

Special Called Council Meeting Transcript – 08/01/2018

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>> Mayor Adler: All right. We have six people. At some point when we have the group here we're going to draw lots for new positions on the dais. Are we going to be ready to do that when people are here? So we have that to look forward to today, new lot drawings for positions. It is August 1st, 2018. It is 9:14. We're at the special called meeting to give the public a chance to speak and to get a presentation from the staff with reference to Precourt sports ventures and mckalla place. Members, what we had talked about doing, the mayor pro tem and I, we had posted, had us convening here at 9:00, giving the public a chance to speak if they wanted to, staying here while there were people that wished to speak, and then going into executive session about 11, 11:15. Then breaking after executive session, coming back out at 3:00. It would be at 3:00 when the staff would make their presentation. And then we would have additional opportunity for people in the public to speak. We also said this morning at some point we would talk about how late we wanted to go today, so we can have that conversation. As I indicated on the board, I'm able and willing to stay as late as the council wants to keep that opportunity open for people to speak. People who speak today is not in lieu of the

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opportunity to be able to speak next week. We're going to call it next week on our agenda as we would have normally. It's going to be available for us to deliberate as a group on the seventh at the work session as is our normal practice. This was just seen as an opportunity to have a public presentation on what was posted on Friday as well as to give people an opportunity to speak if they wanted it, not instead of, but in addition to what would ordinarily happen. So council, does anybody want to say anything before we proceed? Councilmember pool? >> Pool: I just wanted to note that when we passed -- I guess at 3:45 in the morning back on June 29, the two resolutions relating to a potential soccer stadium and potential alternative development proposals for that same piece of land, we agreed that we would not disadvantage one side over the other, so we are looking at having a special called meeting in order to receive any alternative proposal options that may be submitted to the city, which I think the

deadline is Friday. So I wanted just to make that public announcement here in case folks hadn't yet heard about that and then we would treat -- there would be two agenda items on the 9th that would address both of those as per the two resolutions that we passed on -- I guess it was the morning of June 29th. Thanks. >> Mayor Adler: And you had suggested in your message post that we would call a special meeting for Tuesday beginning at 3:00 I think was your suggestion. >> Pool: I was trying to mirror what it seemed like we were doing with this one here, with the consultants here being available at 3:00. I thought that was when we were going to start, we're here now. I'm not going to change the

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work session time, which is still at 9:00 A.M. On the 7th. And then we would just convene into I guess this room for the special called. >> Mayor Adler: So the two things that are open that we would need to discuss as a group is the end time for tonight and the possibility of another special called for Tuesday afternoon. Councilmember Garza. >> Garza: When the budget work session was canceled, I assumed that the presentation would be done by noon today. Unfortunately I have a conflict now in the afternoon. So I won't be able to be here for the 3:00 presentation. I just generally -- I have concerns about what's before us, the proposal. But the one illustrated to highlight before we have these discussions, which is the biggest for me. I put up a post on the message board last night because I'm concerned about what is not -- what I hope would be an investment in our public transit. With a stadium this size and on one hand I think it's good to not be wasting space with parking spaces necessarily, but on the other hand, if we are going to approve something with a thousand parking spaces, it is critical to have an investment in our public transit to get folks to and from that place. So those of my colleagues who haven't had a chance to to be clear it's not a reallocation of what is being currently offered. I don't want this to turn into, well, you could take some away from affordable housing. No. It's not a reallocation what was being offered as an investment on top of what's being proposed in our public transit system to support the stadium if we get to an agreement. >> Mayor Adler: Councilmember kitchen. >> Kitchen: I just wanted to stay thank you, councilmember Garza, for your leadership on that

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issue. I also posted a response on the message board this morning. You know, I'll be here this afternoon to ask questions and I have other questions also. But I did think it was important to go ahead and flag a major concern of mine mine. I think -- I want to see us what I consider to be responsibly addressing parking and transit issues at the outset and I think one of the reasons has been discussed for this location in the first place was its ability to be near transit. So from my perspective I think that we have to address that issue and I think that councilmember Garza has laid out a very reasonable approach to that. >> Tovo: This was designed as an opportunity for the council to ask questions and to hear the presentation and to really dig into some of the details and I apologize, councilmember Garza, that it didn't work out for you to be here for the whole day. We kind of went back and forth and tried to figure out what the best plan was given we had blocked out this time in the morning. But I do think -- I'm

happy to see so many members of the public here and as the mayor said everyone will have an opportunity to speak next week as originally scheduled. This was just an original opportunity and you have the option of talking in the morning, as the mayor said, or after the staff presentation later today. I can also stay as late as I need to. I will have to step off the dais for a brief bit around 3:15, but will rejoin as soon as I can. With regard to the special called meeting, councilmember pool, I hope when we talk about that we can talk about the timing of it. I have a recurring appointment on Tuesday afternoons that I'm trying

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to work around. I think you had thrown out 3:00 as the time, which is a conflict for me, but I'm going to try to resolve it to be here if I can. >> Mayor Adler: Okay. Do we want to make a decision now about how late we go tonight? Do we want to see how many people are signed up? Most people -- what is people's preferences on that? Councilmember alter? >> Alter: I know I can be here until 6:30. Beyond that I'm not sure whether I can switch thing things around for that. I thought we were going to be finishing up about 5:00 for that. And let me just also add that I appreciated councilmember Garza's post and have not had a chance to post anything. I do think that it's important that anything is additional and so I would be less inclined to take the money out of the rent and give it to cap metro. I think it should be additional money. I'm not sure that -- I'd love to hear more of the numbers from cap metro about whether that would actually cover the expenses. >> Mayor Adler: Yes, councilmember Renteria. >> Renteria: I don't have any conflicts for today. I told my staff to set it aside for the special called hearing, so I can -- but I do want to make a statement about my colleague Delia and her proposal on metro. You know, this is a -- if we do pass this stadium plan we are going to be looking on our transit need that we have in that area. We are moving that transit and being paid by the one we have there on Kramer that will be moved up to the old IBM campus at the expense of the developer that's developing that area. So we would -- we would like to have a stop there, but we

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know that we're kind of restrained on funding, but we can come out with a plan that can make it where it phase for itself. And that's what we're going to be pushing for, and I think that with just the added -- the extra funding that we can get from them, I think an additional \$2 million, that we could make this happen. And if we do, with the soccer plan. >> Mayor Adler: Mayor pro tem. >> Tovo: Mayor, I know we're not necessarily diving into the details right now, but I just want to be sure I'm understanding one element of the message board posts. As I understand it, number 2 would be a reallocation, is that correct, councilmember Garza? >> Garza: It's -- so it's essentially an additional three flat out additional, not reallocation, the second part, understanding that there might be some financials in putting up -- I was originally going to ask for five million. The cost of the station is estimated around 12. I think they can get it down lower. That's half, 5 million is half. But I essentially comprised with myself. I said 3 upfront to reallocate it to 8 and then on top of that an additional dollar surcharge on the tickets that the

city and cap metro can determine how they want to -- because we're allocating 2 million of the city's money, the rent revenue to cap metro, then they can negotiate on what to do with that dollar surcharge. So altogether it's five plus the dollar surcharge. >> Tovo: Okay. So hopefully we'll have -- I'd like to talk a little bit about that. But I appreciate you putting together that proposal. >> Mayor Adler: And I appreciate you also raising the issues. I think it's an important one for us to talk about. And I want to have that

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conversation. The questions I had when I read the post was first, you know, we tasked our staff to go out and wring everything they could wring out of this and I would imagine that they think that they wringed out everything that they can wring out of this and there wouldn't be an additional \$3 million that would still be there. But I think we should have that conversation and see. And then I have the other questions that go to how soon is it that we would actually be able to use that additional station because I don't know what the timing is. I mean, if it's something that's more immediate, then it's a different question for me than if it's something that is relatively far out. And then talking about just in terms of transit, I think that's a really good location because of transit, there are so many buses that go through there, and we'd be able to be able to put in more buses if the need reflected that. I hope capital metro would -- I have questions about how much a station there for will red line will actually help the stadium because everybody arrives at a certain time, everybody leaves at a certain time. I don't know how many trains we can be running past and how many people we can really move. So all of those questions I think, but I'm happy that you -- I appreciate that you brought this up because I think this is an issue that a lot of people have discussed and we need to make sure that we elevate all those issues. >> Garza: May I respond quickly only because I won't be here for the later discussion? I absolutely agree and I'm usually one very much on staff's side I trust my staff to go out there and get the best deal, I absolutely agree with that. But cap metro wasn't at the table. Our city staff was. And I have sponsored resolutions asking on any development let's talk about cap metro. I wear two hats. I'm a councilmember and I'm a board member at cap metro. And I see what doesn't feel the best could be a better

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relationship between the city and cap metro. And if every time -- of course you're willing to give something up if you're not the representative for that organization. And so I think we have new leadership at cap metro and I think it's important that we stay strong on these issues and say you have to -- people think that cap metro is part of the city all the time. They ask me why don't y'all -- and I have to explain actually, it's a different agency, but I am on that board. And so as we're having these big discussions that involve what needs to be an investment, I think on owe I'm not saying anything about our staff. I know you did the best job you could, but cap metro was at that table. And second, I'll say you're absolutely right about the station. We don't know, and I thought the same thing, how many people can the train bring into the stadium. But even if this money is not allocated for the rail station, it

could be allocated to impact frequency for that bus line that's already there. It could help build a better station that could have a higher capacity for passengers. We could change the frequency from a 10 to 15 frequency on 803 to a five minute frequency, and those buses can carry a lot of people really quickly in and out of that carry. So I've considered all that and I know we'll have more discussions. >> Mayor Adler: Yes, councilmember kitchen. >> Kitchen: I wanted to add, and I know we'll have more discussions about it. To me my starting point is just -- we could talk about the details, is just a fundamental you belief that the transportation needs, which transit is a fundamental component of, are a critical component as we move forward and they're not something that we -- not something I'm comfortable leaving for discussion later. The details of what's

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appropriate there can be considered later, but not the commitment. Not the commitment to make sure that there's adequate resources for it. And so to my mind the language that we have in front of us in terms of the terms doesn't give me adequate assurance that we are going to actually at the end of the day be able to address the transit concerns. From my perspective -- and I wear two hats too. I'm on the capital metro board, but I'm also the chair of the mobility committee and I sit on campo. And from my perspective, transportation is fund many tall and it's something we talk more and more at the beginning and not as an add on. So that's where I'm coming from. >> Mayor Adler: And I agree with everything that you just said. Yes, councilmember Casar. >> Casar: I have similar end of day constraints as councilmember alter, so depending on how people are on signing up -- I was assuming we would be out of here at five, but if I have to stick it out until six or even 6:30 I can make work B you after that I might have to make some arrangements. And as far as the message board posts, since councilmember Garza won't be able to be here for some of our discussion, I appreciate her bringing this up. I do think that us utilizing ways to find public land to benefit the city is benefiting the city, especially if it's transit inside of the city. And I'm really interested in all of the ideas that are laid out here for us to get the most out of this deal that we can. The only place that I want to add an additional comment, though, is that I appreciate councilmember kitchen bringing up the transportation needs at the site and I do think having less parking and more transit options helps with

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some of the alcohol related issues that you brought up in your post. But at the same time or at the same time there's only so many games at this site on a year and if we decide to take, for example, some of the city's portion for the rent, I would potentially want us to have the flexibility to do that wherever the greatest needs are in the city for increased transit service because if we're helping somebody with this money get back and forth from their job every single day that's helping them 365 days a year because of the revenue generated from this site that -- we may want to mix those things, transportation to and from the site, but frankly the -- I'm not on the capital metro board, but there may be transit needs, and if you only had a few extra dollars a day you could really improve their lives. So I'm not sure how I would

want to tiny and all money -- any and all money from the site in particular. Especially if it's money coming from the city. If it's money coming -- if it's money specifically coming from a ticket surcharge or what have you, I understand maybe tying it to the site, but if it's just part of our \$8.25 million of discretionary money, I don't know if we would to tie our hands to say that is going to go to this particular site. If y'all see particular transit needs where a 10 minute transit change would affect people's lives everyday. But I do appreciate councilmember Garza's post and seeing how much we can do in each of these three areas. >> Garza: Real quick. >> Mayor Adler: No, impediment. >> Garza: That's why bullet one says use the funds as to best improve the agency in improving their agency. >> Casar: So that's a ditto as the last part of that clause. >> Mayor Adler: Okay. Mayor pro tem? >> Tovo: Just one other issue. And I've got a slew of questions and I'm committed to not ask them, so I won't,

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but I will ask this question which is really directed at the city manager. So the resolution that we passed talked about coming back not just with a status negotiations or contract approval on a potential stadium, but also status update and timeline for plans of the development of affordable housing on another city-owned parcel. And I just wanted to ask you whether that was on track to get a status update and timeline on that. >> Yes, mayor pro tem, that is on track and we will have a memo by the end of this week including an update and that will be included in the addendum as well. >> Mayor Adler: That would be great. Yes, councilmember alter. >> Alter: I forgot to mention earlier that I'm very supportive of having a special called meeting next week to hear about other proposals for site so that we can make a responsible decision about the best use for this property. >> Mayor Adler: Okay. Councilmember Flannigan. >> Flannigan: I want to say how nice to see everybody on the dais again. Ready to get this going. >> Mayor Adler: All right. So let's do this. Let's agree that if there are people here at 5:00 wishing to speak that have not had a chance to speak that we'll stay here as a meeting at least until 6:30. And people will know that if they're here. We'll keep this door open until 6:30. And that will be our default default. That we will go ahead -- mayor pro tem, I don't know in terms of the special called on Monday, we have the work session in the morning. I don't know if you want to have time to look at your calendar with respect to work session next Tuesday and come back to that question. >> Tovo: I think councilmember pool had suggested Tuesday, right? Tuesday afternoon. But I don't know if we're talking about the time or that is a firm proposal. >> Mayor Adler: She has proposed Tuesday beginning at 3:00. That lets us have the work session in the morning.

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You had indicated -- >> Tovo: I do have a regular conflict in the afternoon, but I'm working to resolve it -- >> Mayor Adler: So let's go ahead and let's make a special called meeting for Tuesday at 3:00. So we can discuss -- so that we can have a presentation on what other ones were received and people in community can comment on it similar to what we're doing tonight and today. If the clerk wants to come and give us -- let's draw lots. Let's begin down at Leslie's side of the deal, that way Ellen's seat will get

whatever the last one is. Are those numbered? >> Yes. >> Mayor Adler: Okay. So we're going to say that number one is Leslie's seat and number 11 is councilmember troxclair's seat. So Leslie is now drawing. What's your number? Leslie is number 10. Okay. Jimmy is number five. Alison is three. Greg is number two. Mayor pro tem? Is number six.

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Pio... Pio is number seven. You don't move far. >> He never moves. [Laughter] >> Mayor Adler: Delia is number nine. [Laughter] Ms. Houston is eight. >> Kitchen: I'm four. >> Mayor Adler: And four. Who was is number one? So troxclair is going to be number one. And -- so I'm not sure I got the ones. Mayor pro tem was six. Pio was seven. Ms. Houston was eight. Councilmember pool was nine -- >> Pool: Ellen and I are switching. >> Mayor Adler: I'm confused on the numbers at the end here. I have one, two, three, four, five. Troxclair, Casar, alter, kitchen, Flannigan, mayor pro tem, Pio, Houston. >> Garza and then pool. >> Pool: There's just 10, not 11 because you're 11. >> Mayor Adler: I got that. But I thought you said nine, not 10. That's what was confusing me.

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Okay. Troxclair, Casar, alter, kitchen, Flannigan, mayor pro tem, Pio, Houston, Delia, pool. So that's good we got done all our housekeeping matters. Let's see if a member of the public wants to speak this morning. Mr. Pena, Gus Pena, is he here? What about David king? Do you want to come and speak? >> Thank you, mayor, mayor pro tem, councilmembers. My name is David king. I live in the zilker neighborhood. Thank you for calling this special meeting so we can review this proposal and provide feedback to you. As we know, Austin is a great city and such a great city deserves a better deal than the one before us today. As you heard earlier, we need some more investment in transportation infrastructure here, and I think that we need a clear commitment to income restricted affordable housing. What's being proposed is affordable housing. What does that mean? Is it market rate affordability, 80% mfi? We have that already as part of our policy, but what we're lacking is income-restricted affordable housing for low income families earning at 50% mfi and below. That's where we have a crisis and we're losing those families every single day. And this proposal from Precourt was fast tracked. And I understand that's important to the council to consider this, but just imagine how many income restricted units we could already have on city-owned property had we taken the same deliberative approach, fast track approach to using city-owned property for income restricted housing. And I know this council has

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already made it a priority. More than four years ago you asked for a list of city-owned properties that could be used for affordable housing. And can you even tell me whether one income restricted unit has been built on any city-owned property in that time? Even one. So I hear you, I hear that you're committed to that, but when I see what's actually happened on the ground, I see very little difference. So I ask that if you really do care about providing housing for those who are the most vulnerable in our society, the low income families that are struggling, that are getting pushed out today, out of our city, then make that a top priority. And you know, we talk about codenext and our imagine Austin comprehensive plan and the activity centers. And we have this company, this private equity firm, coming to our city and telling us where they want to put their stadium. And yet it seems like we push aside our activity centers in the imagine Austin comprehensive plan that we could say let's sit down with private companies, private landowners with and Precourt and work out a situation that works for everybody and use our city-owned property for income restricted housing. We can have both. And I do appreciate councilmember pool's efforts to look at other opportunities here and not just this one for a stadium. So that you can have a broad range of options to look at and consider. But I do hope that it really is a transparent process that's fair, that gives these other proposals their same fair opportunity to be heard and considered. [Buzzer sounds] Thank you very much. >> Mayor Adler: Thank you. Is ray Sanchez here?

