditor's office is, but really I think ultimately it is related to the democracy dollars administration.

>> Tovo: I see. So that was the driving force for making it independent, and this may be a really obvious point, but I'm struggling to figure out why the democracy dollars had to be done independently independently. Well, presumably members of the council would be receiving the voucher program. So just for purposes of Independence and avoiding any sort of conflicts of interest we thought it was best to have that administration be separate from the council.

[2:58:23 PM]

>> Tovo: So by administration these are the individuals who are figuring out which campaigns get which dollars so you want to make sure there's a level of oversight.

>> Correct.

>> Tovo: That those are not being -- that that's not being managed by city appointees, council appointees.

>> That's correct.

>> Tovo: So I know the city clerk currently administers the funds that candidates can apply for since they sign the campaign pledge and they qualify. I know you're familiar with that would it be something that the city clerk could with additional staff administer? Though the city clerk is a council appointee, the staff certainly aren't. They are already making decisions about whether or not they are eligible.

>> Yes. They could do that. And we have a provision within the democracy dollars program that if the independent commission is not created then the program would be administered by the city clerk's office.

>> Tovo: Great. I'm sorry I missed that in the description, thank you.

>> We just felt that there would be a

>> We wanted to make sure absolutely everything was above even the appearance of a conflict of interest because some of the people appointed to the commissions will be -- would be appointed by councilmembers who might be running, who might be running for another term. And if there are any complaints regarding those programs, we want to make sure there was an independent body that dealt with that.

>> Mayor Adler: Allison.

>> Alter: I'm wondering if you could speak a little bit to the city attorney appointment recommendation.

>> Sure. So that was an item that the council directed us to look at was the appointment of the city attorneys. And so -- or the city attorney. And so we -- prepared a report.

[3:00:23 PM]

We found over 70% of home rule cities in Texas do have council appoint their city attorney. And we did also review, we're aware that this issue was on the ballot several years ago and it was sent -- it came through a -- the last charter review commission as a recommendation. It went to the voter and it failed by a narrow margin. So we reviewed all those factors and ultimately I believe it was a unanimous recommendation that we made to have the city attorney appointed by council.

>> Alter: Thank you. This may be a question for city manager or for perhaps the mayor. I'm trying to understand, I know we have to vote by August 20th whether things are on the ballot, but when are we planning to take up which of these recommendations we might want to be putting forward? Seems like the ballot language is already there so we don't have some of the issues for some of the other things, but in terms of planning time and understanding when we'll be addressing these, do we have a sense of when we would be doing that?

>> Mayor Adler: Would that require an ifc? I think councilmembers would have to initiate an action on it.

>> Alter: So then we would have to initiate an ifc, but could we do that before the August 9th meeting? Is it something to be done to get on the -- is this something we can do in August since the language is already together?

>> Jeanette Goodall, city clerk. If council would like, you can direct me today, we can put an item for the clerk's office for discussion and possible action on charter review commission recommendations, we could ask to have it added to the June 28th as well as the August 9th meeting to give you as much time or whatever you have time to take those items up at either one, whichever your preference would be.

[3:02:33 PM]

>> Alter: I'd like to hear a little more of the discussion before --

>> Mayor Adler: Leslie.

>> Pool: Does the city manager have any recommendations on what he thinks we might want to do, either a full list or a somewhat truncated list? Are there items you think are must do to get on the ballot considering the short amount of time we have to dig into these items? Because there are other ballots beyond November, for example, but do you have any recommendations?

>> Mayor, councilmember, I'd like to use this as an opportunity to start that conversation with councilmembers. I think now that it's being presented to council I can have that dialogue going forward. I will note that a lot of these proposals might require some additional discussion, perhaps both with our legal team, the community, the council to ensure that this is the type of proposal we want to be bringing to the voters. There's a lot going on this summer and on the ballot in November and so I think we also want to be thoughtful of that. I will make one note. The planning commission recommendation, it's number 7 that was similar to a resolution that the council directed the manager to come back with, we do have a memo that went out today regarding that and so there are some similarities that might be able to take care of some of these recommendations without having to go through this process as well.

>> Mayor Adler: Okay. Mr. Casar, then Ms. Houston, then Ms. Garza.

>> Casar: Thanks to each of you for dedicating your volunteer time. I know it was a lot of work. I have a question on the referendum petitions. In my quick scan, it does seem like our window for referendum is pretty short, but it's in my quick nonscientific skin, seems like the one being proposed is longer than a lot of other peer cities. How did you land on the number of days you chose?

>> Basically we were looking for what's doable.

[3:04:33 PM]

The window that was there before was very, very tight, and are you talking about the referendum, not the recall, right? Basically we were in a position where something can be recalled after it has been already passed and that -- it made it impossible to recall. So we opened the window up to where the citizen would have a chance to actually collect signatures if they wanted something back on the petitions.

>> Casar: And so in your choice of what was it a 180 day window?

>> Yes.

>> Casar: Was that the amount of time it might take someone or were you looking at particular cities? And I'm not biased strongly one way or the other.

>> This is the amount of time that would be required for an issue, first of all, to percolate up, get on people's horizon, then to go through the eppsis of collect the signatures, get it verified, so we thought that would be the window that would be required.

>> Casar: Thank you.

>> We did do quite a lot of research in other cities in Texas and I have to tell you everybody is handling this differently.

>> Mayor Adler: Delia.

>> Garza: The democracy dollars, I'm sure if it's in there, but how does it intersect with the current program where you can opt into -- you raise less -- so if you opt into that lower threshold, then you can do the democracy dollars; otherwise if you do not opt in you can do whatever but you can't accept -- is that how that works?

>> That's correct.

>> Mayor?

>> Mayor Adler: Ms. Houston.

>> Houston: So that helps, but that still doesn't clear up what's the difference between what we have now and what you're proposing? The democracy --

>> With democracy dollars.

>> Houston: What's the difference?

[3:06:33 PM]

>> What we have now is campaign contribution limits. This would create a parallel system you could opt into where you could receive the democracy dollars and you could still take private contributions but your caps would be slightly lower.

>> Houston: You could opt into what we currently have and the democracy dollars?

>> You could choose one or the other.

>> Houston: One other the other. And where do the democracy dollars come from?

>> So we -- our current recommendation on funding, what's in the proposal, is that it come from the general fund fund. And particularly we've recommended that the council look at the community engagement budget, but ultimately we believe, again this kind of comes back to the prioritization of these items, that that would be within council's domain to determine if that was a priority item and if it could be funded from the existing city budget.

>> Houston: Thank you.

>> Mayor Adler: Okay. Pio, Jimmy, then Ellen. Did you have something?

>> Renteria: Yeah, I'm going to -- so the democracy dollar that you are making the recommendation on, I didn't get to hear the answer about -- how was that funding -- where would that funding come from?

>> So we're recommending that it be -- first of all, we believe that \$1.5 million a year would be allocated to the program. We believe that's what it would cost. And we are recommending that it come from existing city funds, and in particular the community engagement budget, which is within the public information office. Department.

>> Renteria: And do you believe there's six candidates running there is a certain limit amount of what you can, how many petition signatures that you send in, is that -- is there a possibility of the fund ever running out?

[3:08:51 PM]

>> I'll turn this over to kt because he is our campaign finance expert.

>> Sure. Based upon the amount that -- if there was a candidate in every race and all the seats were up at that time, the \$1.5 million would be able to cover the entire amount. If anything, it's a generous amount that should be able to cover the costs incurred.

>> Renteria: Okay.

>> If everyone maxed out.

>> Renteria: Thank you.

>> [Inaudible]

>> Flannigan: I thought I understand and your answers to councilmember Casar questioned maybe I didn't understand the way you said that. Is the notice requirement something that would prevent implementation until the 180 days had expired?

>> I did not understand the question. I'm sorry.

>> Flannigan: So council passes a thing on third reading.

>> Right.

>> Flannigan: Somebody files a petition they are going to do a referendum. Does that top is that thing from being implemented until the expiration of the 180 days?

>> It does no.

>> Flannigan: Sub Stanley the only difference between now and that you are not required to let the city know you are collecting signatures.

>> Correct. The other thing is the window for collecting the signatures is longer and we can start collecting as soon as the third reading has passed. You do not have to wait for the ordinance to go into effect. And that was part of the problem before. So as soon as the third reading has happened, and very often there is a window between third reading and when something goes into effect, so as soon as the third reading has passed, then you can start collecting signatures.

>> Flannigan: It changes on the margins a little bit.

>> Right.

>> Flannigan: Okay. Thank you.

>> Troxclair: I just had to chime in about the democracy dollars program. I just have major concerns about that, not only the fiscal cost to the city, but I mean the participation in the current -- what is the current program called that we have?

[3:11:02 PM]

>> Fair campaign.

>> Troxclair: I mean already that has such low participation that it's not really taken I think -- I mean it doesn't factor in at all in the majority of local raise. I was hoping that maybe there would be recommendations to simplify or reform that program to add another program that is really confusing into the mix I don't think is going to solve what I know is our joint interest in having increased, you know, voter participation in local elections. But I just really disagree that this is the right way to do it. I also just have a -- like almost a moral issue. I'm trying to figure how to articulate it. People don't have a choice about paying city taxes and so we're -- we're taking money from all of the taxpayers in the city and to a candidate that they don't -- that they may not support. And it just doesn't seem right to me. So I would not support this idea of moving forward and I guess that would connect to the -- maybe make the ethics commission to me unnecessary, but I just -- I appreciate the efforts, but I don't think that's the right path for my position.

>> In November we're going to have the bond election that's coming up, and I think that's going to be by far the most significant thing that we do. And my hope is that everybody is going to be out, that we approval something together as a group and everybody is out campaigning on that and working really hard on that. It's possible we could have an election in November on the codenext depending on what the courts do. And I'm concerned about having -- I have concerns about having too many things that we're putting on the ballot for November and increasing the amount of time that people are in this particular election line voting and then waiting.

[3:13:07 PM]

So I'd have to think through. I think you gave us some really good topics and I think a lot of them really need broader, wider kind of community distillation and my suggestion is rather than talking through the merits of each right now since time not sure that's the best use of time is to recommend if anybody wanted to bring any one or more of these they bring it as an ifc. August 20th would be the date you would have to do that so we have time then for people. But my recommendation would be that we thank the committee for its work, the task force, for the time they've spent and then see if any of these

ideas, if someone wants to bring them forward is an ifc and discuss the merits at that time. Mayor pro tem.

>> Tovo: I had one follow-up on the democracy dollars but I want to be reminded by our city attorney if we put any charter amendments forward this fall, we would have a period of time we would wait before we consider any charter amendments and I forget what that period is, two.

>> Years or three?

>> Two years.

>> Tovo: I would have discomfort with people bringing forward ifcs because they would preclude the other recommendations moving forward. I'm not sure what we'll have the capacity to do this month and August in terms of reviewing all of these or any of them, but again, I just have some discomfort with having that conversation about individual elements and not generally. At least as an initial. So if we think we might want to move forward with some of them, I would say maybe we support the city clerk's offer to put them all on our council discussion, potential action on June and we can maybe quickly assess whether we're ready to move forward with some of them and won't be ready within the next year to move forward on the others or whether we want to table all of them for six months and try to do a may election for some of them or maybe make quick determinations on that front.

[3:15:19 PM]

>> Mayor Adler: By that all it would take would be four people wanting to put all of them on the agenda too. But I think there should be at least four people that say they want to put this on the agenda, even collectively all of them would be something four members of the council could do and I think they would have a right to do that.

>> Tovo: Like any other ifc, of course they would have the ability to do that. I'm suggesting -- because of what it does to our time period for other charter amendments. I think we need to have that discussion. Back to the democracy dollars. So does this entirely replace our fair campaign program or would we still have those lobbyist dollars in a fund that anyone who meets a requirement for the -- signs the pledge and meets the requirements can still access?

>> It replaces it. I would also point out current system applies in runoff elections and the democracy dollars program would apply in the general and the runoff.

>> Tovo: And so then would we still collect those lobbyist fees and use them for any purpose, or that option is just -- that option is just gone?

>> We could still collect them from what we -- the figures we looked at, there wasn't that much money. So we could still collect them and add them to the general fund and they could pay for the program, but again, it was not enough to where we thought this would be a viable source for funding.

>> Tovo: I see. Okay. Thank you. That's helpful. And it looks to me like the campaign donation for any candidates who opt into this, they would be capped at 175 per donor rather than the current 350.

>> That's correct.

>> Tovo: Is that typical in the other programs that you looked at, that they have a 50% reduction in their campaign contribution cap?

>> As I understand it in Seattle they had a similar amount, I'm not sure if it was reduced or rather that we put that into our proposal so that way it would be in line with the Seattle program.

[3:17:28 PM]

Do you remember?

>> I don't. And Seattle is the only other governmental body at this point that has actually implemented a small dollar voucher program, but there are, we're aware of several, several other counties and cities that are considering such a program. And so we would be happy to dig in a little bit more and provide a follow-up email as to what they are doing with the private dollar donations for folks who opt into the voucher program.

>> Tovo: I would be interested in looking into Seattle and how that works out for their candidates. If they are cutting their donations in half, the amount that people can max out at, but they are getting those, you need to get what -- my brain is working less well than at 9:00. You would need five -- I think you would need five. I think you would need five donor -- you would need five democracy dollar 175 -- I'm sorry. I'm not articulating this well. Currently you can get -- okay, anyway, it would be helpful to know what their experience has been in terms of how successful those candidates are who are opting for lower campaign contributions but the democracy dollars.

>> And we don't have those numbers.

>> Tovo: I wouldn't expect you to.

>> I know there are at least two reports that have been done. One report was done by the city of Seattle and then one was an independent analysis of the program that just came out recently.

>> Tovo: Great.

>> I would be happy to circulate those. We did have a councilmember who was elected using the democracy dollars program, their version of the democracy dollars program, and she raised quite a bit of money. I believe she maxed out on voucher expenditures and raised quite a bit of private contributions on top of that.

[3:19:31 PM]

>> Tovo: Thank you. That helps answer the question.

>> One thing in Seattle, they saw a huge increase in the number of first-time donors. I believe it was a three-time increase in small dollar donors, and of that increase 70% of them were voucher donors, but 30% were new first-time donors. It appears it's increasing the rate of contributions overall.

>> Tovo: Thank you.

>> Mayor Adler: Leslie.

>> Pool: I wanted to ask our staff if we don't do a bond election in November, could we do one in may? Which is the next municipal -- the next date for charter. I'm sorry, did I say bond? James bond. I meant charter, what we're talking about now.

>> So if you elect not to put charter amendments on the November ballot, you always have the option of putting them on a may election. Now, there is, of course, costs for having the may election, but I didn't, you could do may or November of either year.

>> Pool: That's what I wanted just to book mark if indeed it looks like the ballot is way too long and we decide we don't want to maybe go this route. This year we can do it a few months later. I was intrigued by the democracy dollars and I would say that I would like -- if we were going to contemplate adopting a program like that with all the various changes and adjustments that something like that would cause, I to get it analyzed and have a program set up. There's kind of a framework that the charter review commission discussed and there is one successful program. It's in a state with different state laws and so I think all of those elements would need to be reviewed and analyzed so that if we were to do something like that, it would be structured that would fit our community.

[3:21:41 PM]

So I'm not ready to jump on board with the concept as it stands now, but I would be willing to consider having some study of it. And I did have this conversation with my friends with the league of women voters who had also been following the charter review was talking to one member, but she is in the leadership and she agreed that we would certainly want to have a study and assessment of how that would fit in Austin before we would go forward with adopting it.

>> Mayor Adler: Okay.

>> Pool: And there was one other thing I wanted to say. Sorry. But with regard to the planning commission issue, I did read the legal memo that came through with the option, the two options. One is the charter, which is what we know, and the other was to just change the code. My point on that is the piece about how the code --

>> Tovo: Did you see legal amendment?

>> Pool: Can I just -- I'm not going to say anything about it. My point is that I would make is that it doesn't address the issue that we were concerned with. So -- so -- so we need to have additional conversation about that.

>> Mayor Adler: I didn't understand the question.

>> Pool: The city manager a minute ago said that there was -- or maybe it was our city attorney said there was a legal memo just sent to us that had a discussion about the planning commission question we had. Two options. One of them, as we know publicly, was to have an amendment to --

>> Mayor Adler: Okay. If the question is related to a legal memo, then I'll read the legal memo.

>> Pool: Exactly. The point I want to make is the second option does not get to the issue.

>> Mayor Adler: Okay.

>> Pool: And that option was simply -- was outside of a change to the charter.

[3:23:43 PM]

>> Mayor Adler: Okay. I'll read -- we'll all read the memo. Greg.

>> Casar: I'm interested in public financing of campaigns so I appreciate that you all tackled the democracy dollars issue. Outside of the independent ethics commission component, is there a reason why it would have to be in the charter? Is this something that we could do any time anyways? And what were your reasons for recommending it in the charter?

>> The democracy dollars program, you mean?

>> Casar: I'm just wondering if you have any analysis about whether -- quickly reviewing it, I wouldn't see why it would need to be in the charter as opposed to be passed by council. I inned if we need an independent body where names were picked out of a hat we might need a charter amendment, but for the democracy dollars portion, I don't know if you had answers on that.

>> I don't have an answer on that. I don't know if it would be something you could do outside the charter. That would be a question for the city attorney.

>> But I can tell you why we looked at it. Part of the charter had been to look at campaign finance reform. One of the options would have been just to increase the individual donations that either individuals or couples can give and based on the numbers we had been looking at their is a fairly small pool of people that fund a lot of the elections in this town. And we were looking for a program that increasing the individual amount from people who are able to afford giving those donations, we wanted to spread it wider. So the democracy dollars was an idea to get more people involved in the election process and by just making a lot of small donations instead of having a small pool of large donations.

>> Casar: And that -- since we directed you all to look at that area, I'm glad you did and it's a great argument for it. I just wanted to understand if it needs to be in the charter or not or if you discussed that. It sounds like an open question.

[3:25:43 PM]

>> I think it's up to the attorneys.

>> Mayor Adler: Anything else before we move on? The heritage funding.

>> Houston: I have one more and it's for staff. Ms. Goodall, could you tell us where the funds come from in our current program?

>> Currently they come from the application fee for candidates when they file for a place on the ballot. As well as lobbyist fees. Lobbyist registration fees.

>> Houston: Registration fees. And about how much money do we get on any given year?

>> I would say probably on average between 45 and 50 thousand dollars. It varies from year to year depending on how many candidates file the application fee versus the petition in lieu of the fee and how many lobbyists we currently have.

>> Houston: Thank you. I appreciate that. I would really like some more time to understand that because I would rather lobbyist and application fees paid than general fund dollars that we are slowly reducing that.

>> Mayor Adler: Thank you very much for the time you all spent on this. Forgiving rise to these issues. Are we ready to go to the heritage recommendation.

>> Kitchen: I just want to circle back around and make sure I'm understanding what we said was the next step here. Did we say it was going to be placed -- the clerk had offered to put it on -- to put this item on our agenda.

[3:27:43 PM]

I'm just wondering did we decide that's happening or not? I know we talked about it back and forth, I just need clarity.

>> Mayor Adler: I think the rules we have take four people -- any four people can put one or all or any combination of them on an agenda.

>> Kitchen: Okay. So absent that.

>> Mayor Adler: Absent that it won't come on.

>> Kitchen: Okay.

>> Mayor Adler: Delia -- mayor pro tem.

>> Garza: Mine is separate. Is yours about the charter?

>> Tovo: One quick last question. With regard to the file under the referendum and whatnot, the -- the letter of intent that would be filed with the city clerk, is that -- is that meant as some kind of review process? Like would the city clerk be reviewing those letters of intent to be sure that the petition

complies with the -- that the petition Bo would achieve the -- or is it really just hey, we're about to go out and circulate a petition?

>> I think we were radioing it as more -- were viewing it as more of a notification, but I think that could be determined by rules, city rules and procedures.

>> Tovo: Okay many thank you. Thanks again for your work.

>> Garza: Just as we're switching out to the next group, I have to leave at 4:00 so my pulled item is the last one because it's 76 and it's purely trying to save time on Thursday. There's still a balance of 1300 for the latinatas fundraising event at the library, so if any colleagues would be willing to give additional for that fee waiver. I believe my co-sponsors are councilmember kitchen, pool, Renteria and --

[3:29:46 PM]

>> Mayor Adler: I think I'm on there.

>> Garza: Jimmy, Pio, Leslie and Ann. If any other people would be able to give extra.

>> Mayor Adler: Let me check.

>> Garza: Please just email my office, and if anybody thinks about it, so we don't have to talk about it Thursday. Thanks.

>> You can put it on the message board.

>> Mayor Adler: How much more did you need?

>> Garza: 1300, so whatever you can give.

>> Tovo: Mayor, I'll do \$200. If the appropriate staff can reflect that, thanks.

>> Garza: Don't contact my office.

[Laughter]

>> Mayor Adler: All right. Let's go to the heritage grant working group briefing.

>> Good afternoon, mark Washington, assistant city manager. We will try to be mindful of the time. You should have in your packet both the presentation from the heritage grant working group that staff worked with along with the briefing today. Joining me is CARA Bertram, deputy preservation officer, and I want to thank her for the work she's done. She played a vital part in helping us convene the working group and we will explain a little more about some of the participants that was part of the process. But the council has been having lots of discussion about uses of -- various uses of hotel occupancy tax. One of the permissive uses is for heritage tourism, promote tourism to historic sites and assets, and also to promote preservation or rehabilitation to these properties. And we sent communication sometime back in veterans to visitors -- in response -- look at some of the ways we currently use hotel occupancy tax for the heritage grant program which is administered currently by visit Austin.

[3:31:55 PM]

The task force had recommended looking at another administrator and broadening some of the uses of those allocations. If you recall, in past years we've awarded or budgeted an amount about 500,000 per fiscal year in grants to community members and other entities that would be eligible. The task force recommends broadening that. In December the council also passed an ordinance to increase the amount of allocations for historic preservation to 15% of the revenues through hotel occupancy tax. During that time we also asked a group of community members to help us to, if you will, further analyze the recommendations of the visitors impact task force and assemble the heritage grant working group. There was some questions about wherever we were in this process back in March where staff did bring forth in the fy 19 budget proposed allocations for the 6.59 funding in projects and today we wanted to follow up with you and provide you an update on what those recommendations were regarding the uses of grants. For H.O.T. Funds. So the working group was assembled to look at best practices in grant management, and also how we can improve upon what we're currently doing to make sure that we have more uses of those grant fundings for some of our historic sites, and also to discuss how the program should be administered moving forward. Looking at another possible program administrator beyond visit Austin.

>> Thank you, Dr. Washington. The working group members represent a diverse spread of groups and interests.

