

# City Council Work Session Transcript – 8/7/2018

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[09:08:15 am]

>> mayor adler: all right.

we have a quorum.

we're going to go ahead and start this.

it's 9:08, august 7, 2018. we're in the city council work session, here in the boards and commission room.

we're going to start with the briefing on the seaholm waterfront.

we'll call you up.

then we'll hit the pulled items.

then we'll go into executive session.

remember that we have a 3:00 special called today to hear other proposals on mckalla.

and as we're starting off i would just point out a couple things that happened in july while we were gone.

jannette earned the designation of master municipal clerk.

[ applause ]

congratulations on that.

[09:10:15 am]

it was also great to see "the wall street journal" did a special pull out section on the future of cities. austin was prominent in that.

the homelessness effort with block chain in the bloomberg challenge got play.

way to go carey connor.

big benefits from tiny houses, [indiscernible] was mentioned in that, in "the wall street journal" issue.

roosevelt weeks and our library, its exhibit on landscape integrative buildings and then also the lead

story on the page was about how driverless cars are going to change cities, and austin played prominent in that as well.

so which is good to see.

all right.

that said we have a quorum.

let's go ahead and start the briefing.

thank you.

>> good morning, mayor, councilmembers.

thank you so much for having us today.

my name is kim mcknight, and i'm a planner with the parks planning division of the parks and recreation department.

i'm joined by several partners who will be taking part in the presentation today.

[09:12:20 am]

to my right is heidi anderson, executive director of the trail foundation; al godfrey, an architect and on the board; and collin wallace is the ceo of the austin parks foundation.

we are here to brief you on the results of a study on the seaholm waterfront.

most of you are familiar with the iconic seaholm intake building on this waterfront property.

i'm here to really introduce the presentation, and i'll be turning it over to our partners to tell you about the findings and some of the recommendations going forward.

i will say i've been involved with this project for a number of years.

this building was turned over to pard by austin energy in 2012 without any funding for development.

we embarked on a number of studies heidi will be telling you more about, and it was a really interesting exploration in terms of what is it that we can harness from the private sector, what can we harness from the nonprofit sector.

i will say all of the efforts to date have really informed the approach that you're going to hear about today.

we couldn't be more appreciative of our partners for stepping forward to help us position this building for success.

and i'm going to turn it over to them to do the presentation and we welcome your questions at the end. thank you.

>> thank you.

again, i'm heidi anderson with the trail foundation. and as kim said, we're just here to present to you the study findings of the partnership that we embarked upon a little over a year ago as a partnership with austin parks foundation to support pard and try and find the best use possible for this underutilized park space and building.

you've got let's see.

there we go.

on this slide it really helps illustrate what the study encompassed.

[09:14:15 am]

it was not just the intake facility itself.

it was the 3 acres of parkland surrounding the building as the parks foundation and the trail foundation were also very concerned about the parkland.

so the study itself encompassed this broad three space acre from shoal creek down towards lamar, in that area.

the right side actually all those little dots show amenities already existing in austin, and that it's really just illustrating that this intake facility and this parkland can have an opportunity to really be a hub for a city as a gathering point and an access point to a lot of other amenities already in existence. as you all probably very well know, this space has been looked at several times in the past. all of that was taken under consideration and really informed this study and process. some of those efforts in the past were katera reed in 2012, a design competition that was in 2013, uli did a technical assistance panel in 2014, and 14 15 there was an rfp for developers to submit a proposal. came down to two teams. and really that ended because of historic preservation concerns. and i point that out because the historic preservation issues and concerns were taken into consideration as we moved forward. so we started the process creating a few bumpers for which we wanted to stay focused on this process. and you can see those here. discovering what was there, embracing the historic integrity, obviously very important, restoring and diversifying the ecology, listening to the community and experts. we did a lot of community engagement you'll see more of here in a moment, converging the city, trail, lake together and building sustainability of not only the facility but the space around it. we engaged a firm, studio gang, to get us started, and studio gang was selected really as we began because of several reasons. they had experience working with similar intake and below university. they're an internationally recognized firm, and they're known for sustainability and public input on contentious projects.

[09:16:20 am]

so they do a lot of community engagement. which was sorry, back on that, you can see here we did 41 on site workshops, 1100 online surveys. we felt like we weren't getting responses from a few communities so we did specific outreach to the hispanic community, african american, asian american groups. we also had a design community group together for input and two committees that engaged on the process, planning partners committee of nonprofit stakeholders and a technical advisory committee of watershed, transportation, park, public works, et cetera. now for the fun results. i'll let al take it from there. >> thank you, heidi. thank you, mayor, council. this initial image illustrates studio gang's take on their historic preservation analysis, trying to determine the primary facade that are most sacrosanct versus those where a certain degree of intervention may be possible. and they concluded that the blue facades that face the water are the most iconic and should be left in their existing state to the extent possible. concentrating then their efforts on the cesar chavez side more, more than anything. this image shows their analysis of the building itself.

on the left is an idea of recognizing the buildings history as a vessel for machines, and in that way the building itself is or has been a machine, and wanting to understand how that worked and use that as a basis for moving forward.

on the right they're showing the lower level being very much machine like and put into service of the human comfort above.

[09:18:15 am]

and the human comfort would be on that upper level.

the planning process here really did try to focus on making this building open to the public, and i think one of the concerns we heard was that sometimes these events result in projects like this, essentially becoming private revenue generating venues, and we were keen to not have that happen.

and, therefore, the planning effort looked to having seeing this in a variety of circumstances with an emphasis on flexibility.

so in general any day there's just kind of an open sociable space, now and then is to say that this building is not so tightly programmed that it can't accept an occasional installation.

and then on occasion there can be special events.

and so this is an image of any day, and it's seemed very familiar to most austinites.

there's that north facade open to a beautiful lawn between the building and cesar chavez.

and, again, we all might recognize and feel comfortable in this scene.

it feels very austin like.

again, any day a big, open, generous space.

one of the things we heard from the public, interestingly, was, gee, there's so much emphasis on this making it world class. and there was a sense in thinking this was binding and can't we dial it down and find the power in the solution, in the building and in the people of austin, fill it with austinites.

and it will be very austin, and it will be world class.

and so this shows very much that, where the opening the building itself is kind of a great

[9:19:55 AM]

Hall, and I'll say also that the architects have been very particular in not putting the service spaces into this great hall. They found other places for restrooms, storage, backup house for functions, so this can be clean, simple, and in its industrial sense, majestic. Now, occasionally there being be installations.

What is this? Is this an art stallings? Is this a summer academy for kids? We don't know, but you can see the building is flexible enough to handle such a thing. I'll also point out the yellow gantry overhead is a recollection of the building's industrial past, a lovely -- a lovely thing to recapture. He ever so often, not to turn this into a private event venue, but every so often, one might imagine an event. Is this tied in with acl? Is this tied in with something else? We don't know. On the left, it's open to that lawn, and on the right you can see the water through the windows. Planningwise, the project is not just the building, but it is the three-plus acre stretch from the Pfluger bridge over to the land spit there at shoal creek, and there was an attempt -- an effort to grapple with transportation and connectivity issues across the

space. In this case, you can see that the trail goes both above and below the building itself, and that those star shapes, star bursts are indications of opportunities for actually touching the water. And so to kind of take you slowly through, to that this is a view of the lawn

[9:21:57 AM]

between Chavez and the building. This is a closer-up view toward the building, looking out in the slot between the two historic buildings toward the lake. You can see that they have planned for a passage through that slot to that view, taking advantage of that. Another view, a very Austin scene. There's that slot from the water side offering a view. Very exciting possibility. And also, we see water access where people can pull up in their stand-up paddle board and come on in. Along the water's edge, opportunities to meet the water itself. The trail right now doesn't do that, and the design team felt like there were plenty of opportunities to do that. This is one example. And sometimes there are opportunities to do something special with the landscape. In this instance, there's a -- there's a theater in waiting. You can see on the left underneath the gang plank, there's a water fall feature suggesting the idea of that water cleansing, water quality features could be integrated into such a feature, even to the extent that that circle could be used in heavy rain events as a vessel for carrying access water itself. This is the Odom pavilion in the distance, an existing pavilion that was part of the original architecture and is now there but not really used. The proposal is to use it, use the upper level of it and actually create a kind of walk

[9:23:57 AM]

through the trees to the water's edge, a really exciting prospect for the Odom pavilion. This is talking about phasing and who I am going to hand the microphone and this device over to Collin Wallace. >> Thanks, Al. Mayor, council, thank you for having us today. As you've heard before, you've probably all been in this space, heard a lot about this space. I think the reason the parks foundation and the trail foundation partnered up on this is because we really feel that this is a once in a lifetime opportunity to do something really special on three and a half acres of waterfront parkland. And so we, as you've heard to date, have spent the last few years doing a lot of public input, working with a world class urban renewal firm to think about how we can just get this building open. And I think to Al's point, the phrase "World class" gets thrown around a lot, but I think where we settled is just getting the doors of this building open to the public on a daily basis would be world class. So that's really where we're focused. I think in the short run, we've got to figure out all of the, you know, infrastructure and utilities that just may go this building safe, Ada access. As most of you know, there are giant holes in the floor. Most of the windows are broken or gone, so just really cleaning it up, getting utilities to the building. Starting to do pop-up events on site. So Saturday, September 8th, we're hosting a free ice cream social from 10:00 to 12:00. I hope all of you will stop by. Really just starting to get the public excited about what can be in this space. And then over the next couple years, really thinking about, you know, this is a complicated site. The building is complicated.

[9:25:58 AM]

I think we're all really clear that any renovation to the building and/or the parkland, it's a \$10 million-plus endeavor, and I think what we learned in the previous efforts to repurpose this building is that there's -- nobodies no -- nobusiness model that makes sense, spending that kind of money on it. We would like to explore how philanthropy plays a big role in renovating this as a public asset, and that has been sort of a guiding light in this process from day one. We want to see this open every day. We want to see, you know, a fantastic amenity for downtown Austin that makes sense in the landscape of all the other things that are going on in downtown Austin. So really thinking through the partnership structure, the concession agreement, is there a nonprofit that governs this, what is that relationship with the city, how do you capture revenue and reinvest it on site so that this is sustainable. The worst thing we could do is spend a lot of money renovating this building and then, a month later, it's out of business and the doors are closed again. So we are all in this from the long haul. This this has, from the get go, been a very forward-thinking process. We're all very excited. There's a long way to go, and this is really just the framework. We have way more questions than answers at this point, but I think we've got a great start in sort of pushing us towards getting the doors open on this building, a public asset for many years to come. So with that, I'll open it up, if there are questions, comments, we'd love to hear them. >> Mayor Adler: As we recognize people, I just say that a tremendous amount of work put into this, and I, for one, love the vision. This just feels so much better than the alternatives that we had seen before.