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What about Gary price? Come on down. >> Three minutes? I'll be quick. >> Mayor Adler: You have to press the button on the base. A light will come on. >> Is that counting against my three minutes? >> Mayor Adler: No. >> Push. The one that says push. I went to college, whatever. A lot of good it did me. Grumpy old man, but I'm a grumpy Progressive, not a grumpy like grover Norquist who wants to drown government in a bathtub. I think government is really, really important. That's why I'm so disappointed and upset right now. Basically it seems y'all are arguing about crumbs from a foregone conclusion. I think the numbers are quite clear. If we have private development there compared to the crumbs y'all seem to be negotiating on -- this is a subsidy. Let's don't candy coat that one. Okay, whether it's worthwhile, economic impact studies are notorious for -- well, 98% of the time being wrong. We can just say no. Not saying no and arguing about the crumbs means you've already decided. Stepping back up to a larger level, we are giving up city fiscal capacity that we really need. The legislature grants taxing authority to local governmental subdivisions. Do you really think the legislature is going to step up and do the right thing about school finance and fix the state funding in the school finance system? Do you think next session they aren't going to come back again for rollback rate caps and squeezing out rollback elections in Austin affecting our fiscal capacity. They are going to keep giving us unfunded mandates. We need to hang on to fiscal

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capacity for things that we really need. This is like my 16-year-old coming to me and saying, daddy, I want a beamer so I can -- they will elect me city council president -- student council president. But I'm going, honey, the roof needs fixing and we haven't saved any money for college. We've got to get our priorities straight. Most -- what I'm most disturbed about is we have a bond election coming up with some really, really important things that need funding. And I just -- I'm just a little astonished that we would be asking taxpayers to give away a subsidy to a private entity, profit-making entity, and then asking taxpayers to borrow money for a bunch of fundamental and essential services. On a personal note, I hate to get there, I'm really disappointed as an Austin Progressive that some city councilmembers now equate city libraries with soccer stadiums. It's like -- I love you guys, but I think you've lost your way if that's how you think about things. There are more things that are more important: Housing, schools, all kinds of things. Finally, you know, here in Progressive Austin a lot of people slapped their foreheads and go, how could this thing have happened in Washington? [Buzzer sounds] Well, the reason it happened is because stuff like this. >> Mayor Adler: Thank you. Is Susan spagoro here? You have time that's been donated by Marley Perryman here? >> [Inaudible - no mic]. He's listening from out there. >> Mayor Adler: He needs to come on in. You have three minutes. As as they come in if they

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could wave their hand -- >> They are walking in right now. >> Mayor Adler: You have seven minutes then. >> I'm going to start not in order on the term sheet on the things that I think are most important, but there are other things that will not be covered. >> Mayor Adler: Can you turn on the microphone, please? >> Alter: We're having trouble hearing on this side. >> How is that? >> Mayor Adler: Thank you. >> So what I want to do is talk about the most important things first. First of all, I think that this term sheet is so incomplete and so vague. Questions that have been consistently asked for by the public at meetings are still not answered and there's no contractual language. We will work on, we will give it our best effort, we'll try to figure it out is not what we need to be looking at today. Psv has been saying they're in a bind F so, they should have had those things hammered out by now. Transportation is critical. You do not need a site plan to figure out what you're going to do to get 20,000 people into that stadium because they're only going to accommodate a thousand parking places in there. Also, they have not included the 800 people that they say they need to work at the stadium. So that is not rocket science. You need to know that, not just guess. The other thing is that I will start with saying on page 18 where it says mls may rely on the approval of this term sheet as confirmation of psv securing a stadium site and the city committing to the use of the site subject to a definitive agreement. Absolutely not. How can you make this kind of massive commitment without agreements that are specific and have teeth in them? And that has not happened. The next thing, and I've said this before, it makes me crazy. Psv is in a lawsuit right now in Columbus, and what they're saying is it doesn't apply to them because, do

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you know what? They don't own the crew. And here we have instead of having an agreement signed by mls who says they own it, and Precourt together, we not only are not doing that, but we're letting them put together another shell corporation that we're dealing with. It almost seems like you're designing something that they can slip out of. And we should not be doing that. We need to know who we're dealing with and whoever is responsible needs to sign the contract. One of the most important things, and I'm probably going to take a lot of time for this -- and I gave the clerk two maps and I'm going to talk about the third. And there is no affordable housing in here. There is not. And what they say is -- and the two handouts that will come out will show that on May 15th there was a diagram of what the site plan would look like. And as you can see down in the little tiny corner on Mckalla, that is used for 300 parking places and it is used for staging facilities. Then on June 27th, what happened was Precourt made a big blast and said, affordable housing 130 units. And then they distributed another diagram and I don't have that. Let me point. It's right down there where the parking was and the staging. Now, in the term sheet the one that says conceptual is the first one. The one with 2 on it, that's the term sheet. On the term sheet notice there is no affordable housing. They have reverted back to that being a parking lot and a staging area. So the truth is there is talk about affordable housing, there is no affordable housing here. Here's what they say: We will cooperate and provide one acre to allow a third-party affordable housing expert to develop up to 130 affordable housing

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units, but there's none on the term sheet. Then they say financial commitment. The stadium will discuss in good faith contributing financially to the development of such affordable housing through its community benefits. You go to community benefits, that did not change. And what is their commitment? 500,000 to foundation communities for a specific plan, and then they were going to contribute another 125,000 per year. That has nothing to do with affordable housing on this site. So again, we have promises, but when you look at it, there is no commitment. Then the next thing it says is that did the stadium company, this new group, or company, does not have a definitive agreement and build on it, the city has 10 years from the time the stadium opens to look at an alternative for that site and then can make an argument to do that. And if you do you have to replace their parking and whatever they build, if they build a parking garage, they cannot charge the stadium money for it. Folks, this is not affordable housing. It is a vacant promise just like transportation. These are very serious issues. And I know affordable housing is close to the heart for many of you. It certainly is to me. If you agree to this, you need to say psv mls will be required to develop 130 affordable housing units as they publicized and they should be available for occupancy on or before when the stadium opens. That's how you know you get affordable housing. And we don't have that right now. I think that's a very serious problem with this. The other thing is that this piece of land is owned by the Austin utility company. It was paid by ratepayers. It was a revenue bond, not a

[9:54:04 AM]

G.O. Bond. There's \$18.3 million. Mr. Aleshire pointed out and he's an expert in these things. Worked with him a long time so I'll testify to that. Where is that money coming from? Surely you don't want to be in another lawsuit over something like that. That money, that land was bought by water utility, has to be used by water utility or it has to be paid back. So are you going to take 18.3 million from the general fund and are you then going to repay the money to the water utility that's a serious question and it's not being dealt with. Parking, they talked about public parking and I know you're concerned about, ah, the rail is out there. We'll move it. Now they don't want to move it. It's a mile from the actual venue. Each train has 10 cars and those cars hold 230 people standing, packed. So if every train with every car, served this, 4600 people. Talk about transportation and shuttles. A bus, folks, holds 55 people. They're talking about 13,000 coming in on that. Say to yourself how many buses are needed? And by the way, they come in half an hour before the game and want to leave right after. [Buzzer sounds] Where do they line up? Thank you very much. >> Mayor Adler: Several things I think we may need to think about, talk about, ask questions about. I have a question, are you being paid to be here today? >> I am not. I am today. May I add another sentence to my answer? >> Mayor Adler: Yes. >> It is so offense assist to me that the people proposing this are accusing

[9:56:05 AM]

everyone that's against it to being paid. Let me say this. There's nothing wrong with other people being paid to be against it, but most of these people, me included, don't like the tax structure, don't like the auditing. No. We have every right to step in front of this government against this highly paid lobby and testify against it. So, no, I am not being paid. >> Mayor Adler: Thank you. You're right, everyone has a chance to speak. >> Sure, thank you. >> Pool: Mayor, if I could add on to something she has said, I have also been aaccusinged of being, quote, in the pocket of Bobby Epstein, and I don't appreciate that either so I wanted to air that publicly as well because the same people who are accusing her of nefarious actions are accusing me of the same. >> Renteria: Mayor? >> Mayor Adler: I too am being accused of being in various people's pockets. It's hard for me to keep track of all the pockets I'm accused of being in. >> Renteria: Mayor, since we're on that subject I've been accused of being in developers' pockets also by colleagues on this dais. I just want to let you know that I don't -- I mean, I'm supporting you, it shouldn't be right, not fair, and I have to put up with those kind of comments when they make it toward me. >> Mayor Adler: All righty then. Let's go on to the next one. Is Judy here? Come on up. >> Hello, my name is Judy garabe. I have spoken to you before and addressed the environmental impact of the proposed soccer stadium. I have addressed the impacted on the surrounding neighborhoods and the traffic issues. Today I want to speak the universal language of money. The loss of property taxes at mcca place if a stadium is billed under the

[9:58:06 AM]

circumstances proposed by psv amount to over \$5 million yearly, the impact that impacts education is \$2.9 million yearly. For just a game. The infrastructure initial cost for the city of Austin is estimated to be

almost \$16 million. This includes 13 multimedia for the me tro rail and \$3 million for water, wastewater, et cetera, for just a game. There will be costs for police, fire department, ems, and other city services. Psv pays for none of this. The city pays for these services. If the city has to pay, then the citizens have to pay. The city will be on the hook for preparation of the mckalla place site for psv to begin construction. This could also include more remediation costs. The costs can sore. For just a game. The cost to the city for the stadium in year one is estimated to be over \$48 million for just a game. I must mention that mckalla place was bought with bond tax money, money voted on and financed by citizens. You cannot just change the use of this land from the water utilities department to your soccer stadium. That is fiscal impropriety. The life of the sporting stadium is now around 20 years. In 20 years the city will lose over \$100 million in just property tax revenue. Anything that psv has decided to pay the city now is a mere pittance compared to the amount of cash the city will spend. This list can and does go on and on. There's no redeeming reason to build a stadium at mckalla place. I have written letters to

[10:00:07 AM]

the attorney general and the governor because of my concern and to ensure the letter of the law is followed in this process. You are spending this kind of money, citizens' money, for just a game. Thank you. >> Mayor Adler: The next speaker is Craig nazaro and then [indiscernible] Will be on deck. >> Hello, my name is Craig nazer and I am on the conservation committee of the Sierra club Austin regional group, also a park co-chair of the [indiscernible] Neighborhood association, horticultural association, president of the nonprofit plants society called the psych heads society, lifetime member of the Austin cactus and succulents society. What I'm trying to put out here is I'm a plant person, although I'm a musician by trade and because of that nobody paid me to do anything, okay? I have been to the mckalla site. I have sent you all a detailed letter with photographs from being up at this site. It is my opinion that when you look at this site there's probably not a permanent spring up there, but this site serves a very important biological function. If you look on that picture you see on that point there's a green edge. Like a bowl. However this worked out, maybe it's because the rail lines, maybe it's because stuff done in the past but right now the water kind of piles up on that edge and this is what I think protects more flooding down little waller creek. I think this is something that is not being discussed. We hear people talk about well affordable housing, well, it goes down in that little green area, or the parking, it goes down in

[10:02:07 AM]

that little green area. So I'm worried about if people are really paying attention to what's going on environmental there. I've been on this site 12 -- at least 12 times. In the past, in a city park a friend of mine discovered a spring the city didn't know about on a little park by my house. It's possible -- we've got a great watershed protection department, one of my favorite groups in this whole city. They have so much land, so much to cover, they need to evaluate this site but they can't do it because of the weird way this is happening. This is not right. I could never do anything like this with a private piece of property I owned. I'd have to file a site plan. I've done it when I've wanted to build a little greenhouse

and I had to do impervious cover and I had to do everything. None of this is going to get done until after you've agreed to how it's done and then what can anyone say? Then there's pressure. I don't really think that you can support this the way it's written and call yourself good environmental stewards. Little walnut creek is subject to flooding and it's gonna get worse. There is no doubt about if you read my statement it talks about a \$13 million mitigation already planned for little walnut creek, okay? The creek coming out of the mckalla site has been straightened and it's mod against best practices. I think you need to look at the environmental aspects very carefully pay thank you very much. >> Mayor Adler: Thank you multiply Marissa Perryman? Okay. Trey bush is on deck. >> You said push it on? >> Mayor Adler: No, you're okay. You're on. >> Good morning, councilmembers. I am not being paid to be here either. [Laughter] I want to introduce myself, Marissa Perryman, a citizen,

[10:04:09 AM]

voter, homeowner and taxpayer and business owner here in Austin. I have a number of concerns about this deal. One of my main concerns is traffic. Not only is -- are our roads already congested but I have a problem with the drinking and driving that's going to happen as a result of this and with all the pedestrians expected to come to the stadium, there will be drinking and driving incidents and pedestrian-involved accidents. I personally lost my brother in a pedestrian automobile accident so I take that very personally. We're putting pedestrians in danger because people will be parking at the domain and walking across and, you know, like I said there's going to be drinking involved, not only of the drivers but of the pedestrians people get reckless. My second concern is going to be the metro station. The metrorail capacity, mayor Adler, you yourself said you weren't sure how many of the game-goers will be able to be bussed in. Then we need to reconsider the members put -- numbers put forth on psv's proposal as far as how many -- how they plan to get people, the ingress there. My other concern is the watershed. As Mr. Nazer said, I don't think it's fair to wave psv in and let them be approved before doing a full evaluation on the watershed and the impact that this will have on our watershed and our flooding and our streets and our houses. Lastly, I'm concerned about the ethics of this deal. I live next to the lot where the Braker lane Kirby lane is spook and they've been trying to build that for years. And this is a local business. They are burdened by the red tape and here we are ushering psv in, an you had of town company, holding their hand through the process and getting them built and playing games by March? That's not fair. That goes completely against the city of Austin slogan, which is keep Austin weird,

[10:06:10 AM]

support local businesses. This is not a local business. You are not paying attention to those local businesses like Kirby lane that have been here forever, since I've lived here, moved here 17 years ago. So I don't think it's really fair that they're getting an unfair advantage. Like I said, being ushered in. I have a problem with lack of rfp also. You know, there are whole anti-lobbying part of the rfp process is being overlooked because there wasn't an rfp process so they've been able to pay tons of people to come talk about how they love soccer. Nothing against soccer. But it's also being very divisive right now. A lot of

people are fighting over this. I live there. A lot of other people live there and it's going to affect us every day. I already have to drive really far to take my son to school. Our school commute is going to be that much worse. Thank you. [Buzzer sounding] >> Mayor Adler: Thank you. Is trey bush here? What about Francois lucca? Trey? >> I'm sorry. I have bad hearing so I was reading the screen waiting for my name to come up. >> Mayor Adler: That's okay. >> First of all, thank you for having me today. I am going to be one of those profit-making entities that a gentleman described earlier. I'm a small business owner. My company is [indiscernible] And the reason I'm here today is the benefits that this will bring to small businesses like myself. I think we should always embrace things that help bring stimulus to the economy. Promotional products for the psv over the years. The contractors that do business. This is what my business has grown on over the years. Started off with three employees. Now I have as many as 12.

[10:08:11 AM]

I've invested in my employees and their benefits and it takes entities like this to bring money to help stimulate the economy. And I'm a firm believer this could help not only my small business, other small businesses. The reason why it's backed by the chamber of commerce. On another note, since it's been spoken about a lot today; parking. I have gone to large soccer games around the world and traditionally the parking you get is not on-site. Just came back from St. Petersburg for the world cup. Even though there was a subway train station there actually the walk from that station to the 70,000 stadium was further than the domain walk to -- to this mckalla site. I really do think that this is something that will benefit small businesses like myself and I hope that y'all will consider it going forward. Thank you. >> Mayor Adler: Thank you. Roy -- sorry, Francois lucca. >> Good morning, council. My name is Francois lucca and I'm a homeowner in the gracywoods association. My sister is a homeowner in naca, in district 4 right down the street, and my parents are homeowners in Georgian acres, also in district 4. So myself and my family are very invested in north Austin. And I'm here to talk about the important decisions that you all are going to be making that will affect our city and our neighborhoods for the next 50 years. The quality of life, affordability, of the tax

[10:10:12 AM]

revenue that we could achieve for public health and education and of course for mobility. So I want to thank councilmember Delia Garza for bringing up the important traffic issues that this project presents. So we need to really step back and think about how do we get 20,000 people in and out of that site safely? Like our -- the other speakers mentioned, there will be drinking. There will be congestion. The rail station is only one solution. There has to be a networked plan. We cannot get everyone in on rail. We're not going to be able to get everyone in on bikes or shuttles or walking. It has to be a coordinated system. There are no sidewalks on burnet road. There are no sidewalks on mckalla road. The entrances to that site are very difficult. It will force traffic to turn right out of the site on to burnet road and turn right out on burnet road into our neighborhoods. So the question is, where are the park and rides for

the train stations? Where are the park and rides for the shuttles? Where are the bike lanes that are inconsistent in that area? There is not a plan, and this is not something that can be done afterwards. It has to be a coordinated plan because it requires infrastructure, it requires capital metro, it requires law enforcement. It is a big decision, and this is being rushed, and it's being pushed aside that it can be handled and discussed later. That's not right. And just this week we had a fatality, a pedestrian hit and run.

[10:12:13 AM]

This is going to become more common as this area gets more congested and we can't wait. This is a deal-breaker. If there is not a traffic plan, then there is no deal. Because we cannot bring this kind of infrastructure into the city. [Buzzer sounding] Thank you. >> Mayor Adler: Thank you Roy rally. >> Howdy, y'all, my name is Roy waily, the conservation chair for the Austin regional group, the Sierra club. Typically I wear cargo shorts when I come here to speak. I mention that because I have six pockets. No one is in any of them. And because I'm a volunteer, there's not much money in them either because I'm not getting paid by anyone to be here. In fact I typically lose business and money by being here. That said, I do want to say that Austin Sierra club is not opposed to soccer. This is nothing to do with soccer as far as we are concerned. We welcome soccer. I personally would welcome soccer. But not on this site necessarily without having the thorough environmental assessment done. I want to thank not just -- well, first I want to thank Dr. Craig nazer for the excellent letter and research he has done. I hope all of you had a chance to read it. All of you should have received it. And there -- the environmental is laid out there. I also want at the same time to thank our friends at the watershed protection department. Excellent work. We respect them. That doesn't mean we always agree with them, but we have a lot of respect for them. We think that this site deserves more study.

[10:14:13 AM]

I don't know if we need to bring in the corps of engineers or not, but this has all the indications of being an environmental site. A critical wet area based on the foliage. Like I say, our concern is about the environmental features. Transit is also an environmental feature though. And as we look at this, I don't see the park and rides that we will need for this. What I do see is the likelihood of going across a railroad track down little walnut creek and being buying out the warehouses on the other side of metric and putting in parking there. So we're not going to be addressing the transit issues by mass transit. We're not going to be looking at it from investing in cap metro and -- or having cap metro and us putting in the money for a train station. So that's a concern. As the grumpy old man said -- well, the other grumpy old man said earlier and bill elshire, bill bunch, they have put in excellent input on the financial part of this. We're not addressing that today. Affordable housing, we also see as an environmental issue. If we can keep people in Austin, we have less sprawl. [Buzzer sounding] Hopefully we will have that discussion next Tuesday. When it comes to appreciation, I appreciate everyone on the dais and thank you for calling this meeting today. >> Mayor Adler: Thank you. >> Thank you very much. [Applause] >> Mayor

Adler: Is there anybody else signed up or here that wishes to speak? Why don't you come on down. Why don't you give the clerk your name, please.

[10:16:14 AM]

Sir? Why don't you give the clerk your name, make sure she has that and then come on over. >> Hi, everyone, my name is Ian [indiscernible], I live in the holly neighborhood. I apologize for coming late. That's why I was not able to sign up earlier. I do appreciate everyone's time here today to take public comment. I hope that my bias shines through with my attire today. I'm definitely a soccer fan, but I also appreciate all the other comments and sometimes justified criticism that my fellow citizens here have brought forth. I too believe that there is room for improvement regarding public transportation issues in particular. But I don't think it's fair to say that something like this opportunity shouldn't go forward just because there's room for improvement. I think that this opportunity of bringing a major league soccer team to the city can be a huge benefit for community engagement. I personally work in children's health and wellness for a national nonprofit and physical activity is one of the most important elements of preventing obedient and diabetes in kids, and to be able to have roll models and people to look up to for kids in the city of Austin is really crucial to set a positive image for these kids to grow up and, you know, really be contributing members to society and healthy and strong kids. So I just wanted to say that I hope you take everyone's consideration seriously, both the criticism and people like myself that would hope to see eventually a soccer team come to the city. But at the end of the day, just know that there's many different positives --

[10:18:16 AM]

perspectives here and maybe I'll be a grumpy old man years down the line but right now I'm just very excited. Thank you very much. I'll donate the rest of my time. >> Mayor Adler: Thank you. Anyone else here that wishes to speak? Okay. We're going to take a recess in the public hearing part. The next thing I would have us do is to make a decision about whether or not we want to go into executive session now or whether we want to wait until 11:15. Councilmember pool. >> Pool: I wanted to ask a question of staff before we break. >> Mayor Adler: You can do that. >> Pool: Thank you. >> Mayor Adler: Staff presentation is going to be later today. >> Pool: Right. It relates to some of the comments that our citizens have brought forth. I wanted to just ask staff about the point that was made by Craig nazer and I think Roy W Whaley about timing of assessment and I wanted to find out from staff why we wait to site plan and find out if that's something cast in concrete or stone or something we may have some staff flexibility with. >> Mayor Adler: My request would be that you answer this on a really high lex because the staff presentation will be this afternoon when we get into all these issues. >> Pool: I'm talking about process, yeah. >> Mayor Adler: Opening up the door, which we don't want to do. So just a really high level answer and you can elaborate on it this afternoon. >> Yes, sir. Mike, interim director, watershed protection. And I would like to just acknowledge Chris Harrington, our acting environmental officer effective today. Welcome to the -- [applause] Welcome to the process. Anyway, to directly answer your

question, we have done quite a bit of on-site field work at this site. We feel like we have a -- essentially a good handle on what's there and what's -- particularly what's not there.