[3:34:00 PM]

Everyone in the working group is keenly interested in how to make the heritage grant program larger and more effective. To date the scope has been relatively modest. As Dr. Washington mentioned, there have been half a million dollars given out in recent years. The average over the life of the program has been \$200,000 per year. That does add up, and visit Austin has done a capable job of administering the program. The council directive to increase the hotel occupancy tax to 15% of the historical -- to 15% creates opportunities to achieve some bigger goals with the heritage grant program. This is an abbreviated list of relevant priorities from I'm sorry the text is so small, but there is a lot of items. They relate to historic preservation to cultural diversity to economic development. Heritage tourism has broad economic impact or potential for one. Recent studies have shown substantial impact statewide from heritage tourism. Heritage tourists stay longer, they spend more. In Texas heritage tourists make up about 10% of all tourists in Texas with a disproportionately high share of spending. Austin is lagging a little bit with just under 8% of tourists as heritage tourists, and we think that could change. The thing is even tourists who don't come to Austin to see an iconic historic building or site, they still visit restaurants, shops, bars, older and historic neighborhoods. Tourists and residents benefit from character and authenticity, and those are things historic buildings and areas provide. So that overarching view of heritage tourism's potential in Austin was key to informing the working group recommendations.

[3:36:02 PM]

First to create and fund a tourism within economic development doesn't. To develop a citywide plan, to guide hotel occupancy tax. To establish separate more outreach, more application support, criteria that relates under represented communities and capacity building for historic sites. And this is a huge recommendation, but I wanted to mention in the overview is rename the program to really clearly reflect their purpose for applicants and members of the public. Here's a basic chart showing the -- parts of the current grant with recommended changes. Currently eligible applicants are city departments or public entities and nonprofits. The proposal -- or the recommendation would be to expand that to private entities as well. And as I stated before to create a separate allocation for city departments. That would go through a separate process. Currently eligible project types are chiefly exterior capital projects. The recommendation would be to allow any kind of capital project that would benefit tourists and convention delegates, so it could be interior possibly. And also to allow project proposals for planning, education and marketing grants, recognizing that it's not just enough to have a building standing and in good condition, but you immediate to make sure as many people know about it as possible and when they get there they know about it's significance. The recommendation, one recommendation would be to remove the \$59,000 cap that's currently on individual grants. To raise that to \$250,000 informal cap but to not have an informal cap amount on formal grants. And increase the amount of funds per year available to at least \$2 million in fiscal year 2019 and at least 50% of historical preservation funds thereafter.

[3:38:06 PM]

The proposed heritage tourism division would have six major roles. First to administer historic preservation fund. The heritage grant program is on the last slide, but allocation to city departments which could be integrated into the annual budget process. The division would coordinate with city departments on multi year plans providing more predictability over multiple years. The division would facilitate a heritage tourism plan with a significant public process early on. It would coordinate the heritage tourism efforts. There are a lot of things going on from city departments, from nonprofits, to house museums, but they are not coordinated and there's no one to really make sure that heritage tourism is being efficient and effective and also noticing the gaps and helping to fill those. The division would, as I mentioned before, work with individual historic sites to build their capacity. And I missed one. Also support visit Austin's work. This is not intended to replace what visit Austin does, but rather to create a more robust heritage tourism sector that visit Austin can use to market individual sites as a heritage tourism destination. And finally to leverage other resources looking beyond H.O.T. Funds to grants or policies that could help facilitate more heritage tourism. The proposed division is -- recommended to be housed in economic development for a few reasons. The first one is that it really recognizes that heritage tourism is an economic development tool. It uses historic buildings, but it is an economic development tool. It would allow the -- heritage tourism with the music and entertainment

division, the music division. That alignment is essential. Economic development has a lot of experience coordinating stakeholders of all sorts to achieve economic development goals and that would be a major role of this division.

[3:40:09 PM]

Economic development also has the tools to measure return on investment and the working group felt that was very important for these funds, that the funds are using with and that it's important to show that and demonstrate that they have a broader economic impact for the city. And finally, housing the proposed division within EdD would allow the alignment ab learning from the cultural arts division, which already manages h.o.t.-funded grant program from EdD. The working group recommended at least four staff to begin with to host the division. An estimated budget of about a half a million dollars a year would come from historic preservation funds, from H.O.T. Dollars. I think it's very important to note here that budget would not come out of Edds current budget and this recommendation is separate from department requests for staffing or budget. This is coming from outside EdD. Here are some projections for the next couple of fiscal. Assuming a 15% allocation to the historic preservation fund. You can see the division costs. The work he shall group felt it made sense to ramp up the grant program, starting with \$2 million next year and at least 50% of the grant funds thereafter. The rest going to the allocation for city departments. There was some initial discussion about whether this -- a city department or third party made more sense to administer the heritage grant program. The general feeling was the city would be a transparent facilitator, that it could Williamson county broad outy, partner with community groups and other organizations on the grant program. And considering the proposed heritage tourism division adds more reasons for city administration of -- of the grant program and associated programs, which is chiefly a coherent and coordinated framework for heritage tourism in Austin. This would allow the city allocation to be integrated into the annual budget process in collaboration with the budget office.

[3:42:17 PM]

>> And just to put some context, these are recommendations from the working group that the city manager is still considering as part of the manager's budget proposal. And so we were asked for an update a few months ago and wanted to share that with council what's come forth in the working group. But one of the things that the council did approve in the March allocation of the hotel occupancy tax funding was the \$250,000 for another cycle of heritage grants. With the visitors impact task force, originally would he begin fy 19, we only thought visit Austin would administer the first grant cycle for the spring and that we would have another administrator which was we thought another third-party administrator, but this group had recommended us in source ING this instead of out sourcing it with another nonprofit or outside entity. And so we are not quite ready to make the transition for the second cycle. We've talked to visit Austin to see if they would be willing to administer the second cycle for the fall. They are, and we can have staff partner with them, shadow to better get prepared for the

administration of the program in-house, but that administration would require additional resources. Again, what has been recommended would be four staff and it's been recommended to be the economic development department and those things would need to be evaluated as part of city manager's budget proposal. And if so, then beginning in October, in fy 19, we can begin the heritage tourism division and program with the in sourcing of the grant cycle by city staff. So that concludes our briefing at this point.

[3:44:17 PM]

>> Mayor Adler: Jimmy, then Ann.

>> Flannigan: I have a great number of questions about this. But given the dwindling time that we have today, I'll try not to go too far. On -- so right now the heritage grant program overhead costs, that lives at visit Austin?

>> It's factored into their normal staffing costs.

>> Flannigan: Okay. And on slide 8, is there a longer report I can dig into that has the more specific citations and like the last item on slide 8 just says 2015, it doesn't say if it's the same tax report, which report. I have a real big issue citing San Antonio as a comparable for anything. It is a substantially different tourism market, especially when it comes to heritage tourism. I don't think 52,000 jobs and \$2.5 billion is anything close to something we should using as a comparison. It was ridiculous it was included on this slide. I have a lot of challenges with the studies that -- or the implication that because someone who visited Austin went to a thing, that that's the reason why they visited. You can come here for a convention and go to Barton springs, but you did not travel here for Barton springs. So we have to be very careful how we conflate the reasons why people are visiting Austin, which is the point of the hotel occupancy tax is increase people visit to go Austin and the related economic development benefit. Although I am happy to see that they are citing that tourism has an economic benefit, which I think is something very important to the sustainability of sales tax revenues. I'll dig into the longer presentation, I mean slide 15 that shows the costs over two years, you didn't increase the division costs in 202010 I'm not sure exactly what you are doing because we know nothing stays the same cost year over year.

[3:46:23 PM]

2020. I also am curious about, as I have said before, how much eligible projects there even exists in the city. And that we've spent \$3 million over 18 years and we're about to spend two or three times that every year seems like a -- a pretty ridiculous leap to make. And I'm hesitant in assuming that any capital project is going to be fine with a \$250,000 grant. I mean, we've had conversation about mexarte that are not going to be satisfied with a \$250,000 grants. I don't want to do grants in small dollars that don't accomplish anything. I have a long list of questions about this. And I don't expect that I would support adding five staff to EdD to manage this program, but I'll save the rest of my ranting for later.

>> Kitchen: I just wanted to note in the interest of time, just note a concern that I would have. And it's just because this is being raised, and I'm seeing it what I would want is a more complete picture for me. On slide 11, the recommendation to put over 50% of the H.O.T. Tax that goes into this historic -- into this bucket into this program, into heritage tourism. I can't support that at the moment because I don't know what the context is. We have not even gotten a five-year -- what we asked for was a five-year projection -- or multi-year projection, maybe we didn't say five years, but a multi-year projection of our projects that would be eligible for H.O.T. Tax.

[3:48:24 PM]

And so I would have to make any kind of allocation with that list in mind. I'm already concerned that -- I was concerned with the list that we got this spring, but was okay with it only because we were going to get a multi-year list and we had various promises about things that would be considered, like the zilker -- like the boat house and those kinds of things that would be -- that could go on a list for multi-year projects. To my mind, this is the cart before the horse in terms of talking about 50% of historical preservation fund being allocated for, I guess, and I'm getting my terms confused for heritage tourism. I'm not even sure what that means in terms of how that's defined. I wanted to make that real clear because I would not want to keep going down this road. I think it's ahead of what we've asked for in terms of -- you know, I mean I think the rest of it makes some sense to me, although I share the concern about the size of the department we're talking about. Particularly at 500,000, considering we're just now getting the H.O.T. Tax allocation that we have. So I appreciate that at some point, you know, we may want to allocate a certain percentage to a heritage tourism bucket, but I think that's premature. The other thing is, renaming the historical preservation fund to the heritage tourism fund conflates -- and I wouldn't do that because it makes it sound like -- it doesn't recognize that some of the dollars we need to be spending in something other than this bucket we're talking about here. So --

>> Mayor Adler: Mayor pro tem.

[3:50:25 PM]

>> Tovo: So one of my questions actually picks up on that last one. It wasn't clear what you were renaming it to. It said rename those two programs to reflect their purpose, but did you have a proposed name or you are just saying they would be renamed.

>> The proposed name is in the parentheses.

>> Tovo: I'm excited about moving forward with this work. I think it's important. I'm glad to see it moving forward. I think it's going to be -- it's going to be a good use of our hotel occupancy tax dollars, and I appreciate the time you put into making it work. I like it would be within the city and we wouldn't have an outside entity administering that. I missed your answer to the question about whether or not there's a full report or whether this is the report.

>> It should be full report is part of the backup.

>> Tovo: I'm sorry I missed that. Thank you. I'll review that. I concur with councilmember kitchen. I would have concerns about adopting a hard and fast measure toward moving to 50%, but that gives me pause. On the other hand, I do want to provide for the possibility of those larger grants for our institutions that are trying to -- that are in need of larger amounts of capital. Mexicarte was mentioned. There are others that I think 250 wouldn't meet their needs. I would suggest as we move toward having some measures -- not measures, move toward having guidelines around that that we keep it flexible. 2 million seems like the right amount to allocate for fiscal year 2019. I would have to think again, I want to see this benefit our city-owned facilities as well and I'm not sure reserving 50% would do that or not.

[3:52:26 PM]

So I would just highlight that as sort of something -- that's a pending question for me. I'm not vehemently opposed, but not on board either.

>> Mayor Adler: Allison.

>> Tovo: Sorry, I had one more. The last one is I'm going to have to really think about -- we've worked closely with the preservation community to provide the recommendations campaigned in item 64 on the council agenda and I would have to think how it would work to have the heritage tourism and economic development and division of historic preservation and planning in a different department. It seems like they certainly have different functions, but that there is value of having them work closely together. And so city manager, I just raise that, I mean obviously that would be a proposal you would make to us on either front, but I'm not sure if separating those functions completely into two different areas of the city is the best way to proceed if we want to really leverage those opportunities and leverage those relationships and whatnot.

>> Councilmember tovo, the working group did not have the benefit of that knowledge at the time that they started this work in January, but I agree with your observation and we thought about that as staff, as both of these initiatives move forward, where on the

[inaudible], and as well as the questions about the multi-year financing of the projects. The consensus was certainly if allocation were to be made for certain city projects, we could have multiple three, five year programming, but there was some discussion on the noncity projects. How could we really -- particularly for small organizations, commit them to long-term capital, kind of multi-year commitments. So I think to your point we do recognize the potential synergy as well as the point about more long-term projecting projects.

[3:54:31 PM]

>> Tovo: And you are right about the timing and I appreciate you articulating that point. There are also synergies to have heritage -- which is economic development. I don't know like what the answer is there. Just.

>> A question worth considering, the group did talk about that and felt the economic development role in giving away money and grant programs and coordinating those economic development projects superseded the need to have preservation in one box, although there was general agreement about working closely with the his historic preservation office which would continue.

>> Alter: I'm excited to see us recognize the potential economic impact of heritage tourism and be in a position to make further investments so I appreciate the work that went into this. I want to first of all make sure that I'm understanding sort of the proposals. The proposal is to move up from our \$250,000 of grant to then create a division that would be funded out of the H.O.T. Taxes that would be housed in economic development and that together the costs of the grant program plus that division would all go under one umbrella. And then we have a proposal about what we call the umbrella, what we call the division and what we call the grant program underneath that. Is that more or less --

>> I think that's correct. With the addition of the recommendation to separate -- to allow city departments a separate allocation other than outside of the heritage grant program which they currently apply for on a year by year basis with the same cap amount.

>> Alter: My concern is I think over time we may put this increase towards the -- what's in here is 5 million, but I think in the short run that is too much amount of money to noncity projects when we have enormous need in our parks and other city-owned facilities already that are not being addressed that I would like to see those investments over time start with those facilities which we know, for instance, the Barton springs bath house and things like that.

[3:56:58 PM]

The other concern that I have is I don't see a place in this model for how we deal with a community initiated project which may or may not be on city land. That doesn't seem to have been addressed here. So if I think, for instance, we have a group of west point grads who have adopted this park and they want to work on it, they don't have the funding but it's city land but it's a nonprofit that has it, it's a conservancy of sorts, and I don't understand how that fits into this process and how they would be able to access the funds. And you might have that in other different permutations that I'm not thinking about. I do think that we need to be devoting resources to administer this so it can be the economic engine that has the potential to be -- I'm not sure I would ramp things up quite as quickly in terms of the amount for the grant program to the private entities.

>> Mayor Adler: Thank you. I would just add, I'm real excited at the prospect of realizing being able to use the H.O.T. Funding. I think we should be maximizing every bit that the law lets us take and spend on community benefits. And then trying to leverage it as best we can. My only thought on this, and I'll raise it again because this is a question that I've asked before, we asked last budget session, I anticipate it's going to be something that comes up again, one of the things that the H.O.T. Tax money lets us do is

raise money to help with homelessness and help with the arch downtown. If we can use some of that money somehow in order to be able to leverage the t-pid offer that we had had some time back from the hotel industry. I just want to make sure that we're spending this money in a way that doesn't limit or delay the amount of money that would otherwise be available to help with homelessness downtown and the arch.

[3:59:14 PM]

That's a huge challenge we have. It's the number one strategic priority that we set as a council. As we go around and listen to the budget sessions, it's something that we hear a lot. And I just want to make sure that any decisions that we make ultimately we make knowing what the impacts would be. Whatever decision we make, that we make knowing the impact, and at this point we have yet to still hear what impact, if any, it might be having. Ms. Houston, then Mr. Casar. Ms. Houston, then Mr. Casar.

>> Houston: Thank you all for the information. I want to say I think this grant is very beneficial because we're able to use some of the heritage tourism grant, whatever we're going to call it, funding to complete or help complete oakwood chapel, and that will be one of the places where people who like to tour cemeteries go to see, and the chapel will just be gorgeous when you all go in it. That's one of the benefits that's short-termed, it's helped, and somebody else will also have the opportunity to make a grant next year.

>> Mayor Adler: Greg.

>> Casar: Mayor, I've got to step off the dais for 20 or 25 minutes, but seems like you all will still be going as soon as I'm back. But the things I wanted to raise were about schedule and timing for items for Thursday. I've got -- we've been talking about having the two policing items combined -- sorry -- sorry, excuse me, 73 and 74, the immigration and discretionary, that's items -- there are many people interested in them as once, so we can just have people testify at once to save is time in the evening, but those folks are interested in the other issues related to policing, the stipend or the chief appointment. I believe those are only evening items.

[4:01:15 PM]

I'm only requesting time certain for those I'm sponsor on to be leader, but I think it makes sense for those to be evening items. And then I think that the homestead exemption and the bonds proposals obviously are of huge interest to lots of people in the community. It's a big chunk of our budget deliberation, and the bond proposal, so I'm not saying that we can't take testimony in the morning, but I would rather not vote on those or close the ability for people to speak until after dinner, for those two as well. And of course if there's folks in the morning that want to talk on any of these things, I'm fine with that, but I just think with items of such height and interest I'm hearing that folks will want to be able to come after work and speak to them.

>> Mayor Adler: So we have, in that regard, six items that people have requested not to be decided until we get back after dinner. The chief, the bond, the stipends, the homestead, and the -- both the ticket arrest issue and senate bill 4 issue. My concern, of course, is that if we're having all six items not acted on till after dinner, people will show up after dinner intending to testify on all of those items, and we're setting ourselves up into the situation where we're requiring us to be here until 4:00. And I don't know that's fair to anyone. So I just lay that out as a concern. Leslie.

>> Pool: I was going to ask for -- with regard to the bonds, item 17, that that one, that time certain be 4 o'clock in the afternoon. And if we -- so that at least moves it from after dinner.

>> Casar: And what I was saying --

>> Mayor Adler: Hang on. Go ahead.

>> Casar: I was saying that --

[off mic]

>> Mayor Adler: I'm just concerned about so many things.

[4:03:18 PM]

>> Kitchen: Yeah. I don't think that's doable. I don't think 6:00 at dinner is doable. We just need to figure out -- I don't want to go into the meeting with an untenable agenda. So with regard to the bond, so I also wanted to ask another question related to it. I had -- I had heard that perhaps we were thinking that -- or perhaps it might make sense to think in terms of taking testimony this Thursday but not making a decision or not voting on it.

>> On which one?

>> Kitchen: The bond.

>> Mayor Adler: I think the intent is only to take testimony this week, not take action on the bond.

>> Kitchen: I want to be real clear so the public understands that, so the expectation is we won't be voting on the bond until the 28th.

>> Mayor Adler: We'll give people to vote early, if they speak this time, then they don't speak next week, rather than having people coming twice, but this was an opportunity for people to be able to come --

>> Kitchen: I guess I misunderstood, I thought they would only speak this Thursday and not the 28th. But I'm just asking for clarity. That's all.

>> Mayor Adler: I hadn't thought about it that way, but certainly we could do it. I was just trying to give people -- if there was some people in the community that wanted to come speak early on this and wanted to have it front and center in the community longer, but we could certainly say we'll hear testimony this week and not last week --

>> Kitchen: I'm just posing it for question. I don't have a preference.

>> Mayor Adler: I paid. Jimmy, then Ellen.

>> Flannigan: Did we finish the heritage?

>> Houston: They left.

>> Casar: Sorry. I've got to step off, but my count isn't that it's that many items because I think 73 and 74 can be testified at once, and I didn't here what your sixth one was, so I think it might be four things.

>> Mayor Adler: Chief, bond, stipends, homestead, and your two are six. Why don't you leave. We won't decide this question till you come back, and let's go to heritage so you can finish that.

>> Tovo: I had a question. And when you come back, if we could talk about what our expectation is in terms of how many people are coming to speak on all of these items.

[4:05:23 PM]

Are they -- are we talking about -- you know, anyway, that would be helpful to know. I agree with your concern that if we table them all for the afternoon. I think my -- I think I had a question. I've now forgotten it. I just want to make the point, and I'm sorry, mayor, this is almost like a discussion about property taxes and the state that you sometimes have with councilmember troxclair, but every time we talk with hotel occupancy taxes and the discussion turns to homelessness, I just feel compelled to point out to the public, we cannot use Holts occupancy taxes that we're talking about for historic preservation for homelessness. I objected it's part of the bigger conversation that you want to have about the convention center, and I'm extremely supportive of looking under he every -- in every crevice and under every rock, but I want to be careful how we talk about that with the public because hotel occupancy taxes are so restrictive in terms of how we can use them. So our making decisions or providing guidance about how to use the historic preservation allocation of hot taxes is not taking money away from homelessness.

>> Mayor Adler: The only scenario where it could take money away from homelessness is -- and that's -- this is concern I have, because I don't know whether it does or does not, but the question has been raised, and you're absolutely right, we can't use the hotel tax that we generate for homelessness, but the tpid, which is a H.O.T. Tax revenue source that can be raised by the hotel industry, can be used for homelessness. And it's a tax that can't be raised unless we both and they agree to that, and they've offered to take a significant part of that and put it toward homelessness. That gets us involved into the larger conversation about the convention center, so they relate. My belief is that the timing -- we had gotten a report from our staff a year ago that had talked about certain money that could be available from that tourist pid over a certain period of time.

[4:07:33 PM]

I think it was \$5 million in the first several years, and then it went to \$10 million. And the question that I asked staff was whether or not, if we used the full 15% now on the H.O.T. Tax, whether we would still be able to meet the schedule that had been laid out, and staff indicated that they would have to get back to us with that answer. That's the question I continue to ask. But in that respect, they might impact the decision we make on how we spend our H.O.T. Tax might impact how much money is available for homelessness over what period of time. And that's the question that I've just continued to ask, and we haven't gotten an answer to yet.

>> Tovo: Well, I hope -- I guess I continue to hope that the public who's listening to this understands, though, that those are a series of IFS and contingency -- if we spend so much H.O.T. Tax on this allowed purpose, that it jeopardized our ability to increase the size of the convention center, and if the council agreed to expand the convention center and if that expansion made the hotels agree to the tpid, and if part of that tpid was to donate the money back, I mean, it is an extremely complicated question with a lot of answers that would have to be provided for that money to come back to homelessness.

>> Mayor Adler: But I couldn't have laid it out any better than you just did.

>> Tovo: Thank you.

>> Mayor Adler: Thank you.

>> Tovo: [Off mic]

>> Mayor Adler: Jimmy.

>> Flannigan: Equivalent, councilmember alter referenced -- she said there's a great need, enormous need on city-owned facilities, and I've been asking staff to -- if we're going to get what that list of needs is, because I'm not entirely clear that we know the size of that, that's eligible, as the mayor pro tem cited, eligible for this very restricted source of funding, so is staff continuing to work on that?

[4:09:33 PM]

Will we see that?

>> Yes. So we started that process last year, and we had about \$7 million of need, and we are continuing to -- across the city, to determine whether or not they have projects that are eligible. And so I don't have the number of what that assessment is at this point. It's still ongoing, but I do anticipate that as part of our budget development process, we will be looking at trying to get that inventory of needs across the city.

>> Flannigan: But the 7 million that you just cited, that was kind of like a first pass?

>> That's right.

>> Flannigan: So as we start to really dig into it, we're in net, like, two years of funding and they're all done, because the size of the 15% allocation is pretty significant. So the other half of the conversation --

and mayor kind of speaks to some of your concerns -- is this may only be a thing that there's enough eligible projects just for a couple of years of this pot. And councilmember kitchen --

>> Kitchen: I don't think --

>> Flannigan: We can disagree on it. But we haven't gotten a list that says either way.