[9:28:01 AM]

And I'm visual in a way that I see those pictures and I'm ready to, like, be there in the middle of that. So, comments from the dais? Councilmember Garza. >> Garza: I'm really excited about this. I was excited when I think they had the renderings out in the atrium a couple years ago. Back in my younger days, I logged a lot of miles on the trail but I don't do that anymore, that much. That hill has like a really, you know, good -- I don't know, opportunity for something to create a further running community, and I appreciate you having reached out to all of you are hispanic, African American, but have you guys reached out to the running communities? And maybe that September 8th would be a good opportunity for that. I like -- I know that curb also -- you get really close to traffic, so I like how you've given option to go under it. I think that's a great idea. So I'm just curious if the running community has been involved in the planning. >> Right. Well, we -- those 1100-plus surveys went to our entire database, as well as the community at large so we heard from a lot of trail users. >> Garza: Okay. >> On their input and what they wanted to see the space be, so a lot of their voices were heard, and we engaged with some of the running groups in town directly as well, through this process. >> Garza: Okay. Great. >> Excuse me. I don't mean to be piling on here for the trail foundation, in a sense, the trail foundation is the running community as well. I think that's important to say. >> One thing that's interesting is we did have two of our public open houses were on site, on the trail, and so it was -- a lot of people did -- we were holding those and actually intentionally came, but we caught a lot of people that were like, what's going on

there? We're just going to pull over, and I've always wanted to see this building; this is great. So that gave us another opportunity to engage. >> The die hards in the rain. >> Garza: I like the

[9:30:02 AM]

renderings with the art and possible events, and there was some pictures of some kids in there, but I hope there's a focus on family-friendly opportunities for kiddos, too. >> Mayor Adler: Okay. Councilmember alter. Then councilmember pool. >> Alter: Thank you. First I'd like to thank the parks foundation and the trail foundation for, once again, stepping up and being great partners for us to be able to create an asset that will be used by -- used by all austinites and also tourists. Now that we're at 15% for historic and preservation -- thank you, city manager, for helping us to make that reality, to what extent have you thought about whether this project is a good candidate for H.O.T. And how we might be able to use those dollars to leverage more philanthropy by having some matches or doing some other -- other kinds of things? >> I could speak to where we are now. We were grateful for an allocation of \$600,000 in this current fiscal year, which is going to go towards our efforts to restore just some very basic safety -- health life safety issues, or address, I should say. So just being able to act upon finishing a plan is really tremendous. There's nothing more frustrating than finishing a plan and having to wait for funding. We can't do that for this project. People have been waiting for too long. We've been waiting for too long. So the ability to immediately move into the first phase that's recommended is terrific. We do see that this building is a prime and perfect candidate for -- from our perspective, and let me just say Lela fireside works very closing with us to evaluate whether or not a property is eligible, but given fact that this is listed to the national register of historic places, it's

[9:32:02 AM]

eligible to be a city almost. Landmark. It's clearly within a tourist location. It has checked all the boxes to date. We work very closely with legal to evaluate, and I feel sure that this is one of many properties that we have that will be right for investment through hotel occupancy tax. >> Alter: Great. >> And philanthropy is something I'll let our partners weigh in on. >> Excuse me, the other part of your question was leveraging, and I think it's clear that the building will sell itself, and right now, we can't -- we literally can't put people in the building. The fire department is adamant that improvements need to be made to fire safety, on occupant safety before we can do that and the building, even in its industrial ruined state, is an amazing thing, and it will draw lots of attention attention -- to itself, positive attention, and I think that will put wind at our back representative philanthropy. >> And we have engaged with a firm to give us cost estimates of what this project is going to look like so we have a better understanding, so we know what we're taking on and how best to take that on. We'll hopefully hear some preliminary numbers later this month. We already have some preliminary numbers for that phase I, making the building safe infrastructure work, and that's where we're focusing this 600,000 of H.O.T. Tax now. We'll have a better idea of what the full project looks like and we'll try to engage as many tools, philanthropy, potential future, H.O.T. Tax, whatever we can to pull this together because not only is it going to be

expensive to get in place, but the operations model will be substantial as well. So we'll need to be creative in that respect. >> Alter: And as we do that, it would be great, as we're evolving the H.O.T. Process,

[9:34:04 AM]

so also be able to be mindful of how those funds can leverage philanthropy rather than just say, okay, we're going to allocate the money because we can multiply the resources we do have if we move out of a typical governmental lens and take into account the contributions that can be made through philanthropy, but often require that seed money or require that skin in the game for the city. So I hope that we can use this to be creative and think about things in a new way. >> And I would just echo -- and thank you for pointing that out. I think one of the things we hear a lot when we approach big institutional funders about participating on city infrastructure projects, the first question we get is, what's the city's investment in this? And so that H.O.T. Tax, potential bond dollars, things of that nature, help us to be able to leverage those dollars into even bigger dollars. >> Mayor Adler: Thank you. Councilmember pool. >> Pool: I just want to convey my deepest appreciation for the work that the two groups and then the experts have you guys engaged and our staff for continuing to work on this project to culminate in this vision. This is really, really beautiful. And I followed the various twists and turns of the saga of the intake building for, gosh, 15, 20 years now; right? And you guys have probably been working on it much longer. It's a valuable piece of property. It's a beautiful location. And I'm really glad we're going to hold onto it. Its historic value is clear. And then I'm also just really grateful that this dais saw the vision and the potential of funding our hotel occupancy tax historic, preservation bucket up to the full amount so we can have the nimbleness and directness to help fund. I think a good use of that money would be to prime the pump for additional philanthropy.

[9:36:04 AM]

I see that as a necessary element of this, and I'm glad that you all are continuing in that -- in that vein. So just thank you, again. It's really beautiful and exciting, and I can't wait to go down there when I can walk without watering that I'm going to fall down -- I did have an opportunity to visit the intake back in '15. My staff and I went through and did a tour, and you're right, the industrial elements of this building are extraordinary. It's the piece that I'm sorry we lost when we allowed the Seaholm power plant to be leased out on a 99-year lease, or whatever the length that we lost that building out of the public sector, and I'm really, really glad that we're keeping this. So thank you. >> Mayor Adler: Thank you very much. Ms. Houston? >> Houston: I want to add my congratulations. It's gorgeous, and I'm not a walker, I'm not a runner, and I'm not a bicycle; but I will be visiting this because it looks so peaceful and there's such an air of not only the history of the space but also how you can be reflected by the water. I don't know how you're going to tie up paddle boat so that they can get off and come inside, but you all will figure that out. The other thing I like about this process, even though long-delayed, is how intentional you were in your renderrance about making how all people felt welcome in the space. I look around and see people

who would not traditionally be in a rendering such as this downtown in a historic site, but you all have all kinds of faces in here and all kinds of cultures -- represented, so you thank you for that as well. >> Mayor Adler: Mayor pro tem. >> Tovo: Just big thanks. I have long admired this building. When I first moved to south Austin, it was one of the things that really captured my attention along the lake, and it was really long

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before any of this work started. It's just really exciting. I, too, followed the twists and turns and I remember some of those early visions that came back to us in that process and thinking, you know, they're interesting, but, wow, that's just not where I thought we were going to go as a community with that building. And so I just really want to also thank you for your courage and the leadership that all of you have exhibited. It takes -- it takes a lot of courage to stand up and say, we've invested this time and effort in this path, and we don't feel it's the best path. And so thank you for your willingness to stand up and say we have a different idea. And that extends, really, to our city staff as well as our partners, and to the trails foundation and parks foundation, thank you for helping us and the others who have worked on it, thanks for helping us really envision it. I think one of my favorite comments of the day is the one about -- the two about world class and what it means to be world class. And the recognition -- I see it as a real success. The recognition that opening the building and inviting the Austin public in to enjoy this Austin space makes it world class, and that we -- enjoying it in that way and having installations that could be youth camps or youth workshops is a thing of value and beauty. So I'm just super excited about this project. As I heard you, the next steps are -- and I know we talk about H.O.T. Tax a lot, but before we move on to next steps, I just want to underscore what my colleagues have said. We will have opportunities with this building because of the actions that we took to really reenvision how we're using that funding on an annual basis. And so that, too, is important. As I heard you talk about the next steps, the next steps is an ice cream social September 8th from 10:00 to 12:00? >> Uh-huh. >> Tovo: My children will love eating ice cream at

[9:40:06 AM]

what is really breakfast time. That's fabulous. The other thing is the rest -- the stabilization of the building, and when is that going to start? >> We are already working -- we have a project manager and project coordinator. One of those project coordinators was also, thanks in part to the funding we received through the hotel occupancy tax so we can actually execute these projects. So I just want to underscore, in order to spend the money you are giving us, we do need the staffing. I thank you for that we are working actively to understand what level of -- what level of maintenance and operation -- I'm sorry -- rehabilitation, really, just to kind of get in there, to get the place clean and safe. Clean the building, you know, clean up some of the out -- exterior. I mean, it's certainly mowed, but doesn't it look like the most cared-for space. We will be working over the next year to understand how far we can get with the funding that we have, which is currently 600,000. We will be having further conversations with

our partners to understand what proposals are emerging. It's certainly not just the initial phases of construction, but a critical piece for us is the operations and maintenance. And so all of these pieces need to come together. To answer your question, we hope to have the building clean, safe, around available for these small-scale activations in the next 18 months to two years. There's a lot we can do to get people there, like the ice cream social. So I would stay tuned, and hopefully within the next 18 months, two years, we'll be able to actually have people in the building. >> And I would just add to that that the 600,000 of H.O.T. Tax, we just had a very recent meeting to -- and decided that we will probably focus that funding into the facility itself and we will be applying for grants that will help us improve the park space

[9:42:06 AM]

around it. We feel like we can find some funding, additional funding for that so that's something we'll be focusing on in 2019, spending for the park space. >> Tovo: Great. So it sounds like the private fund raising piece has already begun or will begin very shortly. >> Initial planning. Yes. Absolutely. >> And what we tend to do with a project like this, you'll see that it's a large park space, just identifying the projects, trying to match them up with different types of funding, a land project, is this a park project, a historic preservation project, what could be private, what could be public, so really putting together kind of a spreadsheet of all the different projects and their priorities, and then how we can start to figure out how to make each one happen. >> Tovo: Great. >> Yeah. I would add that, you know, not unlike most constructions, this is a giant project that will end up in a bunch of phases. And so really just sort of phasing it out and figuring out what the priority is and what we can get done in the short run and what is going to be more of a longer-term project and what they cost and how we can start making movement as quickly as possible. >> Mayor Adler: Okay. Let's move -- yes, Mr. Flannigan, then we'll move on to the pulled items. >> Flannigan: Only because my colleagues kept repeating it so many times, I think it is important to note how important and how valuable the hotel occupancy tax revenues can be to restore these types of projects that are obviously going to be used by tourists that are going to help grow the tourism industry and grow future hotel occupancy tax revenues that then flow into the cultural arts and historic preservation bucket, but I think it's also important to note that it's -- it is important to identify the projects before we rush into spending it because we very easily could have spent the money and then later found a really good project. So there is plenty of value in making sure we know what the projects are before we rush out and spend the money. And that is what I hope my

[9:44:06 AM]

colleagues will support as we move forward, thinking about how those occupancy tax dollars are going to be used. >> Mayor Adler: Okay. Let's move on to the three of you. Thank you very much. >> Thank you. >> Tovo: I guess I'm not understanding. Councilmember Flannigan, are you clarify for me -- I'm not aware that we're spending any H.O.T. Tax money on projects what does that look like? >> Flannigan: The point is there's been a rush to spend the money. It was allocated without a list of projects. I have not

seen a list of projects and I want to make sure that we aren't rushing quickly to spend money on projects that are less valuable than ones that might be identified moving forward. I just think it's a good example of what happens if we're thoughtful and reasonable about how we allocate those dollars. >> Tovo: Okay. Thank you for explaining your point. I would not characterize our work to this point as that. We certainly haven't spent money on projects we haven't identified. I mean we -- agreeing to allocate the money in a way isn't spending it. So. . . Saying we wanted to set aside this amount of money for historic preservation wasn't an act of spending. It was an act of prioritizing how we were going to spend that money and I absolutely agree with you that we should approve a project list and be involved in selecting which projects are funded through that, through that list. >> Mayor Adler: I think that's -- I agree with what you said. We should pull as much money as we can from the hot and I think we should continue to do that and I think the concept of having a universe of the projects is where we ultimately need to go as well. So ready to move on? Let's go to the 380 agreements. Thank you.