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We could do additional assessment, but I'm not sure that it would quite frankly result in any more additional data at this point. We have reviewed a phase one environmental site assessment report, find it to be clean, meaning thorough and accurate. And also do rely on what the state assessment has been with respect to remediation on the site. >> Pool: So specifically I had pointed out, not about this site. I was asking about the process that the city uses where we delay a full-capacity environmental assessment until a site plan has been submitted. So I was asking for why we do that. And then I said that I thought -- I wanted to know if that was set in concrete or if we have some flexibility about when we trigger staff doing an environmental assessment. >> Okay. Thanks for clarifying and I apologize I didn't hit it on the head. Typically on a site plan that would trigger these researches, it's being done of course by a private developer, sometimes by public agencies, including ourselves, that review occurs after site plan is filed. And it's incumbent upon the applicant to do the analysis which in many cases if there are critical environmental features on the site, watershed is called in to do the evaluation of the information that's been provided and very often typically we do go on-site to verify. With respect to a site like this we've essentially gone out and done that review, much like we would if it was coming in after site plan. >> Pool: So can I then make the deduction from what you're saying that the environmental assessment happens after site plan? That's because the person doing it or the parties doing it tend to be the developer and they need to know that they are going to actually have a development on that site and then they go in and do the work? Is that why it comes after a site plan? >> Yes, essentially, it's

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incumbent upon the applicant. >> Pool: So it's the ownership of -- or it's the party involved and then it would be a financial investment. Is that correct? >> Yes. >> Pool: Okay, thanks. >> Tovo: I just wanted to backlashing that I would like to get back to this issue at the appropriate time later this afternoon and talk specifically about the corps of engineers letter and also just get a better understanding of what assessments you have done on the site. I heard you reference some additional assessments could be done. I think it would be useful to have some more details around that. To the extent we can get to it today, I do think it's important to understand what has already happened and as I think I just heard you say you've done some of that work in advance, given the community discussion we're having, rather than waiting until the site plan so I look forward to those details later. >> Mayor Adler: We'll address those later. Council, I need to know if you want to go into executive session now? It seems like we could. >> Casar: Yeah. >> Mayor Adler: All right. So the city council will now go into closed session to take up one item, pursuant to sections 551.072 and 551.071 of the government code the city council will discuss real estate and legal matters related to item number 1, which is the potential agreement with Precourt

sports ventures. Without objection, we will now go into executive session. It is 10:23. We will be back out on the dais at 3:00 this afternoon. We're adjourned. Or recessed, rather. [Executive session]

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[Executive session]

[3:19:38 PM]

>> Mayor Adler: I think we have a quorum. While we were in closed session, we discussed legal matters related to item number 1. It is 3:18. We are now back into city council chambers here at city hall, and we're now going to get kind of a briefing from staff on this item number 1. Mr. Canally. >> Sure. Thank you, mayor, councilmembers, I'm Greg Canally with city finance. We're here today for the special-called session on proposed lease between the city of Austin and Precourt sports ventures at Mckalla place regarding a major league soccer stadium. Before I start, I just want to introduce the folks sitting with me today. First, Frank Jones with Greenberg, our outside legal counsel, Chris Dunleavy, who has been helping us as well, then Greg Kylo with our economic department who has been helping us throughout this process. I'd be remiss to also not acknowledge Deborah Thomas with the city law and Stewart Riley who have also been very instrumental over these last -- the last month working on this effort, and also everyone in economic development with Rebecca, Glo, David Culligan and Melissa, just getting information starting back in March, as well as the city clerk for getting everything posted. There was a lot of work that went into this as usual, full city team effort to keep responding to your council direction. Which is really where I wanted to start, kind of just setting some

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context to why we are here today. Back in November of 17th, I think when this -- the discussion about a major league soccer stadium coming to Austin really kicked off, city council had a resolution asking the city manager to identify city-owned sites that might be appropriate for a soccer stadium. And the parks department, Ken Mcneeley, took on that charge and went through an analysis and reported back to council in December. Mckalla place was one of the sites identified as a result of that report, as requested in the resolution. Following -- subsequent policy direction came from council at the end of March, asking for a more dated analysis of Mckalla place as a potential site. EdD, Greg, Rebecca and the teamwork on that report that was sent out on June 1st. As part of that, I'll remind everyone there were 11 information sessions held for citizens during that process leading up to the publish of the report. And then in June, at the last council meeting, the city manager was directed to begin negotiations with Precourt sports ventures regarding the major league soccer stadium, and that's what we're here for today. We're following up on that resolution for the ability for the city council to consider such a lease,

and that action item is in front of you for the August 9th agenda next week. As part of that, we posted the entire term sheet that we have been working on with the team over -- since June on that. And what I wanted to highlight here is really how we got to this place today. As everyone knows, Precourt sports ventures did send us a proposal to the city on

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June 1st, but after council approved the resolution for us to go look at this and negotiate, we didn't start with that proposal. We started with the resolution that you passed on June 28th as a starting place for where going through each of your requirements and your . And I think that bears out in -- I will say it was a negotiation. We didn't get to sit down and dictate every piece of it. It was truly a negotiation. But I think it was fundamentally different than what was originally put out by Precourt sports ventures in June. I'll highlight some of those, but we're going to spend really the majority of this powerpoint allowing frank to walk through those term sheets. First and foremost, the lease term is 30 years less than originally put so it's now at 50 years. We've included clauses for the city approval rights of the stadium. Affordable housing has increased. In addition to the four million, there is also a requirement for 130 units to be developed on site. On the economic side, the stadium costs, both the construction and operations, have entirely gone to 100% all for the team. The originally proposal asked for the team - the team asked to the city to fund the site prep costs, but now that is the responsibility of the team. There was permit fee waivers in the proposal. There are none now. We'll go through more of these, but I want to show you again our process to get to where we are today. So what we'll do, we have a short powerpoint, but we really understand that council has lots of questions, and we want to be available for those questions, and cognizant of your time. So Chris is going to spend some time going through major league soccer and how the structure of major league soccer works. And we think it's important to look at comparable stadium deals because in the context, it is important and it was really part of our

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effort to land on a good, negotiated deal. And then frank will take over looking at the term sheet. So I'll turn it over to Chris. >> Thank you, Greg. So major league soccer is what is referred to as a single entity ownership structure, which means that the league itself is a business entity which each of the individual teams is a member of. They are investors in the league entity. And for their investment, a local team owner receives operating rights to a particular market. And as it happens, the Precourt sports ventures, psv, is the member with rights to the Austin, Texas market. Mls has 23 plans with plans to expand up to 28, although it's an important distinction to note that the opportunity here for Austin is not an expansion opportunity but an existing member club, relocating from another market that is not subject to going through an expansion process, and it is the only entity in the world, in fact, that has the right to locate a major league soccer team in Austin. There are revenue and cost-sharing relationships between those local member teams and the league. The league actually carries the cost of all the player contracts, with a few exceptions, and it's unlike a lot of the other professional leagues in the United

States. And in order to do that, the league also captures revenues from a number of nationwide, national-level media and sponsorship contracts. So although each of the local teams is a member of this single entity

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organization, they do typically organize business entities at the local level that are authorized to conduct business in that local market, so in most cases, there's a business entity that is the team, which is the league member, and also in many cases where stadium projects are created, there is a separate but related stadium ownership and operating company, which we refer to here in real shorthand as stadium co. And that is actually the entity with which, oftentimes, the agreements between a locality and the team are actually negotiated. Now, in this case, it's worth noting that the term sheet that the city has negotiated requires psv to be -- to fully guarantee any of the obligations of any of those entities, the team entity or the stadium entity, but psv stands behind the business entity of the stadium co as created. The scale and economics of the stadium term sheet proposal that's in front of you reflects the characteristics of the trends of major league soccer in recent years. The \$200 million estimated project costs calls shy of the average cost of the stadium deals which have been completed in the last ten years, which is about 208 million. It's important to note that in most of those projects over the last ten years, there's been some level of public financial participation in the project that's averaged about 33% across all of those deals with the teams contributing the balance of that, the other 67%, from private financing. Again, that's different from the deal here where psv is committing 100% of that

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\$200 million cost. Now, it is through that in the most recent deals that have been done at mls, those costs have been trending even higher than that \$208 million average, and they have been trending more in the direction of private financing. So if you look over the also handful of deals, there's been a higher level of private financing, although still some public money in. It is important, though, to also put the terms of this term sheet into the context of the scale of the market in which these deals are being done as well. So, for example, you see in front of you here a list of the most recent projects ranked by the amount of private financing put into the project, and you see at the very top one of the most recent projects, bank of California stadium at a \$50 million cost, fully privately financed. But the important thing to note here, or two things to note, I guess, first of all, with regard to the size of that private financing, only projects that are in significantly larger markets than Austin have significantly more private money put into them. So the four you see on the list with more private money in them than this Austin term sheet, Los Angeles, Washington, D.C., New York, only Minneapolis is even close to the same market scale as Austin. And it's significantly larger. So for a market its size, there's a large financial -- private financial commitment being made to Austin here. The other thing to note is just how few of these projects have zero public dollars going into the capital costs. Austin is one of only three on this list in which there's really no

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significantly scaled capital contribution from the public. We think that the recent mls stadium deal structures, which are most comparable to Austin, are those in Houston and Minneapolis and Orlando, so we summarize some terms here for those. Note that among these, Austin is among the highest in the amount of private capital contribution, in the scale of the annualized rent payment at \$550,000 here, and it has built into it a key term, in my view, that other deals don't, which is the requirements for a capital expenditure, capital upgrade and maintenance fund to be established and funded, essentially entirely by the team, via its rent payments and via a matching contribution made by the team. Very important for the long-term longevity of the facility and something that hasn't been thought about enough in a lot of earlier stadium deals. So with that, I will turn the microphone over to Frank to begin to outline the terms of the lease. >> Good afternoon. Do I have this on? Okay. Good afternoon, Mr. Mayor, councilmembers. My name is Frank Jones. I'm with Greenberg, with our Houston office, and I'd like to start by thanking you for allowing us to be on the in this adventure you're on this transaction is very

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complicated, and I want to expand on this by saying it's been a pleasure to work with your staff and city legal. This is a complicated deal, as I said. There's a lot of moving parts. The staff has been very committed. They're very smart, and they've put in a lot of time to help us get to this point. So I just want to recognize that we would not have been able to get this term sheet done without the tremendous effort of the people that work for the city of Austin. I -- we can do this a couple of ways. My guess is, you're pretty familiar with this lease so I am happy to flip through these. We've got two or three slides. Or we can just talk. If you've got questions, I'm happy to hear it. I serve at your pleasure. If you'd like me to flip through these slides, I'm happy to do that, or if you are prepared to ask questions, I am ready to listen. >> Mayor Adler: Do we want him to flip to a higher level? I think so, because in part, this is the public's ability to be able to watch so it creates a record. >> Well, I'm happy to do that. As Chris said, you know, most of these major league stadium deals allow the teams to keep related revenues. They're also required to maintain and operate the buildings. They are also responsible for capital expenditures, and in some instances, those expenditures have been shared, like in Houston and in Portland. Lease payments range from a dollar to \$550,000, and terms of the lease go 20 to 50 years. You know, I think PSV started this deal offering one dollar rent for the year, and I think we've been able to analyze a pretty good lease payment, pleasing

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it second among the most recent buildings done in the country. Lease payments and things like that are dictated by local market conditions, for the most part, but I think that we were able to negotiate an out of market rate for the city of Austin, and I think that's very important to recognize that this lease structure and rent payment is unique. As far as the stadium construction is concerned -- let me make sure I've got this working right. Yes. Psv is responsible for funding the stadium construction, and they are also responsible for all cost overruns. There will be completion guarantees built into their lease and development agreement, if that's what we understand up calling it, and also into the construction agreements. The city has certain approval rights over the architect, construction company, and they also have the right to monitor both design and construction throughout the process. There are eight acres of dedicated public green space on the site. There is some ancillary development rights included in the term sheet that must be approved by the city. I believe when psv brought this proposal back to us, they had ancillary development as just part of their lease right, and there was no approval by the city, so that's a pretty drastic change for their part. The lease will require them to adhere to the nwbe ordinance. They have to have lead certification and also work to beat the better builder standards. As far as the actual lease is concerned, the city will own the stadium and the land and lease it to the club for 20 years with three ten-year renewal options. Starting in year six, the annual rent will be \$550,000

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a year which comes up to a little over \$8 million over the initial 20-year term. The city assumes no property tax responsibilities or liabilities -- I know that's a big issue, but we did make it clear to the team that if property taxes are ever levied on the stadium, they would not be the city's responsibility. There will be a non-relocation agreement for the entire term of the lease. The city's primary responsibility in this lease and construction and site prep is just existing environmental conditions. The lease will call for the city to allow -- have five civic oriented events at no fee, and the city or related groups will be able to keep any revenues generated by those events. And the lease will also call for a minimum of one acre for 130 affordable housing units. Stadium operations, we talked about this a little bit earlier, but psv will be responsible for operating and maintenance costs, capital repairs, and improvements. All the obligations of the stadium company will be guaranteed by psv and the club. Capital repairs fund, as Chris said earlier, that's something very important and usually lacking in these type of deals. It's very important especially when you get to the latter -- latter years of the lease, to have a fund available to take care of major capital repairs and improvements. The city will be responsible for certain off site municipal services associated with soccer games. The team will be responsible for everything else associated with their games and other events. As a city-owned property, the city will maintain property insurance and psv will provide the other insurance obligations that are required by the lease, liability, indemnification and things like that.

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Some additional terms, and these were part of the ordinance that you passed, so the team understands that they'll have to make efforts to minimize waste, energy and water. They have to adhere to the city's wage and benefit requirements. Everybody recognizes that transportation and parking is an issue, and so the parties will work to come up with a transportation and parking plan. Also a directional signage plan. They will design the site to be transit-ready. We do understand the metro rail station is a big issue. The site will be designed to incorporate that station, and the parties will work to figure out how to fund that. The parties also have agreed to minimize the impact of the project on the neighboring communities. That's certainly very important during construction, and there will be a work plan that not only the parties adhere to but the construction manager will also have to agree to as well. And, finally, psv has agreed to locate their headquarters in Austin, and they're in discussions with the city, and they'll be ongoing about where to develop the training complex that will include the youth soccer fields and possibly the mls academy. And those are the highlights of the lease, and now open for questions. >> Mayor Adler: Okay. Back up to the dais. Are there any questions? Mayor pro tem. >> Tovo: I have actually a slew of questions. I'll try to just ask some, and I've actually written most of them out so I'm going to try to distribute them on the dais, and any we don't get answered I'll put into the Q and a. I guess one of the first questions I had for you, if you could just back up to something I think you just talked about, and that is on

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page 13 out of 25, it sounds to me as if the terms suggest that the city would pay for traffic management public safety costs, other costs associated with the games, but perhaps I'm not understanding that passage correctly. >> No, I mean, the city did agree to -- well, as far as the term sheet is concerned, the city has agreed to certain municipal services on game days. We anticipate that mainly being traffic control. >> Tovo: Okay. That's just a little bit of a surprise. I remember that in the initial proposal, but I had thought that that would be a cost borne by stadium co. >> Well, I believe in their initial proposal, they wanted you to handle all game-day municipal services, trash removal, things like that. So we have pared it back to just site -- off-site municipal services on their game days and not for all events. >> Tovo: And so the off-site resources in your description would be primarily traffic management and public safety? >> That's what we're anticipating. Mostly the other event services will be on site and they will be their responsibility. >> Tovo: Do you have an estimate for what those would be on an annual basis and over the cost of the lease? >> I do not. >> Tovo: Okay. >> Mayor pro tem, we are again, I think, looking at that in terms of traffic pedestrian, and as part of the request to kind of go through this term sheet and put a financial lens on it, almost an accounting of it, we'll kind of work on that number here in the next day or two. Again, we think it's minimal and we know, feel very confident that the revenue we're collecting would cover any such expenses. But we're going to put a number to that here in the next dares day or so. >> Tovo: Okay. So you're going to get back to us an estimate. Are there any other large

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events for which we bear the cost of traffic management in I'm trying to think through acl and other I have not on auditorium show I'm not aware that the city of Austin bears the cost of any of those management services. Anyway, I'll add that to my questions and you can get back to me on that. As I said, I have a slew of questions and I don't want to monopolize your time here, but let me just ask one more and then I'll yield for other questions. Thank you very much, by the way, all of you, and especially the staff. I know you worked very quickly and very thoroughly and long hours to negotiate these terms, and I appreciate all the care that you put into them and the attention you paid to the elements of the resolution, so thank you. I would like to talk a little bit about stadium design, especially with regard to sustainable practices. As I looked at kind of best practices in stadium design, there's certainly -- it seems to be the trend that more and more stadiums, soccer and otherwise, are, you know, setting high standards with regard to environmental stewardship, and I would expect nothing less of Austin, of a stadium here in the city of Austin. And so I wondered if you could speak a bit to that, but also specifically I would like to see us set our aims higher than lead silver. So if you could tell me how that term was arrived at and what you were using as a model. And one of the questions I'm submitting to staff is if you could give us a breakdown of what say, our last five city buildings were in terms of standards. I know certainly the -- one, it's a council resolution that any cip-funded projects apply for lead certification and and I am for lead certification, but we have a grade model before us of our central library this achieved lead platinum certification. So I would be interested in knowing kind of what our last five big city projects have achieved with regard to lead certification. But specifically, how you landed on silver as the

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standard here. >> Okay. I can address the question with regard to a stadium -- mls stadium projects and stadium projects more generally in their performance with regard to sustainable design. I had the great pleasure of being project director for the first lead silver -- the first lead certified stadium at any level about ten years ago, and I think that the industry has -- the sports venue industry has, as you said, moved very strongly in the direction of improving its ability to meet sustainable design standards. As your question implies, there's a lot of stadiums that are different from other building types that make certain kinds of performance more challenging. The term sheet gives standards for both -- both in terms of Austin -- excuse me -- Austin energy green building standards and lead certification standards. I'm more familiar with lead, myself. Greg kylo may be able to comment more on the standards more common to Austin. But of the many stadiums that have pursued lead certification in recent years, we have found that there are certain categories of credits for getting certification that are more challenging for a stadium than there are for other kinds of buildings, so the approaches vary a lot. For example, whereas lead gives attention to different categories of performance, such as energy efficiency, water efficiency, waste efficiency, and the like, we actually pay an awful lot of