>> Kitchen: True.

>> Flannigan: And that's what I want to get to so I can see over the long-term, what is this list, city owned, and then we can compare what a heritage grant programs looks like --

>> Mayor Adler: Ellen.

>> Troxclair: I was going back to the time certain issue so I didn't know if anybody --

>> Mayor Adler: Hang on. I think we were going to hit some other elements, then Greg was going to be back so he can be a part of that conversation.

>> I feel like a marvel movie here.

>> Mayor Adler: Does anybody else have anything else on the historic heritage stuff? All right. Dr. Washington, please leave us. Go quick.

[Laughter]. I was just joking. I mean, we have moved past that. Ellen, are --

>> Troxclair: Yes. I would request that we have an earlier time certain for the homestead exemption.

[4:11:37 PM]

I'm going to be at the council meeting from 10:00 to 5:00, but I can't commit that I'll be able to stay past dinner. So on that issue in particular, I think it's someone -- it's one that we have had many conversations about as a council. I appreciate people wanting to come speak about it, but when we have these 4:00 A.M. Meetings, it's only inclusive of a certain part of the community. There's a lot of people who can't be at city council at midnight to talk about this stuff. So to the extent -- well, so, I mean, I don't know if I need to get a co-sponsor or whatever to have it as an earlier time certain, but I would like to do that as early as possible so it doesn't get pushed into the evening.

>> Mayor Adler: Okay.

>> Troxclair: Thanks.

>> Mayor Adler: And I would be fine with that too. I think we said Greg was going to be back -- back in ten minutes. He was the one that raised this. I would suggest we don't decide the time certain questions, because he'll be back in ten minutes, soak be part of that conversation to speak against that if that's something that he wants to do. Okay. Can we have the briefing on mckalla?

>> Good afternoon, mayor, mayor pro tem, and council. I'm Greg canally. I'm joined with Chris continue and Brian who have been helping us in the discussion happening around the you've mckalla place as a

potential soccer stadium. So we thought with having them joining us today, one of the topics we could talk about, as you know, on June 1st, we submitted the report from the council resolution looking at the site of mckalla place as an option for a soccer stadium.

[4:13:52 PM]

That report was submitted and included the site analysis and economics. On that same day, Precourt support venture also publicly released, in essence, an offer to the city in terms of what that stadium would look like. And what we have today, since there hasn't been much discussion about those terms, is an opportunity to highlight some of what they have put on the table and allow Chris and Brian to kind of give us some thoughts on initial reactions on what they have put on the table. That's what we have ready for you today. In addition to that, we have staff, economic development staff here as well if, after this discussion, we need to talk a little bit about the site analysis work that was also completed. So with that, I'll turn it over to Chris, and he can let us -- walk us through some information he's put together for your behalf.

>> Mayor Adler: Okay.

>> Terrific. Thank you, Greg, and good afternoon, councilmembers. Pleasure to see all of you here. We thought we would start by putting into context the psv proposal relative to the universe of different deals that have been made out there across the country over the last decade for major league soccer or mls stadium. Now it will be clear that our firm was not asked to make a recommendation to the city as to how to respond to these terms, but we are responding for the sake of due diligence in providing this context for how these terms look relative to, as I said, other mls stadium deals that have been done out there. On the screen in front of you is a list of the last ten years' worth of projects built in various cities across the country for mls stadiums, and it identifies not only what the total project costs of each of those were and when they were built, but the relative proportion of public money and private money that went into those projects.

[4:16:05 PM]

And the salient point there is that the average of those deals is roughly 35% of those projects tended to be funded by public funds expended toward the project, with the 65% balance tended to be funded by private money, team ownership in those deals. In comparison to that -- we'll get to other deals in a moment -- it's essentially a proposal wherein \$200 million of the project will be funded privately by psv, with a very small number that's been estimated by the city staff at around a couple of million dollars or more in the area of 1% rather than that 35% of public money. So this has to be viewed in terms of the relative proportion of public money to private money as a favorable deal to the city in the context of those other mls stadium deals that are out there.

>> And, council, if I can just -- we are just getting copies made right now. It's obviously a lot of information on the slide and they're coming right now.

>> Mayor Adler: Can you also post that to the backup?

>> Absolutely.

>> Mayor, I have a quick question on it.

>> Mayor Adler: Should we let him finish the presentation?

>> Flannigan: I just want to clarify something I'm seeing, just quickly on the chart, I see that you've noted on numbers 1, 3, and 4, the project costs do not include land and infrastructure contributed by public agencies. On the other ones, was there land and infrastructure contributed by public agencies?

>> Those -- for those three postages in particular, land was not included as part of the project cost, but was a contribution by public agency.

[4:18:06 PM]

>> Flannigan: And on the other ones, was that not true?

>> Just for those three. Those are three that were structured like that. Yes.

>> Mayor Adler: Okay. Continue.

>> Okay. So the key deal points that are in the proposal from psv is a proposal that the project will have construction costs not to exceed \$200 million in total project cost, with the city taking responsibility for site preparation and remediation, essentially providing and preparing the site for construction, estimated at roughly \$2 million by the city staff. Psv will privately finance that \$200 million cost, or whatever the project budget is, up to that amount, and psv will take responsibility for cost overruns. To the degree there's any risk that that budget is exceeded, that risk is carried by psv. The team, psv and the soccer team, will operate the facility, have rights to all revenues and responsible for all operating costs and capital upgrade and repair expenses in the future. The terms do allow for a certain limited number of city events for which the city will take revenues and bear event day costs, but other than that, the overall operating risk responsibility both on the revenue side and the operating cost side rests with the team, psv. A 20-year term, options for up to three renewals of the same duration. And the way they have proposed to structure this, although they will privately finance and develop the project, the stadium will be donated to the city at the completion of construction, both the stadium and land will be owned by the city, and psv will pay a dollar a year in rent to use the facility, but also be exempt from property tax during the duration of the lease.

[4:20:21 PM]

We believe that those terms, both because of the preponderance of private funds and because of psv taking responsibility not only for the construction risk but also the operating risk of the facility, as I said, are relatively favorable for the city. We do think there are a number of points not fully addressed in the terms that were included in the proposal which we would recommend the city consider for ensuring that it is a proposal that meets all the city's requirements if the city chooses to proceed with this. So we've noted a few of them here. And my slide seems to be building backwards so I'm going to start with the point that up here is at the bottom of the slide. But we believe that the city should require a non-relocation provision for the team during the course of the lease. This isn't currently cited in the proposal that has been submitted, but the notion here is that there should be some mechanism in the lease that prevents the team from defaulting on the lease and moving out of town, it ever desire to do so. And the typical way of doing that is by attaching their continued adherence to the lease to some financial penalty that relates to the initial investment the city has had to put into the project in the first place. So, for example, the city might require that in order to break the lease, the team might be obliged to not only repay the city for costs incurred in preparing the site, but also for demolition of the stadium and preparation of the site for an alternative use, as one example. Another term that we think the city may consider in further discussions with psv, should you choose to proceed, is recognizing that even though psv has agreed to carry the cost overrun risk in the project construction, that pertains only to the vertical stadium construction that they have agreed to fund, the \$200 million, and that there real estate the potential -- remote, but there remains some potential for there to be exposures or cost overruns in the site preparation work itself that the city is obliged to do.

[4:22:44 PM]

And this may sound like a surprising thing, but the fact is that as the team goes through design of the project, that design process, that has a lot of decisions involved in it about building systems may cause something to occur where for example, the -- as the building's technology and electrical systems are designed, may result in the creation of a -- an electrical load requirement that would require some heavier level of service. So we were recommending that what the city do is require very clear list of what all the service requirements are at the outset of the project so that the city knows what they are, the city can make a determination that it has the ability to meet those capacities, and then the city will not be at risk throughout the construction process for those potential exposures. Another point is, we recommend that the city require that opportunities be examined to maximize on-site, affordable housing. There's the consideration of what uses might be developed on the site in addition to a stadium itself, and we recommend that considering other goals of the city, that a requirement to maximize on-site affordable housing be considered. We also feel that the city should require a more specific definition of site preparation than is included in the deal terms. We think that can be a slightly fuzzy area, and in fact, that, for example, a team could require that the city prepare a site, and at some point could say, well, we think that should mean that you clear and level the site or even do some of the excavation work for us, and we think you need to provide a clear definition that says what preparation is and make sure that that possibility is closed out and the city is not at risk for any such overruns. We feel that the city should require that the documents create a clear quality standard for the facility and

identify a specific number of other stadium projects out there that should be held up as the standard for quality.

[4:24:53 PM]

And we believe that that is important because this is a city asset. It is going to be donated to the city. It's a city-owned building and the city should have a say in what quality and design structure are. For the same reason, we believe that the city should require approval rates over a set of basic architectural documents to demonstrate that quality. And then, finally, we believe that the team should be required - psv should be required to create a transportation and parking plan to address any transportation or parking challenges, parking challenges and solutions to them. So that was our overview summary of what the terms are in the proposal and what our recommendations are if the city chooses to proceed with them for how to make it a better proposal for the city.

>> Mayor Adler: Okay.

>> Again, mayor, mayor pro tem, we wanted to again address that document that had been presented to the city just to highlight that and our initial reaction, and again not only are Brian and Chris here to talk about that, but staff is here to answer any questions you have about the staff report that went out on June 1st as well.

>> Mayor Adler: Any questions about the discussion so far? Leslie.

>> Pool: First, I want to thank staff, and Mr. Canally and Ms. Gello, do you have more you want to or is this the full presentation?

>> We have other areas. Staff is ready to talk about the report that we want out publicly, if there's questions about that report, because this -- psv was something they had given us. We wanted to just quickly highlight that for the public because that wasn't something we had previously done.

>> Pool: Okay. Good.

>> I think while they're sitting here to talk some about the psv terms they put on the table and our reaction, again, staff is here to provide other comment.

[4:26:59 PM]

>> Pool: Great. Let me just jump in really quick and -- because I had a couple things I wanted to say, I think we're running out of time and I'm one of the ones who actually has to leave in about an hour. So is that okay?

>> Mayor Adler: We're all going to leave in an hour.

>> Pool: Excellent.

[Laughter].

>> Pool: That sounds great. First I want to thank staff for all their hard work on this and I know how hard they've worked on this. They put the memo together with a pretty aggressive deadline, and I think they did a really good job. So thank you, and I appreciate your work on this. I have a number of outstanding questions on the proposals cost and a few concerns about the economic impact analysis that I think deserve further review. I posted these on the message board yesterday and I've handed them out to everybody here today. I know that y'all may not have had a chance to think through all of these fully, and that's okay. I do know some of them are pretty in depth and that you may need more time to respond, but I wanted to give our staff -- and are both of you gentle machine from B & D? -- An opportunity for the floor to discuss any pieces of them that I've raised in these documents, specifically to get to some of the questions that I certainly have and that I'm also asking for the community who will be affected by that. I wanted to highlight the questions about costs and opportunity costs, and if we can really get those flushed out fully, that would be really important because that, to me, is one of the most important pieces. And I know that we don't have all of this pulled together yet. So I just want to say in advance, for me, this isn't -- this conversation isn't about whether we get a soccer team. The proposal lays out some pretty convincing arguments for why mls wants to be in Austin, and they'll keep trying to be in Austin as long as there's an interest. So we don't have to think of this as our last chance ever. It's not a choice between this specific team at this specific site before this specific deadline, versus nothing at all.

[4:29:02 PM]

It's a choice between whether we take the time to get a good deal for the community or rush in and accept a bad one that puts us on the hook. So the questions that my staff and I have crafted over the last week or so have been thought through pretty deeply. I don't know that they actually even plumb all the depths, because we have information provided in psv's proposal and today we're getting additional information from B & D. It looked at memos we got from staff. I know there's more information and I look forward to my colleagues asking questions. But I did want to make these statements to kind of frame the conversation as far as I'm concerned and my residents and constituents in district 7 where this property is located. So I will give the mic over to anybody else who would like to talk. And I may have some other things I want to say later on.

>> Mayor Adler: Okay. Ann?

>> Kitchen: Well, I think I had one question that, looking now at what councilmember pool handed out, is one of those questions, so I'm not sure if y'all are prepared to answer those today. But basically that relates to opportunity cost. I'm wanting to understand whether we did any analysis, and it sounds like perhaps we didn't, about -- you know, about what economic value could come to the city if that property was used in a different way. So -- and part of the question I have is -- you know, it relates to the fact that there will be no taxes paid on that property under the proposal, and so what are we foregoing with regard to that. And those are the kinds of questions that I have.

>> Mayor Adler: Okay. Mayor pro tem -- I'm sorry. Go ahead.

>> Councilmember, the response -- the staff response to the resolution did include an alternate use besides a stadium, but I think you're right, it would then go into the economics of what that could be.

[4:31:16 PM]

But the release is a baseline or framework for an alternative use that was outlined in that report.

>> Kitchen: So is that an answer we can get to in terms of the dollar amount? For my mind, one of the -- one of the ways -- I mean if we're going to -- first off, I really appreciate all the information here. It's very helpful, particularly the recommendations about how we might structure an arrangement. But part of what I'm trying to understand is, is -- is what the parameters are for thinking through whether this is the -- whether the city is getting the best value and perhaps whether we ought to be talking with the -- psv about some additional level of value. And to my mind, I think about that in relationship to if we used the property in a different way, what would we be getting in terms of value. So am I not looking at that? Is that not the way you all look at that?

>> Yes. I would say that --

>> Mayor Adler: You're fine. You're on.

>> Thank you. There we go. I wasn't hearing myself. I would say that the issue of opportunity costs and alternative uses has to be thought about in the context that the potential for a major sports stadium is a relative, technique proposition that one might consider doing even if it were not the -- financially, the highest return to the city.

>> Kitchen: Sure.

>> So that raises the question, which alternative uses are important to look at, because it could be everything from we might say we want to look at a scenario that maximizes the financial return to the city and the economic impact, which might be the densest possible office construction on the site that one could conceive of doing. But that may not be good public policy.

>> Kitchen: Right. Uh-huh.

>> As itself. The other end of the spectrum, it might be something that provides a great public benefit like a cultural facility or museum but that has a much lower financial return on investment for the city.

[4:33:26 PM]

So I think the city staff looked at some potential alternative uses. We certainly can get down to defining some very specific economic impacts. We would want to define very specifically what those other scenarios are that we're comparing to because -- and it could be, you know, anything in that spectrum I just described.

>> Kitchen: Well, I certainly am not suggesting that this is a hard and fast dollar for dollar comparison. I'm not suggesting that. But I am thinking in terms of what the parameters are and what the guide is on determining whether or not this is -- this is the appropriate deal, so to speak. So -- and at least one of those parameters is, well, you know, what is a property value to us if we used it another way.

-- Used it another way? So if that's something we're not looking at for various reasons, then what are you suggesting that we do look at to determine if we're getting the right dollar value?

>> I guess I'm suggesting that we would want to look at it in comparison to some specifically defined alternative uses because, you know, not knowing where the city would want to fall in that spectrum of how to say it might be used.

>> Kitchen: No, no, I understand that I'm just asking if we set that aside and we don't do a comparison of alternate uses, then -- and if I should be reading part of the report, just point me there. But what I'm trying to understand then is, if that's -- if we're setting that aside, we're not looking at opportunity costs, then what are we looking at to help us determine if we're getting the right dollar value here?

>> All right. I think one way of looking at it is, what is the likely economic impact and what is the fiscal benefit, what's the net present value of the tax revenues that the city will collect over the life of the project --

[4:35:31 PM]

>> Kitchen: Right.

>> -- Relative to the cost that the city is incurring. And if you've got greater benefits coming in in the investment you're making, one might deem that a positive investment.

>> Kitchen: Okay. And is that analysis in the report and I just need to go look?

>> Yes.

>> Kitchen: Okay. Thank you.

>> Mayor Adler: I guess the other thing to look at, by way of comparison, what are other cities paying for it.

>> Kitchen: I understand that, that's a value to me, an important point, but I want to see the point you just made and I haven't waded about you all the materials yet. So you're telling me that's in there. I'll go take a look.

>> Mayor Adler: Kathy.

>> Tovo: So I have some -- and I have couple quick questions, I thin about the staff report, and I have feedback about the proposed terms. If it's appropriate, mayor, which would you like me to do now? Both?

>> Mayor Adler: Both.

>> Tovo: So the questions I have about the report. The first one is, I had a follow-up question about -- gosh, I have so much -- here. Hang on. There was a description of the -- ah, and I keep forgetting to read the details about the environmental remediation. But if you could tell us, there was a statement in here about having done -- there was environmental remediation done on the tract, but that there were some foundations laid that if they are removed, you would probably need -- I think they were -- I think they were laid prior to the remediation and prior to the explosion, as I'm remembering it, and so there was a suggestion that if there's any -- if there's an intent to remove the foundations, that there be additional excavation and whatnot. And so I just wanted you to -- there were also some assertions elsewhere that it is -- that the site has been remediated to the point of being safe for residential use. So I'm having trouble -- I'm having trouble aligning those two things.

[4:37:31 PM]

We can get back to it. That's just --

>> We're happy -- actually, I'd like to call Greg kylo who worked very specifically with a number of single points of contact in the departments and he's had more of the detailed conversation. So I'll change out my place with Greg and he can provide you a little more texture around that with watershed.

>> Tovo: Thank you.

>> Good afternoon. Greg kylo, economic development department. So the question on the remediation status, the site has been fully remediated and has a clearance from tceq, the Texas commission on environmental quality, to residential standard. They went back and tested groundwater about a year ago and they have that level of clearance. The question of the foundations, some of the foundations were put in before the remediation was done. There's no expectation of there being contamination under those foundations, but what they're recommending is, if they need to be removed, if they need to be excavated for any development, that it be done under the same conditions they did remediation, which was having -- taking caution and having excavators that are enclosed with bullet-proof glass in case there's another explosion, and that as you would in any case with a site that's had a history that you watch what you're doing and sample if you see anything out of the ordinary. But there's no expectation that there is something there, it's just with the history of the site, they feel like it would be a prudent thing to do.

>> Tovo: Okay. Thanks. And that's just for my colleagues' reference, it's the footnote on page 10. It says there's potential one of the foundations may be covering unexcavated contamination.

[4:39:32 PM]

Okay. Thank you for that. Have you -- and since you're -- maybe you can speak to whether there's been any investigation of the wetlands on the site. I think there are -- some community members have

indicated that there are some wetlands, and if development happens on this site, they would like to see those protected.

>> I didn't see Mike here, but I do know that the watershed went out yesterday, to view them, and their opinion is that there's been some low-grade naturalization of previous -- previously dug detention as part of the earlier project, and that they don't -- there's nothing there that they feel wouldn't be mitigated through normal development of watershed protection. So they don't see it as meeting that -- per the code, the technical is a cef, but I would have to point you to watershed to explain that --

>> Tovo: Okay. I wonder, if given the time, maybe the best way -- I see they're here, but maybe the best way to handle them is the way we do other Q and a. Some of these, I think I'd like kind of a formal written response because I have follow-up questions about it.

>> Which I think would be valuable to get all those questions out in written response. Economic development has put a website together for all this and we've been tracking all questions put together, and we would add all of those to this -- to this repository of many of the questions.

>> Tovo: That's fine.

>> And concerns that have been raised and we want to make make sure everyone has access to those.

>> Tovo: I guess my last question today, then I'll go to the feedback for proposal, my last question we've talked about a few times, and that is an interest in having the staff estimate the property tax, what the property taxes would be on this tract under various scenarios. And I understand it would be just an estimate. It's my -- I met yesterday with some community members, and Gracie woods neighborhood system has provided an estimate that someone did for them, so that -- would be interesting to have some staff assessment of that as well.

[4:41:38 PM]

I think it's -- I think it's relevant to the question of the affordable housing contribution because if it were -- if the site were to be developed, 100% of that tax revenue would be flowing to the affordable housing trust fund. So I want to be able to balance that against the affordable housing contributions that we're talking about that are part of the proposal that psv has brought forward.

>> I think we can take a look at that. I think the estimation word is correct, under different scenarios, both potentially, you know -- again, stadiums are unique, at least what we're learning about them, and then under the alternative scenario that staff laid out, at least as two pings on that.

>> Tovo: I don't even know the scale we're talking about so that would really be helpful. So just to fly through some of my musings on this, one I'll say, as I have said, and maybe I don't need to repeat it, but I am still very optimistic about this possibility. I think it could be of benefit for the city of Austin, and so the comments I'm about to say are not about trying to throw a wrench in the deal, but as I've explained to several people, I think we should treat this as we do other kinds of incentives packages and really evaluate the community benefits carefully and with due diligence. And I really appreciate the

recommendations about how to -- about some of the items that you would suggest we include in there. I think those are really valuable.

>> I would like to see, I'll just give a laundry list of them -- significantly higher green building ratings, especially as this would eventually become a city of Austin building, I think we typically hold ourselves to standards higher than two-star building, and I think it would be appropriate to and I am for a four-star with lead certification of some level, to be determined. It's my understanding that the third-party agreement would carry over, and so living wage and prevailing wage should be part of any jobs on site and in terms of the construction, but I just want to name that in case there's any uncertainty there.

[4:43:43 PM]

I would like to see more -- I'm not sure what the proposal is, and it may be that I just haven't gotten to it in my quick review of it, but probably I would want to see more -- I want to see significant public use of the site. And I'm not sure what they're offering. But if it's akin to what was in the original proposal, I want to see more. I think it was a very limited number of days. I think that this would be a really unique opportunity to look at what other entities have done, and my staff has done research looking at community benefit agreements and other places, with regard to sports complexes, but also other kinds of big projects. So this is a great opportunity in my mind to set some real standards for local hiring and local jobs, locally sourced -- locally sourced materials or regional sourced materials, and so as much as possible, I'd like to see if we move forward in this direction, I'd like to see this really benefit a wide array of people in our community. Not just those who will come and see the game and enjoy that activity, but those -- and also not just those who will help construct the site, because I understand psv has agreed to some provisions with workers defense and is in conversations with them, but also those who will supply materials and other things for this, and again, I think I mentioned it but I'd like to see local vendors in there. And this is relevant to some of the proposed terms because at this point, the proposal leaves all of those decisions to psv, and I would like to at least either set the requirements for those in advance or have a kind of approval process that includes the city for those sustainable and green practices, and I think again, we have -- we are a good example here at the city, but we have some good examples across the country of how to really embed those in the functioning of the site. Couple things that are -- that also concern me a bit in here. I would want a higher -- some level of approval over the branding that is on city-owned things like fire hydrants and whatnot.

[4:45:51 PM]

Probably we'd be fine with what they suggest, but it seems like there should at least be some level of approval from the city. And I have similar -- similar concerns over advertising. I'd want to at least be sure that there's some sort of check to make sure that the advertising that's taking place on site, which as proposed, would be under the control of the club. It seems like there should be some kind of check to make sure that it meets our community values, that kind of advertising. And I don't know if we talked

about developing criteria earlier in a different context. I suppose we could develop a whole list of criteria, or just to make sure within general terms, it falls in line.