[9:46:27 AM]

Mayor pro tem, you pulled this items 13, 14, 15. I don't know if you want to -- we want to start with the questions that you have? >> Tovo: Sure. And I have a fair number of questions, but I think what I'd like to start by understanding is a piece related to the chapter 380 agreement. As you know, there are currently eight maximum eligibility criteria, one of which is to -- one of which is a wage requirement. And as I read the -- as I read that section, it allows for -- it would appear to allow for the applicant to choose among those eight rather than making all eight required. And so I think as we get into the business expansion, the question of wages comes up again. But I want to talk about it right now within the context of the chapter 380 agreement. >> David with economic development. So the policy itself does lay out the existing information that was provided in past resolutions that are used to be able to craft up different programs. In the business expansion program you will find the items specifically mentioned as to how it is we're going to look to implement that program. As it relates to wages, we've looked at the average industry standard for the wages as a floor to be able to work with businesses to make sure we can provide certain types of job opportunities for individuals here in Austin that are experiencing barriers to employment. From there we would like to see them in living wages as well in certain types of projects, especially those larger projects that have the capacity to be able to pay those types of wages. So in looking at customizing your business expansion program we are recognizing

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that there are different sizes of projects and types of applicants that will be taking part of -- in this program that we would like to connect with for creating those type of job opportunities. So different places for those requirements or criteria, but the policy itself lays out the framework for which we can create those programs in the future, the program, the business expansion program, more specific as to how we look to implement for that particular program. >> Tovo: I guess let me ask it a different way. If I'm a large corporation who is applying through the chapter 380 program for incentives, previously I had

to meet those eight minimum criteria. Let me say I think a couple of them are expectations that can be waived by council with a majority vote but that was a compromise position, I think. Several of us, myself included, wanted those to be minimum requirements that we would not waive as council and that was just, you know, a position we didn't prevail on and it was a compromise. So I'm not keen on moving away from those eight minimum requirements for our traditional corporations that might come here. Are we moving away from those as minimum requirements, or are they all -- there was something about the language, and I'll see if I got the passage. It talks about the program identifying appropriate market criteria, and I think I hear what you're saying as the larger corporations coming to Austin would still be required to meet those wage requirements with the business -- with the business expansion you're looking for more flexibility. >> Correct. >> Tovo: Okay. And so is it -- so let's talk about some of the other -- >> Mayor Adler: Did you have something, John, to add to that? >> If you can -- >> Tovo: Sure. >> Just jump in. Half a step back for a second. What you have in front of

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you are three documents, one is what we're calling the why, why we're doing that, guiding principles. We think it reflects the market reality of where we are today and really I think an extraordinary volume of community and stakeholder input about where priorities need to be. So we set that out as kind of the justification for why we're doing this. The second thing is is the policy, which talks about how we're going to do it in the future. Because in the business expansion program I would expect would be the first of I'm going to guess probably a number of programs that comes to council for your consideration about how to build out the breadth and depth of economic development in Austin, Texas. One of the things I think this city has been historically elite in and I've always thought that and please say others have recognized that is we see economic development in this kind of wide angle lens where there's a wide variety of ways we engage with the community. Some of us are about helping businesses grow, expand their tax base, workforce but there's lots of other things that might come down the pike is being, location based programs, we could talk about specific grant programs that help people who have significant challenges, we could talk about ways of finding ways to support our cultural community, talk about finding ways to provide credit support to people. There's a lot of different things we could do. So the policy document is intended to lay out a framework by which those programs will be conceptualized, articulated and brought to council for review and perhaps implementation. Then the business expansion program is the very specific thing that we were asked to update. Where we've gotten to with the business expansion program in the wake of having had a conversation with you all at the end of June is to try really, really hard to take your and I want continued input from stakeholders out there that says we want to tighten this thing down, we don't want it to have a lot of room for movement in the business expansion program and so I think the way it's been crafted now is there are no

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exceptions. There are no waivers. There are no deviations within the revised parameters of the business expansion program as a way to say let's tighten this up and let's reflect Austin's values in our conversations in particular with large companies. That's kind of where we tried to get to along the way. >> Tovo: Okay. So in comparison to what we have now, would the business expansion program allow -- require companies to provide health insurance for their employees? >> Yes. Although this was a robust conversation. One of the things that's happened of course in the wake of the affordable care act is the definition of providing health insurance as -- has expanded a little bit. What we try to do is say either you provide health insurance or enable it through the provision of resources so that an employee can go buy coverage on one of the exchanges to reflect that -- that's a growing market trend. More and more companies are doing that, to say rather than being the actual provider of the health insurance we're going to financially enable you to do it. >> Tovo: Where does it land on wages? In comparison to what we have currently in our policy. >> So the original documentation said -- the original thing said 15 bucks an hour was the baseline threshold. We then have had a fairly robust conversation about that is sometimes absolutely appropriate, sometimes it might be a little challenging on the high side. You might have positions out there that you're never going to create new jobs because it's too big a movement from where you are now and sometimes it might not be a high enough bar. You know, if the median wage, for example, out there for, say, a commercial truck driver, just to pick something off the top of my head is 19 or 20 bucks an hour, 15 bucks an hour is relatively low. So one of the things that we did to put forward for council's consideration is to say you might consider rather than using a one size

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fits all 15-dollar an hour number you might consider looking at the median by occupation in the Austin area, use that as a benchmark and then incentivize things that are willing to do better than that. Those are choices. You could do it either way. That's where the current status is in what's put in front of you but you may choose to change that back to \$15 an hour. >> Tovo: I think -- I appreciate the flexibility if it gets us higher wages in some of those fields that are paying higher wages. But as I read the craft it didn't set -- draft it doesn't set a floor of \$15. >> It sets the floor at it must be above the median for the occupation in the Austin msa. That's a series put forward by the bureau of labor statistics every may. May data came out fairly recently reflecting 2017. The average median wage in Austin right now on an hourly basis is \$18.56 an hour. >> Tovo: Okay. But that's not -- I mean, that does -- okay. So it seems to me that we would have an option here of saying the floor is \$15 or -- >> You absolutely do. >> Tovo: -- The median wage. >> Of course. >> Tovo: I have other questions but probably there are -- people want to talk about this. >> Mayor Adler: Anyone want to ask questions before Kathie continues? >> Casar: Mayor. It depends on how you want to run this portion of the meeting. I do have amendments to hand out that I think would address this specific question the mayor pro tem battery up but if we want to go through questions first -- >> Mayor Adler: No. Go ahead. I think that would advance the ball. >> Casar: I'll hand that out. So the amendments that I have written for this for y'all's consideration -- >> Mayor Adler: Do you have more copies of this? I'm sorry. >> Casar: . I do. I wanted Pio to have ten copies, I think. >> Mayor Adler: We need two more on this side.

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Thank you. >> Casar: So I appreciate the staff and community members working to come up with a new policy that can work for small, medium and large businesses. Since this year if we fund this into the budget it will be the first year that we're trying to this kind of -- trying this kind of business expansion and relocation program out. I think not straying too far from the conversation that was had in 2012 and 2013 makes sense to me, and then we can learn as we go after the first year. So my amendment attempts to address a -- most of what the mayor pro tem brought up. We have safety and workers' compensation requirements that were added in that 2012-2013 process, and my amendment would ensure that that stays in place. And if -- and I think that that actually may already be in place in the staff's proposal but I have it written down here just for clarity. Then the second is that there were living and prevailing wage requirements for construction workers that were also included in that 2012 and 2013 process and that was really envisioned for these large businesses. You're talking about apple, national instruments that were doing ten, hundred million dollar projects, 300 million-dollar construction projects where people are often working at that construction site for two or three -- it's their job. Now that you're expanding the program to include smaller projects here we've established just having no waiver or exception process for the living and prevailing wage requirements on the construction side, as long as it's a medium or large business. But for smaller businesses doing less than a \$500,000 construction job not having the living and prevailing wage requirements purely because on a less than \$500,000 job you're probably not even building a building. It might mean you're coming

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in and doing the floors for three or four days and just getting that wage bump for three or four days seems to be not the best and most incentive use of this. I've worked with construction workers trades and workers defense projects and others to say really the intent here was to try to improve people's lives and working conditions when they're working that job for more than a couple of weeks or whatever. And so this would still say all medium and large size businesses, no exception there. For small businesses, if they're doing less than \$500,000 worth of construction lets just do the safety stuff for everybody but not be changing the wages. You have a question on that? >> Tovo: If I could ask a clarifying question. >> Mayor Adler: Go ahead I think. >> Tovo: So with this amendment, I appreciate the direction of your amendments. A small project that's doing a total budget of less than 500,000 could pay their construction workers less than \$15? >> That's right. With this amendment -- >> Tovo: So we would actually be providing incentives to small businesses paying less than the city's -- >> Casar: Let me get through the last few. On the construction side here we would allow the flexibility for folks to do on their construction projects, which would largely be more than half million dollar construction projects, to not have wage requirements on such a small job. Just given that -- we can continue the conversation on that. >> Tovo: I just wanted to clarify. I have to really give that some thought. That concerns me a bit. >> Casar: And I have concerns on both -- I have -- having works on this so long, I have concerns sort of on either side. But let -- if I can finish running through these five, then I can get back to it if that's okay. I'm not the mayor so I can't call on you. >> Mayor Adler: Go ahead. >> Casar: Okay. >> Mayor Adler: Would

you have him lay out his amendments and go back and discuss them? Let's do that so we have continuity.