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attention to water management and water attention in these facilities, really being a driver of what creates the sustainability's success. We have found, because of that concentration and certain categories that you can achieve, there does seem to be something of an upper limit in how greatly the building can perform. We think, a long story short, lead silver is a very high standard. It is probably as high as one can reasonably expect of a project like this in those terms, and we've not seen stadiums in the U.S. Really exceeding that kind of standard yet. >> Tovo: Can you help me understand what would be different about this stadium design than, say, the Mercedes Benz stadium in Atlanta which received lead platinum certification, according to my research? >> Yeah. The -- one is that Mercedes Benz is a fully enclosed venue that has -- because of the way it conditions indoor space, it has more opportunity to achieve energy efficiency points than an open-air stadium like this would. So I guess that's just one example, without going over the whole checklist of differences between them. >> Tovo: Okay. So I'll submit some questions related to that. I guess I'll have to go through my research and determine which were open-air and what certification they received. I appreciate that there might be differences, but I believe I saw some examples of open-air stadiums that achieved higher than lead silver, but I'll go back and see that and I think just because it hasn't been done elsewhere doesn't mean it can't be done in Austin. So I hope that we can work through the details of what is possible and set our standards high on that front. And, too, I think what would be helpful is to have some understanding of what the plan will be, what will the design -- would the stadium co be bringing on a

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sustainability expert? I mean, I saw the language about working with our sustainability office, but what would be the plan for really achieving to say environmental aims, and while the term sheet talks about making good faith efforts with regard to zero waste and some of the other things identified in the resolution, there's -- I want more specificity of what are the plans, what's the process for getting there, some more details around that to come. >> I guess I could add -- Greg kylo, economic development prompt, I worked with Ms Athens throughout this process and she worked with other departments to put together a list of things that could be done to achieve resolution. Resolution, it's actually more detailed than you -- you would be more in the term sheet than would be typical of a term sheet, so we're actually ahead of the game in that, when we get to definitive agreements, we've got a pretty good homework done to push on that a little bit. >> Tovo: That's great. I think that would be really valuable information for us to see so that we can see how well it aligns -- how well your thinking aligns with what the vision was in terms of that bullet in the resolution. >> Mayor Adler: Councilmember pool. >> Pool: Thanks. I asked my staff to put together some background information and comparison information for everyone because I thought it might help, and it sounds like it may here. I've got two documents, one I'm going to pass out, soccerstadium proposal, we've seen a presentation on other stadiums, but not Miami, so that's here, and also the term sheet with Miami. And then Michael of my staff also do a comparison of the prenegotiations stadium proposal to the negotiated proposal. So this will be really helpful for us on the dais, and I guess the public as well, to see where the

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changes were and I think that that was some of the conversation that we've been having here. There's a number of footnotes that are explanatory, and then you will note that the asterisk on each of these different items, and it's broken down into the provision, ownership and lease, revenues, construction, and so forth, the asterisk indicates where the psv 2.0 differs from the initial proposal. So I thought this would be helpful to inform our conversations. So let me pass this out. And then I had a few questions just to start out, because I'm with the mayor pro tem on that. I have a slew of questions. But let me ask directly, Mr. Jones, on the points that you made -- I'll just start with page 11, your third bullet, starting? Annual rent, \$550,000, 2.2 million over the 20-year term, further down on the term sheet, I don't know if it's in here, maybe it's the capital repairs reserve fund, maybe a different fund, but in the term sheet attached as backup to our August 9 meeting, there is a term that directs \$437,500 of the \$550,000 into stadium repairs fund. So is that -- which fund is that on page 12? Is that the capital repairs fund or is it a different fund? >> It is the capital repairs fund. >> Pool: Okay. So knowing that \$437,500 of the \$550,000 is, by the terms of this contract, directed from the amount of money that psv is giving to the city in rent, it has to go into a capital repairs fund, would you agree that the actual annual rent for the first couple of years is

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really \$112,500? That's just simple math. >> Well, I wouldn't agree with that for the simple fact that we felt it was important for the city's perspective, since at some point they may get this building back at the understand of the lease, that we build a fund for capital repairs. The lease very clearly will indicate that stadium co is responsible for all capital repairs and improvements, but as we have seen over the history of stadium development, those are not always funded on an ongoing basis. So you may get to year 10, year 15, and have a major capital cost that the team is not prepared to pay for. >> Pool: Okay. Then could we then make some language -- can we specify in the term sheet that, of the \$550,000, 437,000 and change is expected to be government by the city into the capital repair under? >> If that's not clear, we can certainly make that clear. >> Pool: Thank you. It isn't -- >> Mayor Adler: Would you pull the microphone closer? We're having trouble hearing you on the-day. Thank you. >> Pool: That would be good for the public to understand, and I just want to make the point, which year does the rent start again? >> Year 6. >> Pool: Year 6. Thank you. The fifth bullet non-relocation agreement for the entire lease, I don't find any penalties in the term sheet that would either be enforceable or ensure that, in fact, no relocation could happen. So if maybe you can point us to it in the term sheet or you can get us that information separately. >> No, I think the term sheet is -- what the term sheet says is that that will be negotiated in the lease. We did not come up on a final number yet. We're still negotiating that, and that will be part of the definitive documents. But we made clear to the team that their initial offer of some percentage of the amount of money that the

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city spent on site preparation would be their liquidated damages if they moved early, was not acceptable, because basically that would be some factor of zero. So they understand that that was not acceptable, and whatever those liquidated damages will be, will be determined in the final documents. There's a lot of negotiation to do to get to that number. But they do understand that what they proposed was not acceptable to the city. >> Pool: That's great to hear. I agree, there's a lot more negotiation to go, and I know that this dais will want to see what the additional negotiated terms will be. The last bullet on that goes to -- it says -- on page 11, sorry, minimum of one acre for 130 affordable housing units. The term sheet actually says up to one acre. So is it a minimum of one acre, or is it up to one acre? >> I think that they are still trying to figure out how to size that type of development on the site. So that -- it is up to one acre. >> Pool: Would you agree that the city of Austin owns the land and -- >> Yes. >> Pool: So I'm having a hard time understanding what the benefit is of this particular bullet point, except to acknowledge that the dais is looking for affordable housing on site, the city of Austin is completely capable of doing that ourselves. We don't need to have the permission of psv. Is that correct? >> I'm not looking at it as permission. I understand your point. The issue is, the city is leasing the entire site to psv, and one of the things that was in the resolution was that there be 130 units on the site, and they've committed to doing that. >> Pool: I think maybe we can also get some information from our housing advocates to find out what kind of a footprint would

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you need to get 130 housing units. This doesn't speak to what level of below-market rents would be on here. I think the city council could have a lot to say about that. And I hope that we do. So this would be another point that this dais should be involved in a policy decision on what that looks like. Going to page 12, can you tell me in the capital repairs, you mentioned before that sometimes by the time you get to year 10, there isn't any money for repairs, and that probably is when you really start -- perhaps that's when the building itself is showing signs of wear, and you really would need to have repairs. So if the city of Austin is putting about \$437,500 into that fund over a period of time, it will grow. How much, in fact, will psv also be putting into that fund so that when it is tapped, in order to make necessary repairs, we will know that there is sufficient money in that fund? >> The way it is set up is, each party would contribute \$125,000 a year throughout the term. So they will match what the city is putting in. >> Pool: But the city is putting in \$437,500 -- >> The first year is kind of a catch-up payment, that's right. >> Pool: Oh, it's a catch-up. It's a catch-up for the first two years? Is there a catch-up for the rent that isn't being paid by psv in years one to five? >> The reason they are not paying rent year one through five is a recognition of the fact that they do have all the responsibilities for site preparation. In their original proposal, the city was supposed to give them a clean, construction-ready site at the city's cost. The city refused to do that, so in recognition of stadium co taking on those costs, they did get some relief on the first five years of

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rent. >> Pool: I don't understand what you mean by the city refused to give them a clean, unobstructed piece of land for that -- I have no idea -- >> Typically, in a transaction like this, the governmental body, if they are providing the site, they will provide a construction-ready site. It is not clear that this site is construction-ready. There will be some costs to prep it for construction. >> Pool: Don't we have the city responsible in the first -- the preliminary proposal and psv 2.0 for environmental remediation and required infrastructure? >> We are not responsible for -- in the initial proposal, the city was responsible for infrastructure improvements they are not now. I'm not quite sure -- when you say psv 2, what are you referring to? >> Pool: The term sheet. >> Okay. >> Pool: So I think the term sheet says the team will fund, quote, certain infrastructure that is not yet specified with regard to required infrastructure. So I think we need to get some clarity on what the city's costs are. I think that will be a theme from the -- certainly from me and possibly from some of my other colleagues on here, is what exactly is the city -- >> I think we can be clear that the city has no infrastructure site preparation cost. The only cost they may have is if there is some environmental remediation that needs to be done on the site that hasn't already been done. >> Pool: Great. Well, we'll get that clarified and so there's some certainty on that. And then just two more question, and then -- actually, I have three more questions, and then I will cede the mic. Can you tell me how much the insurance is, city property insurance portion -- this is on your page 12 -- and the city liability insurance, how much is the insurance on those, please? >> I'm going to pass the mic to Greg on that one. >> We have an estimate from risk management.

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Under our standard procedure for insurance coverage for leased properties, there's a standard rate based on the value of the property, and they've estimated it to be approximately 3.1 million over the 20-year term for the property insurance. And all other liabilities are the tenant's responsibility. We don't know what that value is. They have to go to the marketplace to purchase it. It's not something that we -- it's their responsibility. >> Pool: And what is the dollar figure, the value of the land that the city's portion of the insurance is being estimated against for the 3.1 million over 20 years? >> It's just for the building value. >> Pool: So the stadium building? >> Yes. >> Pool: Okay. So then what you are saying is -- >> It's replacement value for property, like if your house burns down. Replacement value. >> Pool: So you're saying it's based on the \$200 million or \$175 million or the different numbers we're hearing for what it would cost to build the stadium. >> Correct. >> Pool: Thanks. So page 13, another what does this mean, minimized waste energy and water do we have any clarity on what that will mean and who will be responsible for what, how much it might cost, and how enforceable might those provisions be? >> I believe that's the same issue that councilmember tovo was discussing, the green -- you're saying minimize -- >> Pool: It's at the top of page 13, the first bullet. >> Top of 13? >> Pool: Yeah. >> Which document are you -- >> Pool: I'm looking at your presentation, Mr. Jones. >> Mayor Adler: Presentation >> Oh, the presentation, not the term sheet. I'm sorry. >> Pool: Yes. I was speaking from Mr. Jones's presentation. >> Yeah. So those are the same issues that councilmember tovo was

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asking about, in terms of it being a green, environmentally responsible building. And we've outlined some of the strategies that could be used to do that. But those are things that will be explored through the design process and talking to the various departments in the city that work in those areas to figure out how far we can push things to meet those objectives, those lead objectives. >> Pool: Okay. I know that you put down there -- is it silver or category 2, silver lead that possibly, potentially that's the goal. I think that if we are seeing how much we can get to, we may want to have some as operational goals that are higher than that. >> Lead silver is the standard for city cip projects so that's what we -- that's our baseline. But as was mentioned, many of our city projects have outdone that. And that's something that we'll be -- we have a lot of great resources within the city that can help with that process, and we may be able to get beyond that level. >> Pool: I think that would be terrific. I think that should be an as operational goal, and I hope that the folks with psv and the community are hearing that. I'll just do one more and then I'll cede the mic. The last bullet on Mr. Jones's presentation, page 13, locate psv's headquarters in Austin and discuss mls training complex that includes youth soccer. So what does that mean? And what is the potential cost to the city? >> Do you want to take that one or -- >> Councilmember, I would say that it kind of reads as it is, which is, we certainly would want psv, if they were here in town with the team, to locate their headquarters here. I think this is really about an opportunity for them to not only have their headquarters here but look

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at building additional youth fields. What those -- any city costs, it is really just an idea to explore that conversation. That would be a separate -- that would be a separate transaction. It wasn't be part of this transaction. >> Pool: So some of the conversations I've had with people in the community who do soccer, they have teams, they may be coaching teams, youth teams, and also men's and women's teams, they have practice fields dotted throughout the city, and one of the asks that I heard from the north Austin soccer association was, they were really hoping that psv would work with them to identify their practice field, so a lot of them are in the vicinity of mckalla place, and partner with them in some form or fashion. I don't know what it would be, but in an effort to improve their fields to make them potentially available for possibly the team, I suppose, but primarily improve them for the youth soccer and the men's and women's teams that would be playing on these local soccer teams. But I don't -- I don't see any of that reflected in here. We talk about a development academy, which would be for your elite youth to come and have scholarships and so forth, but throughout all of this, I just haven't seen the connection, direct connection with the various local soccer leagues, that I know they are really hoping -- I think I can make a general statement about this, that one of the main benefits of -- a main benefit of psv coming here and possibly locating in this part of the city is that they would have some concrete benefit as well with regard to their own practice and playing fields and their teams in whatever form or fashion. So I don't know if those conversations have been held, but I would urge that that happen. And I would like to know if

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those conversations are being had with our youth soccer and men's and women's soccer teams. And just reiterate that that was a big push from the community in December, January, February, about this whole idea, was, how can they benefit in obvious ways, real ways, valued ways, from all of this that's separate from what the city would be putting on the table and paying for ourselves. I mean, that is the real -- that is a real community benefit that the mayor has tried to articulate. It really is for the people who are -- who are also training up kids, with the health and education and the -- and just the game-playing. So can I get a commitment potentially from the folks -- the parties to engage those conversations with the community and the youth and the men's and the women's leagues? >> I can't speak for psv, but I can commit to you that we will make them aware of your concern. >> Pool: Well, it's not a concern. It's a suggestion, and I think it would be a real plus and a real win, and this is something specifically that people in the community who are involved in soccer have asked for. I think they've come here and that's been some of the conversation that we've heard in direct testimony. So then my last question on that page is, the next to the last bullet says minimize the impact of project on neighboring communities, and I'd like to have some clarity and information on what exactly does that mean, and what conversations will be had with -- I think it's quail creek that's right over the tracks. There's north Austin civic association, there's certainly Gracie woods. There are a number of neighborhoods in that area that will be affected potentially if this contract is signed, if this deal goes through, and they should -- I think that's who is being referenced to by this bullet. And so I would like to see

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what does that mean? >> Okay. >> Pool: Thank you. I may have more questions later. To ask further questions on the dais? We have people signed up to speak as well. Councilmember kitchen. >> Kitchen: I have questions. I'll just ask -- >> Mayor Adler: You can go ahead. >> Kitchen: I'll just ask a few and then I'd like to hear from people and I can ask more later. >> Mayor Adler: Okay. >> Kitchen: Okay. A couple of things. First, I have asked our staff, and this is just by way of letting my colleagues and the public know, I understand that we will be getting a list of what the costs are to the city, as well as the potential -- costs and liabilities to the city, as well as the potential risks for liabilities. So I won't ask you to enumerate those today, but it's a list that will help us be clear, instead of having to search through the term sheets so that we really understand that. >> Certainly, councilmember, it's a fantastic idea to look at the term sheet with a different lens. We'll be able to pull that together. >> Kitchen: Thank you. I wanted to ask a question about termination. I'm noting some provisions on page 18 of the term sheet, so just wanting to make sure I'm understanding. So I can see here that it lays out the circumstances under which psv or the city could terminate this term sheet. So the language says, and the stadium agreements, if applicable, so I'm assuming this would carry forward into the agreement, so my question relates to what happens if someone terminates? Now, you had mentioned earlier, I think, in response to a question of councilmember pool, that liquidated damages would be dealt with -- the intention is that liquidated damages would be dealt with later in the -- in the negotiation.

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But at this point, my question is, at this point, have there -- has there been discussion, and where is it in the term sheet if there has been, about what happens if there's a termination? So can you speak to that? In particular, I noted that one reason for termination -- well, let me just lay out why I'm asking -- one of the reasons I'm asking the question. One of the reasons for termination is if the appraisal district or any applicable entity finds that the stadium is not exempt from ad valorem taxes. So that's one of the reasons for which psv may terminate. So, you know, that could occur at any point in time and it's not certainly going to occur early. So what happens if they terminate based on that, or if they terminate for any reason? >> Well, if they terminate the term sheet, based on the amount of time -- >> Kitchen: Well, let's talk about the agreement because I see in here you're trying to reach agreements by October. So what happens if they terminate the agreement? >> It pretty much depends on when that happens. >> Kitchen: Okay. >> Now, the lease or whatever we end up calling the definitive document will have a new termination section that is much more detailed than this. So I'll give you an example that we thought about that could happen early on. For instance, if they decide to abandon a project before it's done. >> Kitchen: Right. >> And before -- because of this reason or some other reason. >> Kitchen: Okay. >> They are obligated to tear down whatever they've built and give the city back the site in construction manner -- construction-ready manner. So if they dug a hole that's 20 feet deep, they have to fill it, they have to give the city the site back clean and construction ready. So that's one example of what would happen.

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>> Kitchen: Uh-huh. >> If they decide to terminate for other reasons while we're negotiate being, then the parties just walk away. There's, you know, no harm, no foul, and the deal just ends. So it's hard for me to say what will happen as we get further down the road because those terms will be decided as we get the definitive documents. But early, the biggest risk I see to them is starting construction and having to abandon it, and the city gets the site back clean. >> Kitchen: Okay. So -- all right. So I'm understanding. So I'm understanding that the terms for -- the terms for termination, basically, I was trying not to say that, but in any case, what happens in the case of termination has not been finally negotiated? In other words, there are additional items to negotiate and those would be included in the agreement. >> Yes. >> Kitchen: Okay. So -- all right, I have another question. >> Alter: I just wanted to clarify on that same point, if I might. So you're saying that if we move forward, we sign the agreements, we do the term sheet, that's all approved on our end, mls approves it, then they start constructing and they halt for whatever reason, they're obligated to put it back to where it was. >> Yes. >> Alter: But they still have-- what is the in the stadium agreements if applicable means in terms of the term sheet? Because if they don't get their tax exemption they could terminate it and we could be starting construction. So I'm not -- I'm having trouble putting all pieces. >> Kitchen: I think that means -- I'm sorry. >> It just kind of depends on where we are in the process. So we may be past the term sheet stage and all of this will get punted to the definitive document.