>> I am not comfortable with a term that would allow, as I'm reading it, allow a unilaterally decision from the club to purchase the stadium and the land because, in essence, we would be then making that decision to sell it at this point, or at whatever point we were in a position to make a decision about this proposal, and I think that should be done later on. There are some costs here that would be in their proposal borne by the city that we -- I'm not aware of any other circumstances in which we would otherwise be paying them. And 158 has some of them. Utilities associated with the operation of the stadium site. We charge -- it's my understanding we charge utilities for softball league, soccer league, anybody who uses our parkland or other city sites pay their own utilities so I'd have to really think about that one. And let me say the number one thing I would want to do is absolutely understand what the costs are associated with all of these items. There aren't costs associated with them, and we would -- if we entered into such a proposal, we would be committing to bear those costs into the future without -- I'm not even -- again, as I assess this as an incentives package, I want to understand what those -- what the total public investment is.

[4:47:56 PM]

But that one strikes me as one we don't typically pay. And I understand this is an unusual deal with unusual and very differently benefits, and I would take that into consideration but I'm just noting it as something out of the ordinary. Traffic control, police, trash removal, you know, most of the services that are associated with the events are being suggested to be borne by the city, and I am quite certain that I will hear from my constituents about that point. We've had long discussions about security costs and various other things associated with festivals and events. It's my feeling about public sentiment, they want those to be born by the individuals and not the city, for those private events. That's probably enough for today but those are some of what I would see as goals and some things that we would need to talk about more. But in general, I would like to have a better understanding of what some of those numbers are from the property tax side and the potential revenue to the costs of those services, revenue sharing, by the way, is also something we typically have when we have a vendor on publicly owned land. It's not part of this agreement. I note that and would wish for a different kind of arrangement, but, you know, in the end, I'm going to evaluate it based on all of the factors within this. And, again, I think it could be -- I think it could be a very unique opportunity, and especially with some of -- if with them it a model in terms of local hiring and local jobs and local vendors and really high standards, high environmental standards and environmental practices on site, I think that would make it really match well with Austin values.

>> Flannigan: I'll be brief just to talk about a couple things. I haven't had the benefit of looking at the proposal yet. I concur with the mayor pro tem, especially on the public access to the facility. I do think it's important to note that this type of facility doesn't exist everywhere, and you can't build it everywhere.

[4:49:57 PM]

And if we can better quantify the types of public access to it or the types of other events that might use it, I mean, we hear from the convention center all the time that we miss opportunities for things because we don't have a venue that can appropriately serve, you know -- the Irwin center is going to go away in a number of years, and hopefully it will be another council and we won't have to deal with that one. But there's an unquantifiable aspect to it. Councilmember kitchen, I love the way that you asked that, how exactly should we interpret that because I also don't want to get into a situation where we're comparing an idea that we wouldn't actually do on that site, or we're comparing it to something that we could do on other city-owned tracts, but those city-owned tracts couldn't have a sports venue. So affordable housing, there's a lot of opportunity for affordable housing that we still haven't done. So just because you could do it on this site doesn't absolve us from not having done it on the other sites. And so that's kind of what I'm struggling with. And I share all -- very similar concerns, mayor pro tem, to all the bits and pieces that I just haven't had a chance to dig into it yet, but that's all I wanted to say.

>> Mayor Adler: Alison.

>> Alter: Thank you. I appreciate all the work of the staff and also councilmember pool's staff and what they've put together. I understand the timing of this was such that the staff came out with their report and psv came out with their proposal on the same day, and so you don't actually have an analysis of their actual proposal. And that's what I'm waiting for, is, I want a real analysis of their actual proposal that calculates what these costs are and what the foregone revenues are and all of those kinds of things. And we do need to know what the opportunity costs are. We have identified this site for affordable housing. We have two developers who have come forward with real proposals. One submitted them to the city.

[4:51:57 PM]

The other I heard speak at the Gracie woods neighborhood association. They're offering upwards of \$20 million for this property, 500 to a thousand affordable units. There are details of those that we don't know. There are challenges with those. But these are real proposals, and we have to take them into consideration. I wanted to ask a couple of clarifying points here. From the conversation, it sounds like psv is saying they're only paying for the stadium. Who's developing the rest of their pretty picture?

>> Now, that may have been my misstatement. They are paying for the vertical stadium, but everything developed on the site, within the footprint. So, you know, they're on site, landscaping, hard escaping, any other facilities develop the on the site, that's part of their \$200 million number.

>> Alter: I'd like to know from legal, what part of this should be conducted in executive session rather than open session? We're supposed to be getting the best deal for the city and here we are trying to talk about what our preferences are in open session and that makes me really uncomfortable.

>> Well, there's certainly no legal requirement that you go into executive session, but it's open to you if you get to a point where you feel like there's things you're discussing that would -- that would be to the detriment of the city's negotiating position.

>> Alter: Okay. Yeah. I think there's a lot of things that may be to the detriment of our position, and I would ask the city manager to think -- to try to set that up if there are future discussions on this. This item, along with another real estate item on our agenda today, we lack framework for determining the best use of surplus or underutilized city-owned land.

[4:53:59 PM]

I want to pass out this sheet that was a slide from a presentation that was given in March, which identifies mckalla as the number one site for affordable housing. It also identifies winnebago, which is another item on our sheet, as another affordable housing site. And regardless of what you think about those uses, we seem to lack a process for deciding whether or not affordable housing is the best opportunity there. We need to construct a process or a policy or all of these pieces of land that we have that are good candidates for affordable housing will be gone. We can take out both of these from consideration and, you know, we don't have the land. We're going to go to the voters and ask them for a hundred million dollars for land, and yet we're giving away our land for free to a soccer stadium. And I'm having a lot of -- you know, according to this proposal that they're asking us, and I'm having a lot of trouble trying to understand that. So I'd like to know if there are other colleagues who would like to work on a process with me more broadly, you know, separate from this, and if you can let me know that, I would appreciate it. I have a lot of questions, and I hope that staff is going to be coming back to us with a clear analysis of their proposal and also an analysis of the alternative proposals that have been put forward. I know we have at least one of them. And then I wanted to call attention to a survey that was run by the Chicago school of business. It runs a survey of extremely high profile economists. Last year they asked their panel a question about the net fiscal cost of sports stadiums. Their specific question was: Providing state and local subsidies to build stadiums for professional sports teams is likely to cost the relevant taxpayers more than any local economic benefits that are generated. Only 2% of economists disagreed with that statement.

[4:56:02 PM]

So I think we need to be very careful. We can understand why the crew wants to come to Austin. We can understand why people in our community want to attend and be part of a soccer community. But we, at the end of the day, have to make some very important fiscal decisions. And if at the end of the day we decide that the benefit of having that stadium and that soccer team outweighs the cost, that's fine, but we need to go in with open eyes. You know, 98% of these economists did not disagree with the statement that said that it's likely to cost the relevant taxpayers more than the economic benefits. And there's a body of literature, and Austin is exceptional in many ways, but I don't think we defy the laws of

economics on this particular issue. And so I do think that we need to take that into consideration. We can decide otherwise and we can decide that we want a soccer team here so badly, but we need to be up front about what we're deciding.

>> Mayor Adler: Okay. Leslie.

>> Pool: Thanks. I just have couple more questions and then I guess we might be wrapping up. It was stated that the stadium construction would be entirely privately funded? Is that correct?

>> Yes.

>> Pool: I want to point my colleagues to page 156 of psv's proposal. It states in there that one of the sources of stadium financing would be the new market tax credit. So just in the spirit of clarity, I want to make sure everyone is aware that while the city would not be contributing to the construction itself, this proposal does include federal subsidies. So I don't know what portion of the 200 million would actually be funded directly from the private funders, and maybe that is part of some additional questioning that we can get. But that's the new market tax credit, and we need to look at that and see how that plays into the financing. I believe I heard B & D state that the cost of the stadium were generally favorable relative to other stalls.

[4:58:07 PM]

And, mayor, this goes to the point you were talking about, the unique element of a stadium in the city. So I have a question for our city staff because I think that's a really good point. Do you feel that you have at this point provided council with a full and complete summary of all costs and opportunity costs that the city would incur under the psv proposal, or do you feel like there's additional work that you need to do, especially given the additional information here today and the questions?

>> Well, councilmember, what I would say is, again, I think part of the objective of having this discussion today was to get out some of the terms that psv put out a week ago, and we've given you our initial impact. And I think what's value from this conversation, and I think what we're hearing from each of these conversations, is you would like us to go back and ask some further questions of them and dive a little bit deeper in that. I think the purpose of today has borne out, and we stand ready to do that. Like you, we've had this proposal for a week. And so we -- we -- if that's the desire, and I think it is, to go ask some further questions, we're able to do that.

>> Pool: Again, I just really want to thank you guys for all the work that you did. I want to make one -- were you going

>> I would like to build on that by simply saying that the comments also related to affordable housing and income-restricted housing and opportunity there on-site, I do believe that warrants additional time to bear out on what can be yielded around that particular community benefit benefit.

>> Pool: I'm glad you brought that up because I would be interested to think about that and dig into it because the people who might decide to live there then would understand that they were like on the same property with a stadium. So there may be a segment of the population that would definitely want

to live there, absolute. Maybe the team, for example. I want to make a point about the nonpayment of any taxes.

[5:00:08 PM]

This is the piece about sourcing of local products, which I think some others -- yeah -- brought that up. And I think that's a great point, but it occurs to me that if they pay no taxes, but the small businesses are paying taxes, then psv can sell a beer at the stadium for two bucks, but the Alamo draft house is still going to have to sell it for five bucks. So that has a distinct disadvantage for our local entities. And it automatically disadvantages other similar entertainment businesses like restaurants and bars and movie theaters. And this is the piece that the economists that we've been talking to call. I think it's not just displacement, I think it's a substitution effect. Family has 50 bucks that they're going to spend on disagreement on a given weekend and they're -- entertainment on a given weekend and they choose Alamo draft house, now they're going to go to a soccer game. There's not double money, it's the same amount of money. And that goes to leakage, which I think these gentlemen in here are leaning into a little bit. So I just want to follow up on a leakage question. And this may be something that can be followed up in writing later, but this is question number 15 on my list of questions. It says how do B and D venues choose a 20% legion lgbtq acknowledge rate for patron spending? And that's on page 8.

>> I would be happy to answer that question, but just to book up to the displacement conversation. We intentionally took a very conservative approach to considering displacement in this analysis. Any of the patrons that originate from within the city or the county we've assumed any of their spending is totally displacement spending. None of that spending is net to the market economy. So that's a very conservative approach. The presence of this project will almost certainly create some new spending patterns, but for lack of better information we really haven't quantified what percentage that is.

[5:02:16 PM]

So the displacement factor is something that we really feel like we approach conservatively. With regard to leakage some of the stadium patrons will when they're attending games or events, they will purchase items from non-local market economies. We have used 20% as a fair estimate. I would say that we probably have something in the range of 100 assumptions throughout this analysis and we use educated hypotheses to inform each one. It would stand to reason that if you are attending a stadium event that you would likely purchase goods and services within the immediate proximity of the facility. So 80% we believe is a very fair instrument in terms of 20% stadium, 80% local.

>> And your specific area of expertise is in the planning and construction of sports facilities, that is right?

>> Took. Bnd venues is a practice group in [indiscernible], a much larger firm that cuts across a number of different areas. This practice group focuses on major assembly facilities, stadiums, arenas and the like.

>> Pool: Is it fair to say when you were giving us this estimate you were leaning toward helping us make the decision to go ahead and do a stadium?

>> Very respectfully now I would not agree with that statement. We are -- although we are engaged and focused in the sports venue industry, we are typically represented public entities in that process. We are usually working for a city or a county, not a team. And although we were not asked to make a recommendation to the city as to whether to proceed with this project or not, when we have been asked that question we have very frequently recommended not proceeding with the project because we found it didn't meet the city's policies.

[5:04:17 PM]

So I'm -- we certainly do not feel we have a bias in terms of making a project happen. We have a bias in terms of protecting our reputation. We've been doing this business 20 years and we would have stayed in business if we were making bad recommendations to menu clients.

>> Pool: And when you said locals are from the city or county, were you considering Williamson county folks to be considered locals or non-locals?

>> So we just looked at Travis county and we looked at the city of Austin. When we calculated impacts to the city of Austin, if you do not originate in the city you're non-local. When we calculated impacts to Travis county, if you impact or if you originated from any other county you were considered non-local.

>> Pool: And if we move forward with this stadium, and this is for our staff, considering that B and D has given us this information here, would they be conflicted out on continuation on a contract or if we wanted -- would we continue to use them or would they be conflicted out?

>> They would not be conflicted out in fact again because they have been -- their main practice is representing local municipalities on these. They can be brought in to help on this initial assessment and if there is a decision on council to move forward we believe we were -- I would say we're very fortunate to be able to get their services on a short notice of the we did ask around for other folks and there's not many people that do this work in the country. To get someone that has a majority representing municipal clients I think we're in a favorable position. If there's a move-forward plan, we would be looking to continue to get their advice like we had today on their initial reaction to what psv. It was available to have that insight that we don't have.

>> Pool: Great. And last for me, I think it was Washington, D.C. Did a really thorough review of other city's stadium deals and we will be sure to put a link up on the message board so everyone can benefit from it.

[5:06:24 PM]

I think there was a question about how other cities had managed that.

>> Mayor Adler: Let's pause for a second. We're about to lose Ellen so I want to call up the conversation about timing for the meeting and then we'll go back to conclude this. We have six things that people have asked to speak about. There's been a suggestion that the bond get called up at 4:00 or late afternoon. I say 4:00, some time after lunch as people are here to be able to speak about the bonds, since there will be another opportunity for people to speak, that makes sense to me to do. So without objection we'll invite people to come speak on the bond that afternoon, Thursday afternoon, rather than Thursday evening. Yes, Mr. Casar?

>> Casar: I think there will be some number of people that could speak in the morning on that issue. So -

>> Mayor Adler: On the bond.

>> Casar: I think if we could take as many people up during the day as possible, but it's just if somebody is in the evening wants to speak, I wouldn't want to preclude them from doing so so that we air all the issues related to the bond because June 28th we're going to have to figure it out so we want to have heard from people.

>> Mayor Adler: I think my concern is that if we leave the evening open for everybody to speak on everything, we're going to be doing a disservice to people because some people will have to be there all night in order to have a chance to speak. I don't think that's fair. So I think what we can say is we'll give people a chance to speak on the bond before dinner and we'll make that opportunity available, but people should not come in the evening expecting the opportunity to be able to speak about the bond, then come the following week or during the day. He will enhas asked for -- Ellen has asked for the homestead matter to be called while she's here and she's here from 10 to 5:00. Discussion on that? Mr. Casar?

>> Casar: Mayor, more broadly across these issues, we, between the police stipend issue and the homestead exemption issue, we could be making decisions on almost \$10 million of discretionary spending in budget.

[5:08:38 PM]

We regularly have multiple opportunities that give people a chance to speak at night on these sorts of issues. And even last year's budget we were largely discussing, I know to many people's frustration, but really five to \$10 million of how we were going to spend that money. And so I -- you know, I don't know how many people are going to come, but I've just received requests from folks that can't take time off of work, don't have pto to come down here to be able to speak about that significant of permanent dedication of city dollars to be able to speak on those sorts of things. And the bond is going to be hundreds of millions of dollars of city dollars, and if -- and by June 28th I imagine that testimony is going to be less powerful because I imagine most of us will have hopefully sorted out most of our opinions by June 28th at whatever hour we make that decision. So I understand that it puts us in a difficult spot in that we want to try to ask people to condense their testimony, but we guarantee people a chance at a public hearing on a zoning case in the evening. The decision of the vote on the police chief, the vote on

testimony around our housing bonds up to 10 million, close to \$10 million in allocation of budget dollars I just think are important enough things that I would want as many of those things to not be closed before 6:00 P.M. Or whatever as possible. But I'm just one member of the dais here.

>> Mayor Adler: Council? Pio?

>> Renteria: I don't have a problem having a public hearing during the day before dinner on the bonds. You know, that's -- and I think we can always play it by ear and see what we can see. If there's enough interest on people who want early, you might open it up for that discussion so they can leave.

[5:10:44 PM]

And we'll just give an opportunity to speak later on that afternoon or night. But, you know, I really think we're doing a disservice if we delay all these items until after dinner. I don't think we're going to be able to get to them without people having to leave and not have an opportunity to state their opinion about how we should --

>> Mayor Adler: Jimmy and then Ann.

>> Flannigan: I like -- I can't remember which council meeting it was, mayor, that we took the harder things first, and I thought that worked way better than trying to do the hard things at the end. And there is a direct correlation between hard thing and number of speakers. I think as a way to divide the items, some of those items are coming to us having followed a pretty robust public input process. I think we all had bond meetings in our districts. I certainly did. There was a whole task force that held hearings as opposed to items like the discretionary arrests or -- I mean, chief Manley hears a lot of public input on that. At some point we've got to do our jobs and earlier is going to be better, especially for the things that we think there's going to be substantive debate. That's definitely my preference.

>> Mayor Adler: So you would be recommending do the chief selection and the bond debate earlier in the day. Any further discussion on this? Any direction? Ann? Sorry.

>> Kitchen: Yeah, I would also say the chief's selection and the bond earlier in the day. And councilmember Casar, I think we all share what you're suggesting, we're just trying to be -- look at the logistics. There's really only X number of hours after dinner and we physically cannot fit that many people.

[5:12:47 PM]

We all care about it and I know you didn't mean to suggest this, but I wouldn't want to suggest that those of us that are just trying to find out a more practical time to do it are going to be sensible to people who only can come after dinner. That's not the issue. The issue is how to make it work. If we can do the bond after dinner, we still have an opportunity on the 28th to perhaps take a vote on the bond

after dinner so that would give an opportunity to do that at the next meeting. That may be one way to address the concern. We have to do something with this schedule.

>> Mayor Adler: What about the chief, the bond and the homestead before dinner? Before dinner, chief, bond and homestead before dinner? Does that work? Other than Greg are we okay with that?

>> Pool: In what order? If we do the homestead exemption first of those three, that may help Ellen be able to what R hear what she needs to hear and if she votes then she can get out by the time she needs to leave.

>> Mayor Adler: She will be here from 10:00 to 5:00.

>> Pool: But if we take it up at like 4:30. If we have three, maybe we swap them over and do homestead exemption first, then chief, then bonds. Would that work?

>> Troxclair: Yes, thank you. I really appreciate it. Baby Margaret is nine weeks old this week, so I'm trying to kind of straddle that I'm back before I hoped to be back, but I know we're making a lot of important decisions this week so I wanted to be here, so I really appreciate y'all trying to, you know, get a few things done during the eight hours that I will be at council.

>> Mayor Adler: Greg and then Ann.

>> Casar: Yeah. I concur K councilmember kitchen. To be able to physically be awake and make our arguments and vote and we could lose people.

[5:14:49 PM]

I just wonder whether there is the opportunity if we let people speak in the evening for people to condense their groups, that maybe we don't have quite so many people speak. I just think that folks showing up in the evening when there's these -- this level of this many important issues, if we won't potentially be closing off opportunities preemptively. What if after dinner there's six or seven people that want to speak on the homestead exemption item? I don't know. Like I said, I don't know how many people are coming, but I just don't know if it's going to be hours and hours of people, but instead it might be some folks who show up and say that they regularly show up for budget hearings, they regularly want to talk on budget issues and state law has put us in this box where we have to make this important budgetary decision early and we have to talk about it. I recognize councilmember troxclair's request as the lead sponsor to speak on the item or to have the item earlier, but I think it's an item with enough public interest that I just wouldn't want to close it off. That's all I'm saying. And I will still ask on Thursday for to not vote on some of these items and to just wait and see how many folks it really is we're dealing with. And I'll make that request just myself.

>> Mayor Adler: And certainly a motion to postpone if we call for a vote earlier would be an appropriate motion for someone to be able to make.

>> Casar: [Indiscernible].

>> Mayor Adler: Both those are allowable motions. Ann?

>> Kitchen: Of course they're allowable motions, but I would respectfully ask you to consider the respect that councilmember troxclair made. I don't think it's an inappropriate request. Anyway, I don't think it's an inappropriate request -- not inappropriate, but I don't think it's fair to ask someone to make a vote on the item when they've already made it clear they can't be there.

[5:16:59 PM]

>> Mayor Adler: Leslie?

>> Pool: I was going to just make that point, it's not fair and not right and how we and want to be treated either that she's not there for the vote on her item. I think it does demand that we take hers up when she's there.

>> Tovo: What's the deadline by which we need to make that decision, the homestead exemption? I'm sorry if you answered that question while I was -- the 21st. So this is our last opportunity. What's the answer? Could we postpone it? We could postpone it to the 28th and have that conversation and vote then.

>> We will check that with law to make sure.

>> Casar: Mayor, I do want to respond.

>> Mayor Adler: Would you post the answer to that. I'll give you a chance to respond in a second.

>> Alter: Are you suggesting that we allow for public testimony, however we're going to structure that, tomorrow, and then vote on the homestead on the 28th at a time when councilmember troxclair can be there?

>> Tovo: Yeah. I would be open to any option that anybody wants to forward in terms of when people speak. I was just trying -- I'm trying to carve out a solution that allows her to be here for her item, which may be the 28th.

>> Mayor Adler: Ms. Houston?

>> Houston: Thank you, mayor. I wanted to highlight a couple of things for Thursday. I'm going to pull 10, 16, 17. I'm going to postpone 85 and 105 or ask to postpone those those. Pull 10, 16, 17, ask to postpone 85 and 105. 17 is already -- we're going to talk about the bonds.

>> Mayor Adler: Yeah, we'll be talking about the bond.

>> Mayor, June 30th is the deadline for the homestead. 'Em. Yes, ma'am.

[5:19:00 PM]

>> Mayor Adler: Mayor pro tem?

>> Tovo: A quick thing about the bonds much there was a conversation earlier about whether we would just have testimony this time and not next time. I don't know if we've gone further down that path. When people asked me about it, it was my understanding that we were kind of beginning the conversation Thursday. So some of them may be thinking they have another opportunity to speak. So I would prefer we not just have all discussion this Thursday, but we -- that we allow -- that we allow for discussion of bonds at the next session.

>> Mayor Adler: And I would support letting people speak either one of those two dates, but keep them both open for people to speak. Leslie?

>> Pool: I just want to check with staff on this homestead exemption. I'm getting a note from staff that says we can't postpone the vote on the homestead exemption because if it only gets six votes it needs more than one reading.

>> That is true. June 30th is your deadline.

>> Pool: And exactly, June 30th is the deadline, but that's the reason why it is coming on the 14th.

>> So it might not be a bad idea. Can you do first reading on --

>> Pool: So we have to take a vote on it on the 14th. If we get six votes then it has to go to second and third reading and the only other time we would have, because it has to be on a different date, I guess, would be on the 28th.

>> In the alternative you would need a super majority for the 28th for all three readings, correct?