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>> Casar: So third is having incentives be targeted specifically for businesses and employers in lower wage sectors who are choosing to pay their employees above \$15 an hour. One of my concerns is that we -- you know, because if somebody is in a sector where they're naturally already paying people far and above the median income in the city, to me it doesn't seem to merit extra incentives just because they're paying higher wages especially if they're not paying higher wages to -- previously who were making lower wages. Here I'm talking about trying to target our incentives to [indiscernible] A cleaning company, a lot of domestic workers and housekeepers are making seven dollars or eight dollars an hour in this city but if there are companies homegrown in this city paying in those same industries over \$15 an hour or providing 401(k), health insurance, really look for those businesses if we're going to be providing incentives is what I mean here with the third bullet. That is also looking at also businesses going above and beyond to provide democratic representation, cooperative management or ownership to their employees. The fourth bullet here is I think what the mayor pro tem brought up and what we've received lots of emails about, which is having a \$15 an hour living wage for all businesses that are participating in the business expansion and relocation incentive program for their existing employees. And then finally the last one is for economic incentives provided to higher wage firms, again, that issue I brought up earlier, that economic incentives shouldn't be given purely for the fact that they're bringing high wage jobs to the community. I believe that there are benefits to all different kinds of jobs in a community, but we should be using our limited incentive programs to incentivize things that we aren't getting very much of that we want to get. Right now we're getting a lot of high wage job growth

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in the city without incentives, and so if we're providing any incentives to anybody that's providing high wage jobs the incentives should be not for high wage job growth but should be for doing something that has a real community benefit. Such a benefit would be, for example, moving forward the goals of the workforce master plan. If you're bringing high wage job, are there middle wage jobs you're bringing with that and are you bringing people under 200% of the federal poverty line and recruiting them. That's what the incentives should be for, not for purely doing something all right of other folks are doing frankly without city subsidy. That's the incident of all of those and I'm happy to answer questions or do whatever. >> Mayor Adler: Councilmember pool. >> Pool: Thanks. First, the sheet says for business relocation and expansion incentives. Are you specifically targeting just for that? What about for the new grants to existing small businesses? >> Casar: So what I'm still working through the nomenclature here because it's been shifting so I would ask the staff. I think what we're really talking about is for the programs that you're presenting to us now. Is that what -- >> Yes. >> Casar: Are she and I talking about the exact same thing? >> We're talking about expansion, whether it's a company coming from outside

the company to Austin or local company expanding or as currently articulated a local company hiring the hard to employ. That would all fit in the business expansion bucket. >> Pool: My questions will just be on that portion. So in our new city budget, the city manager told us yesterday that the city is setting a \$15 minimum hourly wage for all our employees, no matter what their status, temporary, time, full-time, part-time. So I don't know why we would not continue with our policy that requires companies receiving incentives or grants or in a city program,

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why we would waive that in this instance. And I hear what you're saying, and I'm going to think it through, but I'm not convinced just yet. And it seems to be -- bullet two is in conflict with bullet four. Where it says a living wage \$15 must be paid to the austin-based employees of the business receiving incentives, no waiver or exception, which I would agree to absolutely. And that's -- can you help me understand how 4 and 2 are not in conflict? >> Casar: Certainly. >> Pool: Thanks. >> Casar: First of all, this would be strengthening what we have from our current policy. It wouldn't be deviating from it because our current policy has a two-thirds waiver requirement, two-thirds of the council could vote to waive these requirements so it would get rid of that and make it so there is no waiver exception so it strengthens the policy in that way. >> Pool: Okay. >> Casar: Also our current policy is really tailored towards large businesses so it wouldn't water down our policy in that way either. The struggle that I'm facing is -- and in talking with the construction worker organizations that represent those workers, is that on projects which we never have done incentives for before, such small projects, less than \$500,000, are whether or not to include the requirements on that sliver or not. And if in the end, if council wants to just include it on those as well, that's fine with me. I think it was more just since this is a tryout of something new, let's -- saying let's apply the construction worker requirements on projects that are probably going to be lasting more than a few months because you blow through a \$500,000 construction project pretty quickly and frankly it would help people for a short period of time. It's not in conflict with number 4 because number 4 is related to their employees of the company, whereas number 2 is related to, you

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know, essentially a small less than half million dollar construction job. So, again, if it would make the council more comfortable to just leave the living and prevailing wage requirements for construction workers at any size construction project, that is fine with me. I think where we're struggling and juggling with is if somebody is running such a short construction project, how much benefit is it really for those workers and how much effort does the small business put in in knowing that this dais over a variety of issues we've struggled with trying to find that balance. This was just me putting out a first attempt to find it. And my understanding that the building trades, the community organizations representing construction workers in Austin interfaith have all reviewed this and generally have struggled with that balance as well and have come to this place, but it's up to us to make a decision as a group, and I'm

open on that point. >> Pool: Then the last question I have on this is, would you support a compromise that would require that waiver to come back to council? >> Casar: I would actually rather one way or the other. I would rather not have us voting -- I would rather not put people through an entire that were the option I would rather not have the waiver at all because I would rather not have a process where we are having that kind of debate over a \$500,000 construction project at -- for small businesses it has to be less than a \$60,000 incentive. So we're traditionally not even voting on things less than \$60,000. At that point we're talking about I think if it's a three or four year grant \$20,000 a year so at that point I wouldn't want to burden us or future councils with that. I would rather go one way or the other frankly. >> Pool: That's helpful. I'll have other questions when we get around the dais, but just generally I want to be really careful what

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waivers and exceptions we are allowing staff to make as opposed to what the council should see, and I'm also trying to look not just at what we're doing today but what a council maybe doing five or ten years down the road. >> Casar: Absolutely. To put it on the air because I know people are watching what we're talking about here on the construction is when there is essentially less than a \$20,000 a year incentive going for two or three years and a less than half million dollar construction project, how we want to handle that very small sliver of the smallest situations. And that's why I'd rather go one way or the other as opposed to having council have to deal with those. >> Pool: And I would agree with that assessment. >> Mayor Adler: Councilmember Garza, go ahead. >> Garza: For bullet three -- sorry, bullet 4, you said a living wage of 15. So do you -- I mean, that's nomenclature thing as well. Living wage, there's no real agreement on what that is. >> Casar: Mayor, my intent there, because this is -- you know, the more formal legal language we'll have run through legal, but my intent is that when we say living wage we mean the lowest wage the city pays to its own employees. When this started in 2013 that was at just over \$11. Starting October 1 it would be \$15 but in two years it may be \$16. So when I write the word living wage in here I mean for it to be defined as the city's minimum. >> Garza: Okay. City's living wage. >> Casar: Correct. >> Garza: This is a general question too. Is it set up to where -- so I'm talking about bullet 4. An employee -- employer asks for an incentive from the city. They get it. They're required to pay the -- right now \$15 an hour. Is that for -- is there any language that says because

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you've gotten it for the rest of your time as a business you need to pay what the living wage is? So is it set at that minimum? Say right now 15. They get their incentive. They expand. The expansion is done. Are they required to continue paying 15? Are they required to step up when the city steps up? >> That's typically something done. These are typically done as essentially contract agreements, so that's one of the beauties of the chapter 380 enabling vacancy you write a specific contract. What I would imagine in that situation would happen the contract would say for the duration of the incentive here's the minimum required, living wage defined as follows so you could literally write it into the contract with

the business and, therefore, ensure. Typically the way 380s are done is the business performs over the course of a year. If they meet the terms of the contract they then get the incentive, having paid -- either having paid their taxes all along if they're getting a tax incentive or otherwise having paid the wages all along, the city or enabling body reviews it, makes sure the contract is in compliance and then sends the money after the fact. Which means I think the city is well protected, can be well protected, to ensure that those -- that desire is met. >> Garza: Well, I understand that contract could be written like that. I'm asking if the policy as-is right now, so if we were to pass the policy Thursday, what does it say about that? Does it say once your incentive is done you can pay your employee whatever? >> Yeah. Once you're not receiving an incentive from the city anymore as of right now in theory you could fire the employee or cut their wages in half or double their wages. I mean, I don't think -- I don't know we can control -- I don't know we can mandate what companies can do when they're not -- you know, when they're not in the middle of a deal with us on into the future. >> Garza: I guess just, I mean, if the city is giving money to expand their business, that means they will be reaping the benefits of that expansion forever,

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for the life of that business, and so it's just interesting that -- I don't know if I'm going to propose anything. Even though you're no longer technically in a contract with them the benefit you gave them will benefit them for the rest of their business. And then, councilmember Casar, you emphasized existing employees. Does that mean -- let's say we sign the incentive agreement tomorrow and only those people at that time that it was signed will get that living wage, even though let's say during this economic incentive period they hire three more people those three more people won't? Even though it's in the economic incentive period. >> Casar: The intent of the way it's worded here is a living wage must be paid to the Austin employees in the business, anybody working for Austin for whoever has the inform. >> Garza: For the duration, regardless of when they were hired? >> Casar: Obviously if we're giving incentive to a austin-based company it is all their employees. You know, it's a German company not auditing their employees back in germ fully, who I imagine would be making more. >> Garza: The top of the heading was for business expansion incentives. The bottom bullet is for chapter 380s. >> Casar: I think this is meant to mean business expansion incentives is the chapter 380 policy we're talking about, I think. I struggled with the different names too. >> The chapter 380 policy, chapter 380 is enabling legislation in the Texas local government code that allows cities to do these kind of things. That's the overall sort of policy, enabling legislation from the state. The policy document says how we'll go about creating these programs and then the business expansion document says this is a specific program underneath this 380 authorizing umbrella.

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>> Casar: So I think that the way that I've thought about it is we could use chapter 380 to incentivize tree planting or affordable housing or whatever, but for chapter 380 that is incentivizing jobs, this would

make it so that \$15 an hour is the standard -- minimum standard for all jobs created under our job creation chapter 380 program. And to your earlier point and to the mayor pro tem's, this would not eliminate what I think the staff added, which I think was a good thing, saying if it's a truck driving company and the going rate for truck drivers is \$18 we want to consider the companies paying \$18, \$19, \$20, not the ones paying \$15 to workers that oftentimes are making 18 or 19. >> Garza: Okay. I'll lastly say I appreciate that last bullet. I think that addresses the main concerns I had with the last economic incentive package that was passed by our council and that you shouldn't get credit if you're paying 85,000 a year you shouldn't get credit for saying that you've exceeded the living wage. It should be other things that are offered. I remember that deal in that they said whenever we come here we provide all these volunteer hours but none of that was required of them, all something they said they would do. So I really like that addition, so thanks for writing it. And I will support it. >> Casar: Thanks. >> Mayor Adler: Alison and then Jimmy. >> Alter: I guess we'll stick on this so we can be coherent. I'll have some other questions. It seems to me that we need to be careful in bullet 4 how that's framed because they were offering the median wage, which could be higher than the living wage in some circumstances. So just whichever is higher needs to be kind of a part of that. We don't want to make it so

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they get lower than we could achieve. I had some questions. There's a page 6 of 14 which is I guess the framework -- or is that the -- sorry. Yeah, that's the business expansion. On page 6, I guess I'm getting a little bit confused over when the wage things apply to what. It kind of reads like the living wage requirements here that says the project will ensure all employees are paid no less than the city's living wage and may be adjusted annually. By the way that's formatted only applies to situations where they're making a capital expenditure in the form of construction, and I don't know if I'm reading that wrong, but I would want that to apply, you know, to all of the employees. And I'm not sure what the intention was there. So I think there's a subset of questions of what you're planning for folks in the construction industry and then there's a question of other businesses you are not engaged in -- not engaged in construction and I'm just wondering if I'm missing where it says that for other businesses. >> You're correct. It worded a little awkwardly and that's because this is the direct language from the resolution that was passed at that time. So we pulled it in, but there were grouped together within that past resolution. >> Alter: So do we need then to make another amendment that makes it apply to the non-construction situations? >> You could. >> Alter: Okay. Would you be able to draft something that would do that appropriately, which has the intention for me so that we're not inadvertently doing something that wasn't intended? >> Yes. Rebecca giello, interim director of the economic development department.