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So that's really what that's trying to address is that some of these terms will carry over to the lease. And there will certainly be other protections for the city put into the termination clause as this goes forward too. >> Alter: But I'm being asked to negotiate and execute and I don't get to see that, so how do I know what's in there? I don't agree that we give them a blank check? >> Kitchen: I hadn't finished my questions. >> Alter: I was just trying to asking on that particular thing. >> Mayor Adler: Let's go ahead, Ann. >> Kitchen: So -- and I don't mean to interrupt, councilmember alter, that's fine, because you're voicing what my concerns were. And that I was about to voice, which is that the -- I'll turn it back over in just a minute. I share the concerns that councilmember alter is raising is this is only one of the items in here where there are significant terms still to be negotiated. As one would expect at this stage of a negotiation of a term sheet. So just to signal one of my concerns to my colleagues is that causes grave concerns to me to be asked to vote on something that is to negotiate and execute when there are significant terms still to be negotiated that are both policy concerns and terms that impact the liabilities and costs and risks to the city. So I just want to flag that as a concern of mine to my colleagues. So I'm going to be going through this and I've already identified several and so have you of significant additional items that are still to be negotiated. >> And let me clarify one

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thing as far as termination. The city's risk we believe has been significantly lowered by the terms of this term sheet. When I talk about termination provisions that need to be negotiated, some of these are very mechanical. If they don't perform under the quality operating standard, what happens. These things are mechanical. How much cure time do they have. What happens if they don't. These are not significant policy questions. These are kind of mechanical, how do you operate a building of this nature. So mostly your termination provisions will deal with things like that. Certainly your non-relocation deal, transaction, and the way we pay for that will have a much more significant impact on the team than you because at the end of the day the worst case scenario is the city gets a new stadium and no team. That's the worst case. That's certainly not what anybody wants. The idea is for the team to build this building and stay forever. That's what everybody wants. So I'm not -- when I talk about termination provisions needed to being negotiated, I don't want you to believe that there are major policy considerations there. It is mainly a mechanical exercise at that point. >> Kitchen: With all due respect, any termination provision that affects a cost or a risk or a potential liability to the city is a policy matter. And I understand what you're saying with regard to mechanical and I understand that there will be some mechanical issues that have to do with timing and those kinds of things, but that's not all there is to it. A provision that talks about what happens if somebody terminates if there's

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liquidated damages or can they just walk away or can we just walk away? From their perspective they'll want certain consequences to us if we terminate. So those provisions are not mechanical as far as I'm concerned. So -- I can see some of those here. There's been some discussion, as you've said, with regard to what happens. I'm simply pointing to this as the potential for raising some additional costs or liabilities or risks for the city and it's simply something that we need to understand. That's all I meant. And I don't believe it will be simply mechanical. Okay. So did you -- councilmember alter, before I go on, did you want to ask anything else about this area? >> Alter: No thank you. I have some comments on it, but I'll wait until my turn. >> Kitchen: So then I wanted to talk about -- I'll ask one other and then turn it over to others. And I want to talk about the transportation part of it. So I want to make sure I'm understanding, so what I'm seeing is -- I think it's a page 12 and page 14 primarily. And then there's another provision on -- another provision on -- it's page 12 and page 14. So page 12 talks about working together to develop a transportation and parking plan. And then there's also a bullet that talks about exploring other financing sources and lists what they may include. And then on page 14 it talks about the potential for off site parking and shuttle. So as I see it, this -- I'm flagging this because it also raises concerns for me

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because I think it's good to mention these things, but it doesn't go far enough. Because from my perspective working together to develop a transportation and parking plan is necessary, but there's a lot of policy questions in that. And it's not something that I'm comfortable leaving to later and I'm particularly not comfortable not addressing provisions for transit. I think that the provisions on page 14, although they talk about park and ride and shuttle, which is good, and they also talk about potential for a pop-up bus stop as well as coordinating with cap metro. Those are all useful and good provisions to have, but they don't go far enough because they simply don't address -- to my mind the way they're written they're not definitive and they're not a requirement and they also don't address the cost. So I guess my question for you is did I -- am I understanding correctly that the provisions I laid out do not address who's going to pay for these kinds of transportation arrangements because I'm not seeing that in here anyway. Am I missing something? >> No, that's correct. >> And am I also correct in understanding that although these areas are flagged as potentials, and like I said before, I appreciate that and I think they're all good things to work towards, I'm not reading them as requirements. Am I correct in that also? >> Reading them as team requirements or just requirements? >> Kitchen: Right. >> That is correct. >> Kitchen: All right, thank you. I'll turn this over now. >> Mayor Adler: Okay. Anything else from the dais before we talk to people? Alison? I'm sorry, Ms. Houston. >> Houston: Mine is a

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quick question. And I want to thank you all for being here and for all the work that you've done to bring us this information. And my colleagues have started kind of in the middle. I'm kind of starting at -- I'm a more practical person so I want to start at the beginning. It's my understanding that there is some litigation going on in Columbus and so my concern is what happens if the judge rules for the team and they're forced to stay there, or if the owner of the team sells it to Columbus, Ohio. So it seems like we're going to be making a decision on the ninth and the consequences of those decisions may not be available to us until later on in that. So I'm confused about what is the liability for the city of Austin. Can somebody talk to me about legal status of Austin as it relates to the lawsuit in Columbus? >> Sure. No, that's an excellent question. There is no liability to the city. This is a nonbinding term sheet. It is an agreement on some significant business terms to continue to negotiate to final document. So this is a nonbinding term sheet. If the team doesn't come here, there is no liability to the city. >> Houston: So while this is all going on, it is all right for us as the city of Austin to not only negotiate, but to also execute the final agreement? >> If that litigation is still ongoing by the time we believe we have a deal on a lease, there will be an out on that lease if this does not go their way.

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>> Houston: So I just need to say for my colleagues on the dais and for the folks that are watching on television, as many of you know I've been married a couple of times. And taking this vote on the 9th before a decision is made is like getting remarried before the divorce is final. [Laughter]. And so I just wanted to tell you where I am in that. >> Well put. >> Mayor Adler: Alison? >> Alter: I've only been married once, my 20th anniversary. [Laughter] I'm going to let that one stand. I wanted to follow up on some of the comments that councilmember kitchen made because I agree with her concerns, which is why I was tag teaming there for a minute. I appreciate that. I need to understand why is it that the term sheet allows mls to review the stadium agreements, but not council? >> I think that's a policy question that I cannot answer. >> I guess the timing of the review of those agreements. So again, what would be on the -- what's on the agenda is negotiate and execute and I think as Frank has laid through, with this term sheet, the very thorough term sheet comes to write the documents off of, the league would look at both of those as well. Certainly agreements, those agreements will be -- once those agreements are finalized, they become public documents. There are questions about seeing those agreements before we execute, that's just a policy decision that you guys have. >> Alter: I think we should very seriously consider -- I'm not sure that I'm ready to say that I want to move to negotiate, but if we do, then I think that we need to very

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seriously consider just doing negotiate and not negotiate and execute. There's too many unknowns here as far as I can tell. I want to go back a little bit to where councilmember kitchen was going. There are a lot of promises that are made here with respect to community benefits. I do not understand what mechanisms we have to hold them accountable. So once they're in a stadium and they're operating their

team and then they fail to pay their \$100,000 to foundation community or they fail to do one of the other things that they're doing or they fail to maintain it, at that point in time if we don't have it specified in the contract what those personalities are that have to happen or we go to court, then the only recourse is to kick out the team, which I'm finding hard to believe a council is going to do, and yet I don't want to set it up to be the only way that that happens. So help me understand between the term sheet and the stadium agreement how we hold them accountable for any of these commitments? A, because there's no way to hold them in the term sheet. And then B, I don't know how you hold people accountable when it says they're going to discuss in good faith contributing financially to development as such affordable housing. They will endeavor to minimize. They shall work together. They will make good faith know how you judge whether they made good faith efforts. They're either providing off site parking or they're not. Or they're contributing to affordable housing or they're not. I mean, help me to understand why this is set up this way and how we hold them accountable. >> That's an excellent question. The way I foresee it, councilmember, is those will all be definitive terms in a future document so there will be definitive numbers

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to go with those promises and there will be consequences for breach. Some much them may go up to termination, but most termination clauses or breaches do not rise to that kind of draconian level, but all those things would be worked out and there would be consequences if there are in breach of the agreement. So what we have all anticipated is whatever the agreed to community benefits are would be part of their athlete agreement or a separate benefits agreement and if they breach it there will be consequences to it. >> Alter: But those don't come until the stadium agreements, which we're not going to see until after they're agreed on. >> That's where those agreements would happen, yes. >> Alter: Okay. I want to go back also to some earlier comments of mayor pro tem with the off-site costs. So help me understand again, are there off-site infrastructure costs that the city will be possible for? >> No. >> Alter: So how do we fix the traffic situation without investing any city money or any psv money? >> I mean, the off site costs we've committed to here are just game day event costs. That's all we've committed to here. >> Alter: So if there are infrastructure needs that have to be taken care of off site in order to service the [indiscernible]? >> I think the parties will have to discuss those and come to an agreement on how those get taken care of. The city has not committed to any of those off-site infrastructure costs. >> There will be a process through the development process where we'll have traffic impact analysis done. You have to scope it before you can start the analysis, look at -- there is significant bond money going into burnet road in the vicinity. There's a lot of things that are still sort of moving that will get sorted out as we go through a development

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process through construction. Some of those things may be identified that there are needs that need to be done. They may be identified as mitigation required for the application or they may not. We don't --

you can't define everything at the state of a term sheet in a few weeks. It's just not -- that's not how a process works. >> And just to add to that, that would be similar for any development that would occur on this site. You would go through the regulatory process as the site development plan permit process goes through and doing the tia, that that would be the process they go through. But as Frank said, this term sheet contemplates zero cost for the city contributing to any off-site infrastructure improvements. >> Alter: So can't you have included in there something that says that there will be a tia done and they will be responsible for their costs? >> It's in the term sheet. >> I believe that the tia is called for in the terms. >> Alter: On what page? >> Page 12 of 25. >> Alter: Page what? >> Page 12, the first bullet under parking and other site coordination issues. >> Alter: Where does it say they'll pay for it? It just says they'll develop it. >> The parties will work together to develop a transportation and parking plan, including a traffic impact analysis. >> Alter: But that doesn't say that they're going to pay for the improvements, just that they're going to do an impact analysis. >> But there's also I believe it's page 7. [Inaudible]. >> Alter: Can you speak in

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the microphone? I can't hear you. >> I'm sorry. On page 3 of 25 under governmental approvals, they're required to meet all standard regulatory processes of the city like any other development. So a tia would be a standard part of that process. So as Greg said, it would be like any development that would happen on the site, on any site, and other developments that could happen on the site could have much greater impacts than this. So it's something that we will work through through that process. >> Alter: I'll think about that. I'm not sure whether I'm broadly uncomfortable with the lack of foresight in terms of addressing the traffic and other issues involved in this process. By I'll leave that there for now. Can you explain to me how much sales and use tax will be foregone by giving them a waiver on their sales and use taxes for the construction of the stadium for their personal property? >> We'd have to work with psv to get that information, and we can do that. >> Alter: Okay. And the last thing, I just wanted to clarify a couple of things that you said which I don't know if you meant to say them, but I just want to clarify for the public what's in the term sheet versus what was said. So it says that they will locate psv's headquarters in Austin, but the term sheet doesn't guarantee that that headquarters is in Austin, is that correct? It just says that you're going to talk about it and if you agree to it being in Austin it will be in Austin. There's nothing in the term sheet that is committing them to that. >> Well, what they originally proposed was to have their headquarters in the Austin area. We changed that to the city of Austin but there is on -- I don't believe that was

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part of the coin resolution. This was just something that we suggested that they needed to do was to have all of their operations within the city limits of Austin. So they have committed to try do that. >> Alter: But it's not a guarantee that they will do it. It's a commitment that they will try to do it. >> No. I -- I agree with that. I don't know how material that is to the deal, but you're right, they have not committed

to doing that. >> Alter: I guess what I want to make is a couple of statements here that the community understands what's in the term sheet versus what is said because they're not always the same thing and we need to be talking about the same thing because there's devil's in the details in the term sheet, which will then get passed on to the stadium agreements. To eight acres of green space to include just over eight acres of green space, open space and performance areas. So that's not eight acres of green space. That's eight acres of all of those other pieces that will be used through the thing. So it's not an eight acre park depending on what sort of performance base that is. And then that one acre is probably coming out of that eight acres. So we need to be helpful. Your thing is you said they committed to 130 units of affordable housing. All they have done is agree that they will allow for one acre somehow in their plan of city land to be used for affordable housing that will be built by foundation communities who they have committed to give a little bit of money. And to try to put 130 units on one acre is going to require podium construction, it's going to be extremely expensive and that means that foundation communities won't be building it somewhere else that it would cost less money. So they have not committed to make 130 units there. They have agreed to give one acre of city land on their whole lease to be used for that if we can figure it out, but then if they take away their parking we have to provide them parking elsewhere. So there's some things in

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here that it's not true to say that they're providing us 130 units of affordable housing and I think we need to be very clear of what we're getting with this agreement if we decide to move forward and not be misleading in our statements. And I may have some of that backwards and I apologize. I'm trying to make sense of a lot of legal documents, but they shouldn't be getting credit for 130 units of affordable housing that they're not building. >> That's a great point. It was my understanding that council wanted the affordable housing to be on the site. You're probably correct that's not the optimal place for it to be. >> So that's a policy thing if that's not what we're saying is we wanted them to build the 130 units and now they're not paying for that. You know, \$500,000 and 100,000 doesn't get you very far. We've learned that over the course of the years. There's no -- they're not giving us 130 units of affordable housing and we should not say that. They're making a little bit of space on that land, that's our land in the first place, where they will allow foundation communities to build it. And that's very different than providing 130 units of affordable housing. >> Understood. >> Mayor Adler: Okay. Councilmember kitchen. >> Kitchen: Just a quick question. It's related to exhibit 4. Exhibit 4 is the list of community benefits. So I just wanted to clarify and ask a question about it. It's referenced in the document as examples. So I'm just curious about why it references examples and is the intention -- and so what's the intention behind that? Is the thinking that these are still to be negotiated as opposed to these are to be agreed to? Can you help me understand why it's flagged as examples? >> My understanding is these

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are some of the things that they've come up with that they think address what council asked for. But I believe that there's still an opportunity to talk about these things as we get to final documents. >> Okay. So if we were to approve proving forward with this, then they're not held to including any of these because they're examples. Is that right? >> Councilmember, I think we would -- as I think Frank had mentioned earlier, that these community benefits would be part of the lease term agreement, whether that's one or two agreements, how they get matched together, and that these agreements we would be holding them to these benefits that they have outlined that they have put on the table and that would become part of the overall contract. That is our -- that is the intent. Kid all right. So if the intent is that these are points of agreement then I would just suggest that they should be referenced that way instead of examples because examples implies that they might be in and they might not. And one reason I reference that is because this is where they talk about the affordable housing as well as a lot of other benefits. So I was trying to Claire clarify what the intent was. Okay. >> Mayor Adler: Mayor pro tem. >> Tovo: Thanks. Just generally I want to say that, one, I'm enthusiastic about the conversation. I believe that there are ways to achieve some of the aims that we're discussing here. One thing that I hear us continuing to circle around, for myself. Some of what is most exciting to go me about this potential proposal will be in the community benefit agreement and as several of my colleagues have pointed out that's not before us in

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a concrete fashion. And it's, as I understand our discussion and the term sheet, it would be coming forward as part of the stadium agreements which at this point aren't scheduled to come to council for approval. So I think what several of us are saying is that we're uncomfortable. Again, I'll speak for myself. I'm uncomfortable with not resolution those final details because to me they're really critical elements of are why I would support it. So that's just a general point I would make about the stadium agreements and how they're currently -- and the current proposal for how those would be approved administratively. So-- I indicated earlier I had some questions that I will distribute here in a bit, some of which we'll get to talk about and some of which we wouldn't. But another area of importance on page six out of 25 references that the stadium agreements will address stadium codes obligations with respect to adherence to the city's wage and benefits requirements. It's not clear to me from language like that, are we holding them to the same requirements or is the stadium agreement just going to talk about where they can comply and where they won't? So I think that as a decision maker I need to understand and would want them to comply with their wage requirements. That's a really key he will management to me to be nailed down. >> And that is the intent. >> Tovo: Okay. So they intend to comply, we intend to make that a requirement. >> Yes. >> Tovo: Good, thank you. Can you talk a little bit about there are some costs described on page 8 out of 25. And it talks -- it describes that the city would bear the costs of any increases in

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budgeted costs that result from public access, safety, zoning, land use or permit approval processes or requirements. Could you explain to me what that means? >> What we've told them, they have responsibility for cost overruns. And what the agreement says is any party that makes changes to the design that add to cost would bear responsibility for those costs. What we've said is that if we had to make suggestions that are due to public safety, public access, just in general, the city changes an ordinance or something like that, that they would still have to pay for that. That's just part of doing the deal. But if we did something that was specifically targeted to the stadium that the city would pay for that. >> Tovo: So I think my question as I framed it asks for scenarios under which the city would be liable for those costs. You know, it's our practice to make sure that sites are developed in accordance with our zoning and in same ways. And if what this is talking about is the ordinary course of events in construction then that would be problematic. If what you're talking about is morenki to when we're asking somebody to oversize -- this is not an equivalent example, but when we ask people to oversize their water infrastructure, you know, to provide benefit to other areas, then we typically pay that cost. So I need to understand where it falls in that spectrum. >> That is exactly what they are trying to protect themselves from. We feel that any law or ordinance that the city passes that's part of their permit process, general zoning process, public safety, if those changes require design changes the team is responsible for them. The example you gave about the water service is what they're trying to protect themselves from. >> Tovo: Okay.

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So I think maybe some additional description there might clarify. And so generally, I'm real interested in talking more about several areas, the community benefits again I think would be really helpful to nail down what some of those are. I have questions about ancillary development and the circumstances under which that would be allowed to go forward and we can do that maybe after the public comment. The use of local -- I want to get back to the local -- the point in the resolution that asked for local -- for a commitment to using local vendors, local products, locally sourced materials. So good faith efforts I think is pretty general as I looked at some other general community benefits agreements, including those associated with stadiums, they were able to quantify some of that. So I wondered if you had proceeded down that path. And by the way, I was just glancing through the articles and the university of north Texas might have an example of an open air stadium, looks to me to be an open air stadium from the photos and they achieved a platinum certification. I think we will find some examples out there and then we can have the discussion about whether or not there are challenges here that didn't exist in other areas. I haven't -- I'm having interested in seeing us achieve that. But anyway, if you could talk a little bit about the local vendors, locally sourced materials, local requests, and whether you are familiar with some other community benefit agreements that we're able to quantify some terms for those. >> Well, I think we have gotten to that point in definitive documents. The struggle that some communities have -- and I'm not familiar with Austin's construction and design

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community, but in other areas, sometimes there is a struggle to find local trades that can do these kind of stadium specific deals. So good faith effort is -- I believe was the standard in Houston and in other places because sometimes it is difficult to find those type of professional trades locally. >> Tovo: And really the intent of that bullet in the resolution wasn't just to be about construction, although I think that's critical as well, it was about the ongoing operations as well in terms of the vendors that might be on site, food trucks, really a preference for local goods, local vendors. Local materials. >> And mayor pro tem, I think we agree. And as we go back and have a competition with psv to help kind of clarify and put some more details around that, what it would actually look like in practice if we're able to do that, we can do that, absolutely. >> Tovo: That would be great. Thanks. And maybe there are some examples out there that members of the public or others can point us to where that was successfully achieved. And I'll look through the examples I have too and see if there are any good models for that. Thanks for your work and look forward to continuing the conversation. >> Mayor Adler: So as I hear the comments of my colleagues up on the dais, it's a push-pull here obviously. This conversation began the end of last year. It's been going on for awhile. And on the one hand I understand the team and the league wanting to know where the team will play next year so they can make decisions about hotel rooms and caterers or whatever else decisions have to be made, to print schedules so people know where players and folks are supposed to be. So I understand and having heard that the league is wanting to -- and the team

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is wanting to have sufficient certainty that a deal could be made here in order to be able to proceed with that understanding so that they could make those arrangements. On the other hand, we have a council that is trying to identify those things in the agreement that are of concern that people are asking for greater concern on -- which is a flip side of that same coin. So I think this conversation is good insofar as it's identifying where those major policy decisions are that are not mechanical, that in addition to the work that's already done, probably need some additional work to be able to handle the non-mechanical, but major policy decisions. , The sections that speak to try to versus a commitment to really look at those and see whether there can be a commitment to do those or whether they're a try to because people will look at those differently because those 24 different levels of commitment in terms of what people can tell their constituents is going to happen or might happen. The community section is an important section, not able to to -- people are talking about that and they want to know what would happen. Even to put things down and say it's going to be this, or if not, it would be something of equal value that would come back to the council so the council could see, well, we weren't king this because we thought we could do this at the time and now we got into it and we're doing something that's as good or better and it could come back to something like that. But I think having a better feel for what the commitments are and then a section on ancillary uses as the mayor pro tem points out is another conversation that's come out just so