>> Mayor Adler: Okay.

>> Pool: We could do a special called or something, but that's the framework that we're working with.

>> Mayor Adler: Okay. 520. Does anyone, not for discussion, but to highlight an issue associated with the pulled items? This is real quickly, like one minute, everybody gets to take 60 seconds here?

>> Pool: Mayor, before we go to that could we let them know if we're done and let them go?

[5:21:02 PM]

>> Mayor Adler: Anything else about mckalla?

>> Tovo: I had one more quick thing I wanted to say and that picked up on the discussion about affordable housing. We've had conversations about the need and a lot of us have interest in moving forward with something. So I would hope that as we are making a decision about this that we make a firm commitment to what is the other tract that we are committed to moving forward with affordable housing on, again, if we are taking this tract out of the running? If there's a council wheel to take this out of the running for affordable housing and to use it as a stadium. Or have limited affordable housing and the stadium use. I hope that the city manager can tell us what the path is for really getting a firm commitment on one of those other tracts and moves it forward. And we've had resolutions about

creating processes, we've had resolutions about interdepartmental things, we've had resolutions about individual tracts or come back with different tracts and this is the product of some of that work, but I'm really interested in moving forward. And I agree with councilmember Flannigan you articulated well kind of what's in my head that there are other sites that would be great for affordable housing. There are not other sites necessarily that would be great for stadium use so that's one reason why I think that -- why I am supporting this use for stadium within -- if there is an appropriate -- if there is an appropriate agreement and contract that benefit the city.

>> Mayor Adler: I support --

>> Tovo: But I wanted to figure out what is our tract and how are we moving forward and when can the city manager bring us back an rfp. I want those things to happen at the same time so the community knows we have a commitment to building on city-owned land. We're not going to delay it. We're moving forward with that project, the affordable housing project.

>> And mayor pro tem, as a follow-up from our March 6 presentation that the slide is from where we laid out that new framework, economic development is in the development of getting -- as we said we would be back in June with an update on all of that, so that will be out within the next probably seven to 10 days.

[5:23:03 PM]

That's going to lay out the whole new rubric that we laid out with more the interdisciplinary team to get there. So that's coming imminently.

>> Mayor Adler: Mayor pro tem, I agree with the things you said.

>> Renteria: Also, in the report back, if the rail stop at the station, I know that capital metro don't have that funding to build that. So my big concern is how are you going to handle the transportation part of it.

>> Mayor Adler: Okay, Ann?

>> Kitchen: On item 67 I would like to know whether anybody is planning on pulling that.

--

>> Mayor Adler: Hang on. Is everybody okay with letting these folks go? One last point on mckalla?

>> Pool: I would like B and D venues to get us a copy of their client list. Can you do that for us this week? Good. And then in response to what the mayor pro tem is saying, we haven't yet decided whether a stadium is appropriate for this sight because we don't have -- site because we don't have sufficient information because of all the questions that were asked and submitted and some that weren't asked today. I will be bringing an rfp on the 28th to open the door for other proposals so that we can level the playing field and we can compare what psv has offered and any other parties who have indicated an interest. And some have had an interest for a couple of years on this site and we kind of know a little bit about that story. But I will have an item on the 28th for the very rfp that the mayor pro tem is talking

about. And it will provide a framework that we can look at and amend as necessary and then move forward with trying to get a sense and get a handle on what would be the appropriate use for this site? Because in my mind we haven't yet gotten tow that answer.

>> Mayor Adler: Okay. Anything else on mckalla. Thank you very much. Thank you for being with us. Ann?

>> Kitchen: Item 67, I would like to request a time certain in the afternoon unless what I'd really like to request is nobody pull it and we just go on consent.

[5:25:12 PM]

But if somebody is going to pull it then I need it to be in the afternoon because one of my co-sponsors is councilmember troxclair and that's something she wanted to be there for. So I would like a time certain of let's say 2:00. Or actually 1:00, whenever we get back from lunch.

>> Mayor Adler: That way we can't take it up before then. She's there at 10. Why don't you rephrase it, you're hoping foe a vote by 5:00 when Ellen is still here.

>> Kitchen: Right. Is that the best way to frame it? I would like to give the folks who want to testify some idea of when we might take it up. Can we talk about it in terms of a time certain in the morning or do you think we need to talk about it as after lunch?

>> Mayor Adler: So because you don't know what else is going to be happening.

>> Kitchen: That's why I'm asking that this one be set as a priority for when it's happening.

>> Flannigan: One minute, mayor, that you said we're going to go around the table here.

[Laughter].

>> Kitchen: Okay, I'm over my one minute. I apologize.

>> Mayor Adler: I think asking that it be voted on before five I think is a significant ask. And I think that we can accommodate that so that we make sure that Ellen is here.

>> Kitchen: Okay.

>> Mayor Adler: Jimmy, do you want to go for a minute?

>> Flannigan: Okay. Item 64, a number of questions both on the whereas and the be it further be it further resolveds, but I don't know that it's possible. Aren't we scheduled to be here tomorrow? Is it possible to recess and address these items in the morning? As opposed to --

>> Mayor Adler: I don't think that we're noticed for tomorrow's conversation to be able to discuss work session.

>> Mayor.

>> Flannigan: But if we recessed to continue this meeting tomorrow, hasn't that council done it on a Thursday a Friday?

>> Yes. It's generally when you're going very late, but you can recess to the next day.

>> Flannigan: Let me finish my 30 seconds of planting that as a seed.

[5:27:12 PM]

66 on the tirz just a general question of why so quickly after we approved it are we coming back for amendments. 72, there's a question about it says at least or no more than three, but it's not clear between the two commissions who appoints two and who appoints one. So there's some kind of process appointment questions on 72. On 73, I was hoping to be a co-sponsor. I think there was a spot left on that. Councilmember Casar, I'm not sure if that's still true. I would love to be considered a co-sponsor on 73. And I have two amendments that I want to bring. One is clarifying language about counties, the other is can adding a 30 bullet point under the be it further resolved to talk about the community policing and the benefit of reducing time driving people who are arrested. That is especially true in my district. People come from steiner ranch all the way to downtown.

>> Casar: That all makes sense, thank you.

>> Kitchen: I didn't finish on the tourism. Can I say something real quick? 10 seconds?

>> Mayor Adler: Let me go to Ms. Houston first.

>> Kitchen: You cut me off, didn't let me finish.

>> Houston: Let her finish.

>> Kitchen: Thank you. Thank you very much, councilmember Houston. My question is I'd like for people to let me know what their concerns are for item 67 whether you do it now or on the message board because I don't know why people are concerned. I understand that people are going to pull it and raise questions, but I think -- I can't talk to other people so I don't know what the concerns are, so I would ask you to just quickly say now, just like councilmember Flannigan did, that would actually be something that I would appreciate understanding.

>> Mayor Adler: Jimmy.

>> Flannigan: I want to do that real quick. I'm concerned about the speed of its creation. I'm concerned when we've created other commissions that had followed a process of resolution that follows a stakeholder community process. We had to do that for the lbgtq commission that when it got formed the student commission had to do that.

[5:29:16 PM]

That was the last two years. I'm interested in talking about how other commissions that have tourism impacts might also have other appointments to that commission. Downtown comes to mind, economic prosperity comes to mind, airport commission comes to mind. I think there's some opportunity there. And I wanted to explore whether or not we might look at like on some commissions where we list different types of professional experience that we would like to see, obviously that wouldn't impact the 11 appointments we make, but it could direct how the other commissions make their additional appointments and that can kind of balance -- that's off the top of my head what some of those things were.

>> Mayor Adler: I need to look at it more. The scope seems really broad to me. I know that there's a visit Austin audit going on so I need to figure out how this interrelates with that. I think those were my two biggest things.

>> Houston: And I put my couple on the Q and a and I can't remember. It's just been too long of a day.

>> Mayor Adler: Ms. Houston?

>> Houston: That's all I was going to say. I have some questions too, but I've asked them on the Q and a.

>> Flannigan: One thing I need to add about it since you brought up the Q and a. I submitted a Q and a and I've forgotten about the item, and it responded to by a councilmember office by the response is not noted as having come from a councilmember office. So I'm concerned that we're getting Q and a answers that we will later point to as having been a staff response when they're actually not a staff response.

>> We appreciate you flagging that and we're going to address that issue.

>> Mayor Adler: I didn't even know you could do that. I would have been answering lots more questions.

[Laughter]. If I had known. If I had known we had that capacity.

[Laughter]. Alison, then Leslie. And by the way, I'm going to go ahead and just recess this meeting so that if we have time tomorrow, people can talk about pulled items.

>> Alter: So I have -- I'm going to have a bunch of questions on the fire related items.

[5:31:20 PM]

I've submitted them. I may have answers and be okay by Thursday, but I think I still have a lot of outstanding questions. There were many details there that were left out of what were actually being asked to fund and there are some changes again in the ranking and I need to understand those before I can be comfortable voting on those, but I have submitted those because I didn't think we would get to those today.

>> Mayor Adler: Got it. Leslie?

>> Pool: So I think along the lines of what Ann was asking about, her item, mine is the item 72. So Jimmy, if you could put on the message board what your questions are and then I know staff have been here. Maybe talk with them and they can give you some answers. I know that there's an expectation that the task force is operating on some conversations that have been going on for a really long time and they hope to turn it around in a really quick timeline, which might be a new model for how we do task forces. So there's that. And I just wanted to double-check, my staff is asking me did we get bonds on for before 5:00 in the afternoon?

>> Mayor Adler: Yes.

>> Pool: All right. Thank you.

>> Mayor Adler: And Jimmy, you don't need to answer that on the message board, you can answer it tomorrow because we're about to recess the meeting rather than adjourn it. We're set tomorrow to begin at 9:00. Yes. So anything else before we move? All right. It is 5:33. I'm recessing this meeting until 9:00 tomorrow morning. Same location.

Title: ATXN 24/7 Recording

Channel: 6 - ATXN

Recorded On: 6/13/2018 6:00:00 AM

Original Air Date: 6/13/2018

Transcript Generated by SnapStream

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[9:13:07 AM]

>> Mayor Adler: Shall we start with the -- but shall we start with the briefing and that lets more councilmembers come down for pulled items.

>> Houston: That's fine.

>> Mayor Adler: Let's do that. So who is it that's giving the briefing this morning on the --

>> Tovo: But if we could maybe take up one of the pulled items first. It's not a briefing. It's a discussion. If you could just give me a briefing.

>> What's the subject?

>> Tovo: It's the boat house.

>> Mayor Adler: Ms. Houston, did you have a pulled item you wanted to talk about?

>> Houston: I was just looking at the list to see who had pulled items that we didn't get to yesterday.

>> Mayor Adler: Uh-huh.

[9:15:08 AM]

>> Houston: Councilmember Flannigan has some and --

>> Mayor Adler: Right. So I think our goal here is to try to spend maybe a half an hour, maybe 45 minutes if we needed it on the stuff so we can get to codenext. Kathy, did you want to daylight something with respect to 28 which is the lease question?

>> Tovo: Yes, I did. I'm going to -- I don't believe we have staff -- oh, we do have someone from staff here, but I committed to them that we would try to supply them with some questions. It's not entirely different from the conversation we had yesterday about the other real estate transactions. It is a long lease, it's an expensive lease, it's not entirely clear to me why we're moving into a lease while the intent has been to try to move out of lease space. I mean, I had some specific questions if Mr. Gill is prepared to answer them. For example, I'm kind of doing this from memory because I still don't have materials in front of me, but one thing we talked about is having the cultural arts move out of the convention center space because of the convention center parking garage construction and I'm not aware of that so we can start there with that question.

>> Correct. The congestion -- Alex gale, interim office for the office of real estate services. The convention center had put out a plan to do some remodeling to the second street convention center garage. And with that they have sent a memo out to I believe mayor and council about that and then I also sent out a memo to mayor and council this week as well also letting you know about skill point lease terminating because the two current tenants are the economic development center and skill point alliance. And so both of those tenants, we would be terminating those leases with both of those entities. So the need for economic development is to find new space due to that remodeling of the convention center garage due to some structural issues with the garage.

[9:17:15 AM]

>> Tovo: And it has nothing to do with the planned -- we did have a proposal that they pulled back, Austin energy had intended to put a chiller on top of the convention center parking garage. It has nothing to do with that proposal that got pulled back, does it?

>> I don't believe so. I think staff had worked with that chiller site group to find another space for that not at the convention center.

>> Tovo: Okay. So the construction in the parking garage has nothing to do with that other now pulled back project.

>> Correct.

>> Tovo: As you locate economic development staff, how about the economic development staff here. So we -- you know, back when things were shifting and there was room being made for new councilmembers on this wing, economic development -- there was some discussion about whether the

auditor's office should stay here and economic development should move out. Since part of this lease is about taking on and trying to house all of the economic development staff together, was there any discussion about moving the economic development staff out of city hall so that potentially the auditor could move back and we would save on the space next door?

>> Not to my knowledge. I think there was discussion if that needed to be done, but I think within economic development they wanted to stay here in this space, but we still needed the space for the convention center group, as well as trying to consolidate the economic development group on the 10th floor and the 13th floor with that arts and cultural group into one space. So to my understanding, there were discussions about that, but it was let's keep the economic development group here in their offices in the city hall.

>> Tovo: City manager, I guess I would ask for maybe some additional conversation about that. If part of the intent of taking on a lease that's, you know, again fairly lengthy, fairly expensive is to try to locate most of the economic development staff together, it's not clear why we wouldn't want to locate all of them together.

[9:19:17 AM]

I may have additional questions I'll do through the Q and a or try to get directly to you all.

>> Just to talk about the length of the lease is really what we're trying to do is we do want to put together an exit strategy for these leases knowing that council does want us to move forward with these strategic acquisitions. But with working with the market, trying to find space, you know, they've asked for these longer term lease, these seven-year lease terms so that's what we've been working with the landlords and with the developers to find adequate space at a reasonable price at a reasonable term. But we are working with the strategic facilities group to make sure that we do have this exit strategy, but also making sure we're co-locating these offices together where it makes sense to do so.

>> Tovo: And are you continuing to reach out to our partner entities such as aid and others?

>> Yes, we are. Aisd, Travis county as well as the state, you know, if they have any space as well.

>> Tovo: And they had no -- none of those entities had space that might be appropriate?

>> Not that would work for these three groups.

>> Tovo: Thank you.

>> Mayor Adler: Okay. Yes.

>> Flannigan: Mayor pro tem, I share a lot of your same concerns on this. I think everybody wants to be in this building so it's kind of a bigger conversation than that. Than just who got here first or who happened to be here in the day gets to stay here. Especially we've seen the clerk's office needing to grow and other needs that really should be in this facility. I asked staff for a number about we're leaving facilities that technically are city owned but they are enterprise, so there was a transfer to like aviation, for example, for using that facility. I assume there was a transfer to the convention center for using that

facility. You know, code was -- I don't think the city owns the facility where code was so in terms of the spaces we're leaving that we no longer are paying for out of the general fund, what is kind of the net cost of this action?

[9:21:27 AM]

>> So I've put just a quick spread sheet together, for hrd current annual costs paying to the airport for the lrc facility was \$450,000 for the first year's rent at the new 5202 Ben white proposed lease it would be just over a million dollars. So the net difference is \$585,000 roughly. For the code department, they currently pay 642,000 at Rutherford and rbj. The proposed lease at 52 Ben white is about 1.1 million, for a net difference of about \$510,000 for the first year based on the first year's rent. For economic development, they currently pay \$158,000 for OTC 10th floor and the proposed term is \$451,000 for a difference of about \$293,000. So if you were to add those three together, you're looking at about 1.3, 1.4 million net difference between the current pay -- current rents and the proposed rents.

>> Flannigan: And the convention center is something that is happening so that move has to be made.

>> The airport, the hrd as well. The airport has a development going on which is forcing the lrc to be relocated from that space as well.

>> Flannigan: And the -- Rutherford and rbj?

>> So that one is -- it's kind of a two phase. One is based off we were leasing parking from the Austin geriatric center near the rbj facility for 60 60 fleet vehicles there. Because of the development we no longer have those 60 spaces as well as an additional 55 parking spaces we had been using for free from Austin geriatric center that was on their property.

[9:23:31 AM]

The parking for the fleet facility as well as a lack of parking for staff was causing code to relocate from rbj, but also to consolidate those two administrative groups, one at Rutherford and one at rbj, it was thought let's consolidate the two instead of having them in two separate locations.

>> Flannigan: From my place if we saw some of the other options explored to get a better sense if this is just a bad situation and we've got to raise the costs because of forces either in or out of our control. I need more information before I'm increasing the costs to this degree.

>> One thing I did want to note, the program corridor office is looking for space as well due to being displaced from the lcra facility that we currently lease from, and they have looked at Ben white and were planning on bringing an item to council. We were hoping to get it on this week's agenda but we were a little bit late so on the 28th we are planning to bring that item forward for the program office to be located in this same facility as well.

>> We can prepare, Sara Hensley, we can prepare some information if it's the will of council for an executive session. I would like to note that something for you to have in your back pocket is that several of the assistant city managers in working with the Spencer reconstitute the strategic facilities government group to look at it at the city manager level, assistant city manager level and look at the flow how we're looking at least space versus purchasing. One of the things to note is part of this real estate deal is that this is concentrating a lot of city departments into one location for rental and there is the option to purchase. By reconstituting the strategic facilities governance group will give us an opportunity to look citywide again and to lay it all out for council to show them what lease space we have, what needs are existing, what our future needs are, and then the recommendations that would come forward from that.

[9:25:43 AM]

There's a member me I'm preparing for Spencer's signature that will hopefully come to you Monday that will lay out the recommended process and we can discuss this in executive session with those properties.

>> Mayor Adler: Ann.

>> Kitchen: So -- so I'm wanting to understand what we're saying with regard to this item. I'm hearing that we want executive session, but we're going to move forward with this item because executive session is broader; did I hear that correctly? Executive session is to talk more broadly about our needs? I just want to understand what we're doing.

>> Mayor Adler: Ann is asking the question whether we're going to act on this item this week.

>> Kitchen: Yeah, I want indication from my colleagues. I'm prepared to move forward with this item, but, you know, I understand the questions people are asking in terms of the bigger pick you are and Tim -- picture, and I'm glad to hear the organization you all have put to that question and I think that that would be a good executive session to have, but I see that as a broader question.

>> Mayor Adler: Mayor pro tem.

>> Tovo: I had two follow-up questions and run relates to this. What happens if we don't approve this? What happens to those staff? I see in one case parking going away. It's being redeveloped so the parking is going away. In another one of the tenant -- I mean the landlord, but the landlord is the aviation department, has terminated the lease. So I guess I have two questions. One is why is the aviation department terminating the lease for our other city department, and then the second would be if we don't -- if we don't approve this, you would have to find another location for the fleet vehicles. What happened to the staff? They stay where they are? Is anybody else in danger of losing their lease other than the group that's in our airport?

>> The convention center with them doing --

[9:27:45 AM]

>> Tovo: How many cultural arts staff do we have over there?

>> Five to ten maybe.

>> Tovo: So we would have five to ten staff members losing their office space, fleet vehicles.

>> So and then the airport, I believe that they have planned a development for that area and so they've been working to use what's currently the Irc as I believe administrative space for them. So they've basically built out to what their limits are and they need to have space at this Irc space and have indicated this to hrd for over a year so we're to this point where they are being pushed out of that. The other one we're bringing on the 28th, the program mobility office, is tied to lcra who is terminating our lease for that -- for that space at the lcra building.

>> Tovo: So the one you are bringing on the 28th, those employees are also being housed in this space?

>> No.

>> Tovo: If we could just talk about that separate because I'm trying to figure out --

>> It would be. The plan is to bring item 4 to the same space, 5202 Ben white.

>> I think mayor pro tem what you are saying and the answer is yes, this would displays several of our city employees. The issue at the lcra -- at the site where the airport is, this has been going on for over a year where they were going to have hrd move out, they backed off because we had no other place to move the employees. Now they are saying it's a critical juncture that we need to complete our processes for moving forward to turn this into our administrative office space as we are continuing to build out the airport and the facilities. And so this won't happen overnight and that's the other process that occurs. When we enter into a lease agreement, there's due diligence that has to take place in regards to every type of facility assessment and walking through the facility to make sure it's appropriate. In the case of the lcra, we've been looking, staff have been looking for months to find an alternative site that would meet the needs for the number of employees for the corridor office, and we are down to the end of July when they are going to be having to be forced out and no place to move them.

[9:29:57 AM]

And so we are at a critical juncture that -- recommendation from staff would be to move forward on this item so we can co-locate a large group of city employees as we reconstitute the governance team to then look at do we make a recommendation as far as that facility to continue to lease purchase or are there other facilities and other city needs as we progress through looking at space for our employees. Including your suggestion of looking at EdD here at city hall and the issues related to the auditor's office. Put on to the agenda for us to review and come back at some point. But this would probably -- is a critical juncture for us.

>> Tovo: But it is a seven-year lease. It's not an interim kind of thing while recon substituting -- I have other questions but I'll leave it there. I know we have a busy morning.

>> Mayor Adler: Greg, do you want to talk about taxi cabs?

>> Casar: Yeah, I won't run everybody through my amendments because posted on the message board and I doubt they will cause much consternation generally. Since we're doing this big update to our taxi code in looking through it my staff found sort of two big categories of changes that I would like to make. One is that in cleaning up that code there seemed to be some leftover appendages of things that don't really make sense anymore and I think that the staff -- we are just recommending staff some cleanup. We're no longer requiring a dispatch office but potentially requiring you have a radio that connects you to a dispatch office. That's kind of littered throughout this old taxi code so we're just going to post on the message board three or four things that are really just cleanup things that I think the staff should have gotten to. My staff is meeting with staff today to go through those things. And then second, there are sort of a list of things in our code that are really strange and odd to me.

[9:31:58 AM]

They seem to be things that should really be in an employee manual that a taxi cab company has with its staff and not class C misdemeanors under the city, like we have class C misdemeanors if you have too many newspapers in your car or aren't well grouped, which are really strange to me to be in city law. So that's the second category of cleanup. We'll post those. The only thing that doesn't fit into one of those two categories, we also call people servants of tax cab companies instead of agents or workers for. That one doesn't clearly fit into either of those two categories so we're going to recommend that change. I just wanted to take a moment during work session to let people know we'll be posting those working with the staff. Hopefully the staff can just on the typo, the things that seem to be typos not making those as amendments but I wanted to flag that for folks.

>> Mayor Adler: Thank you. Jimmy, you pulled item 64.

>> Flannigan: Yes. So I have -- I have a number of questions about this. Some of the whereas clauses seem to be asserting things that I couldn't find in the audit. I'm going through my notes here. Kind of extensive notes on this. And some of it is just the way things are flamed. You know, the eighth whereas clause which talks about comparing Austin with peer cities, but some of the peer cities are significantly smaller, like Savannah, Georgia, or their counties. And so it's not entirely clear how the comparison is being made or if it's taking into account, like San Antonio is a comparison, but -- or cities that have just existed much longer than Austin has existed.