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We have a chart we will add this so and we'll add the clarification. >> Alter: Thank you weapon I think along similar lines to where councilmember Casar is going here, I think it would be perhaps helpful

either now, preferably now to kind of just talk us through a little bit the exceptions and waivers framework that you're proposing because I think it's shifted a little bit and I know I'm still confused. And then hearing his amendments and mayor pro tem's comments, I think I'm not sure that I'm fully clear on what you're saying for exceptions and waivers across the different parts of -- you know, between the framework and then specifically for business expansion. If I'm understanding correctly that there is an opportunity for there to be waivers in a 380 program but that the expansion ones don't have waivers, and so you have the ability to create exceptions when you create the programs and then when we look at the specific expansion programs that are laid out no exceptions are allowed. Is that -- >> That's it. >> Alter: Okay. >> We're bringing one program forward for council's consideration. We tried to do it where there are no exceptions and waivers in that one program. In future programs we've written the enabling policy I guess for lack of a better word to say there could be exceptions in waivers but we don't know what they are because we don't even know what the policy program, you know -- we've got the declines for the programs under that policy would be. All of that would obviously be subject to council's, you know, review, comment, adjustment, however you all want to do it. We thought it was appropriate to say there might be in future programs a need to have exceptions, as there has been in some programs of the city in the past so we just tried to write the enabling policy framework that way. But, you know, we heard obviously a lot of concern. There's a lot of concern

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that somehow people are going to find a way to subvert the intent of the business expansion program through the exceptions and waivers process and one of the best ways to address that is to find a way to say there won't be exceptions or waivers. >> Alter: There was a memo that was a little bit confusing. Is that true -- can you just speak to that memo and the confusion -- I'm trying to find where -- here it is. It's a memo on July 27, and at sort of the top of the second page it says exceptions and waivers, exception is defined as being requested by the company during the project application process and could be granted by staff council in exchanging for other community values. Okay. So that only happens if it's established in the program, then an exception can happen? And then a waiver may only be requested, recommended by staff, and occurs during program creation. So we only can -- you are only authorized to do waivers if we authorize you during program creation, staff, depending on desired outcomes of the program can be requested by staff on a project by project basis so that allows you to do that if we allow that waiver to happen in a program but that waiver cannot happen unless authorized by council for a particular program? So it's allowing the flexibility but not mandating the flexibility is that correct? >> That's the intent. >> Alter: Thank you. >> Mayor Adler: By allowing the flexibility it's something that doesn't exist, right? >> Right. >> Mayor Adler: Make sure because now it's becoming clearer to me too, make sure I'm [indiscernible] The policy allows us to create programs and there could be 40 different programs, but we're only talking about one program? >> Correct. >> Mayor Adler: The one program we're talking about has no exceptions or waivers. >> That's right. >> Mayor Adler: You're saying some day you may come to us with 39 programs and may or may not contain waivers depending on what the program is. If we have a program only

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about employing special needs children there may be exceptions and waivers but we don't flow that because we don't know whether we'll have that program. >> Right. >> Mayor Adler: The only program you're bringing to us has no exceptions or waivers. >> That's right. >> And each of the programs brought to you in the future are approved by council. >> Mayor Adler: Got it. Jimmy. >> Flannigan: Thank you for laying that out, mayor, because that was kind of where I was headed. It seems like a trap we fall into as a city when crafting policy, where we talk about one thing and then we complain or worry that it's going to apply to all the things. And I was equally confused about that until just this moment. So I wish this was the only time we were doing that but it seems like we do that quite a bit now. When we have the briefing a few months ago a guys presented a lot of options, a lot of different conceptual programs that I heard my colleagues get very excited about. It was very exciting. We're not seeing those today, right? %Úp>> Right. >> Flannigan: So, I mean, I don't know that starting with the least popular of the programs was the right way to go. We might have wanted to start with the ones that we all said we were really excited about. But there is kind of a practical reality here, and I'm curious about what analysis you do about the likelihood of businesses to take advantage of these programs. And if we as a council don't think direct business incentive is a good option, then we should just acknowledge that we don't think it's a good option rather than craft a program that effectively no business would use for whatever reason. And that's fine. I think there's a logical argument that says, you know, you grow jobs and businesses by improving your public education. And maybe that's where the investment should go. It's a fair argument. There's a lot of other ways to go about that. If we are going to do this I want to make sure it's going

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to be used because otherwise we are wastage lot of time and money trying to figure out a program that won't have any customers. Maybe my history as a business owner is giving me language around this as I'm saying it out loud. So and then the other piece, my second question, and I'll let you guys address it however you feel fit, I'm curious in your work talking to business owners contemplating expansion or contemplating growth or contemplating adding jobs, what it is they say is preventing them from doing that. And my worry to my colleagues is that we are contemplating a tax incentive to solve a problem that is a policy we should change. So if the real problem a business owner has is my zoning is broken, the permit takes too long, this, that or the other that's actually other parts of our government, are we paying them to solve a problem we created as opposed to just solving the problem we created? >> So couple thoughts. I think that there's some interesting information. I'll unpack a little in what you've said. I think actually this program will be welcomed certainly for people trying to create middle skill jobs. That is an articulated goal of council, which I think all of us think is a good idea. If someone is right on the edge, you know, I really -- I want to pay -- you know, I can afford \$13 or \$14 an hour, the incentive can get me over the goal line to justify paying 15, 16, something like, that I think you'll see takers on that and be helpful. It will provide clarity also on the business expansion side for what we're trying to do out there in the world around recruitment. These are now the rules of the road. If you adopt this, this is the

policy of the city of Austin. Knowing what the rules of the game are is really helpful. People say this all the time, I don't care what the rules are, just let necessity know what they are

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to I can figure out a way underneath them. I think that's helpful. I think the section around opportunity for employment, which is really reaching into the traditionally hard to employ operations may have challenges. One of the biggest issues you talk to small business people out there right now -- I've had this conversation over and over again -- is I can't find good people for relatively low-skill jobs. I sit on the board of a bank, for example, and we're going to raise our teller salaries a couple bucks an hour because it makes economic sense. We're going to get people over to 16 -- up to 16 bucks an hour because we have high turn over because people can't afford to live and, two, people are willing to pay more. These are able-bodied people working at what is relatively low skilled job. If you're talking about people who have significant barriers to employment and upon reflection we tried to be inclusive with that and I think we might have inadvertently made a mistake by defining a barrier to employment as someone who is historically impoverished compared to someone who has a significant disability or recent experience with the criminal justice system or coming out of a substance abuse treatment program or whatever, it's going to be tough. We don't want to incentivize -- someone said we don't want to incentivize keeping poor people poor and I completely agree with that. I think that's right. But for folks who really have significant barriers to employment around their capacity to be productive, 15 bucks an hour is gonna be a high bar for those people. Now, maybe not over time, but certainly initial lip it's going to be a high bar. I'll give you a real world exam. Are y'all familiar with Easter seals' program around lawn and landscaping. It's actually a city of Austin funded program. I'm pretty close to the Easter seals organization here, pretty good friends with the CEO and talked to him about it. For those of you not familiar it's designed to take people who have been

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recently in the criminal justice system and through this interesting kind of social venture kind of deal provide lawn and landscaping services. They start people at \$7.25 an hour. There's a path over time to getting up to \$12, \$13, \$14 an hour and apparently if you can get your commercial driving license you can get to 15, 16, maybe as up to \$18 an hour. If they had to start people at 15 bucks an hour they'd have a hard time making the math work. Again, I'm not suggesting that the direction we're talking about is inappropriate. I think what -- I do think it may prompt us to do is come back in the future and think about how we reach back into that specific population, not people who are historically impoverished but people who have other challenges to employment and figure out ways to address that while maintaining our value of want to go pay, you know, what we are calling a living wage, which is 15 bucks an hour right now. >> Flannigan: My last thing is I recall the previous presentation -- thank you for that explanation. I think there's a lot more to contemplate about what it is we're trying to accomplish and how do we know we got it and I feel like sometimes we're talking around each other as a council on these points. My

recollection from the presentations you gave about the possible portfolio of programs, not just the one we're talking about today, is that the one we're talking about today would fund the other ones. So all the other cool stuff, really exciting stuff we talked about, local business, small business, creative arts, et cetera, et cetera, those are not gonna generate economic benefit to offset the incentive you have to put in to do it was my recollection of that presentation. That the way you fund those programs, we would have to allocate funds to those programs. Or we could contemplate this business expansion program as a funding source for those programs. So, again, it comes back to

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if we want this program to work we have to make sure it does the thing that will happen, knowing that the benefits are not just accrued to the business getting the incentive but that it then funds all these other programs that we're contemplating. And I think what's difficult in this conversation is I have a high-level 30,000-foot explanation and I have one item right in front of me. And I can't really talk about this item in context because I lack the specific context of the other things we're going to get to do by doing this program. >> Mayor Adler: Leslie. >> Pool: Thank you. I'm looking at the recommended -- recommendations for amended language that this -- this spreadsheet here. Just to follow up on the bit about the conversation we're having about exceptions and waivers, the last box on the first page 1 says replaced all content and exceptions sections for categories 1, 2, 3 with there are no available exceptions to the eligibility requirements, and then it shows pages 8, 13, 16. And then the -- on page 2 the first block talks about exceptions and waivers and it shows added language in four instances on three of those four pages and it says an exception is requested during project application process, could be granted by staff council in exchange for achieving, et cetera, so I'm confused over both of the -- the statement at the bottom of 1 where it says no available exceptions and then at the top of 2 that shows at least four different exceptions or waivers. >> Mayor Adler: Would you identify the document you're looking at? >> Pool: Yeah. I did. It was the recommendations for amended language to chapter 380 framework and business expansion program portfolio guidelines. This one here. >> Mayor Adler: Is this a staff document that was in

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backup? >> Pool: Yeah. It was provided for our Thursday meeting. It's probably behind items 13, 14 or 15. >> Mayor Adler: Okay. >> Pool: Anyway, they're in conflict with each other and I think that may be also a source of the confusion. On the dais. >> I actually do appreciate you bringing that up because it's an opportunity for us to clarify more holistically because we've been doing some stakeholder conversations one on one as these questions are coming. One is actually referring to the actual guidelines, which is being moved forward for the business expansion. That's the first one, those guidelines are on -- noted on those pages. The other is the policy, the policy framework. And, you know, thinking through how we could do this differently, I almost wish we had color coded or done one on one page and the other on the other because it has caused some confusion so I appreciate that clarification

opportunity. So the one on the second page is the policy framework, which, again, we're designing so that it offers a more nimble and flexible policy framework so as we in the future bring programs to you we can make the clarification through that codified process. >> Pool: So is what you're saying the page numbers, for example, eight and nine, 17, 18 are in the policy framework of chapter 380 and pages 8, 13, 16 are the guidelines and business expansion program so two different documents. >> Yes, ma'am. >> Pool: Okay. So is there a caveat in the policy framework that indicates that if you think you have a waiver or exception you should go to the guidelines for each particular program and say whether you get them or not? Is there -- maybe we should include that in the language. >> Yes. And I believe as we build out the programs and the overall portfolio you're going to see marketing materials that are going to make it very easy to

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navigate. We'll definitely want to build in a marketing piece to this so that the collateral is also very clear. >> Pool: We'll look to see what that language looks like on Thursday. Can you remind -- repeat please your reasons for why we're starting with business expansion instead of business retention when I've talked about it to folks in the community I've talked about how appreciative I was that the changes to 380 would be focusing on existing local small businesses and helping them to be able to stay, to stay here. We're losing them at a pretty fast clip. >> So, again, three elements that we're reviewing for council. The last item does focus on location-based work and I think that's where we will have the opportunity to really play in that realm of business retention, especially for our small local, iconic even cultural venues, businesses here in Austin. We need to do the market research and study to better understand how we can act to preserve business types around the city of Austin. This business expansion program admittedly, as councilmember Flannigan brought up, we're looking at how it is we can generate revenues for that portfolio so we can continue the assistance around maybe loan programs or types of smaller grants that focus on niche types of businesses within the city is looking at the business expansion program itself allows us revenue generators we can pull into those various programs in the future. And then we also address smaller business expansion projects through this program as well. >> Pool: Okay. >> Succinctly also to build on that the resolution by council was to bring back a comprehensive rewrite of the current program. So I actually appreciate the question. I had to stop and think, hmm, but that was actually the direction given to staff, is to take a look at the existing program and