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people understand what the lanes are and how those things are. Because if there's an expectation that we would actually be able to sign off on this, on the dais, that we need to be able to address -- we have colleagues on the dais that have need for certainty in the same way that the team needs and the team needs certainty. The other things that you mentioned I'm more comfortable with. The section on saying that they have to be compliant with all city regulations I think is good and that's all city regulations with a capital a. And I understand from a legal standpoint you don't want to call out any one or two of the regulations that they have to comply with because as soon as you call out one or two, the question then is why didn't you mention the other thousand that also apply. So if somebody in developing something like this is going to have to do a traffic impact analysis and if the traffic impact analysis shows that they have to participate in off site transportation issues, this property owner or this developer or this builder or this user, like any other builder or user in the city, then I'm comfortable with that because that is an obligation that's imposed and I understand that we shouldn't be calling out -- people always want to know why didn't you call something else out. So those kinds of things I'm much more comfortable with because I think that's included. And I think it is important to make sure to councilmember alter's point, that we're clear about what it is being said and what's not. And I think it was clear that the deal had space for

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affordable housing, but not the building of affordable housing. That would be a huge financial lift that would be well outside of the range of things that we're talking about here. But then we should make that clear. We're putting \$500,000 toward a project that somebody else is going to have to fund, but obviously having land to use it is one of the big obstacles in getting a project like that going. But I think the point is well taken. We have to be clear that what -- that when we're talking about this and we're talking about what the agreement says as opposed to other things. -- Councilmember pool, and then we'll see if we can call people in the public to testify. >> Pool: Great, thanks. Just a couple of final questions for today. I think some of my other colleagues have talked about what is the city's financial outlay on this deal from day one until whenever it terminates. And that is a briefing that we are requesting for what our financial liabilities and risk of liabilities we'd be looking for. And I want to see after we get that information we need to have a cap on the outlays so there's some certainty with regard to how much the city may or may not financially be on the hook for anything that we may or may not do with regard to a soccer stadium. I did want to get into the record acknowledgment from the various parties about expectations of future councils on decisions that current councils as councils have made. It is an element of the kind of work we do here that our decisions don't tie the hands of councils in the future. So my question is for Mr. Jones as our negotiator working with the psv

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parties, do provisions like the ones that are in the term sheet, tie the hands of future councils on policy making or in any other manner. >> My understanding of state law is that the council can enter into long-term contracts and they would be binding on future councils. So if you entered into a 20 year lease, whatever the provisions of that lease would be would be binding on future councils. >> Pool: So that's very interesting. We have talked about having some escape clauses in this contract. We need to make sure what they are in the term sheet. There needs to be clarity among that about them. They need to be explicit and they need to be strictly written to benefit the city because I know that psv will be worrying about making it explicit to benefit them. But I will -- I will say that that is not necessarily -- that is not the answer that we have heard from our law department earlier today. So we can get that worked out, but we need to be in alignment on whether these provisions tie the hands of future councils and that we need to ensure that whatever the language is in the document makes that really clear. And then I just wanted to make one other kind of big takeaway from the conversation with our negotiating team and the questions that have been really uniformly really, really good from this dais, but they also indicate a level of surprise over some of the elements of the negotiation, some of the decisions that were being made that were put into this term sheet and the areas of policy that were decided upon and then presented to us as decisions that have been made. And so my big takeaway from the conversation is how in

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the world did the negotiating team arrive at so many inconclusive agreements and think that this council would be willing to sign off on it, negotiate and execute on August 9? I hope we can get solid answers to all of the questions here. I hope we can resolve the very many and we haven't even asked all the questions questions. And I know staff is trying to catch up to the questions that have been submitted through our online question and answer system. But it is a deep concern to me and I am reflecting the deep concern of some of my colleagues on the dais that there are so many unresolved details in this document and yet the plan was, the expectation was that we would agree to allow it to be executed and then staff would go off and work out all of the side agreements. I am not willing to go down that road. I have rarely been willing to go down that road here. We are ultimately responsible for the especiallments of this -- elements of this contract and it goes about way into the future and it directly affects the residents who are in district 1 and district 4. And so I specifically have and so I have a very clear and well-defined responsibility here to the residents, not just of the entire city, but explicitly to the ones who are in my district, and they want the clarity and I want the clarity. So I'm looking forward to something more certain that we might be able to see. But at this point, I don't think we're anywhere near -- we're certainly not at the understand -- not at the endof negotiations and we're not anywhere near executing -- and I do understand, is it don Garber who is head of mls, is that the gentleman's name? >> Yes. >> Pool: He was recently quoted

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in an interview that did he saying -- I guess it was on Tuesday, he was on a question and answer session before an all star game in Atlanta, he was being asked about decisions that were being made in Austin, and he said we are not racing against any deadlines. I really hope we're not because the only way to get the best deal for the city of Austin -- because that's my assignment, is to get the best deal for the city of Austin -- is if we're not racing to check off some boxes by an arbitrary date. Thank you. >> Mayor Adler: Mr. Flannigan. >> Flannigan: So I just want to point out that I don't feel that we've got inconsistent comment from the legal department. I think there's a substantive difference between a contract department and policy-making ability. There's nothing about this that ties our hands on policy making, just the charter and the state government can do that. But like with the tens, sometimes 20s and 30s of contracts that we approve as a council of every single agenda, often are multiyear contracts for procurement or any number of things also in the course of business, very many of the contracts and the proposals that we see are approved as negotiate and execute from this dais, there is nothing weird about that as a process. I think -- I think staff has done a pretty good job getting us to this point. I think we're closer to the end than where we started, which is very exciting. I have the same kind of timeline questions, seems like there's a few more things up in the air than the urgency might dictate, but as I have often said from the moment I got elected, I'm not afraid to do things quickly. I don't think the city - - I don't think falling back, go slower, is always the answer if you just outright oppose anything from the beginning. I still keep an open mind to this process. I don't have a predetermined

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outcome. I wasn't a co-sponsor on any of the resolutions, but I think staff has done a pretty good job moving the ball closer to the goal, to torture a metaphor. >> Mayor Adler: And just as an aside, I, too, think that you have come really a long way in identifying the most significant terms that I think the council wants to see. I think what you're hearing is just the sentiment that there are some others that are being highlighted. And my hope is that over the next week or so, you'll be able to make headway on those as it comes back to us. Are we ready to talk about -- >> Casar: Mayor, and as I noted, I may have an hour left here, so I want to keep my comments short, but I do think that us a us tightening up which things need to get hammered out in an agreement, and between the wording in the term sheet seems like it needs to be hammered out, I think will help us narrow the issues, in particular, clearly the inclusivity and access to games and issues that have been brought up, it seems like many of those have been hammered out. The more they have been, the more we can make that clear, I think that would be helpful. And clearly, over the course of the last few weeks, I've had multiple meetings with people in some of the communities nearby, and I'll be bringing those issues up just directly to the staff and to psv because I know we're short on time today. >> Mayor Adler: All right. Mayor pro tem? >> Tovo: Yes. I have just a super quick question, back to something that was addressed earlier. On page 17 of 25, it talks about the parties -- after the final term sheet, but before the stadium agreement, the final stadium agreement, the parties would enter into discussions regarding the training complex that could include youth soccer

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activities and programs. And just to clarify, was that -- was the intent to start those discussions or was the intent to start and conclude those discussions before the execution of the final stadium agreement? >> Well, I believe the intent was to start those discussions and hopefully conclude them by the stadium agreements. The understanding being that it would be great if all of that was done to be part of this deal, but the likelihood that it would probably be a separate transaction between the city and the team, but we certainly would endeavor to try to get that done earlier than later. >> Tovo: Okay. But it might be post-stadium agreements. >> It might be post-stadium agreements in a separate transaction. >> Yeah, we anticipate -- again, I think the idea is to look at ideas about where that could be, have conversations, and if that includes looking at, you know, the city being somehow part of that, that would be a separate conversation coming back to the council. But the idea is really just to tee this up, our understanding, a training facility is an important part of the overall kind of management of a team in a city, and as a potential partner, we'd want to be able to have discussions about that, but any separate agreements would come back to this council. >> Tovo: I understand that, I mean, if we were entering into any kind of agreement on that, it would have to come back. But because that was -- I mean, the location of that and the way in which that could enhance activities in the surrounding areas, wherever those training -- wherever that training facility is located, was an important component to the discussion, to the extent of where we can get some sense of where that's going at least, I think that would be helpful. >> We'll take that back to the team. >> Tovo: Great. Thank you. >> Mayor Adler: All right. Let's bring some speakers up. Thank you very much for the presentation. Is Gus peña here? What about Steven Mcghee?

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Mr. Mcghee, why don't you come on down. Is Jorge Chavez here? Why don't you come on down. You'll speak at the other podium. >> Thank you. Should I stand here? >> Mayor Adler: Yes. >> Okay. Okay. Thank you very much, mayor and council. I'm a professor of business over at UT. I've been here 40 years in Austin teaching, and I've been playing soccer for that time period. I'm not being paid. I'm here just as I like soccer. I'm going to report some studies that make for mls team success in some of the cities they had. Generally it's positively correlated with the population of the city, the per capita income of the city, and those dimensions, Columbus and Austin are equal, very equal, the greater metropolitan areas. The third important variable is the proportion of the population that's hispanic. Here, Austin has a massive advantage. Columbus is only 6% hispanic, and --Austin is about 32%, in the greater Austin area, so I see this as important. And I think the hispanic element is terribly important for the success of this team because this decision you're making is about community. And it's an opportunity for us to unite with the hispanic community, which is very passionate about soccer. So I think that's important. A more recent study, 2014, showed that mls stadium success increases with the fraction of young adult males that are participating and going to the stadium. Here we have an advantage, too, there's 130 Austin, soccer teams in Austin playing every week. There's over 60 Austin women's soccer association teams, and they're very, very active. So I think that's going to be

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important. Let me talk about the hispanic element because I think that's going to be key to this being a real experience. I've spent time in buenas aire ser 20 years ago, my wife and I took the curator of the [indiscernible] Museum down there. We took a book of juniors game, it's a team in the Italian neighborhoods of buenas aires, and that's the team mayor adona was from. He grew up, very poor Italians, and became an enormously successful soccer player. For hispanics, soccer is a deeply religious experience. I took this curator to a boca juniors game at boca stadium, against the top team in Argentina, and when they came out on the field, there were 25,000 pure Italians in the end zone next to us. They were so loud, it sounded like a jet going through a sound barrier. It was unbelievably loud. Tears were flowing down the eyes of this curator, and she said I've never been to a soccer game before is this the way it always is? [Buzzer sounding] I said, only here. Only here, I think, in Argentina. So -- >> Mayor Adler: Thank you very much. >> I think it's important to unite and get the hispanic community here in Austin deeply involved in this project because they will be the soul of this project. >> Mayor Adler: Thank you very much. >> Tovo: Can I ask him a quick question? >> Mayor Adler: Yes. >> Tovo: This may not be -- >> Mayor Adler: Sir? Sir? >> Tovo: Since you're describing the scene and whatnot and I'm trying to get research about this -- >> Mayor Adler: Mr. Mcghee? >> Tovo: Do you happen to know what the ticket price range was in buenas aires? >> Yes, I do. I know for those 25,000 poor Italians it was like five cents a game. So it needs to be differential

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pricing, I think. For all -- for all -- all folks, rich, medium, and poor. And I think if you price this thing appropriately, you'll get the team -- you'll get the heart of the real hispanic community engaged, and I think that's -- that's terribly important. >> Tovo: Thank you for your comments. I agree it's important to make sure the games -- if we move forward with this, that the games are accessible to people with different economic means, and I'm not sure how we get there in terms of differential ticket pricing, but I hope we figure that out. >> Houston: Mayor? >> Mayor Adler: Yes, Ms Houston. >> Houston: Could I quickly say if we ask that the public talk, we'll be here way past 6:30, which is our stop time. >> Mayor Adler: Okay. Let's go ahead. Is Robert rush here? >> On the way, I think. >> Mayor Adler: Okay. What about mica king? Mica king? Why don't you come on down to this podium, or this microphone. Go ahead, sir. >> As a hispanic, I can certainly attest to what the previous gentleman said about the importance, but I wanted to address something a little more recent. Councilmember pool recently said this week that she would not support the city psv deal because it gave away taxpayer dollars, and Austin schools, Travis county, and other entities get nothing. I saw really no vagueness in the community benefits of the -- of the sheet, so I'm saying item 1 of exhibit 4 shows that psv has committed to \$500,000 up front, and \$125,000, plus 2% increase thereafter, to foundation communities. I hope someone can explain how that is nothing to the residents of crossroads apartments, which are located in district 7, and the other 18 foundation communities currently in eight of ten of your districts.

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Number two shows psv has committed to donating \$100,000 to charitable organizations. According to I live here, I give here, there are about 60 local charters that have right now. Is that nothing? Items 9 and 10, local school districts, ACC, Travis county, and landowner, city of Austin, can use the facilities within the complex, such as meeting rooms, outdoor stages, parks, all these other amenities, plus the stadium for five events. Now, those are free. Is that nothing? As for giving away taxpayer dollars, Travis county appraisal district says that there's a 22-acre tract of land near income include valued at \$60 million, which paid \$1.3 million in property taxes or 2.2%. Another nearby tract, 14 acres, valued at 27 million, pays just under \$600,000 in taxes. Those are fully developed. Mccullough, now as it is, is valued at 8.7 million by tcad. You yourself said it was valued at 20 million, developed, I imagine, and there's some folks that were handing out some suckers -- I don't know if I got one -- that said to remind you that the property value is 29.5 million, based on a previous study. I'm sure someone can explain that discrepancy. In the middle, \$25 million. If the 2.2% tax rate is applied, it comes tout to \$550,000 annually in taxes, which is what the rent is going to be for psg I'm sure the city can find a way to negotiate that and share it with the rest of the taxing entities. What I am interested in is that there's the other two sort of in

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the media, the options that are there -- [buzzer sounding] -- Are basically the domain, 2 and 3. What I would like to read is something that -- >> Mayor Adler: You need -- you've run out of time. >> I'm sorry. >> Mayor Adler: Thank you very much. Mr. King. Is nical Meade here? >> She's not. >> Mayor Adler: What about Neil fraycois? Why don't you come on down and speak at this other microphone. >> Thank you, mayor, mayor pro tem, and councilmembers. I'm from Husch Blackwell on behalf of one of the groups that's proposing to develop mckalla place for something other than a stadium, and as you know, you all set a deadline for this Friday for them to submit their proposals to develop mckalla for a mixed use development, and we are looking forward to submitting that proposal. We'll be submitting it on time on Friday. And we know that this proposal -- and I hope you'll see that it would promote and cultivate the capacity for people, communities, and the natural systems to renew to evolve and thrive in our community. We hope and expect that council will give equal consideration to all of the proposals to ensure that you have the information that you need to make a fully informed decision. And also to maximize the potential benefit for our city, for our residents, and for our taxing entities who rely on tax revenue that a mixed use development such as this would provide for important community benefits, including education, transportation, health care, and social services, and would not only consider the taxes in year one only to the city of Austin, it would contribute to the tax base as a whole. We appreciate the resolution that you approved on June 28th, which called for a process for

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receiving plans that quote, voids unfairly disadvantaging mixed use development plans relative to a professional soccer stadium plan in terms of timeline, access, or other related process considerations. And when you actually look at mckalla place, we believe that you will see and agree that a soccer stadium is not the best fit for this particular location and that a mixed use development will prove to be a much better choice for all of Austin. Thank you for your time. >> Mayor Adler: Thank you. Is Linda o'neil here? Why don't you come on down to this microphone, please. Sir, I have three minutes. >> Thanks, mayor. I'm with Capella capital partners. First and foremost, I want to say that we're in full support of mls and Austin getting a pro soccer team. I think it's great. We have -- little history on the property, we approached Marc Ott when he was city manager about three and a half years ago. We own the front three acres on burnet road that sits adjacent to this property and we'll be developing that in the near future. We approached Marc, when we put boots on the ground, we noticed that property was undeveloped, found out the city owned it, brought -- wanted to meet with him. He actually called the meeting with, I bet, six city leaders at the time, staff workers, and kind of after the meeting said, love the idea, think it's great, immediately started talking about potentially purchasing the property, realized that an rfp would have to go out, and then was told that a 99-year lease -- or lease is the only way, we explained a 99 year lease, if we're going to develop a property at that amount, was necessary. What happened at that point was, they were -- they did an

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appraisal on the property, we were meeting with capmetro about the spur and moving the rail line. We were instructed that an rfp was going to come out in March 2017, and it quickly -- we quickly found out that that wasn't the case. We knew that it was -- we were instructed that it was 95% completed. And at the end of the day, the rfp never came out. We found out that the city was talking to Precourt, which was fine. We -- at that point, we already had a plan. I put these two plans in y'all's in boxes yesterday. I'm not going to go over the details because they're pretty self-explanatory, once you read them, but at that time we were approached by a mutual representative and friend of coda, Bobby Epstein. Bobby has told us and we have had multiple conversations that he will donate the property you already have the infrastructure. You have 20,000 parking places directly adjacent that he is going to -- he's also going to let be used. It's a perfect fit. It's a better tax revenue for the city if we develop it this way. But in case you guys really want that soccer stadium there, our partner, Lamar Wakefield, who did the battery in the Atlanta braves stadium in the three million square feet, he also owns multiple minor league baseball teams and has done this same development, we called him. He's the one that put this plan together. It's not his first rodeo. He's an expert at it. He's got 26 architectural offices around the world. So he put this plan -- [buzzer sounding] -- >> God, that scares me. He put this plan together, so I hope you -- I appreciate your time. If you have any questions, feel free to call us. >> Mayor Adler: Thank you. >> Alter: Mayor?

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>> Mayor Adler: Yes. >> Alter: I just want to make sure you're aware we called a special called meeting on Tuesday to hear about the proposals. >> Yes, ma'am. Scott moxen -- I don't want to be rude and tell you I can't be here. We're going to be out of the country, me and my partner, but our cfo Scott moxen will be here of the he's been at every meeting and he'll be able to discuss also the financial implications on it as well. >> Alter: Okay. >> Okay. Appreciate it. >> Mayor Adler: Is Crayton hahna here? >> I'm only going to speak for like 30 seconds. >> Mayor Adler: Well, you have five -- >> Thank you guys for asking such tough questions. I almost felt sorry for the Precourt guys. But the term sheet is clearly not complete, and I look forward to what is brought back and what is negotiated. But I also look forward to having a conversation with other proposals, such as -- you know, I just read today about coda, and I think that coda is a much better fit for Precourt. So when we get back August 7th and talk about these negotiations, I hope we can also talk about the other proposals that might be a better fit for Precourt. The name is Linda o'neil, district 9. Thank you. >> Mayor Adler: Thank you. Is tod daily here? No? What about Scott moxen? >> Tod is my partner, and I think he's probably going to yield the time to Scott to talk about the financial aspects of this. I really don't have much more -- Creighton yielded the time to me. Creighton honik -- >> He donated his time to him. [Off mic] >> Mayor Adler: So the question is, do we bring a speaker up a second time?