[9:33:59 AM]

So I have some concerns with the whereas clauses. There's another one that talks about -- let me find my note on it. The 11th whereas clause which says partially due to lack of resources and it reaches a

conclusion that I don't find that to be supported by the facts in the audit. The ninth whereas clause talks about 3,000 historic age buildings, many in neighborhoods to persons of color, but that 3,000 number, I'm struck he willing to find where that comes from. It seems to come from a similar whereas clause in a resolution by the historic landmark commission but it doesn't seem to cite an original source. Getting into the be it resolveds, I'm curious what -- in the first where it says create a division equal in standing, does equal in standing have a meaning? Mayor pro tem, are you the sponsor?

>> Tovo: I am, but I'm trying to catch up on your earlier things and capture them. Okay, so if we could just back up for a second, do you mind?

>> Flannigan: Sure.

>> Tovo: You have a concern about the peer cities and their -- whether they ought to be considered peer. The gentrification -- the gentrification team is the source for the 3,000.

>> Flannigan: What is the gentrification team?

>> Tovo: The gentrification study team at U.T. Who is doing the work.

>> Flannigan: That's from the study?

>> Tovo: That's my understanding.

>> Flannigan: Let me go back and check that.

>> Tovo: I'll go back too, but we do have demolition numbers and I'm pretty sure the 3,000 drives with the numbers that I have two, but we'll go back and check that. The whereas about due to a lack of resources, so let me just say not all of these things are -- are driven by the audit. I'm not sure that -- I mean the whereas you pointed out about the lack of resources being one potentially a contributing factor to not having received any applications for potential designations or historic districts from the east Austin survey, it was not a finding -- it doesn't suggest it's a finding from the audit.

[9:36:18 AM]

That's just an observation outside of the audit.

>> Flannigan: And I've come to appreciate how the whereas clauses in one resolution then gets cited at fact in a future resolution so I'm trying to be more specific with how I read them. And I might be the only councilmember that looks at it that way, but I don't know that drawing conclusions is appropriate for a whereas clause which my reading is supposed to be a statement of fact that supports the be it resolveds.

>> Tovo: But do you understand -- we weren't saying this was a finding from the audit.

>> Flannigan: I understand that.

>> Tovo: Okay. So then the be it resolved that you had a question about is which one?

>> Flannigan: First one, create a separate -- equal in standing to divisions such as. What is call in standing mean?

-- Equal in standing mean?

>> Tovo: That language is intended to reflect kind of the hierarchy -- the hierarchy arrangement the city uses for divisions. It's not a department. In fact, we're getting emails saying don't create a new department. We're not suggesting creating a new department. It is currently a program. We want it to be a division along the lines of the current divisions. Urban design is a division, long range planning is a division. I'm sorry. And so we are asking that this be not -- no longer be a program to be elevated to status of division. It has meaning within the city of Austin's department at hierarchy.

>> Flannigan: So I think my -- I'm not quite sure where the council manager line is.

[Inaudible] But I don't know that we do it at the division level so that's more of a kind of charter question. And then more broadly on that, I think this is more a question for the manager to understand later, what it means to have something with a stronger voice in carrying out preservation priorities and efforts. And I think that just -- I need to better understand how these decisions are made by staff because if -- is there a hierarchy question that the organizational change solves for or is this more back to what the audit speaks to which is the people and the positions or the staff and the situation now seems to not be working, but it doesn't necessarily say because it's not a division.

[9:38:45 AM]

So I don't necessarily disagree with the objective. I don't know that creating a division even solves the thing. But I think there's like multiple layers of questions in that one. The second be it resolved talks about peer cities, that's kind of like the same question. If we're looking at peer cities and their staffing levels, are we accounting for per capita or the age of the city or how much historic construction there was in those cities? If we're talking about things that are 50 years or older, Austin was a significantly smaller town 50 years ago to compare to I would imagine some of these peer cities. I just want to make sure we're not staffing -- or we're not asking on the staff up a division to a level that is inappropriate given the age, the literal age of the city we have. The fourth be it resolved, mayor pro tem, what is the historic resource survey? Because I feel like we've talked about it before but it slipped my mind. If we're going to do an annual historic resource survey, it's not like new things got built. Is it done geographically? I can't recall.

>> Tovo: I don't know if we have staff who can give you a fuller discussion, but the historic resource survey are things that -- in fact, there's some cool ones at the history center that I've seen. They go through and usually pick an area of the city to focus on and they use photographic -- they will take photographs of it and, you know, if you are ever doghouse building research, that's often the source of the photos come from past historic resources plan unanimous --

>> Flannigan: That makes more sense.

>> Tovo: There are certain areas that haven't been updated in many years and probably areas that haven't been done ever. Director Guernsey, do you have anything to add to that?

>> Yes, we've -- there was a pretty good survey done back in the '80s that's out of date and we have done more recently the survey in east Austin neighborhoods, and we're going to undertake -- this is the H.O.T. Tax money, additional surveys east of 35 and west of 35.

[9:41:06 AM]

I believe north of about 38th street area. And so they don't cover the entire city of Austin. Our survey is incomplete and surveys actually help property owners to initiate historic zoning so they are not having to do a lot of the research on their own before they submit an application. And some cities are more proactive where they have actually staff that goes in and assists that property owner, helping them entirely through the process, and ours is more of letting the property owner bring forward information and we go back and look at that information. In particular it's helpful for creating local historic districts. Local historic districts so you get the context of the building within an entire neighborhood. And it's more difficult to do those as individuals within the neighborhood and bringing those cases forward because it requires a lot more research on the parts of those individuals rather than going to a city survey first and getting a --

>> Flannigan: Okay. That makes more sense. The fifth one about posting the backup materials, I mean I still get surprised when commissions don't get their backup materials longer than three days generally speaking, I know how frustrated we are when we get backup at the last day. Obviously I'm in support of that and more of a general staff managing the commission's question about are we making sure that our commissioners not just on historic landmark but all of our commissions are getting sufficient information in time to make good recommendations to the council. I don't know that I'm okay for staff accepting grants. Does the seventh be resolved say the intent it wouldn't come before council? Because all the grants I typically see come before council.

>> Tovo: That's not the intent. What is the limit, 25,000 or something along those lines, is the amount that staff can accept.

[9:43:07 AM]

>> My guess is -- I don't know exactly where this came from, but we had a grant to train our landlord commissioners from the state and I think it was about \$7,000 or \$8,000 and we didn't accept that grant. We paid for that out of our operating budget. There is a fiscal requirement I think by our finance department that states that I think it's 25,000 because the administrative costs and tracking those grants through time and the number that could come in could actually overwhelm our staff.

>> Flannigan: So this is kind of exploring how we might facilitate smaller grants.

>> Tovo: Right, and the intent is -- really that was one of the examples. There was some question as I understood the issue, there was some question about whether -- there was an interest in having the landmark commissioners receive some training. They had requested it. Others felt they needed it. There was an opportunity and they got the money to provide -- you know, they received the grant to provide that training and there was some question about whether or not -- they couldn't accept the grant until there was some question about whether the training could happen. You have a need, funding for the need, but no ability to accept it. In the field of historic preservation, I mean we would be -- that would be an interesting problem to have, to have so many grants coming in that it presents a challenge. And historic preservation grants, and I know this from my former work, don't tend to be high dollar amounts. The 25,000 is really set high. I understand that, you know, there are compliance requirements that make it -- that require staff monitoring and whatnot, but -- anyway, I would just suggest that that's -- that would be a helpful change.

>> Flannigan: That makes sense, especially clarifying it's a micro grant compared to our system. That makes more sense. I guess my last question is on the eighth be it resolved where it talks about city attorney with experience in preservation law.

[9:45:11 AM]

Is preservation law a defined area of law? I don't know who I'm asking that question to.

>> Surely there are people who have expertise in historic preservation. I don't know that it's a defined area of law.

>> Flannigan: Okay. That's all I have.

>> Mayor Adler: So mayor pro tem, we had I think suggested some amendments to your office that I understood your office had accepted with respect to this. Is that right?

>> Tovo: If they are the set that I saw a week or so ago, I believe that's the case. They were, as I recall, kind of [inaudible] issues, but let me take a look at them. I think they were fine.

>> Mayor Adler: So at a high level --

>> Tovo: I don't know. I'll have to look. These may be different. But if I could just say to the concerns that councilmember -- or one of the concerns councilmember Flannigan mentioned and also one of the piece of feedback I've heard from -- well, I'll allow him to speak if he has a concern. Let me direct you to the verb directs the city manager to consider the following improvements. I think that's a very important thing to note. These are issues that individuals in the preservation community have advocated for and urged for many years, and I think these are important changes and I would like to see them all go forward. But as you've pointed out, there are limitations under the charter. The council doesn't have the ability to create division. The council doesn't have the ability to mandate that the manager hire additional staff. However, we do have the ability to be very specific about what we want the city manager to consider and that's in the main what we're doing here now.

[9:47:11 AM]

>> Mayor Adler: Go ahead.

>> Flannigan: I appreciate that distinction. I wanted to daylight concerns and not worry so much about it Thursday.

>> Mayor Adler: So we had prepared some amendments that I thought were accepted by your office because -- and it just brings a little more emphasis to the direct to consider part. Because as I read this, it just seems to really -- I'm concerned that it starts to get really into management functions in terms of setting up the office and type of office and who does what and how does what, which I don't think is really our domain to do. So I think these were accepted by your office, and certainly you can post them. It includes the following resolve clause, directs the city manager to provide council with recommendations in analysis of the benefits, feasibility and estimated annual budget cost of the changes above along with any other changes to affect the intent of the resolution by the end of the month. Which enables the manager to come back and say not only consider these, but how he would manage toward the intent of the goal. I know these things were vetted by many of the members of the commission, and I think had their approval and support as well. So we can check those with you.

>> Tovo: All amendments have been incorporated.

>> Mayor Adler: Good job. We'll post this so you all can see this, and Jimmy, those were part of this. The next one, let's keep moving quickly so we can get to to codenext. The stipend issue. Do you want to address that? Or do we want to move to the next one? I have nothing to say on that here now. Leslie, you also pulled that. Do you want to talk to the stipend issue?

[9:49:13 AM]

>> Pool: I'm offering that in order the spy pends should continue during the time art negotiations are going on. Maybe Devin can give us an update on how the negotiations are going. Thank you for being here. Welcome.

>> Thank you, good morning. Mayor and council, Devin with the labor relations office. So we began negotiations with the police union I think at the end of February and we've had, I don't know, maybe eight to ten bargaining sessions since then. We've got a lot more scheduled. All in all negotiations are going pretty well. We're making good progress. I think both signs are bargaining in good faith. I think there was discussion yesterday from councilmember Flannigan about, you know, the order in which to take up things and I think that order is pretty much what we followed. We've taken up a lot of the low-hanging fruit first and we're as usual in bargaining leaving some of the hardest stuff like wages in our case in particular oversight until the end. You have heard from our police monitor about how to -- what the plan is as far as research required to look into oversight issues around the country. So we're still following that path. I don't think the city will have an offer on oversight until that path is completed and we've kind of done all of the research and outreach that we need to do on that front.

>> Pool: So do you think it would hurt the city's bargaining position when we were to reinstate the stipends?

>> I don't -- my opinion is I think when we -- before the stipends got put into place, I think I came to a work session and spoke before this council and said in my opinion it would help get emotion out of the table, out of the bargaining room if the stipends were there.

[9:51:14 AM]

I think every negotiation is unique in its own way, but I think from the police officers from 2018 bargaining, that was my opinion and I haven't seen anything that would change that so far.

>> Pool: So everybody is bargaining in good faith.

>> Yes.

>> Pool: Have we asked for anything yet that the Apa has declined?

>> Sure. And I think they've asked for things that we've declined. But for the most part, we've gotten a lot of what we call tas, tentative agreements. Like in anything I think sometimes you ask for the moon hoping for something in between, and they I'm sure are doing the same thing. But I have it here with me, but I think our last contract had 25 articles and I think so far -- we've already tentatively agreed to half of those. And probably I'd say the majority of the remaining ones have some aspect to money so we the city have said we're not willing to know those until the very end.

-- Negotiate. For the most part the ones we're able to bargain and come to agreement on now we've done that.

>> Pool: I believe we do have money for the stipends already budgeted, city manager, is that correct? The stipend should be less --

>> I can have them speak to that.

>> Pool: Thank you, Mr. Van Eenoo.

>> Yes, we do have money in the fy 18 budget for these stipends. We had anticipated they would be paid at the beginning of the budget year. The budget council approved this for 2018.

>> Pool: Thanks. I just say and others may want to have questions.

>> Kitchen: I have questions.

[9:53:15 AM]

>> Pool: I was going to wrap up what I was saying.

>> Mayor Adler: Go ahead.

>> Pool: That our public safety officers are city of Austin employees too and we as a city value our employees and do what we can to motivate them and make them feel valued. Reinstating the specialty pay will create a more motivated workforce and let them know they are valued. It sounds like it would not in any way detract from the negotiations and we have the budgeted funds. I think it's a resolution that I hope will get a good vote on Thursday.

>> Mayor Adler: Okay. Ann and then Jimmy.

>> Kitchen: I want to understand better some more issues around the stipend that councilmember pool didn't ask about and that is the -- the -- the stipends were offered as part of an interim agreement to -- to the police; is that correct?

>> Yes.

>> Kitchen: And they were turned down, right?

>> Yes.

>> Kitchen: Am I right in understanding they were turned down twice?

>> So we offered them --

>> Kitchen: In other words, tell us better about the history of the interim -- yeah.

>> So we offered the interim I believe initially on April the 10th, and then what I and my team interpreted comments from the other side, it was a verbal kind of no. And then we had heard that because it wasn't in writing they didn't have the opportunity to fully inform their members so we said, okay, that's a good point. So then I think we offered it again on the 16th of April. I don't know if you would count what they said at the table as a firm rejection, but just to make it clear, we offered it in writing on the 16th and then we got a written decline and went through rationales why they were saying no.

>> Kitchen: So that offer -- I don't know exactly what was in that offer, but I'm understanding that it included extending all these stipends.

[9:55:22 AM]

>> It did. It also included some other parts -- changes to the 2013 contracted, but yes, it did include extending these stipends.

>> Kitchen: Okay. Go ahead.

>> Mayor Adler: Jimmy.

>> Flannigan: So I've said plenty about this even to the media, but, you know, when you're working with the union, they are the representatives of the employees. And we all want to respect our employees

and support them and maybe more so than any other city, certainly in Texas I think we do, but the union represents these employees and they said no. They said they didn't want these stipends in the context of an interim agreement and that's the end of it. That was certainly the end for me. If they want to continue what they refer to as the Cadillac plan and we could have continued the previous agreement including the stipends and they said no, that is the voice of the employees saying no. That's, as we know, how union leadership works. I'm not comfortable restoring the stipends without it coming with the hiring and promotions and oversight provisions that the union itself had referred to in such terms in the past.

>> Mayor Adler: For me on this issue, first with respect to the negotiations on the contract, I certainly hope that -- that we're not going to be negotiating pay increases until the council has considered community policing generally and staffing levels generally, because whatever we would pay would be so dependent on the number of officers we have involved and what those officers are doing. It just seems to me there's no way that at the negotiating table you could begin to discuss pay issue because it's so tied to that. And that involves a broader policy conversation and a broader community conversation.

[9:57:26 AM]

Similarly, I hope that you are not negotiating at the table oversight because I think that oversight is going to be something that first has to come to a community conversation about how we have that. My hope is that the association participates in that as does the whole community so we can figure out what is the oversight system that would be best for our -- for the community to be able to do. And I think that that's the way that that should be decided. So I hope that you're not negotiating those things. Given the fact we can't negotiate those things, we can't get to a permanent contract until we've handled those things. Then the only question is whether we have an interim contract while we're waiting for that to happen. And I recognize in order to have an interim contract it takes both parties that want to do that and there are different arguments back and forth on that. For me, when we had the conversation with the chief last time we considered the stipends, there were some of the stipends he said impacted the operational effectiveness of the force today, and I would support this resolution because it supports the stipends that I think whether we have an interim contract or don't have an interim contract are things that are in the best interest of the community and our citizens to have. So I would support that. I also note that yesterday we talked about having the ability for public debate on this issue to be after dinner, so we're not going to decide this until that point. I also understand that councilmember troxclair might not be here after dinner so one thing for us to consider as a body is whether or not we take testimony on this issue tomorrow and then postpone to take action on the 28th when councilmember troxclair could be here.

[9:59:29 AM]

Further discussion on this? Yes, Pio.

>> Renteria: I'm going to support this. You know, we're the one that turned down the the union and city already negotiated the contract, and because of the oversight issue was the reason we voted down the contract. So it wasn't actually the policing out in the street that was against this contract, and I feel like that we have some stipends out there that officers have volunteered to usurp because of the added income, we have a lot of cadets out there that rely on these stipends. So I believe it's only fair that we reinstate those and hope that knowing -- to reinstate this to send a message that we wish -- let's get down there and negotiate a good contract and come back with one because I think that we really need to get this contract as soon as possible.

>> Mayor Adler: Alison.

>> Alter: Thank you. I share that. I have a couple of factual questions I'd like clarified for the public. There was a memo sent with regard to the cost of the stipends for the balance of the year. Could you provide those numbers, please?

>> Sure. To the stipends you're talking about reinstating in this ordinance would be education and certification pay, shift differential, court time, and clothing allowance. Collectively reinstating those stipends would cost about \$298,000 a pay period. There's 6 and a half pay periods left in the fiscal year. If these were to be reinstated on June 14th, so the math on that is \$1.9 million would be the cost this fiscal year. And, again, those funds were already included in the fy18 budget that council approved back in September.

[10:01:40 AM]

>> Alter: And if we wanted to hire a police officer, how much does it cost per police officer to hire them?

>> Any police officer is about \$100,000 for wages and benefits and about \$50,000 for, you know, vehicle and equipment, on average.

>> Alter: And when the interim offer was made twice and declined twice, was there also a wage increase that was offered?

>> Yeah. That was a lump sum of one and a quarter percent offered.

>> Alter: Okay. Thank you.

>> Mayor Adler: Leslie.

>> Pool: I just wanted to point out that the stipends ended at the end of may and they will not be reinstated until we take a vote on this item. So if we wait till June 28th, that's another pay period that goes by without our officers receiving the stipends. And so I would urge that we take this up, you know, if it needs to be while councilmember troxclair is here, that's fine, but I would rather not -- I don't think it would be fair to delay this.

>> Mayor Adler: Ora?

>> Houston: Thank you, mayor. And thank you all for your presentation this morning. I want to assure all of the members of our sworn police, fire, ems, that I have nothing but admiration and praise for all the work they do and very difficult work at that. My issues are about having the kinds of money available to be able to hire people to do the kinds of community policing that the community is asking for. And if we restore these stipends, folks get their budgets. They sit at the table. They -- or they do it online and they make their budgets dependent on this.

[10:03:42 AM]

And if we don't reach an agreement, then we're right back at the same place. And we have no leverages to be able to say let's continue to work in good faith. I trust that we are, both sides, working in good faith. It didn't feel that way initially, didn't feel like we were all, both sides, working in good faith. And I'm not sure that restoring all of these will help us continue to do that. The hard part, as the mayor said, is about the pay, and the money, and we're not at that point yet, so I'm not sure what we get for returning the stipends. What does the community get? What are the the community benefits that we'll get for that? Oversight is one. Community policing. How we describe that. And I know the police are working real hard. They're trying to do some innovative things but it's not a tit for tat. They should be doing some of those things anyway. So I'm not going to be able to support this for the same reasons I didn't support it the last time.

>> Kitchen: Mr. Mayor, I have another question.

>> Mayor Adler: Greg.

>> Kitchen: Sorry.

>> Casar: I think I expressed this in the last debate, but one thing different about this that is concerning to me that I want to highlight, my reading of it is, this is evergreen, essentially, until a future contract. Is that right? There would be -- unless there's a contract, this is permanently in place, as written?

>> I think that's the way the draft ordinance reads, yeah.

>> Casar: And my limited experience, looking at other cities and their attempts at getting to union contracts, is that it can actually be a serious impediment to getting to a union contract for there to be evergreen provisions such as these. If you look at situations in places like San Antonio, when both sides don't have things that are going to expire if they don't reach agreement, then often times it's harder to reach those sorts of agreements.

[10:05:52 AM]

And so if you look at some of the contracts in places like San Antonio, even if there isn't an agreement, things can last for four or five or six or seven more years, and so oftentimes you wind up in longer, protracted negotiations in situations when you have things that are permanent like that. And so

regardless of all the other arguments amongst councilmembers, I think something that has -- and community members on these sorts of issues that are all understandable, I just think it's important to highlight that I think passage of something without an expiration can actually make it more difficult for us to get to the contract terms that I think a majority of us would support.

>> Mayor Adler: Ann.

>> Kitchen: I just wanted to point out something else and just check my understanding. Mayor, you mentioned stipends being important for operational issues. I just want to drill down a little bit and help people and the public understand that when we passed -- when we continued these stipends the last time, we designated stipends to put into statute that will continue. So we're not talking about the same stipends. The mental health and bilingual, for example, are stipends that were considered important for operational purposes, important to recognize that expert, that was an expertise that we really felt was important to support. So when we passed our previous stipends, we put those in statutes so those will continue. So I just think it's very important for people to understand that we did make that distinction.

>> Mayor Adler: Alison.

>> Alter: I want to say something similar to councilmember kitchen with respect to bilingual and mental health. When I sponsored the extension previously, we had an end date of may 24th, for precisely the reasons that Mr. Casar brought up, and it was our hope that we would have reached an interim agreement by then.

[10:07:58 AM]

It was declined by the association.

>> Houston: And mayor?

>> Mayor Adler: Yes.

>> Houston: One last thing is that under chapter 143, some of the stipends are continued, it's just at a lower rate than they were in the meeting confirmed.

>> Mayor Adler: Okay. Is the chief here? Can you talk to us about these stipends?

>> Good morning. Yes, sir. We've talked in the past about some of the stipends, and I think in particular the ones that are of operational importance to me, first and foremost, would be the fto pay. These are officers that train our new recruits. And prior to the expiration of meet and confer, they were getting a monthly stipend for performing these duties. Under government code 143, what the provision allows for ace dollar per hour for every hour in which they're training a new recruit. So if you had a new recruit for an entire month, you know, that will equate to \$160, which is very close to what that original stipend was. However, for the months you do not have a recruit, you're not getting that stipend. So the annual value of that stipend was decreased significantly, given that we are on the trajectory to put out two classes a year. So that was one for me that was --

>> Mayor Adler: So I'm looking at the ones that are subject to this resolution. One is certificate pay. One is education center pay, shift differential pay, court time pay, and clothing allowance.

>> Yes, sir. So out of those --

>> Mayor Adler: Out of this group.