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bring something back that could be essentially recalibrated and something that would be more market-responsive today. >> Pool: I would just say I agree and know that but when we met and talked the focus was on local small businesses and being able to help them and make sure they're able to stay in Austin. Seeing folks displaced, and this would have been an opportunity for us to come right out of the box with this effort to help local small businesses, and instead we're back to a place where we are expanding,

bringing people in from out of town, and I -- that wasn't where I thought our focus was. And it could be that be when you came to talk to me that you knew that was my interest so that was what you focused on, no fault to you, but that did leave me with the impression that that would be right out of the box where we would be going. >> Understood. And I do appreciate that. With no intention whatsoever to delay the city manager's proposed budget does present funding so that we are immediately in October looking at a program designed responsive to that need and bringing something back to you. I recognize that I'm going to go live on demand with a date here, but by end of year it is our incredible intent to work very aggressively to get program guidelines back to you in the form of another ordinance. >> Pool: Okay. >> That's the location-based program. >> Pool: Okay. I'm curious about other partnership possibilities that the city of Austin may have. My staff did a bit of a informal survey of other similar programs in other jurisdictions and economic development departments in other cities have partnered with county and state jurisdictions and with private entities, so this helps them better leverage what funds are out there from the various levels of government. But we don't have many or any of those types of

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partnerships underway here. Can you help me understand why that is or what efforts are being brought to bear for partnerships where other funds might be available. >> Sure. I think that the creation of these programs and a policy that supports such program creation allows for oust to then begin connecting with more of those private partners. I think we need to provide infrastructure around the success of this program as councilmember Flannigan spoke, to so I think what we'll look at internally is how we start to collect more of that data that speaks to what we are learning from business needs here within the economy on more of a regular basis. Not just financial needs, but how it is the city can have that interaction with them. And then supporting those partnerships within the community that inevitably lead to success and sustaining and retaining our business base in Austin. >> Pool: Have you talked with people fund, the Austin organization? I know they do work in Dallas. I guess -- again, I would ask why are we putting that later? Why would that not have been an element of this roll-out? >> Sure. People fund, they were a part of our conversations whenever we started looking at our loan programs and grant programs as well that weren't necessarily generating these types of revenues. We are exploring how it is we can continue to work through some of those loan programs to leverage the capacity that they have. Especially as a community development entity that is eligible for things like new market tax credits. So we'll continue to have more of those conversations. We need to know what it is that we are capable of working with to secure a stronger partnership with those groups. >> Pool: Okay. So you do have plans to look at other entities that we can partner with and leverage our funds? >> Absolutely. >> Yes, I'm actually glad you brought up people fund. So since my tenure as the interim director we've had an opportunity to partner with them on their application for new market tax credits. So I think your point is well-taken and we need to

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definitely always broaden and seek nonprofit partnerships as well as private. So I do appreciate that, and we stand ready to do that whenever that opportunity exists. >> Pool: That's great. I think it will help move the department into being more of an innovator and director role. There is no termination clause in any of these incentive agreements. I would like to have feedback from our legal staff on the -- on this question. We have clauses in our pay for success program and we need a similar type of clause in our 380 agreements. We need to protect both particulars, in particular the city of Austin. I'm concerned if we're facing a potentially severe tax cap in the future, which could happen, we may end up having to contemplate cutting services, city services, or laying off staff. But we would still be tied to incentive programs and requirements to continue funding for entities while wage reimbursements and tax abates to private companies even while we might have to be laying off our own staff. So I want to look at parameters around a termination clause. I want certain criteria for instance that would be met by both parties to justify the termination and I'd like to see language developed by legal for Thursday so that we can consider as a council to include in agreements. I think that is an absolute requirement for continuing 380s. >> Mayor Adler: Alison. >> Alter: Thank you. I have several questions but I want to clarify some things that have been said because I see them a little bit differently. So as I understand it, we are getting guiding principles and then -- which are supposed to be why are we doing this, we have our framework that is laying about how we would create the programs. And then we have the

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business expansion programs, which actually have three categories and two categories do directly respond to the kinds of creative programs we wanted to create. Then the third one is the one that's the typical business expansion for large out of town firms. And so I think it's important that category one is aimed at our small businesses. It can be other businesses located in Austin so it may not only be small businesses, but small businesses are eligible. Those businesses in Austin would be eligible for these per job incentives if they can prove that they wouldn't otherwise be able to hire new people who are austinites for those jobs. The second category is aimed at employment for hard to employ folks. So I just want to clarify that there's more to this and I don't think it would have been something we could have digested if you had given us more programs at this point in time. I appreciate you had to start somewhere, and I'm anxious to see other things. These are also in the business expansion -- those are all grant programs. The framework allows there to be loan programs and grant programs. And there would be an obvious next step which might get to the question of what the businesses really need who are those small businesses would be a loan program, which I would very much like to see because I think part of their problem is the loan. So I wanted to kind of clarify that. And then I wanted to talk a little bit about John's complement. I was getting straight for the exceptions and waivers and what you had done between June and now. To the extent you had made up -- so there are no exceptions to try to add clarity to 14. You have made a trade-off with respect to category 2 and those jobs that are supposed to be able to help the hard to employ. I am concerned about that for category 2, where it -- there may be situations

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where having the living wage allows there to be a -- and not having them take advantage of that was in the June draft, was there the ability to have some kind of waiver for that? >> Well, that was the -- that was part of the idea by looking at the median, for example, wage for an occupation, as opposed to a hard floor. And we were really thinking specifically about that population. So the median, for example, for a cashier in Austin is about \$10.50 an hour, 10.63 to be exact. A person who is hard to employ not because they're historically impoverished but because they have other issues that might be close enough to get them there with an incentive. So that was really -- that was part of the thinking around that. But it's -- we kind of felt like it's really up to you. I mean, there are these -- I think these are both important values, the idea of paying people well, paying living wages and all that, and yet understanding that there are times when it may preclude the person from getting a job if they fit into one of these categories, we as people providing information to you kind of wanted to tee that up, let y'all let you sort of think about it and you tell us kind of what you think the best way to address it is. My sense is that most of us would see the desire to address both of these problems, and so that's the answer, yes, there was at that point, right? >> I would also say that we will be reporting back to council on an annual basis to review these programs, outcomes, and the portfolio overall and how we're achieving movement on your goals. Looking at some of the components of the opportunities for employment program, I think it's very experimental and we don't see other programs that are directly doing this type of activity. And so I think y'all have data to draw upon. Were we able to find more opportunities or jobs where we could elevate to or

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beyond a living wage I think it will be more helpful in strengthening that program in the future but you also have other data sets that will show you were we able to provide companies willing to provide a living stipend for their employees, were there companies specifically focused on certain feedbacks within the sixian labor force. I think you'll have more data to draw upon in the future and as this is a flexible framework, for us to be able to provide you more of those outcomes, to have more of a structured program as we grow. >> Can I say one more thing just about the loan program? We thought about that a lot, and I think there -- we had a lot of conversations with the lending community in Austin. I think there might be an interesting opportunity for the city to provide some credit support, and we're kind of banging that around and thinking about that, but that's a big issue for a lot of small businesses, you know, we could service the debt, we could be -- our project variation but we have neither the balance sheet or equity necessary to secure the loan. I guess my point is it's not gone unnoticed, unthought about, it just isn't quite fully baked yet. >> Alter: So my concern with the category 2 in the case of the hard to employ is in our effort to have the living wage are we making that program -- are we setting that program up to not be able to function? And, again, I didn't get until this morning that you had changed that part of the equation from June to now, so maybe, you know, I'll that the median is seven. I'm familiar with the Easter seals program it it's a great program. I would perhaps like my staff to

work with you to see if we can maybe think about providing some flexibility, you know, in that regard for category 2

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and category 2 alone. I had a question about highest scoring. So in the framework under the loan category there's a section that discussed that -- how we would get to the highest -- we'd be funding the highest scoring projects, but I didn't see that for the grant programs. And so my concern is that we would just be doing this on kind of first come first service embassy perhaps that's appropriate for the first year of a pilot but I don't understand for the grant programs how we are making sure if we have five programs that the highest scoring of them is the one that's being funded. And I did specifically see it in the loan program but not in the grant program in the framework. >> I think it's looking at the program laid out for funding, yes, we would look at first come, first serve for the dollars we do have available for administering these types of programs, collecting that data and then turning to look at revenues for the following years to better understand what we will be working with. But you're right, we will need to develop out that structure for what those program adjustments look like for financing and it's even come to us we may want to be focused on a certain portion of those dollars being available for more of our small business projects so they are competitive and we do have a locked amount available for those types of smaller programs. >> Alter: Is that more appropriately dealt with in how you approach the budget or does that need to be in the framework as guidance? >> I think it's going to be a matter of how we look at the budget for these programs in the future and if it is these programs are successful that we do have revenues generated to go into each one of these different programs. >> Alter: Say that one more time. Sorry. >> I think it would have to be addressed through the

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budget process. >> Alter: Okay. There was a -- one of the resolutions repealed had to do with music venue and the music venue support program and that doesn't seem to be clearly addressed in the business expansion. And I'm concerned about that program not being available in the interim. I understand it might eventually need to be repealed. Can you speak to how we will address needs of the music venues if we've repealed that program? I don't know if there's still money or there's money in the budget for that, but how would we deal with that? >> Yes. We are looking to repeal the program, which was an action we were going to take anyway. We are working with the music commission to revise that program. We will be coming back to you soon with another program to be able to replace what's currently in place. We would ask you please hold the funding for that program because we do need it to be able to administer the program as it has been articulated by the music commission. >> Alter: That's a matter of time -- I mean, we would be expecting that program to be coming back to us shortly? >> Correct. When you see that program it will follow the same chapter 380 policy standards for how it is you expect to see us focus on these specific outcomes for the programs and you will get all of the same information as is stated in the policy. >> Alter: Okay. Then I had asked about a watershed regulation that

was being repealed. And you provided information about how it was dealt with in the current agreements. My concern is how it is dealt with in the frameworks, particularly there were clauses in the old resolution that made it so you couldn't advantage of grandfathering with respect to the watershed regulations, and so I don't see that in the framework specifically. So if you could tell me where that's dealt with or how we might address that

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and add something to clarify that that holds over. Because that was very specific part of that resolution that I'm not -- I'm not seeing -- I understand that we have it in our current agreements but that doesn't mean it follows from the framework. >> Okay. >> Alter: On that. And then, lastly, appreciate you adding the but for and adding some comments about that, you know, you're going to develop the metrics and then for each program once it's developed you're going to come up with performance measures to rate it by. But for the but-for clause, can you speak to the provisions you've added and explain how a business would justify that it's but-for? And that will be my last question. >> Thank you. Traditionally we looked at the but-for statement in terms of competition and if we were competing for a specific project that was very focused on a policy that was only working in areas of recruitment, and so now looking at these expansion projects that are local we will be looking at some type of market impact or competitive impact of course, maybe even a financial impact for how it is we can address but-for. Because we will be looking to work with local companies as well as some of the other companies that exist here that may have more of the opportunity to expand on their own. So we want to make sure we're sparing out the differences between the two. So a variety of different controls that will be put in place as we develop out the application with the buster, essentially at the very beginning of that process. >> Let me give you a real world example how that might look in let's say a local restaurant, right? Say the cooks get paid 13.50 an hour right now. They're gonna add five cooks, we want to get them over 15 bucks an hour. You show us to get over \$15 an hour you are not only going to have to raise the wages for those new positions but everybody in the kitchen is going to talk and everybody is going to know everybody now is getting -- the guys who were