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We haven't had that situation before. I'm going to let it go as a continuation. >> I really don't have anything more to say. I just wanted to see if there's any questions. If there's any questions, I'll answer them. If not, it's his time. >> Mayor Adler: Sounds good. >> >> We'll look forward to seeing you on the 7th. >> Thank you, council. Thank you for thank you for all your hard work today, along with the staff. I know this has been an exciting time for the city. I'm the cfo of Capella capital partners, also a 15-year proud resident of Austin, born and raised in Dallas but this is my new home now, permanently. Also an avid sports fan and fan of soccer. Just wanted to point a few things out you're probably aware of but I want to make sure it's on the record. I wasn't able to be at the meeting in July. Just in terms of property taxes and the impact, if you look at, you know, a \$200 million stadium, regardless of what the land may be valued at, we received an appraisal when we were going through the process, as Neil talked about, for 29.5 million. So assuming a cost of the land, cost of the stadium, 29 -- \$229 million appraised value at 2.21% is roughly \$5.1 million per year, assuming 2% increases over 25 years, that comes out to \$162 million. That \$162 million under the current deal is being considered exempt from taxes. If you looked at what a mixed use development maybe, we think it probably is closer to 700 to \$800 million all in, including office, retail, yes, something that is similar in nature to the domain, but we think clearly that part of the city can absorb it and would do quite fine, but at a \$780 million evaluation, at the tax rate, that would be \$17 million a year with a 2%

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escalation over 25 years, that's \$552 million. So \$552 million that goes to the city of Austin, Travis county, central health and Austin ISD and ACC, versus zero, speaks for itself, if you believe that property taxes are a form of community benefit, which they obviously are, even layering on the \$98 million in community benefits that Precourt is advocating over a 25-year period, which would be much less certain than actually collecting property taxes from mixed use development, it's a big difference. \$450 million in difference in property taxes. We are not necessarily advocating that it's all or nothing. I think there is an opportunity here for all of us to slow down. There's no shortage of examples. If you follow professional sports where teams relocate, happens all the time. It doesn't necessarily have to happen in an eight- to ten-month time frame. There's an ability to slow down, not just a or B, domain 2 or domain 3, like the gentleman said, there's an opportunity for option C, which would be a mixed use development in conjunction with the stadium. Something like you see in Atlanta, something like you see around the country, the stadium serves as the anchor for the development. You also have mixed use around that. [Buzzer sounding] That is part of our plan which will be submitted via the requirements on Friday. >> Renteria: Mayor, can I ask a question? >> Mayor Adler: Yes. >> Renteria: How many affordable units, since you did all this research, how many research and what mfi are you proposing? >> Under our -- what would be option B, which would be a full maximization of the site, if you want to call it domain 3 or 2 like the gentleman did we think it's very different, it would be upwards of 1100 multifamily units, a significant portion of

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which would be affordable housing. >> Renteria: Have you done the research? How many affordable units, are you just throwing that out? >> No, sir, I'm not just throwing it out. We think it would be 25 to 30% of those units would be affordable. >> Renteria: So your proposal is 25 to 30% affordable units out of that land development there. And not asking anything from us. >> Yes, sir. We're not asking anything from the city of Austin to do that. >> Renteria: Okay. >> It would be all financed through normal affordable housing. >> Renteria: That sounds very interesting. >> I'm sorry? >> Renteria: That sounds very interesting. >> Yes, it is. We feel like there's an opportunity to have much more affordable than just one acre of mixed use plan in conjunction with Precourt. >> Renteria: So you want to make that commitment that you will provide 25 to 30% affordable unit on that -- on site. >> Yes. We're willing to do as much as we possibly can -- >> Renteria: 25 to 30 is a lot of units. >> It is a lot of units, once you get into the details. I mean, the numbers have to work, but there are low-income housing tax credits provided by the federal government, administered by the state, that allow these types of developments to happen all the time without local municipality money. >> Renteria: Thank you. >> Mayor Adler: Thank you. >> You're welcome. >> Mayor Adler: Is Anthony cardon here? Why don't you come on up. Is Jennifer Lassiter here? Why don't you come on to the other microphone. Could, sir. >> Good afternoon. My name is Tony. Last, if you remember, I was the very last speaker, so I think usual be very happy that I'm not the last speaker at 3:00 A.M. This time. I'm here today to speak on behalf of the hundreds of soccer [indiscernible] Working today, who contacted us and talked to the Austin group. So I'd like to say that, you know, on their behalf, we have to kind of -- we've been talking a lot about negatives on this deal, about the -- kind of the finer details, which I believe are very important to rangal out. We have to look at some of the

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positives too. If you look at some of our multifamily mixed use developments, we have to consider this. Can they give us 1,000 complimentary tickets to a soccer team? Can they give us \$125,000 guaranteed for affordable housing at no cost to us? Can they subsidize youth soccer in Austin? And do we get to keep the land and stadium when we're done? I think that's a harder sale when you talk about mixed use. And we've talked a lot about transportation. I think it's a very highly accessible location, even more so than zilker, which as we know hosts lots of fun stuff on a yearly basis. I would ask that we've been asking psv to particularly pay for a metro station movement I think we should also consider asking other neighbors in the area, such as Capella on their new site, if they would attribute in a similar manner since they would also benefit from this. I think in conclusion, we could talk about charging a fee for parking and encourage people to travel by metro rail, by bus, then take what money comes from parking and turn it back into this mass transit site. So in conclusion, I'd like to say that I think this is a very favorable deal for Austin, and I think we would lose out on a very momentous opportunity if we don't take it. So thank you. >> Mayor Adler: Great. Thank you very much. Is Brian Perryman here? Brian Perryman? No? What about Susan Surls? You'll be at this podium. Go ahead. >> Yes. >> Mayor Adler: Jennifer? >> Yes. My name is Jennifer Lassiter. District 7 in Gracie woods neighborhood. I have three main areas that I really think we need to address with this. One is the legal issues of psv in Ohio. Two is, this is a big tract of public land. We need to consider a couple of other options to make sure it is

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assessed for the best and maximum public benefit for Austin, and three is also our watershed issues. First I'm going to go into a little bit of detail on the legal issues. Of course many of you are aware that -- of the ongoing legal issue that's come up already. So I'm also in favor of, as councilmember Houston said, we need to -- before -- we can wait till the divorce is finalized with Ohio, with Columbus, before we actually sign -- get anything legally binding, I think, here. Second, going to the -- this large piece of public land, 24 acres is a lot. It's worth a lot, especially in the area of town it is located in, which is about one mile from my house. And I really think we need to make sure that the public -- there's either a public vote and an open request for proposal process to make sure that we can get -- we brought up the tax, the property tax issues. We can give a lot of benefit to our schools and county health services and other -- benefit everyone, as far as community benefits, to perhaps another development at the mckalla site. The watershed issues, many of you are aware the walnut creek flooded recently. We have a lot of flash flood issues. We need to make sure whatever is going in there will actually get a full and solid review of watershed protection structure so we don't have an onion creek incident happening again in north Austin this time. So that's mainly what I would like to say, and I really think we could perhaps use this property better than for a soccer team. Thank you. >> Mayor Adler: Thank you very much. Adam Cahn, why don't you come on down. Ms Surls? >> My name is Susan Surls. I live in quail creek which I think

you're all familiar with which is the neighborhood closest to where mckalla will be developed. I live about a mile away.

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I ask you, the decisions you're going to make today and the next few weeks are going to impact me in quail creek, as it will the rest of us that live in quail creek. The reality is the lack of parking, I'm not just talking about soccer games, I'm talking about when there's a musical venue or when they have a community effort -- excuse me -- a community event, that parking is going to impact quail creek greatly. Traffic, noise, we've got pollution issues, we've got trash issues. In addition, something that I think is also a worry is that we will have an influx, I believe, of people who have been drinking, perhaps, especially at the musical events, and also other impairment issues that are alcohol-based, that will be driving and walking through my neighborhood of quail creek. I ask that you very carefully consider all your decisions again because you are determining the fate of a neighborhood. I say I expect that at some point you will go to an event there, and most likely will have vip parking. And as you exit, you may feel very proud, perhaps, of bringing this to Austin, but I ask that you go a couple miles more into quail creek and see what your decisions have brought to quail creek. And I hope that taking things slowly today will make -- will mean that when you do that in the future, you will be proud also of what has happened to quail creek. Thanks. >> Mayor Adler: Thank you. Is Alexander springer here? What about bill bunch? Why don't you come on down to this podium. Mr. Cahn. >> I'm [indiscernible] Testifying

[5:34:59 PM]

on mckalla place -- Adam Cahn testifying on the mckalla place proposal. I will confess I was honestly madder than a hornet's nest about this proposal this morning and was originally planning to come down here and say that, but, mayor Adler, in the difference a few hours can make, I will tell you you have already made my day once today, and I think you know why. But moving down to the soccer stadium, at this point I just think that there are a lot of moving pieces, a lot of plates in the air, a lot of things going on that we really just do not know the outcome to. We don't have answers for. And I am not confident that we can successfully resolve the outstanding questions in the next week. So as far anything goes regarding today and the next Thursday's council meeting, I would certainly not be in favor of moving forward on the mckalla place proposal. That being said, what I really think we ought to do -- or before I get to that, one other thing that surprised me as I was researching this earlier today is that I did not realize the university of Texas has actually said that they are not willing to host a soccer team in 2019. That was new to me today. I didn't know that earlier, but I think that that throws a big monkey wrench into our ability to successfully host a team in six months. They're not -- there's not going to be a facility ready in six months. And so that is why one thing I think we should do is I think as soon as possible, we should make everybody in Columbus, Ohio's day, and I think we should at least say we're not going to take a team for 2019. It's too soon. There's too many unresolved issues.

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2020, 2021, who knows, maybe it makes sense in that time frame, but I really think that we're pressing up against deadline for 2019 without a facility for them, and I don't think that that is wise. -- That that is wise. I want to comment on my big macro concern in all of this, where I would need to see a significant answer, six weeks ago when I testified about this, I mentioned the business model of major league soccer. And my biggest macro concern is just that I fear we are making a 20 to 40 to 80-year commitment with a league that might not be around in ten years. Right now, Houston had a debacle with the astrodome for 20 years before they finally imploded it. San Antonio still has the alamodome basically sitting empty. The pontiac silver dome in Michigan where the Detroit lions used to play, that sat around empty and was an eye sore for 15 years. [Buzzer sounding] Until we can successfully resolve the business model question, I'm generally apprehensive and I think we should call off 2019. >> Mayor Adler: Thank you. Is chivas Watson here? What you know Collin Brandenburg? Is he here? Anyone else that's signed up to speak that's here? Mr. Bunch? I'm sorry? >> Pool: I heard from Barbara Bush, she said she was on her way. >> Mayor Adler: Okay. >> Pool: Then I had a question to follow up on Mr. Cahn, I wanted to ask our staff, because the piece about the university of Texas, I understand that that is a significant piece of this puzzle, with regard to where the team might play, if they come and play in Austin next year. I think we need to get some certainty around that issue, and so if we could get --

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>> Mayor Adler: Mr. Cahn? >> Pool: Mr. Cahn -- I'm going to ask our city staff to chase that really important detail down. I appreciate you raising it because we haven't heard, at least I haven't directly from the university of Texas, as to what role they may or may not be playing in this larger picture. Thanks. >> Mayor Adler: That's good. Thank you. Mr. Bunch. >> Yes. Good afternoon. Bill bunch. I live in district 5, long-time resident and community activist. Urging you to please reject this boondoggle. If you go forward, I think it will live in enphamy as one of the biggest mistakes this community has ever engaged in, in the same list as water treatment plant number 4, the tree burner, the trash burner, the domain subsidies, and there's probably a couple others I'm not remembering off the top of my head. It takes my breath away still that this is on the table in this form. The process has been broken. The product is indefensible. It's of the same order as when they thought we were just going to hand over butler shores to them for their stadium. This is not, you know, the premier piece of parkland in the city, but it is an asset of the Austin water utility that you have a fiduciary duty to represent on behalf of all of us. And it seems to me, as a public access -- asset, the first question is, do we have a public need for it? And the public need that had been talked about for some while, as I understand it, was affordable housing. And every one of you talk about you care about affordable housing. So why aren't we doing it?

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You can't be serious about affordability in general and give away this kind of corporate welfare to somebody that clearly does not deserve it, given their track record in this community and in Cleveland. Excuse me. Columbus. If it's not going to be affordable housing or a water -- or the water utility doesn't need it, does it need to be parkland? Do we have a need for parkland in the area? That should be next. If there's not a public need for it, then we need to put it up for auction and get the best financial value out of this. The whole idea of community benefits in this context is trumpian in its degree of misleading and untruth because they're talking about giving us pennies while we're handing away millions of dollars. Those community benefits, we're paying for and getting a fraction back. Let these other deals be put on the table and considered fairly in an auction format. Let's maximize the tax revenue. It really is hundreds of millions of dollars -- [buzzer sounding] -- Of future taxes for the city, the school district, ACC, central health, that we would be losing if we don't let it be developed as private property. >> Mayor Adler: Thank you, Mr. Bunch. >> Please don't do this. >> Mayor Adler: Thank you. Anybody else signed up to speak? Thank you very much. That brings us back up to the dais. Yes, councilmember pool and then Ms Houston. >> Pool: Thanks. I appreciate everybody's comments. They've been really, really helpful, I think, today. I would like to ask for some information from the Precourt

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sports ventures folks on the ingress and egress to the site. If you look at the map, it looks like a flag lot. There's a 50-foot-wide piece of property that enters onto burnet road. That's the only burnet road access into the site. I understand there's a new road that cypress reality is putting down that gives access onto Braker, mckalla place itself is a really narrow road and it's Rutland, I think that leads off of burnet to mckalla on the eastern edge of the site with railroad tracks. So my point is, there's 50 feet of access that's on burnet. It's really close to the intersection of burnet and Braker. Can't put a traffic light there because the distance is too short, I believe. There's no sidewalks on that site, and we don't have any safe crossings mid block in there at all. Also, on the Braker, the way Braker is built where the cypress -- the new cypress reality road is, there's a median in the middle of the road so you can't go left, you can only go right, which is east. So I think one of the big things that's missing from this picture is how are the trucks going to come in to stage, where are the pickup and drop-off points, like are out at coda. There's a pretty sophisticated system. I've never been to coda, but I hear there's a pretty sophisticated system of getting people to the site, and I think they're talking about 12,000 people at that stadium versus 20,000 potentially at this stadium, and it has taken them a number of years to be able to figure out how to bring people to f1 and get them out. You all remember all the stories about the terrible traffic jams

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mainly for people leaving, coming out of the county road. So we've talked a little bit here about the transportation, and I need to see some drawings, and I need to see some explanation on how Precourt

expects to get people to the site and from the site. We've heard testimony from folks in the community who did a little research about how many people can be on a train coming up to the site, should there even be a station, which I still hold out hope. That's top of my list. I still hold out hope that that happens. Buses carry fewer than that, and the lines that go up to this site are minimal at this point. There are two bus stops on Braker, on the west side of burnet going over to mopac, and I -- think there's one stop near pickle on the west side of burnt near this site, but you would have to cross burnet road to get to the stadium. So we've got some safety issues here and traffic congestion issues that I think are very real. And I think before we move in any further forward motion oh this, on this, we need to understand how with people going to get here and how are they going to get out. Seems to me that's a pretty fundamental question. I'm asking for psv to provide us with that information next week. >> Mayor Adler: Sounds good. Anything else? Councilmember alter I'm sorry, Ms Houston was next. >> Houston: Thank you, mayor. And, again, I want to thank all the people who have come out and participated in this public hearing. And I have question for staff about the financing. Nobody's here, but I'll ask it, and then somebody can get back to -- oh, there you are, Mr. Canally. You were hiding back there. >> Just resting.

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>> Houston: Just resting. Okay. I can understand that. I feel your pain. Would this opportunity be eligible for the major events fund from the state? Did we look into that to see if that would be an opportunity to provide some additional funding? Councilmember. >> Councilmember, I'm not familiar but we can look into that. That has not been a topic but we'll look into that. >> Houston: If we haven't looked into financing, that may be a possibility to help doe something, if you could do that and get back to us the next time. >> Yes, ma'am. >> Houston: Then another thing on the financing, do you have the -- on page 7 of 25,. >> Glasses are the more important part. >> Houston: 7 of 25 is under stadium projected budgeted costs, one, two -- third and fourth bullets, the question is: What's to prevent the team from immediately turning over interest to another lender if they can't get the financing. This is about the financing for the project. >> Uh-huh. >> Houston: And then is there any time frame built into that that requires the team to identify the city that they're not able to get the funding, and where do I find that. Do we have -- will they notify us if they can't get the funding in 90 days or 60 days or what? >> Councilmember, there's a provision in the term sheet that requires the city the ability -- to have the ability to review certain financial information before they agree to proceed, and there's also a provision that says if they can't get financing,

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that they will have to pay -- the deal will terminate and they'll have to pay the city back for their costs up to that point. >> Houston: Okay. So it doesn't say it here, but it says it someplace. >> It is in here. And let me find it. I had it marked in my document, but I -- it starts at the last bullet on page 7 of 25. >> Houston: Okay. >> At the last sentence in that bullet, where it talks about -- let me see. The city may terminate the stadium agreements without any further financial obligation to psv and under

circumstances where you don't cause -- you don't cause the problem with the financing, and they'll reimburse you for certain costs and fees up to that point. So that's your legal consultant fees, things like that, that you've paid up to that point. >> Houston: So once they make that decision, is it so many days before they notify us or is it immediately? >> We wouldn't sign the agreements -- >> We haven't specified a time, but I would expect that if they can't finance the deal, they'll let us know pretty quickly. >> Houston: Okay. Thank you, Mr. Jones. And then one last question, there was some question about the -- there was another proposal that we'll talk about on Thursday, I guess. >> Mayor Adler: Tuesday. >> Houston: It's all running together. We just really jumped into the new -- well, anyway, there was a question about how much affordability and at what levels. What is the affordable level -- affordability level for the 130 that you're referencing on page 3 in 25 in this current -- >> That has not been stipulated, but I think hearing the conversations from earlier today, that is what we'll take back to

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the team to talk to them about. It hasn't been stipulated in a document as written. >> Houston: Thank you so much. >> Mayor Adler: Councilmember alter. >> Alter: Thank you. In the community benefits in exhibit 4, there's \$48 million that's supposed to be invested in a youth development academy. Can you tell me if young women are eligible for this academy or is it only for young men? >> We would have psv answer that question. I would fully expect -- well, I would say this, we would make sure it was for young women and young men, so -- but we will clarify it with them. That is their community benefit that they put on the table. >> Alter: Okay. I took a look at their crew academy that's available on the website. >> Uh-huh. >> Alter: And I haven't done a deep dive, but all the pictures in the academy are men, and all of the names of the rosters are men as well. And that's 48 million of the community benefits for these youth, and that may be a worthy thing, but I'm troubled by the fact that in today's age, that it would only be men, and that suggests it's really just about their farm team and not about providing these opportunities. >> We'll take that concern to the team. >> Alter: So I think that's something that we need to be careful about and to think deeply about. And then two other comments that I wanted to make. One is that I did have some conversations with UT quite a long time ago about the practice situation and the use of the field, and it was my understanding that they were not interested at that point in time, something may have changed, and that they had no alternative for their own students, for where their students would go, and there was, you know, a travel issue and there were some serious reservations since their first priority is to their students. So I think we do need to get clarity on where this supposed practice facility might be. And then finally, I wanted to ask -- I understand that there's

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review of their finances moving forward. Can you tell me what kind of review we've done of their finances to date to make sure this is a company we would want to go into an agreement with in the first place? >> Certainly. Along with -- really, under the lead of our consultant under Chris, as part of our due diligence efforts, we did review their overall financial current position and their projections from the --

both the team operation, the stadium operation, and the league operation, knowing that the league is -- the league, as Chris mentioned, the league owns all the teams. So we did do a due diligence review of that work. >> Alter: And how do you get financing for a stadium when you don't own the land? What is it that you usually put up for it at that point? >> Chris could possibly speak better to this, but generally what the team will -- the owner will have to put up a big equity piece, so it won't be 100% financing. And they'll pledge certain assets, revenues from the stadium, sponsorship, naming rights, things like that, to the payment of the debt. So the bank would basically have a mortgage on the team's interest, not the building itself. >> Alter: Okay. >> Yeah. Frank summarized that pretty well, particularly at the last end. Recall earlier in the discussion we talked about the structure of the league and the local team and that there would be a local stadium ownership entity, a stadium co created. That entity will use the long-term contractually obligated revenue pieces of the stadium, the suite leases, the long-term sponsorships and advertising contracts and those kinds of things to secure the financing it obtains for the stadium. And that doesn't depend on