>> Yes. Shift differential is important in that we want to have the seniority of the department spread around the days, the evenings, and the night shifts. And sometimes that's a motivation for some of our senior officers who may be able to work their way towards a day shift that would be preferable to them, but they're willing to take on the duties of being on the evening and night shift where the call loads are heavier, and family life can be impacted.

[10:10:04 AM]

It's an incentive to spread the seniority of the department around all of the shifts and not have it, you know, really concentrated on the day shift hours.

>> Mayor Adler: You speak to the benefit of certificate pay and education incentive pay?

>> That really for me is from the recruiting standpoint. We've talked about recruiting the best police officers, and one of the things that officers will look at is the package, is the incentives. And, you know, we value education. We support our officers getting an education. And so, to me, the value of that stipend is that it reflects the importance we put on education, but it's also a strong recruiting benefit that officers coming here know that we value that.

>> Mayor Adler: What's certificate pay?

>> So you get one or the other. So per our license, when we get licensed as a peace officer, we'll have a basic license, meaning we've gone through a certain number of hours of training and we have a certain number of hours of experience. As you work through your career and you attain more training and more experience, you'll then move into what's called an intermediate significant, and then a master peace officer's significant. So what the meet and confer agreement had allowed for was for either certificate pay or education pay based on where you fell, you would get the larger of the two. Using myself as an example, I was getting an education stipend instead of my license stipend because you can't get both.

>> Mayor Adler: Okay. What's -- and court time pay?

>> So court time pay, there was the provision in the contract that allowed for a minimum enough hours to be paid an officer when they get called into court. I believe it was negotiated in there as a recognition of not only the impact it has on officers on their days off that regularly get called back to testify, but also to accommodate the travel time to and from the courthouse. The minimum that was set in the contract was four hours. So an officer that was called back to court would get four hours of pay -- excuse me -- unless it was connected time, and that was defined as, like, an hour after -- if you were going to court within an hour after getting off shift or within an hour before coming on shift, that's considered connecting, so you just get that actual time.

[10:12:20 AM]

Anything outside that where they were being compensated at a four-hour minimum.

>> Mayor Adler: Okay. Clothing allowance?

>> Clothing allowance is the stipend that officers that are in particular assignments across the department that have been designated by administration as appropriate would get a stipend, an annual stipend to accommodate them for clothing. And these are the typically investigative assignments or some of the other administrative assignments where officers are not always in a uniform, but instead, wearing civilian clothing.

>> Mayor Adler: Okay. Thank you.

>> You're welcome.

>> Mayor Adler: Mayor pro tem?

>> Tovo: I had just a couple of things. The first is, it seems to me that it would be -- it would be useful to have an end date to this, and so I'm prepared to make an amendment. I think that's a good point that that was raised and typically how we do things, and I want not to have to keep revisiting this issue, but I do think having an end date makes sense. And so I don't know if that assuages some of my colleagues' concerns but I'm prepared to make that amendment. Mayor, I want to go back to something I think I heard you say, which is that you don't want oversight and community policing -- I've forgotten the other thing that you should shouldn't be part of the negotiations right now, absent a public conversation about them. And, you know, I've heard several -- several of us express an interest in moving toward a permanent contract as soon as possible, yet we've not -- if it's contingent on having a public conversation about those elements, then we really need to initiate that public conversation. And so I guess I would ask you or the city manager, what's the -- what's the time frame for having that conversation? We are -- we've been urging our city team to negotiate -- to negotiate, you know, in earnest, yet if I understood you, you were saying -- you were suggesting that there are elements they shouldn't be talking about.

[10:14:25 AM]

So could you help me understand -- am I hearing you correctly, and if I am, what's our path for getting those community discussions going so that we can move toward that permanent contract?

>> Mayor Adler: I think that we should have those community conversations, and I think that several of us have been very consistent in asking for those conversations. Because I just don't think that the negotiators could go and come up with a solution and -- and know that we're going to be able to avoid the conversation that we had last -- last December. It just seems to me that that raises issues that if we can bring the community together on that process, we have a much better chance of having a contract,

that when it comes back to council, council would be in a position to approve. In a perfect world, we come up with a system that makes sense and we're not even negotiating for it in the contract, it's just something that collectively we all recognize is the best thing that could happen for the city, and that becomes then what is put into the contract. But the answer to your question, I don't know the answer to that, but I've been asking for it as well.

>> Tovo: What was the other -- was there another element that you want them not negotiating about?

>> Mayor Adler: Well, the pay, because to me, the pay issue --

>> Tovo: Oh, okay.

>> Mayor Adler: Relates to officers, which relates to community policing and what the policy is.

>> Tovo: But in terms of what we want to have a public conversation -- the item that you named that you want to have a public conversation about was oversight. Okay. So I guess then, city manager, if you would tell us what the plan is and how soon we'll start those discussions.

>> Mayor Adler: It could also be a public conversation that relates to the concept of community policing and what those metrics are as well.

>> Mayor, mayor pro tem, at our recent work session, we did get an update from our police monitor on the overall structure for looking at oversight, and we are

-- we have scheduled to come back on the 26th for how oversight will be happening over the summer.

[10:16:26 AM]

>> And I think maybe I didn't explain it the right way. I think what we're trying to do, there's a lot of parts of the contract that don't deal with oversight and don't deal with pay. Let's just take oversight for now. So we -- at the table, we're working hard to try to get these articles to an agreement, and at the same time, [indiscernible] And her team are doing the research necessary for oversight. To the extent that needs to be in the contract at the end, we hope to merge and then kind of put whatever we need to in there. So these are two separate ongoing processes going on at the same time, so we're not waiting for one to get done in order to start the other so we can try to speed up the process to get to a permanent contract as soon as possible.

>> Mayor Adler: Okay. Ms. Houston and Ann -- no, Jimmy, I called and you deferred -- sometimes if you defer, you're going to lose your spot.

>> Flannigan: Okay. I never doubt that the chip will come around again so it's okay. One thing that the chief mentioned as he was responding to your questions, mayor, is he kept noting the impact on recruiting, and just to remind my colleagues into what system we're recruiting is important. And under 143, it is not a system, this test-only hiring system is also a problem. And the whole setup of originally extending these was to ensure that we maintain our hiring and promotions that everyone agreed that we wanted, and when it came down to it, the union decided they didn't want it. So, again, I'm struggling with why we would extend a thing the union said they didn't want anymore, and it doesn't -- it just

doesn't make sense that we would do that. And then councilmember Renteria, you mentioned the reason why we voted no on the contract, and I think some have different reasons. My reason certainly was fiscal, in the long-term fiscal sustainability of the contract, and I know not everybody had the same perspective on that, but I just wanted to make sure that was clear too.

[10:18:26 AM]

>> Mayor Adler: Ms. Houston?

>> Houston: Thank you. Chief, could you clarify one more time on court pay? Is -- it's a minimum of four hours, and is that straight time pay?

>> No, that would be at overtime pay.

>> Houston: And how much -- that depends on the person?

>> Yeah. The hourly -- it's time and a half, so whatever that officer's hourly rate was, it would be time and a half.

>> Houston: Time and a half, okay. Even if they were there 45 minutes or an hour.

>> As long as it was not within that connected time period of an hour before and hour after, then yes, it was that four-hour minimum.

>> Houston: And I would venture to say that the majority of our officers live outside of the city so that would be travel time included?

>> Yes. That four-hour is encompassing the travel time as well.

>> Houston: Okay. Thank you.

>> Mayor Adler: Ann.

>> Kitchen: I just wanted to, I know, explain what my concerns are here, and why I'm not -- at this point, I can't support this. And the reason is that -- I'll be the first to say that I respect and support our officers, but what's happening here is, we are pulling one piece out of the negotiation process and deciding to -- one piece of pay, I might add. To my mind, all of these certificate things that we've identified are part and parcel of our negotiation with regard to pay. We've already pulled out the things and put into statute that we thought was important from an operational standpoint. And that's something that the council always has the opportunity to do, is say this particular item, like the bilingual and the mental health, are so important that it should not be subject to negotiations. We've done that. So what we're left with is things that we have negotiated as part of a pay package that includes things that are important from the perspective of the city, like the hiring.

[10:20:37 AM]

So it really disturbance me to disturbs me wherewe're saying we're going to take out one piece and take it outside of the negotiation process. And even putting that aside, because it is of such concern to take care of our officers, we even said, okay, well, we'll offer it. We'll offer it as part of the interim to continue these stipends, but we need something -- we need to continue the hiring, for example. And we -- and we got a "No" from the -- from the representative of the officers, as councilmember Flannigan has discussed. So from my perspective, I think it's -- I think this is outside the negotiation process, and I think it's not the way that we need to talk about pay, to pick apart parts of pay and say that we're going to go ahead and vote on parts of pay when we haven't gone through the whole negotiation process. I'd be the first to go ahead and support stipends if they were part of an interim offer that we made and the association accepted. And that's -- but that's not what's in front of us now. Maybe that could be in front of us at some point in the future while we're working towards a longer-term pay, and I would entertain that, but that's not what's in front of us today.

>> Mr. Mayor, if I can just clarify, to Mr. Casar's point, to councilmember Casar's point, when he brought up the evergreen, just suffice to say that's, I think, a term of art, but yes, you're generally correct, that the draft ordinance as written now says it'll stay in place until we get a new agreement. And so I think -- but, you know, I think the evergreen clauses that are there in San Antonio are a little bit different in that they had specific time periods. I think specifically you're probably talking about the health care provisions which were, I think, for ten years. And I think one of their groups, I think police, agreed to cut it down to eight to try to get a deal.

[10:22:43 AM]

>> Casar: But the idea being that they are similar in that even if you're outside of a contract, they are -- they are still ongoing and, therefore, there isn't an incentive, necessarily, to sign a contract to get them because you have them outside of it. So in those ways, they're similar, but evergreen term of art I may have used incorrectly.

>> Right.

>> Casar: Got it.

>> Mayor Adler: Leslie.

>> Pool: I noticed Ora has her light on. Okay. I just had a question on time and a half. Is that -- is how we award that, is that governed by federal law, under wage an hour laws?

>> So yes and no. So I think what the court time had is, for example, let's just assume -- the way it worked in the old contract was, if you had worked 36 hours this week and then you got called to court, just for whatever reason, you would get four hours, and that four hours would be at overtime, even though you hadn't work 40 hours that week. That's the contract provision. But obviously, if you had already worked 40 and then you get called, federal law mandates you're going to get overtime for the time spent in court anyway. So I think that's kind of a little bit of difference.

>> Pool: Okay. Well, that's also a distinction that the council should be aware of as well. To the -- to the deadline, the expiration date in here, originally when I had staff draft this up, I had put December in as an expiration date. And then I thought, well, that means we -- you know, if the contract still isn't complete, and I know that the accountability piece is the part that's really taking the time and properly so, it's -- it's a meaty subject -- I wanted to spare us this conversation yet again. But I am open to an amendment that would have it expire at the end of this year, if that's the will of the council, I would accept that as a friendly amendment, was where I was to begin with, but I was trying to spare everybody from having to go through this again.

[10:24:46 AM]

>> Renteria: Mayor?

>> Mayor Adler: Yes, Pio.

>> Renteria: I agree with this. As a person, my first career job was an hourly employee, that's the way I worked, and I did get called out at nights, during the weekends, and, you know, in order for people to go out at night or weekends, they have to offer an incentive. And I would offer not only time and a half, but if you got call-out, it was an automatic four hours you got paid. If it went longer, you got paid even more. But it's always guaranteed that they offered you four hours if you got a call-out. And that was pretty much standard of how they treated their employees, with respect, because, you know, that is taking time away from your family on the weekends or having to sacrifice your sleep at night so that you could go out on a call. So, you know, that's why I support that.

>> Mayor Adler: Okay. And for me, on this, I would support the mayor pro tem's suggestion or amendment to have a date that got cut off, you know, with a new contract or no later than a certain date. And I'd also like to know, if you could, Ed what the individual costs are of these five things separately, not aggregated, because if there's not an agreement to all five, maybe there would be an agreement to something like shift differential pay that enabled the staffing to occur all hours of the day that the chief said he would find most desired, that would enable us to consider the court pay. We're asking people to come in to work on a day off, and they have to disrupt their day to be able to do that, maybe something like the clothing allowance where there's an effective uniform that we're asking people to be responsive for. Even if we didn't approve the things that were more recruiting in nature, while we were under a chapter 143 and can't be recruiting the same way because we have a test. So, Ed, if you could give us that information, I'd appreciate that.

[10:26:59 AM]

Ms. Houston?

>> Houston: Yes, sir. And does the contract say that if -- that you only get the time and a half, the four hours minimum time and a half if you've worked your 36-hour shift before or is it just a straight,

whether you've been on vacation or whatever the circumstances are, everybody gets a straight four and a half, four hours at time and a half?

>> I believe that's -- I believe it's the latter. It's not dependent on how many -- what shift you were on or anything alignment, yeah.

>> Houston: Okay.

-- anything like that.

>> Houston: As a child protective services worker, I had to work overtime and go to court, and unfortunately the state of Texas did not -- they gave us straight time. I would have loved to be a police officer become in the day, but I wasn't. But, again, those are nuances that, you know, I would be willing to -- if operationally you need the field training officers, you know, that's something that we might -- because that's an operational thing that we didn't think about. But some of these other things I think I'm still a no on.

>> Mayor Adler: Okay. Yes, Alison.

>> Alter: Can you please clarify if these are salaried or hourly employees?

>> All police officers are salaried employees, but they all have an hourly wage assigned to them.

>> Alter: Okay. And then this may be a question for Mr. Van eenoo. Do civilian employees get education stipends or significant stipends?

>> Some civilian employees get bilingual pay, but I'm not familiar with any civilian employees receiving an educational pay.

>> Alter: Okay. Thank you for that clarification.

>> Mayor Adler: Okay. Anything else before we move on? Let's go ahead and move on. Jimmy, you pulled item 66.

[10:29:07 AM]

>> Flannigan: So I was -- this is -- I don't know who this question is for. I'm unsure what it is that we're doing, amending it so soon after approving it. It's kind of -- I did a lot of work reading every single line in all of that backup, and then, like, two meetings later, we're doing an amendment. So I'm just curious.

>> Mayor Adler: So it was my resolution. I can explain that.

>> Flannigan: Okay.

>> Mayor Adler: We had a menu of options that were presented by staff to us about a year and a half ago to be able to raise proceeds that might be able to help with homelessness, to deal with the arch, as well as other areas, and one of the things that was presented was taking a look at doing a tif or ters or some other funding mechanism that would be downtown that would both enable us to raise money for

that but would also have a "But for" associated with trying to do something about the arch. That was presented to us as something that was different than the raising of the money for the waller creek linear park. I didn't want to reurge this until after the linear park issues were decided and we knew exactly how that had to work or what that needed to be, about the now that we've taken care of that, I am now asking staff to tell us -- to go back to that list of options, one of which was this, to see whether or not that's a viable place for us to be able to raise money for -- for homelessness efforts, perhaps raising money for the pay for success option. I mean, I don't know what it could be, so it's not a directive question, it's a question to the manager in saying you proposed this at one point, it wasn't you, it was your predecessor, but the manager's office' staff proposed this at one point as a viable option, and I'm now saying would you please take a look at that and tell us what would be involved with that and whether that makes sense or not.

[10:31:22 AM]

>> Flannigan: I think I was just thrown by the posting language talking about a possible ters amendment that kind of raised my -- but I understand. If this is just a go back and figure out what our options are, then that makes more sense. Thank you.

>> Mayor Adler: That's all it is. Okay? Yes, mayor pro tem.

>> Tovo: Mayor, as you know, my office was also working on moving something forward related to the tif, and so I think that your office has incorporated, hopefully, my office's suggestions. But I'm particularly interested in knowing, too, in answering those questions about whether the money can be used for transitional -- for a range of housing types. And I know we've gotten some feedback and it's sort of varied in terms of transitional, whether it could be used for transitional housing, whether it could be used for permanent supportive housing. As you've mentioned, for pay for success. So for a range of options outside of emergency shelter, which I think we received early on an answer that it could be used for. So, you know, we have some great opportunities, I think, including the healthsouth building and possible affordable housing there, and so -- and it's in very close proximity, and I think would meet the test of -- that we would have to meet for the use of funds. So I think -- I hope that the resolution allows for that, and if not, I would just offer that as additional direction, that that's -- those are some of the questions I hope to have answered.

>> Mayor Adler: And you don't need to add that. At your request, we put in specifically asking the staff to take a look at healthsouth as an option. I will tell you, I have some concerns about that use, but certainly at this point when we're gathering information, I think that's a great thing. It mentions healthsouth and it mentions the arch as two specific things to take a look at. And, Jimmy, that is the other answer to the question. It's coming up now because when we first started talking about potentially using ters or tif to use money against homelessness, we had questions from the community about whether or not you could use that money for that purpose because we had already been told that affordable housing was related to economic development, and economic development you couldn't use non-voter-approved financing to be able to fund.

[10:33:45 AM]

So there was some question from the community about whether we could use this money for housing, for homelessness. And we've just gotten indication from bond council that we can because it's not economic, development-related, it is health and public safety-related when you are dealing with folks that are confronting homelessness. But I join in the request that mayor pro tem has raised as part of the manager taking a look at it, is tell us what -- that's part of the question, what can we use this for? Okay? Let's go to the next thing then. The tourism commission, I think we talked about yesterday. Jimmy, you pulled the parks & recreation recycle task force. Did we talk about that yesterday?

>> Flannigan: We did not talk about that yesterday, and this is a procedural question in the resolution on the last page in the first paragraph where it talks about the task force comprised of two from the parks board and two from the zero waste board. Then it says "And up to three representatives from nonprofits and businesses with members to be appointed by those two boards and commissions." So it's really just a question of, there are up to three, there are two entities that far being given authorization to make those appointments, so is it a first come/first serve, if parks rush in and does three, does the zero waste get none? That's the -- that's my question on it. And I can -- I am under -- it's my understanding that they may have already figured out who they want, but nonetheless, it seems like a missing piece of procedure here.

>> Tovo: Thank you. Ms. Mcneeley, would you like to address that?

>> Sure. Kimberly Mcneeley, acting director for the parks & recreation department. So knowing that this question was coming, I spoke with the parks & recreation board who had wholeheartedly supported this particular resolution and brought it forward.

[10:35:52 AM]

And it was their intention that there be an equal member from the zero waste advisory commission and equal number of appoints from the parks & recreation board, and each of those boards themselves would make those appointments via their regular board processes. And then a consideration of council to think about using individuals who are considered experts in the field to go ahead and bring forward names that they would want to have on the board, and that that -- that the boards could bring forward names for council consideration. It could be staff members to make it easy. So, for example, someone from Austin resource recovery, the director of Austin resource recovery, or a designee that they thought would be appropriate to this commission. It could be someone from the Texas commission on environmental quality. A gentleman -- I couldn't remember the -- a gentleman by the name of Andrew Dobbs was a name that came up for consideration, but not -- I think the board was hesitant to decide on behalf of the council who would be on this commission, but certainly had ideas. The office of sustainability, having the office of sustainability officer be a part of this commission was certainly an idea. But they were hesitant to say that this is exactly who should be on it. They thought that the council would want to move forward with some of their own ideas of who could be appointed.

>> Flannigan: That's just not what the ordinance says. The ordinance says two from parks, two from zero waste and up to three appointed by parks and zero waste. So I don't necessarily disagree with what you laid out.

>> Okay.

>> Flannigan: It's just not what the ordinance says.

>> Okay. What we could do is go back to the parks board and go become the the zero waste advisory commission and those individuals could put forward names for consideration. Perhaps they could have a very quick working group that could come together, make a decision, and then those individuals could be appointed through the regular boards and commissions process.

[10:37:55 AM]

So, for example, parks & recreation has a parks & recreation board meeting at the very end of June as part of their agenda. They could add to their agenda three names of individuals that they would like to bring forward. That information could be forwarded to the zero waste advisory commission, and the zero waste advisory commission could either agree with those names and appoint them as part of their processes or they could say we'd like to put in a different individual as a substitute.

>> Flannigan: So let me ask councilmember pool, because I think this is your item, Leslie, if I'm not mistaken? >> Tovo: Yes. This is the recycling in the parks, number 7.

>> Flannigan: I'm agnostic to the solution but it seems like the ordinance doesn't -- if there's a conflict between parks and zero waste, who's making -- my not communicating my position? If it was three from parks and three from zero waste, that would be fine. But what's laid out here is two from parks, two from zero waste, and up to three by parks and zero waste. And I don't know how you appoint up to three people and assign that responsibility to two different commissions. I just don't know how that works.

>> Pool: I think what would happen is the parks and the zero waste folks would put together a nomination of three people that they -- the three of them agreed on. So it's two from one, two from the other, and three combined, which would be a combined appointment -- we do that all the time.

>> Flannigan: So is there a vote that's taken with the combined votes of all the board members of the two boards?

>> Pool: Well, I would imagine the procedures would follow whatever the standard protocols are within the commission. So, yeah, it would be an agenda item, I would imagine, and they would agree to it, and then forward the names. I really don't understand the -- I don't understand the question.

[10:39:58 AM]

>> Flannigan: Bought it says appoint three, and it says two boards are appointing three people. So I don't understand how that works.

>> Pool: It's a combined appointment from the two boards.

>> Flannigan: But the two boards aren't combined.

>> Pool: The boards can meet together in a specially called session.

>> Flannigan: Is that what we're directing them to do?

>> Pool: I don't think we need to be that specific. They would work out whatever the procedure is for them to come up with three names and agree on it. Maybe three names are offered to pard and they look at it and say, yeah, we like these. I don't know and I'm not going to tell them how to do it, but we are asking for the two boards to come together and give us kind of like at large appointments.

>> Flannigan: I just don't see that's what we're doing. Doesn't it say they're going to vote on them together, and it is our job to tell them how to do that.

>> Pool: Well, they have procedures for how they come up with these.

>> Mayor Adler: Mayor pro tem?

>> Tovo: I was just going to suggest that maybe -- I think that's an interesting point and maybe the sponsor can talk with her appointee and see if they've thought that item through. It sounds like they've had a fair amount of discussion and maybe.

>> Pool: They have.

>> Tovo: -- Have a plan for that, so that's something she can get back to us on.

>> Mayor Adler: Move on? Let's get to codenext as quickly as we can.

>> Alter: My parks member was involve in the original draft and I'm pretty sure this comes from the parks board themselves about the process they wanted to follow.

>> Mayor Adler: Okay.

>> Pool: And it's fine, I mean, we can appoint the board members and then the rest of the community can just work with them and they wouldn't have to officially be appointed but they could still work with the board members. The point is, we want to get the job done, and I think significant work has already been done in the community with the parks board and zero waste in order to get this underway and time for budget. And rather than us slowing them down, I'm trying to give them the official avenue so that they can go forth and do, and then bring back a recommendation in time for us to take up at budget.

[10:42:07 AM]

>> Mayor Adler: Okay. Are we ready to move on to the next one?

>> Flannigan: No, but I'll do it just to move things along, mayor.

>> Mayor Adler: Thank you.

[Laughter].