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there already are gonna have to get 15 bucks an hour too. So the business shows the financial impact of doing that. You look at the incentive and say, okay, the business only part of it and the city will provide support for part of it. I would consider that a but-for example. >> Tovo: In light of time I'm probably going to submit most of the rest of my questions but there are a couple I wanted to hit on super quickly if we can. In a couple places some actual requirements are listed as community benefits, and I wondered if you could express the rationale behind that. One such example is with regard to sick leave, under category 1 and 2 it's listed as a component that would qualify as a return on investment, including community benefits and then later it's included as an element under the quality of life enhancement and of course it's a mandated policy in the city of Austin. The other place this happens is with regard to

the family leave and it may be that I'm misunderstanding what the intent is with regard to family leave, including family leave within the -- as a community benefit also. I didn't know if we were proposing to give additional points for adhering to the federal policy or -- so, anyway, if you could address those two. There may be one other place where that occurs. >> I think as a general statement you shouldn't get points for doing what you're required to do. >> Tovo: I completely agree. That's why I wanted to offer you the opportunity to clarify whether -- and it may be you're saying these are community benefits. Let me -- I can find the passage for you. Yeah. It talks about -- on page 8, 1 such example, the community benefits are another factor in determining the level of appropriate investment to the city, to realize those

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community benefits and, again, parental leave, child care programs, I mean, child care programs is not mandated, though I wish it were, but parental leave, sick leave, fmla, those are requirements currently. >> Yeah. >> Tovo: I don't think we would want to be in a position of determining somebody's appropriate investment for -- >> We could add a statement saying things mandated by the city of Austin for these purposes are not considered community benefits. >> Tovo: I think that would be helpful just to clarify unless we're requiring more. >> We could clarify that too. This is what's required. If you're willing to go above and beyond then it does count. >> Tovo: Super. Thanks. I have a question about child care. The language -- I think you're using similar language from the chapter 380 policy, which provides as a bonus qualifier on-site child care and the language I think currently says it could be open to the public or may be open to the public but doesn't require it to be open to the public. I guess, do we have examples where businesses are -- I'm not sure we've had many businesses take advantage of that provision and use it as a bonus qualifier, which is unfortunate, because we really do need to encourage more on-site child care. I guess I'd throw it out to you all to look for ways we could encourage when those companies are doing on-site child care that it be open to the public, especially in areas we have gaps in that service. >> The easy way to do that is to give you more points if you open it up to the public. >> Tovo: That might be something that I think we should require. And I can understand them want to go prioritize their own employees first because the benefit is one to the -- both the employer, as well as to the families for having that on-site care, but I do think we need to look for ways to make this a benefit to the community at large. And so is that something that you believe could be

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affected -- both of those issues can be affected through amendments that y'all would bring forward between now and Thursday? Is that something that you'd like us to prepare? >> I think the direction we're getting from work session, I think if it would be all right we'd like to contemplate what that would look like on our amendment language and signal to you where it is and if it satisfies the request, then we'll handle it that way. >> Tovo: That would be great. Thank you. Again, if we need to prepare something, I'm happy to do that. And then let's see. >> Mic. >> Mayor Adler: No credit for things

mandated and points for opening up [indiscernible]. >> Tovo: Thank you, mayor. So a clarification I think on page 7 you talk about the small project jobs created and talk about residency as a component of that. I don't see that same residency requirement as part of the medium and large projects and I didn't know if that was an oversight or intentional opportunity nor flexibility. And then I guess if the later I would want to throw it open to my colleagues about whether we want to include a residency requirement for the medium and large. That's typically been part of the intent, is to create local jobs, not transferring. >> Typically. I mean, the goal is obviously to find jobs for people who live here for sure, but a lot of times when a large company is relocating they're going to bring -- they're not -- they're going to take advantage of some of the existing labor force. Most of the time that's part of the reason they came. Particularly in the technology space. But they also may bring people from elsewhere who do specific technical things that they can't find in the local labor force. So you -- traditionally you're a little bit less focused on that for the very big stuff as opposed to the sort of medium and smaller

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stuff, which are people who are already here typically are already accessing this labor force. It's up to you all as to whether or not you want to strengthen that. >> Tovo: Then as I understand your answer, there was an intentional distinction John, and we are not requiring those new jobs for medium and large companies be austinites. >> Yes. >> Tovo: That's probably something around which I'm going to want to make an amendment. I understand having been through these deals before that certainly with those large companies they're going to bring in some people, but the intent really is to create local jobs primarily, and so that's something -- that's just -- that, in my opinion, has to be an articulated intent of our incentives policy. Okay. Again, it's a few other questions -- I have a few other questions, probably just as easily handled through q&a. Thanks. >> Casar: To that last point, mayor, the mayor pro tem just made, if folks could -- folks on staff could speak with her about that amendment and also look at how that compares to the last part of my amendment sheet, that would be helpful. Because I think the goal would be to not be incentivizing big companies to bring high wage jobs here, but instead any incentive that we're giving to a larger company would be to achieve some of the community benefit goals, such as bringing folks that are local under 200% fpl or above. I think they're not identical, but just so we don't double up on work, I just wanted to flag that because I share those sentiments and in addition the stuff that's listed here. On the hard to employ piece, we talked about that a bit of around after I went through my set of amendments. I think one of the challenges we're facing here is hard to employ as

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currently defined if I understand it right includes if you're working for an individual, if you're formally incarcerated, if you're an individual with physical disabilities, if you're an individual with mental disabilities or illness. And so I think those are such different things that when we treat them all the same, it becomes really hard for it to all be dealt with in one bite. So that's part of why my proposal is let's -- let's set the wage floor and instead of saying we're going to open up that wage floor because if

you're formally incarcerated maybe we want to pay you less or if you're [indiscernible] We want to pay you less, let's figure out a way -- my strategy here would be let's pass this, starting moving forward and maybe in direct partnership with formerly incarcerated folks or advocates for formally incarcerated folks or people with disabilities or on the autism spectrum, find out what the challenges are specific to that group and what sorts of incentives or programs we can work on to get those folks employed because otherwise right now if we set up a waiver process, then we wind up with I think -- it's a confusing conversation for folks, so I'd rather set the standard and have folks go and do that deliberate work because it's very different what it takes to get somebody from \$13 to \$15 an hour than what it takes to get somebody a job that may face some of the other barriers that have been described. Because I think that there are, for example, many formally incarcerated -- one of the most moving bits of testimony to me was when a very long time austinite from a long-time family here was incarcerated in his younger life he assembled circuit boards and learned to do that in prison and then he came out and applied to work at the same companies that he had been making circuit boards for the year before expand they -- beforehand and wouldn't hire

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him because they paid him cents on the dollar while incarcerated. That's very different than somebody facing a disability. So I just think setting the standard makes sense and then we can move forward to figure out how we set up programs for very particularly different sets of people. >> Mayor Adler: John. >> Yeah, I concur with that. I will tell you the thinking behind being inclusive on the hard to employ was only to cast as wide a net as possible to help as many people as we could. So that was the intent. But I think there is a substantial distinction between someone who is poor and, you know, sort of implying to them guess what you're going to stay poor and someone who has a challenge the way economists would say this that really undermines their potential for productivity. At the end of the day a business does have to justify wages being paid in terms of how it ultimately affects their bottom line. They can do more oftentimes -- and you use incentives to move them to close a gap as opposed to saying, gosh, the gap is the size of New Jersey and we just can't make that work. So I think you are right, a more nuanced and thoughtful parsing of that population and a designing of program responses that does acknowledge the differences between within this broad bucket we are calling the hard to employ is thoughtful and I hope -- you know, obviously I hope we do it soon, but it is I think thoughtful and appropriate. >> Mayor Adler: If we don't do it now then bring it back to us soon. >> Alter: I have a response. >> Mayor Adler: Do you have more on this issue? Do you want to close out this issue? >> Alter: Yeah, if I could. I want to clarify, I wasn't -- I was speaking to the particular subset of the hard to employ, and I think you could still create the opportunity to explore a waiver. Otherwise we've got to come back and bring the whole program back and it's a whole kind of rigmarole. If we already flow that's a challenge to meet that population -- I don't disagree with you at all that we wouldn't want to waive it for the formerly

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incarcerated but because of the productivity questions you're raising we know we might need that so I want to think about whether we want to build that flexibility to be able to do that if we know that there are already at seven, getting up to 15 is really going to preclude this program from working for that population so I think definitely some nuance. I don't -- I wasn't trying to suggest that we would lower it for the other parts of that population, but that's what I had understood the waiver was set up for in the first place. >> Mayor Adler: Okay. Jimmy. >> Flannigan: So I'm -- as I said before I'm interested to think about what incentives look like beyond money. Because I think there are more challenges businesses face than just their taxes. So that's something that might be an interesting conversation, not to have now. And then something said earlier about -- you know, I have been a very vocal believer a city should stand by the agreements that it makes backup if the legislature is going to change the framework under which we operate, then I am more than willing to reopen those prior agreements. If the legislature is going to take away our taxing flexibility, then I think I am much more willing to rethink the incentive agreements that are currently operating. >> Mayor Adler: Okay. Anything else on this before we move on? Ms. Houston. >> Houston: Just one thing. I appreciate all the conversation. But with individuals who have different abilities, the part that we brought up the last time we had that conversation is their ability to maintain eligibility for their financial assistance, and so so we have to be very mindful that we don't price people out of that. >> That I think, councilmember Houston, has made a point -- I'm sorry, mayor circus answer. >> Mayor Adler: Go ahead. >> I think councilmember Houston made an important point, there are people within these populations that have resources and support that come from other places and we need to be mindful about that. I'll echo what you said and say you're absolutely right.