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ownership of the underlying land to do that kind of financing. >> Alter: Okay. One last question, I see that Ms rush is here. It's my understanding as a normal part of mls, just as with any other sports stadiums, that tailgating is a very important part of the experience for people, and if there are a thousand parking spaces, that means there will be a lot of tailgating out into the community and all different places. They made comments about, well, you know, we're going to park at the domain and we're going to do all these things. You mentioned there's only traffic enforcement. It seems like there's going to be a lot of police and ems and other things that may be involved with that and a lot of, you know, elements of that, and there's implications for the city that -- I just haven't heard us talk about that, and if that's very much part of what makes the experience, you know, a whole-day affair and whatnot, how are we accounting for that in this plan? >> In terms of the cost of that? Or the -- >> Alter: The costs, and so that it's not impinging on the neighborhoods and so how we can get that right balance so that people can enjoy their experience but not be impacting the neighborhoods. >> Councilmember, that will be part of the overall traffic management plan, as well as working with the neighborhoods that are in here, that that issue would be -- have to be addressed. >> Alter: Thank you. >> Tovo: So we have at least one more speaker, and so we'll pause questions a bit and take -- I have the names of three potential speakers who we have, but I see at least one of them is here. Before we go to that I just want to say, councilmember alter, I actually asked that same question of the representatives this morning that you asked about the academy, and I hope that they are working through the answers to that. I'm interested in the question, too, of -- you know, we would -- it would be my intent to make sure that the youth scholarships and the youth soccer workshops

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and all of the other programming is also open to girls and young women, as well as the academy. In my research, I saw that some soccer -- some academies like this are definitely coed, and in others, I couldn't be sure, either, whether they were just open to boys. -- Open to boys. Hopefully the representatives can get us some information with regard to all of the youth. Councilmember alter. >> Alter: I had submitted a question about that as well, and I didn't add what do they do in Columbus right now, and I think it's important for us to know what they're doing in Columbus right now in that regard. >> Tovo: Thanks. Okay. Ms rush, Barbara rush, you have three minutes. Welcome. And then Ms rush will be followed by chivas Watson. Is he here? Okay. Great. And how about Alexander stranger? You will also have an opportunity to speak. Mr. Watson, if you'd like to come hello. Sorry I was racing down here and I don't have anything prepared, but I wrote a couple of things. But wow, I read the term sheet and once again Austin appears to be a really cheap date. And as a taxpayer I really don't appreciate that. So under no rfp as you all know, there's the anti-lobbying provision does not come into effect. With no rfp the community is not allowed a process to decide what's best for our city and our money and our vote bout bought this land. Affordable housing, it's on the bond, we're going to have a bond election on that that, and we're going to give a 30-million-dollar piece of land away that we purchased to a stadium and stick a handful of affordable housing on it and then we get to go out and

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purchase more expensive land to put more -- to find another place to put -- to spend the 200 million that we're going to pass hopefully in November for affordable housing. It just frankly doesn't make sense. And this is not going to cater -- this is going to cater to the wealthy. These tickets are \$50 plus a person. It's not your everyday folks. And frankly, not the neighborhood folks that live around it that are going to actually have an opportunity to go to this place. They're also under lawsuit. I mean what happens? They're doing discovery this week and then they've got the court case starts on -- in December, so what happens with that? The concessions, the volunteer hours and the 95 million dollars' worth of credit they tried to get because they're going to have concessions, they're going to have 2500 hours of voluntarism a year. I mean that is a joke. They have to have concessions and they sure bettering volunteering if they're in this community. The Austin water utility as you know owns it. I think there's a lot of legality around that still and a thousand parking places for 20,000 stadium place is -- and then they'll make a good faith effort to try to fix the rest of this? I don't know who y'all hired to negotiate this, but good grief, really, good grief. The expo center, you own the county leases. The county would be happy to have them on there on your city owned land that's not able to be used for other community benefits. I just want to throw that out there. But I think they talk to the county and frankly were very dismissive is what I've heard from the conversations at the county. I don't appreciate that attitude coming into our city. I want to say this is nothing more than a corporate giveaway. We are giving our precious and valuable resources away to a out of town corporation who hasn't invested in the

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city and will do nothing for local businesses. They are closing every single day in this city. [Buzzer sounds] So I just want to say absolutely no to this. >> Mayor Adler: Thank you very much. [Indiscernible] Watson. Is Alexander stringer here? You will be up next. Go ahead, sir. >> Chivas Watson. You know me. Hi Ms. Pool. Thank you for having the time. Adler, you have put out some statements regarding codenext today and I would hate to have you eat your words, but if you want to kill codenext I think we can all agree that the stadium kind of seems like a supplement to codenext. Why not just kill that as well? Literally since you've last seen me I'm literally sleeping under the bridge at 620 and lake creek, so I'm not too far from mckalla place. I walked through domain this past weekend and couldn't find a serving job because of my criminal background so I'm having a hard time understanding why anything catty-corner to where that already sits would be welcoming to me, other black people. People of color in general. It seems like mascara. Hey, Mexicans, come play soccer. White kids, come be friends on Saturday to come play soccer. But you guys are already fighting on the financial reciprocation. It's not there. Scrap the deal. Spence, good to see you, bud. We sat in an undoing racism class last week where we both learned about no longer fighting against the circumstance, but fighting against the institution. I thought you showed a great deal of transparency. One thing advocates in the city want to make sure is you guys aren't performing an under handed pros, mean you as a city manager gets this deal, when you keep it in your back pocket, get all the signatures that you will, while we're doing all we can just to get it on a

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vote, let's are completely transparent. If the people speak overwhelmingly about wanting this, then you will have it, but I think you will see just like with codenext, with more time elapsing, more austinities are saying this isn't the right spot, this isn't the right concept for the area. We have -- your councilmember in that area even has [indiscernible] Around accepting this. Let's put it somewhere else. Let's just put it somewhere else, guys. I don't think anybody is going to cry if it's over there in bud son behind, steiner ranch. I don't think anybody is going to cry if it's over there in district 8 since she's never here anyway maybe she can show up to the soccer games. As an austinite, a homeless austinite, have you people that are literally telling you there are other alternatives. Other alternatives to soccer, other alternatives to mckalla place, consider that the same way you've considered codenext and I think it's a perfect representation of that as my councilmember. She was gunk O'on codenext may 16th, I remember, and I got the pictures W some time in the summer the heat has been on and she's now saying let's make sure this process is fair. [Buzzer sounds] Let's do the same for mckalla place and for this mls stuff. Thanks. >> Mayor Adler: Thank you. Mr. Stringer, you have three minutes as well. >> Okay. Well, first of all, I would like to say that I'm very proud of you, Steven, for scratching the codenext initiative. It really means a lot. I would also like to address the many reasons why I think that the deal at mckalla place is a disaster. I've gone over this before, I've talked about how Precourt doesn't want to pay property owners, I've talked about how there is a catastrophic shortage of parking spaces in a 20,000 seat stadium. I talked about how the

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corridor is about the size of city hall. I've talked about how Mr. Precourt has been found guilty of numerous health code violations. We all know what they are. I'm not going to go into it. But the thing is this, the reason he was found guilty of these health code violations is because he is an absentee owner, right? And he is going to continue to be an absentee owner in Austin. And that means that he is a lot less likely to be involved in the maintenance and upkeep of the stadium. So we can't even fully trust that the stadium and the soccer team is going to bring about the revenue that Precourt and the mls to atx folks are mentioning repeatedly. Also, I think that there are numerous other proposals that we could use in order to help build housing and build land and still even have a soccer team like maybe having it at Cota and having I believe one of -- there's a real estate trust that wants to build on that land and help finance the team and Cota and it would be a lot better for traffic and housing in that area. I also think that you have another deal where they're trying to put together a thousand affordable housing units on the mckalla place property and I think that's a much better use of city land than the soccer stadium. I also think we have a 250-million-dollar housing bond that's on the table and it seems to make more sense for a private developer to pay for affordable housing than for the public to pay for affordable housing. I could go on and on. There's literally a laundry list of reasons as to why this is a bad idea. I respect your time. I trust you guys to make the right decision. Thank you. >> Mayor Adler: Thank you. Colin Brandenburg. >> Hi. I live near the stadium. I'm in support of it. Earlier a speaker talked about how it seems like there's more people against

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it, but that's plainly not true. If you will see the people here behind me we've been here all day. You will see that -- you probably all know them by first name. You will see that a lot of people who are in support of it, a lot of them aren't here today because a lot of us took off vacation days next week because that was when it was previously planned so it's hard for us to get off. So I think it's not a good representation of the group of who are in support of it because a lot of the young people who have work, we have to be at work most of the time. I took a half day so I could come here. A lot of other people did as well. Another thing they were talking about traffic previously. All the other deals mixed use, they're talking about grocery store and 300,000 square foot of office space. Don't you think that would cause even more traffic than the stadium, and that's 365 days a year. That's not a few game days. So I think that's another bs argument that people make. And then if you want to like make a venture fail, put out circuit of the Americas. I mean, it's 45 minutes away from where most people live. The population center of Austin is off of burnet road towards the north. It's a few minutes -- I think it's four miles from where the stadium is proposed to be. So that means far north of downtown. And then I just want to say that next week whenever you look at the amount of people who are in support of it you will see how many people actually support it. Last time we had the big vote, what, there were 80 something% that were in support of it and then how many people were here until 4:00 A.M.? So just think about that. Thank you. >> Mayor Adler: Thank you very much. Council, those are all the speakers that we have. If there's no objection, we will adjourn this meeting. It is 6:09. Any objection? Mayor pro tem? >> Tovo: Can I just get a sense of whether our outside

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consultants will be available again next week? If not, I may run through a few more questions. >> Yes. >> Mayor Adler: Yes, available next week. >> Tovo: Is it upon to ask a couple more questions -- possible to ask a couple more questions since we're here and it's not 6:30. >> Mayor Adler: Sure. I think if you would daylight questions that would be helpful. >> Tovo: I did hand out a list of questions I had to my colleagues. We are posting a list of these for the agenda and I also have photocopies if anybody wants any. Just a couple of quick things that might be easier to talk through rather than have you spell them out, page 8 talks about -- well, let me ask a different question. The first couple of questions on my list I just handed out. So there are two references to open space, green space and performance space. The first one happens on page 2 and then the second one on page 3 talking about a portion of the site being accessible by the public for the enjoyment, health, comfort, leisure activities. Are these the same -- are we talking about the same space in both instances? Are these two different allocations of space for public access? >> The same. >> And if you would prefer to answer any of these through writing that's fine. In the first instance, the description is eight acres of green space, open space, performance areas. >> Yeah. I believe we are talking about the same space, councilmember. >> Tovo: Okay. Are the performance spaces as described in here outdoor spaces? >> Yes. >> Tovo: I see, okay. And then -- >> That is my understanding. I have not seen any specific drawings, but that is my understanding. >> Tovo: And in the reference on page 2 where it talks about them being publicly accessible, that will be accessible to the general public year-round

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during non-event times. I just want to confirm that those would be free. >> Yes. >> Tovo: Okay. And then let's see... Will there be biking trails, pedestrian trails in that open space? Other kinds of amenities, playscapes? What kind of amenities will be in that open space? >> Those are all things that they listed in their proposal. The diagram on page 22 is pretty install small and it's hard to see, but if you look at the proposal that they put out on June 1st, they do describe all of those kinds of things where -- they describe it as a soccer park, a stadium and a soccer park. So it's mostly open space with trails and walking and things like that. >> Tovo: I had another question, and that is to the extent -- the extent to which what was in the big proposal sort of folds into this. So it sounds as if when those things energy sync we can rely on what was described in that big long proposal. >> Yes. >> Tovo: At least in this example. >> I would clarify that in terms of an example like this like the buildout -- [overlapping speakers]. The economics, the lease terms, kind of the key conditions, but when you get to this kind of site issues and what they're proposal for sending their money on, then yes. >> Tovo: Okay. So maybe it would be helpful to clarify. They also describe some other community benefit, some partnership, some collaborations. It would be helpful to know what of that carries over into this term agreement, but that may be spelled out in the community benefit agreement that we've talked about a few times here today

today. Okay. So I think that answered the first couple about that space. On page 8 of 25 it talks about surpluses and how those would be -- what the

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position of any pluses would be. And then there is a reference to if the costs -- let me just find that. If such costs, as in the cost of the stadium, exceeds 190 million, then psv may determine how to otherwise apply such surplus. How would there be a surplus in a case where the cost exceeded the 190-million-dollar estimate? >> There probably wouldn't be. The purpose for this provision was to prevent the team from value engineering the building down because they had some kind of financial difficulty. So they've presented to you basically a 200-million-dollar proposal -- probably \$10 million of contingency in there. The idea was we didn't want them to build 180-million-dollar stadium, 178-million-dollar stadium because they couldn't afford it and then pocket the savings. So the idea is to get them as close as they get to what they promise you and if there's any savings beyond the 190 \$190 million the parties have to agree on to that. Basically before that you get what you've bargained for and they can use it as they see fit. >> And for super clarity, this is the team's financing. There is no city financing involved in the construction or operation of the stadium. So this again as frank said, it was a mechanism to ensure that they lived up to the proposal of building a high class facility that would be a city asset. And I think as Chris laid out as where we are in the overall marketplace it's a high end stadium, that's what they put on the stable table and we want to make

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sure they adhere to a high end stadium. >> Tovo: Thank you. That's helpful to know the intent and it sounds as good the answer to that is there wouldn't be any circumstances under which there would be a surplus if their costs exceed 190. >> It would be very surprising. >> Tovo: And then maybe the last one for today, on page 7, you talked -- there's a description of -- let me ask a quick one, what does envul mean? Does that mean in the stadium more or less? There are he wasnesses to novel. I was incomprehensible to mean to the regular public. Effective. In-bull. It's-- I'm actually not seeing one of those references, so you may need to help me. >> Tovo: It's on page 11. The last bullet. And it talks about it's the provision about civic use of the site. >> That means -- that is jargon. It means within the seating bowl of the stadium. So inside the stadium as opposed to an event that might be held somewhere else on the grounds or in a meeting space inside the building, et cetera. >> Mayor Adler: Okay. Councilmember pool? I had submitted some questions for staff for B and D venues and Dunleavy. And I didn't get answers to them and I was directed to

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ask the questions today. I don't know, Chris, if you were the ones to answer the questions for B and D venues, I would request that they answer the questions that I submitted to B and D venues by way of the team who was the city staff team. I do want to get some answers, though, from Precourt sports ventures and mls. And the reason why I want to do this is because we need extensive financial and other information as part of our decision-making process. So are any of the entities that we might contract with going to be good and faithful partners for the city of Austin and its residents? Because we will be entrusting significant levels of public assets for them for a considerable period of time if we go through with this contract and this partnership. So what does such a partnership look like and who benefits and who doesn't? We've been talking about that all day today. Who stands to have -- to clean things up financially if they go awry? Who is left holding the bag? So as part of the fact finding that I think is essential for the public to achieve a level of comfort with a possible relationship and in advance of making any real decisions on this certainly before we execute anything, I had asked staff to convey along to Precourt sports ventures and mls -- I think there were five questions that I was looking for. So this is what they are. I would like a list of the key executives, their functions and their resumes. I would like a list of key contacts -- it's a little bit late, but who will be negotiating with the city along with their relationship to psv and Greenburg. I think that at least could have been provided to us before today. I would like a list of psv's and mls's board of directors and or advisory board. In other words, the people who make the decisions, because as you say, it's a cooperative venture in the

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soccer environment and the soccer space. So for those of us who have an understanding of cooperatives from maybe a different angle, like for example, housing, I'd like financials work within the cooperative that is in the sports world. I'd like to have three trade references and a copy of the 2017 audited financial statements, the income statement and balance sheet, a copy of the last three years of corporate tax returns, a five-year in gap format pro Forma on Austin mls team operations to include details on stadium revenue and costs with the concert and event revenue specifically straightened from soccer revenue because that will be a significant aspect of what happens in Austin. And a personal financial statement for any owner with a 10% interest or greater in the team. So I don't have these answers and I think that this is de minimis for the council to have for the public to know if we are going to be entering into an essentially long-term financial agreement with psv and mls that will out live me. And I'd like to have that before we gather again on November 9 because we will be potentially making some fairly serious decisions on these topics next week. >> Thank you, councilmember. And yes, psv has all of those questions and then the questions related to B and D and Chris have been posted to the mckalla website. All those are there, the answers there. >> Pool: The answers simply directed me to ask the parties for answers today. Those were the answers -- >> I think it's been updated. I just checked the -- mckalla has updated answers that Chris was able to get together today. >> Pool: So Mr. Dunleavy, has submitted those answers on -- >> I believe they've just

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been posted to the website. >> Pool: So I'll have a look at those and see if they're sufficient. And what about the questions for psv? >> They're still with psv. >> Pool: Say that again. >> We have given them the questions. >> Pool: Okay. So they have -- those answers are not yet posted to the website. Okay, great. Then those are the ones that I would like to see before August 9 and post those, I guess, to the website as well. We're looking for the transparency that everybody has been talking about with regard to this initiative and this would be a really good indication about the transparency. >> Councilmember, councilmember pool? You made a reference to Greenburg troak. I didn't understand it but I may be able to answer it since I'm here. What was your question? >> Sure. Let me go back to that one. >> Alter: While she's finding that, may I just ask Mr. Canally if you are posting new things to the mckalla site, can you provide some some notification to council because we're going to be preparing for a 100 item council meeting and may not be able to check it all the time. >> Absolutely. We had some questions from council prior to -- there was a posting and so we've been posting all of those to the mckalla site. We've had questions asked as part of the agenda, including councilmember alter, yours, and they have all been posted as well to the -- this afternoon, the responses to your questions, the majority of them. I think there may be one or two that's outstanding. There are also agenda questions so they'll go into the Q and a report. We will provide updates, but we think that it's in the best interest of the community, given the discussion, every question answered about this, regardless of if it's an agenda question or not, will be put up on the mckalla website so everyone has easy access to this. >> I think that's great and I appreciate you getting those answers. >> Pool: And I appreciate -- I appreciate too that you will let us

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know when those are happening because I had no idea that something had been updated. It would be really helpful to know that. Okay. So the question was from psv and mls, a list of key contacts who will be negotiating with the city, that was the piece that is kind of moot at this point, although it would be nice to have it in a place where people can refer back to it. Along with those key contacts relationship to Precourt sports ventures and with Greenburg trory. >> To my knowledge there is no relationship with Greenburg and psv. When we ran the conflict check nothing popped up, but I will check that again and safe. But as far as I know -- now, I will say their negotiating team with CAA and icon, I've known a lot of those characters for many years. So I do know them on a personal level, but as professionally there's no relationship that I'm aware of. >> Houston: So mayor, I have no clue what CAA, CII, what those okra anymores meant. >> Their consultant is creative artists -- >> Creative artists agency. And icon is a program managing firm out of California. >> And councilmember, in terms of the question for staff, staff and psv, our relationship with psv is as a result of the council resolutions asking us to work with psv. >> Pool: That's great. I didn't actually ask for that, but I appreciate it. And I think having all this information posted on the know who CAA icon is for example, I did run into the name of that firm as well in reading the term sheet. >> Mayor Adler: Great. I think we're done, 6:25. Without objection this meeting is adjourned. Thank you. Thank you all.