>> Mayor Adler: I think item number 73 was pulled. I think we talked about that yesterday. Jimmy, you had common, I think, as co-sponsoring that.

>> Flannigan: Yes.

>> Mayor Adler: Then item number 74, immigration, I think you talked about -- do you want to talk about.

>> Casar: I tabbed it. Since we're trying to move along, I wanted to see if anybody had any questions or you needed me to lay anything out.

>> Mayor Adler: Does anybody have any questions? Okay. And then Ms. Houston is not here but I think she said she was going to post her questions with respect to 76. All right. So I think those are the items. That gets us to a discussion. Kathy, you want to have a discussion about the club?

>> Tovo: I do. I put this on the work session agenda for a belief discussion. As some of you know, we did circulate a draft resolution to some of the offices, and I think some of the offices had questions, some potentially concerns about this, and so we decided rather than trying to move forward and put on it a council agenda, we would have a conversation here in work session and see if there was a will to move forward in bringing it forward on the council agenda. And I would invite Ms. Mcneeley up to provide some background. But the Austin rowing club operates our boat house and has a five-year concession contract, including one two-year option, and the renewal was granted in February 2017, so it would expire in February 2019. And so as some of you may know, it was the first vendor to operate out of the boat house. I believe they've done a terrific job. They've invested, made quite a few investments in the property. They invested more than \$200,000 in improvements, including installing boat docks, soundproofing, restaurant equipment.

[10:44:10 AM]

They have invested -- they have invested more than \$500,000 in boats and related rowing equipment. So they've really -- they've really established that location. They have established their programs there. They do a tremendous amount of nonprofit, of assistance in the nonprofit community, and in fact I distributed what I regarded as a pretty powerful letter from judge Mueller about the Austin rowing club's work and engagement with project engage, which is run out of our youth court, out of the criminal court that county court of law number 6 which judge Mueller presides over. The resolution would, in essence, wave the requirement to bid the concession and would, instead, award it to the Austin rowing club for another period of years. And I believe this is warranted. It's an unusual step, but it's not one without precedent. We've done it in the past, and I believe it's appropriate to do so here in

light of -- in light of the fact that they are -- they are fulfilling the terms of their contract, I believe, and many others in the community believe they're fulfilling the terms of their contract very well. They've made significant capital investment in that location. They are our first vendor there, and as you look at their revenues, they've continued to increase, which is the trajectory we want to see for our vendors on land. And I think it would -- I think it would be important to the community. I think that having them in there and continuing would be -- would provide some continuity that's important both to the community who uses it and their members, as well as to the city. And so a couple of you, I believe, were co-sponsors, at least one or two of you did not want to co-sponsor it, and so again, that's why I thought before I continue to pursue it, it made sense to invite the staff here to talk about it, but also to open it up for discussion and see whether there's a will to move forward with such a resolution or whether there's such significant concerns that we need to tell the rowing club and those community members -- and there are a good number of them who have advocated for us to consider this option.

[10:46:25 AM]

>> Renteria: Mayor?

>> Mayor Adler: Yes, Pio.

>> Renteria: I'm going to be supporting that. I ride my bike past that every morning and every afternoon and sometimes during lunch. There's always a big crowd there. It's amazing how people just really flock to that location down there. Even in the morning or afternoon. So it's -- the only thing that I have to say about it is that I wish I had that kind of service in my district there on the other -- east of 35, because it seems like we can't ever get anything that's really nice over there. We have a state-of-the-art kayak that's closed, fenced off so no one can use it. So, you know, those are the kinds of things that, you know, I've been pushing for, and I really support this, the rowing -- Austin rowing club.

>> Mayor Adler: Okay. Jimmy?

>> Flannigan: Maybe I missed it in your explanation. Can you -- I don't even know what it is that we're talking about and what the choices that may or may not be contemplated.

>> Tovo: Sure. Yeah, the upshot is, we would be -- the resolution that I've drafted would direct the city manager to extend the contract with the Austin rowing club for management and operation of the boat house for an additional five years.

>> Flannigan: So without that resolution, what would happen?

>> Tovo: Without that resolution -- I'll let director Mcneeley explain, but the staff would be issuing -- it's my understanding the staff would be issuing an rfp or an rfq within -- in July, for operations of the boat house, and would go through that lengthy process.

>> Flannigan: I see.

>> Tovo: Of identifying potential vendors.

>> Mayor Adler: And when you talk about what it is that we do -- because I think I might have been one of the offices that expressed some reservation. And I'm a big -- a huge fan of the Austin rowing club. It was just the concept of bypassing the rfp process that I had concerns with because I think that there's a lot of value in having procurement handled the same way.

[10:48:27 AM]

But in this case, there are certain things that I know are real community benefits that the Austin rowing club provides, and if we want those community benefits to be part of the contract, then I would hope that we would be able to tailor the rfp to provide those things, and then -- it seems to me that's the better way to handle any things or community benefits that are being achieved and still go through an rfp process so we don't have the council reaching down in contracts around the city or places and saying, we want this to be pulled out of that. That was my concern.

>> Kimberly Mcneeley, acting director for parks & recreation. If you'll allow me just to give you a little more information than I think you actually asked for, I think it will give you some context. So the city staff or the parks & recreation staff, at its level of authority, I bound by a resolution that says that we are obligated to bid something that is of this concession contract on lady bird lake. Also, there is an article -- a city code article 5 that articulates that boating concessions on town lake should be presented to the parks & recreation board and also presented to the environmental board and they should be given approval by council. So that's what our level of authority is, which to the mayor's point, is why we would be moving forward with an rfp unless a different direction is given by council. And the reason why I think it's important to note that it goes before the parks board and before the environmental commission is that the parks board has a very specific subcommittee called contracts and concessions, and that subsubcommittee's bylaws ask it to take a look at what are the concessions being provided around town lake and within the entire park system, and are those concessions providing the highest and best service to all individuals within the -- within the park system, and they also like to give input with regards to what a scope of work would look like, what it was that we should be thinking about when we put out an rfp, what is it we should be thinking about if we negotiate.

[10:50:35 AM]

So if we were to -- to decide not to bid this, we could still ask the contracts and concessions committee about things they think we should negotiate, but we may be not providing ample opportunity for some feedback about what a concession should look like at that space. We would be saying that it would stay relatively the same and allow just some minor tweaks to what's happening. It's also important to note that the parks & recreation department had a situation in the very beginning where this became a little bit controversial originally when we awarded this contract, and so there has been ample exploration and questions about when this rfp would be coming forward because there's individuals within the community that are expecting that we would be putting this forward, knowing that the last rfp process

happened previously and under certain conditions where people had their opinion about that process, and so they were expecting it to move forward. So we have entities who have already contacted us in expectation of this coming out, asking about the dates, nothing that would be in violation of purchasing or regulations or anything of that nature. I think that's just something to consider when you're thinking about how you'd like to move forward. I would like to just let you know that per what mayor pro tem said, that council does have the option to waive the resolution that would tell us that we have to put this to bid, and then staff would just be directed to negotiate the contract with the given entity that you all believe is most appropriate. So I just wanted to confirm that mayor pro tem is absolutely correct in what she said, if that's the option that you think that you might want to move forward with. One last thing, there's a couple of entities that are already on the lake that are interested. One of them is a group called the expedition school. And the expedition school has a contract that's not a concession contract, but it's a programming contract that we work with them out of the Camacho center, and they are an entity -- they're one entity that expressed interest and also expressed disappointment the last time.

[10:52:44 AM]

And there's a couple of other entities that are already around the lake that are also expressing interest, just as information as you're making decisions.

>> Mayor Adler: And have you identified what are the rfp requirements for this, what they will be?

>> We are still in the process of putting together the scope of work, so we can absolutely -- again, we would be taking this to our contracts and decisions concessions committee of our park board and incorporating those sorts of things. I think that community benefit and community programming is something we've heard loud and clear is important and that could be negotiated into the contract. There's already -- in the existing contract, there's already a community benefits and community programming component. I don't likely see that changing, but it may be tweak a little bit as it goes out in the rfp. So what's the best proposal that individuals would put forward that could benefit the community.

>> Mayor Adler: Oak. Okay. Ann.

>> Kitchen: In the interest of time, I just wanted to let the mayor pro tem know that I would support her and would be interested in co-sponsoring the resolution that she mentioned.

>> Mayor Adler: Jimmy.

>> Flannigan: So I think it speaks to a larger issue that we've come across multiple times in the role of when it is that we think an rfp or an rfp process is a requirement to move forward. We had some conversations about that yesterday on a separate item, and when we don't think that's a necessary tool. And I tend to always fall on the side of open and transparent government process, and there are reasons why we procure things in the way we do and why it's harder for the government to do it than for private business, because we have a higher duty to the taxpayers and on and on and on. So I would really struggle with doing this as a direct contract as I would for just about anything. So, yeah, I don't know if there's any way I could support doing that.

[10:54:46 AM]

That's not to say that we wouldn't write an rfp that spoke specifically to types of things we're trying to accomplish, which is, I think, how we should be doing it.

>> Mayor Adler: Alison.

>> Alter: I was just wondering if this has gone through the parks board and if they've had a chance to grapple with the question or not. . >> Tovo: So they haven't, and that was -- I neglected to mention earlier, that was one reach why I wanted to have the discussion at work session because I think somebody -- somebody among -- among either one of you all or who I had initially approached to be co-sponsors had mentioned the provision about the parks board. And so I would be more than willing to incorporate that in here, to go to the parks -- to the parks board and the environmental commission for their feedback. But, again, if it's -- because time is of the essence, I didn't want to proceed down that path if there are strong feelings on council that they didn't want to proceed that way. But I could certainly amount the alter the resolution in such a way that it includes a stop there first before coming back.

>> And if I could just add that this is already scheduled, tentatively scheduled for the June parks board meeting, because it -- with the rfp process to be launched, or the original schedule to be launched in August, it's part of the regular protocol so it's already on the parks board agenda for June, or will be posted on the parks board agenda for June. And then just a gentle reminder that whatever comes back, if it were decided to go out for an rfp, it comes back to council for final approval. So you would all have the final say, either through this resolution or through a -- the regular procurement process.

>> Tovo: But the conversation -- it's my understanding the conversation you have scheduled with the parks board is not to consider whether or not to award the contract to the existing vendor. The discussion that you're having with them would be how to structure an rfp and what components should be in it.

[10:56:46 AM]

So it's -- it would be a different conversation than the one my resolution would have initiated.

>> That is true. But they'll be aware of -- they will be aware of the -- what is -- we could add whatever direction we ended -- or we think we're going to receive to that, but it's already scheduled for conversation.

>> Alter: When is the contract and concessions committee meeting?

>> It is the second Tuesday in July, which I believe is the 10th of July.

>> Alter: Okay. So it would be for next month.

>> Yeah. So it's going before the parks board for a general understanding, and if the contracts and concession committee, depending the direction we cervix they would take it up on July 10th.

>> Mayor Adler: So just one more piece of information, the program that's obviously going on, judge Mueller's program that she writes to the mayor pro tem about, is a phenomenal program. Is this a program that was part of their work originally? Originally, the rowing club was doing regatas. Is this the kind of thing that came out of negotiations and the rfp?

>> Yes. In a very simple term, yes. There's a general statement in here about community programming and this is something that particular --

>> Mayor Adler: Was done in response?

>> Was done in response. We didn't dictate the type of programming but it was definitely something the current vendor negotiated to make happen.

>> Mayor Adler: Okay. I just point that out that part of the benefit of having a negotiated process like this is we can identify the things they want, and then in the competitive process, we get things like this program that is a wonderful program. That's the benefit of having a competitively bid process. And we wanted to ensure the opportunity to encourage this and have as much of this kind of thing as we can.

>> Yeah. Just by way of example, the language is underserved youth programming, so this contract required there to be an underused -- underserved youth programming, as a part of their contract.

[10:58:49 AM]

It also required financial aid. So that's just by way of example.

>> Mayor Adler: My understanding, those things were not part of the original proposal that came from the rowing club, they were things that then were added because of the -- of the negotiation process.

>> That is correct. Those were negotiated in.

>> Mayor Adler: And I like that. That's how these negotiation processes are supposed to work. Thank you. Mayor pro tem?

>> Tovo: Can I ask you, I believe that there are -- I think there have been some other examples where the council decided to intervene and to do it this way. And I'm trying to remember if the pitch -- the butler pitch and putt --

>> That is correct. Wet brought forward -- I don't believe it was the actual proposal, but it was an idea to take it out to an rfp, and the decision was that it would stay with that original contract.

>> Tovo: And that was -- that was a different -- a different scenario, it was a very long-time business, is a very long-time business that has operated that, and -- and the council made the decision to continue doing it that way rather than -- rather than moving forward with an rfp to initiate new vendors. And in that case, it was -- you know, a business that's -- has established programs there. This is a little bit

different because I think they're still in the early phases of it, but because it is in early phase, they've invested considerable resources in developing their programs, and again, in the space. But I understand if there are I understand their reservations. If others want to weigh in that would be helpful in terms of how best to move forward. I've heard a couple of you who are comfortable and would be supportive, but probably not enough to actually pass the item. So rather than put the community and the council through, even if I can get on the agenda, rather than put the council and the community through the discussion which would have to happen on June 26th, we'll allow the staff process to continue.

[11:00:56 AM]

>> Mayor Adler: Ann.

>> Kitchen: I would like to suggest that we have perhaps more conversation. Maybe there's a middle ground, but I'm concerned about just going through an rfp process on this given the history with this location and this particular entity. So perhaps we could use the message board to get some more details about what might be acceptable to folks.

>> And city councilmembers, if I may respectfully suggest just for consideration, perhaps amends ground is that we move forward with this particular entity, but we are allowed to have the opportunity to negotiate through a contract so we could add to. It's not just an extension of the existing, but there's a negotiation process that allows us to perhaps provide additional things that maybe are not currently in this contract based on feedback that we receive. And also mayor pro tem, the youth hostel is another example like the butler pitch and putt.

>> Mayor Adler: I didn't understand what you were proposing.

>> I think what I was proposing was extend the contract for another five years and I proposed that the middle ground is that we're given permission to negotiate so it's not just an extension.

>> Mayor Adler: With all the other people as well?

>> With the existing contractor so it's not just a simple extension. This contract stays exactly the same, but it's an extension with the direction to negotiate terms for the highest and best program opportunities for the community.

>> Mayor Adler: And I hear that but that seems to me to kind of undercut the basis underlying belief in a competitive bid process because that pushes -- it is an additional option. Greg?

>> Casar: I may have missed this earlier in the discussion, but some of what I had heard is there was some interruption of services and being able to provide all this given the construction of the tunnel nearby. Is there something to that?

[11:02:58 AM]

>> I believe that's a fair statement, but I don't know the complete extent of what happened. I would have to get you more information, but that is a fair and true statement.

>> Casar: If that was the framing in which I first heard of this, and I haven't taken a lot of meetings and it sounds like some folks have had deeper conversations in this, but the framework in which I heard is that there had been some interruption of services. So some middle grounds that may exist might be some things like some of the other options that director mcneily mentioned or there was some period of time in which there was an interruption having some ability to make up for that on the city side as we sort out what to do.

>> Mayor Adler: You're suggesting a shorter term extension. Is that what that means?

>> Casar: I'm trying not to suggest too much given that I don't have the information that the acm is about to give us, but let's hear it.

>> Good morning. Interim assistant manager Joe pantalion. It is true when the contract was first entered into with the Austin rowing club at the new boathouse, the outlet for the waller creek tunnel was still under construction so there was quite a lot of construction activity along the driveway past the boathouse, the actual construction site. So that did take some time to complete and I'd have to get back to you as far as the level of completion of the outlet one year, two years into their five-year period.

>> Casar: Great. I would express to everyone that I have -- given how significant not just our agenda is tomorrow, but always our last meeting of the year before the break, if there's a soft landing for everybody on this issue where we can be understanding that there may have been interruptions for some period of time and that there could still be negotiation and not just it being a straight extension, if that's somewhere that everybody could get comfortable, I'm sure that I would be happy to oblige getting through this item given how significant all the other work is we have to do on the 28th.

[11:05:11 AM]

>> Mayor Adler: I would support a short-term extension, a shorter external extension to be able to sort it out so we're not dealing with the time pressure. So I would be able to support that. Ms. Houston?

>> Houston: I would like to hear more from Ms. Mcneely because I think that her path forward was simpler to me and less complex to work with the entity to talk about additional programming that might happen because at this point it's going through the park board. Can you describe that one more time for me?

>> So the preferred or the -- what the department had recommended that we do is go forward with an rfp process, with a request for proposal process. In response to throwing out ideas based upon councilmembers may be feeling as though they would like to extend this, I was suggesting that perhaps it's an extension with the opportunity to renegotiate some of the terms so we can make sure that we're providing the highest and best programming opportunities to -- to community. I think that the mayor suggested that that may be -- maybe we might be teetering on a violation there because if you are allowing the negotiations after an extension and you didn't give other entities an opportunity to bid on

this, then I might be violating some of the regulations or the rules. So I was throwing out ideas off the top of my head that would definitely have to be checked as to whether they would be within the legal, allowable way that can you negotiate and extend contracts.

>> Mayor Adler: Okay. Are we ready to move on? Ms. Houston, is your light on? Are those all the pulled items that we have and discussion? Mayor pro tem?

>> Tovo: So I'm still a little unclear on our time, our times. If somebody else at the table is very clear on it, maybe they could just fill me in.

[11:07:15 AM]

But I'm still not seeing how we're taking up those -- whether we made a final decision about the homestead exemption and its timing, whether all of those items are coming up after dinner, if we could just quickly recap what the agreements were on that issue, on those issues.

>> Mayor Adler: The notes I have have us having three things that we've agreed we won't vote on until after dinner, and that was the stipends and the -- and Greg's two items. So that would be 65, 73 and 74. But to the degree we can we're going to resolve the chief appointment, item 110. We're going to take testimony for the bond after dinner, 17, and the homestead, 68 are all things that if we can we're going to resolve prior to dinner.

>> Tovo: Super, thank you.

>> Kitchen: Mr. Mayor? We had also agreed that we would take up 67 before dinner. We didn't specify morning or afternoon, but we had agreed that we would do that.

>> Mayor Adler: Yes. Okay. Yes?

>> Alter: I just wanted to clarify on the item 17 for the bond, it seems to me that we may need to have a substantial amount of conversation amongst ourselves. We haven't had that opportunity as a group trying to understand how we're planning for that tomorrow without knowing what the extent of the testimony is.

>> Mayor Adler: Well, we can certainly talk about that in terms of what our process would be. When we would have a --

>> Alter: We haven't even -- we haven't had any conversations and we can only talk to so many people. So I'm just trying to understand when we will have an opportunity to share.

[11:09:17 AM]

>> Mayor Adler: We would have the ability to be able to do that tomorrow. All we've said to community is don't come after dinner with an expectation that you're going to be able to testify, so that people who

want to know they can testify come before dinner. My sense is that if there are people there after dinner and we've taken care of everything else we would certainly ask people if they're there if they want to speak, but we're telling people don't come after dinner with an expectation

you can testify: The matter is on our calendar so there's nothing to stop us from discussing any of the issues related to the bond or anybody surfacing anything that they wanted to. It's just that we're not going to take action on the bond tomorrow. We would take action by the end of the month. We also have the time to talk at the work session on the 26th to be able to talk about the bond. And the message board.

>> Alter: I think there will need to be some time and we need to make sure that's part of our process moving forward.

>> Mayor Adler: Delia?

>> Garza: I apologize for not being here for the conversation yesterday on the homestead exemption. I'm juggling some non--council related stuff. I have concerns about taking that up before five. I believe that the people that are most affected by or could be most affected the least benefited by a homestead exemption are people that can only be here after 5:00. I absolutely understand -- and I'm sorry that we're having this discussion when she's not here. I don't know if there's a way to change the schedule where she could be here in the evening instead of the morning time.

[11:11:18 AM]

I know this is a big issue. We haven't really talked about it as a community. It kind of just popped up. And you know, it was so important to me when we first voted on it that I came back when my son was 15 days old to come back and vote no even though I knew I was on the losing side of that. So I don't know how we get to a compromise on that, but I do believe it's extremely important to have it at a convenient time for families that could be, may be able to come, can do that. And if there's a way to maybe just leave the public hearing open and vote on it, I don't know. But I wanted to make that concern known.

>> Mayor Adler: And certainly we can't make any decisions in a work session, so I would imagine that tomorrow morning when we're all here someone will suggest something with respect to scheduling and it would be a majority decision as with all things scheduling. But your suggestion to do something like you just described might be something that's available as well. Ann.

>> Kitchen: I would just suggest that since councilmember troxclair is not here, I imagine she may be listening, but I would just suggest that anyone that is going to suggest something other than what we agreed to yesterday, give her a call. Maybe there's some things that they could work out, but I would hate -- if I was in her shoes I would hate to arrive tomorrow morning with a suggestion that was different than my understanding was. So it's certainly an important concern that people are raising, but I think that it's most appropriate to make sure that she has the benefit of understanding today what people are thinking and if anyone is planning on bringing up some other kind of approach.

>> Mayor Adler: I will call and let her know that it was raised as an issue. I don't think it's a substitute for someone calling her if you had a specific suggestion, but I'll make sure she gets a head's up.

[11:13:29 AM]

>> Kitchen: I would reiterate as we did yesterday the concern that councilmember Garza is raising and maybe councilmember troxclair has some ability to move her schedule around. But I wouldn't think it would be -- I don't think it's our practice to try to vote on things when a sponsor is not there.

>> Garza: I've had issues voted on when I wasn't there that a lead sponsor, so I just want to --

>> Mayor Adler: Okay.

>> Kitchen: I don't -- well.

>> Casar: Mayor, back to first councilmember alter's point. If we take testimony on the bond stuff before dinner and set some time for us to talk if we have time afterwards, I think that would -- I would be supportive of that just to note that. If we're asking folks to try to testify before dinner, though, and we can't get them all in before dinner, I think that some of them may have to -- I don't know how many people will be here. It's very possible that we're going to have 10 folks here and it doesn't matter, but if folks are here before dinner, I'd be willing to hear their testimony until we have to break and then talk about it ourselves afterwards. And to councilmember Garza's point, I think I made myself clear yesterday that I share the -- share the same opinion as her. And if we can sort something out between now and the morning, of course that would be preferable.

>> Mayor Adler: Okay. It remains my intent at this point to say to the public don't come after dinner with an expectation that you're going to testify, but if there are people here who -- and we have time do it, I will call people to testify. Alison.

>> Alter: For the bond I wanted to clarify on the public hearing because I was hearing from people that they weren't really aware that there was a hearing on the bond this week.

>> Mayor Adler: Also in two weeks.

>> Alter: Okay. Or public testimony on it. I just wanted to confirm that it's also going to be in two weeks as well.

[11:15:29 AM]

>> Mayor Adler: That would be my desire and that was the consensus I think we got at work session yesterday. Or whenever that was.

>> Alter: Thank you.

>> Mayor Adler: All right. So with that I'm going to adjourn the council work session meeting here at 11:16.