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I don't need to repeat it you said it better than I could have anyway. That's right. It's important to be aware of that as we're thinking about people in that position. >> Mayor Adler: Pio. >> Renteria: And that is so correct. You know, we also are having a challenge now where we have a lot of nonprofit organizations and especially art groups, performers having a very difficult time finding locations. And I know there's businesses out there that are willing to provide these kind of affordable spaces with just a little bit of incentive. So, you know, I hope we really push -- pass this on so we can get these groups the ability for them to be able to afford to stay here in Austin. >> Mayor Adler: Okay. Thank you very much, guys. Thank you. >> Thank you. >> Mayor Adler: We have four items that are up here. Ms. Houston also wants to talk about 88 and 59 and then we should talk calendar. Let's keep moving. Maybe we can get this done before we break for lunch and then when we did executive session we wouldn't have to come back until the special session. >> Mayor Adler: Expel 59 are very quick so I'm fine. >> Mayor Adler: I understand. Mr. Flannigan, you want to talk to us about 33. >> Flannigan: Yes. I'm in support of the program that's contemplated here. This is a process question. My understanding is that this is a contract we are telling staff to negotiate and execute before we've approved the budget that then funds the program. So it's a timing question, why am I approving a contract before I've approved the budget? They're running in. And the program is great. It's not a question of that. It's a why do we have a contract that ends on October 1. It seems weird. >> Mayor Adler: Want to repeat the question now that staff is here? >> Flannigan: Yeah. So like I said this is a process question, not a programmatic question, but it appears that we're authorizing staff to execute a contract before we've

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approved the budget. So it seems odd that we would have contracts ending on the end of the fiscal year as opposed to giving y'all the confidence that the budget has been approved before you go out and negotiate. >> Stephanie Hayden, director of Austin public health. Basically, we asked for that because it gives staff the authority to go ahead and have conversations with vendors about the contract that they are going to enter in that will be effective October 1. There is language in the rca that basically says contingent upon budget approval. There is language in the contract boilerplate that says the same thing. And so we have moved to a practice where we do this because it allows us to not have a disruption in services. And then, lastly, several years ago the department was cited by the auditor's office for not -- for providing -- allowing vendors to provide services with an unenforceable contract. So in order to avoid that, this is a system that we put in place. >> Flannigan: I'm not sure we're talking about the same thing. So I'm just asking why this contract ends October 1 as opposed to December 1. Or January 1. When the conversation about dollars allocated to the outcome will have been solved and then staff will know exactly how many dollars in the outcome exist then you can go out and negotiate a contract that relates to the amount of dollars the council authorized for that outcome. >> So the contract should be ending at the end of September and starting October 1. >> Flannigan: Right. >> Is that your question? >> Flannigan: Yeah. As opposed to December or January. Where those negotiations could exist knowing how many dollars are allocated to the outcome this is trying to address. So my solution, just to kind of cut to the end so we

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don't have to belabor this, but my solution is not to delay this. I don't think that prudent. My solution would be sign an 18-month contract, one that resets the termination date, to a time more appropriate that will follow whether or not -- or to what extent the council authorized funding. We might find in a future budget we want to put more money in this outcome and staff might decide this is an even better program than we thought but I want you all to have that knowledge before you're negotiating and not after you're negotiating. >> Mayor Adler: Looking at a practice where contracts don't track our fiscal year but are offset. >> Great point and we will look at other contracts that might be ending end of September because your point is well-taken. >> Flannigan: There's a couple others on the agenda I didn't call that felt similar, but this is the one I want to call out. Thanks. >> Mayor Adler: Great. Thank you. >> Thank you. >> Mayor Adler: Let's go to the next one here. Councilmember >> Mayor Adler: All right. Let's go to the next one. Councilmember alter, you pulled up the bond election? 61? >> Alter: 61. I'm working on a small amendment to the park section that would address strategic -- it's the tax force, I have it here somewhere, but it's very minor so I don't think it'll be a problem. I'll be putting that forward. I did also want to have an opportunity to ask the sponsors to clarify a little bit about their intention for the role of this because it does seem to very closely echo what we had in exhibit "A," so I just wanted to hear a little bit more about what you see as the role of this resolution in the bond

process moved before. >> Casar: There are a lot of documents that the staff created to the council through the process of developing the bond. One of -- I think to try to -- I

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could address any other point, but on the exhibit "A" question, part of the goal of this resolution was to create that bonding contract with the voters about our expenditures and to say what we decided on June 28th, that exhibit a on the June 28 resolution is our plan, and all the other plans and ideas and stuff before that were working documents, but that what we got on June 28th is our plan, and then it sets in place guidelines on how to prioritize individual projects with the plan because as you noted, parkland acquisition is just a set of money, and so some guidelines to say how it is that we're going to prioritize parkland acquisition, that's the second goal. So the first goal is to have exhibit "A" be or contract. The second is to have some guidelines to steer how we spend that money. And then, third, there's a process for if we're going to be moving money between any buckets, that there would be a council vote before any such changes. So if, for example, just to continue the parkland acquisition conversation, parkland acquisition money is important, in my different we have fewer partakers than anywhere else, but if four years down the line community members say let's actually not acquire this additional piece of property because we want to continue developing this excellent park that's being used by lots of people, and we needed to move a million dollars from parkland acquisition to parkland development, that we wouldn't be able to do that without a council vote. >> Okay. >> Casar: And of course we would have to stay within the ballot language and we couldn't move money from parks, transportation, et cetera, you know, all those guidelines would already exist, but moving between parks, for example, would take a council vote. >> Alter: So within parks would take a council vote but within a bucket, we would be following the guideline. >> Casar: That's right. >> Alter: Which would likely take a council vote anyway because of the amount of money that would have to be spent. And then the other part -- and

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this I'm less certain of, I just want to flag, is that I want to make sure that the language with respect to open space allows for kind of strategic acquisition in there. I think it may -- I'm checking with watershed, if they feel like it addresses that, but sometimes you might have something that is an important step along the way, but by a very strict definition might not provide the greatest protection of water, but if you don't have that piece, then you'll never get to get the piece that is more strategic, is more -- has greater impact. So I just want to make sure that we've addressed that. And then I'm assuming that under the affordable housing guidelines and metrics, that adhering to the strategic housing blueprint would allow funds to be expended on preservation type projects. And then the completion within eight years is about the construction of these items or the expenditure, not the bonding capacity per se, because they said that could be done in six years, but you're referring here to actually expending the money in the bond. >> Casar: That's right, but I would probably leave to financial staff that answer, but my sense is, you know, the longer it takes, the less of a tax impact it has, but then the longer people

have to wait on the project. So yes, I think the idea is that to be -- tell me if this is right, to be conservative about the tax impact, we're saying if we manage to sell all these bonds in six years, it would be less than two cents. My sense is, within a bond program, trying to get it done in eight years is a pretty -- if we sell the bonds in eight years, it would be less of an impact. Finance staff is telling me that I got it right. >> Alter: And then I want to -- also going to be adding to one of

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the "Be it further resolved" plans, the watershed protection master plan. That was what I wanted to raise, and if you are going to put a revised version, you might want to look at the punctuation in the first "Whereas" clause. >> Casar: Thank you. Since I'm going down on this, anything you could post, we'll try to just incorporate it, try to incorporate it into consent if nobody else has concerns. >> Mayor Adler: Mayor pro tem, did you turn off your light? Ms. Houston, then the mayor pro tem. >> Houston: Thank you, mayor, I don't know what I was doing there. I've got some questions about the resolution. Some places we have amounts allocated and other places we don't. So for, like, libraries, museums, and cultural arts, we've got dollar amounts allocated, and the other buckets we don't. Is there any way we could just make that consistent so the public knows in each of those breakouts what it is we're asking for in that -- under those larger headlines? >> Casar: Mayor? >> Mayor Adler: Yes. >> Casar: To be really clear on that, I was trying to mirror our discussion on June 28th and just trying to bring back exactly what we did on June 28th, which was bringing back exhibit "A," which has all of the amounts for each -- for each category, but then in the cultural arts centers piece, we listed those in the resolution specifically because we didn't -- we didn't break those down on June 28th in exhibit "A." We actually -- the whole round of -- I'll call them somewhat painful amendments where we finally got to each amount for each cultural center, that was new that we produced so that's

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why it's different because those were the specific amounts within the cultural centers that's different than the exhibit "A" produced on June 28th. Does that make sense? >> Houston: Yeah. It does but I'm not sure it makes sense for the public who may not remember June 28th and be able to go back and retrieve that information. Is that something that we can add as an exhibit, an additional exhibit in the backup, so that when people look at this tonight, tomorrow, and Thursday, they know exactly what we agreed to put in each bucket? >> Yes, councilmember. Carla Stephen. We saw your question you posted. It will be posted as backup to this agenda item. >> Houston: Thank you. And the other part of that is that you guys did a great job, the bond advisory task force did a great job. Could we have a side-by-side comparison to see where we deviated? >> That information is in that agenda item. >> Houston: Thank you so much. >> You're welcome. >> Mayor Adler: Mayor pro tem. >> Tovo: So just -- so I had an opportunity to review this as a co-sponsor, and I apologize for -- I'm just looking at it with new eyes a few weeks later and need to clarify one point. And I think this is a question, really, for our legal staff. As I understand the "Be it further resolved," that talks about funding from other sources, for example, if one

of the cultural centers that we talked about allocating bond money to is able to secure private grants or is determined to be eligible for hotel occupancy tax expenditures, the language in the be it further resolved in the top one on page 8 it would seem to me would allow that adjustment so that perhaps 15 million wouldn't flow to that particular use from bond funds, they would be replaced by external -- by other kinds of funding sources. Is that correct?

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>> I'm with the law department. It's my understanding that that was the intent from the sponsors of this, and so I think they can speak more clearly to whether they intended it to apply to all of the different buckets, but I believe they did. >> Tovo: I guess what I'm asking you is do we -- does this language support that intent? So if, for example, we're able -- if we were able to allocate 15 million from mexic-arte, from the hotel tax, just to maple one example that I raised before, are we able to use -- are we able -- does this resolution support that aim? Or could you look at it between now and Thursday and make sure that we have the flexibility to do that, if we get grant funding, for example, for 10 million, if we get a private grant for 10 million for the Asian American resource center, could we call out another need within that category? >> Sure. I think that's what the language says. It says provided the priority for the excess bond dollars will be given first for another project or program within the same category. >> Tovo: Okay. I just wanted the assurance that that is -- >> That's my understanding. >> Tovo: That we are achieving that in this resolution. >> That's my understanding. >> Tovo: Okay. I mean, I'm fairly certain from my conversations with the lead sponsor that that's the intent. I guess I'm just trying to be sure that we're not -- that we are not in this resolution limiting ourselves in any way that we don't -- that we don't want to be, and that really requires you all to assure us of that. >> Mayor Adler: Okay. >> Tovo: And then my question about -- then my other question is, on page 4, we allocated -- we discussed and allocated and voting on -- voted on and allocated -- well, we didn't allocate, we discussed and voted on \$3.3 million for the history center, and I'm trying to determine where on page 4 out of

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9 it fits within the \$128 million. Do you regard that as a branch library? I just want to be sure that we've captured -- >> Casar: You know what we should find a way to -- let's ask the staff because we should find a way to make sure that is. >> Tovo: I think we need to call it out. It's not clearly one or the other. >> Casar: I think that's probably right and you saying that reminded me of this waking me up at night sometime in July and we not taking something specific -- we'll look into that one. >> Tovo: Okay. If you could do that in the revision. >> Mayor Adler: Okay. >> And I might just point out, it's exhibit "A," under branch library, Austin history center in that bucket in exhibit "A." You may want to clarify it in the resolution, but it is in the description. >> Tovo: Thank you. I think for the same reason we were just talking about -- >> Casar: That's right. >> Tovo: It looks a little -- >> Alter: I just wanted to say that's where -- >> Mayor Adler: Good catch. Anything else on this one? Ms. Houston? Okay. >> Alter: This may be a question for Carla. There's a discussion for providing some funding for rbj. We had tried to allow

that to be a possible expenditure out of affordable housing bonds. I'm not seeing that appear to be eligible, so could you speak to that? >> I'll defer to Lela first. >> Lela fireside again for the law department. We've conferred with bond counsel and although it might be appropriate in another bucket, it's not appropriate for the affordable housing. The types of things that the rbj center wanted funded would be appropriate for health and human services. Those are a perfectly appropriate one if we wanted to move funding to that proposition. >> Alter: Okay. Thank you. >> Mayor Adler: Ms. Houston. >> Houston: And one more clarification on page 8 of 9. So if, for example, in mayor pro

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tem's example, one of the things that we've delineated was able to get some additional funding someplace else, then what's is there a possibility that things that are not included in this -- items that have not been identified could be pulled into this to be funded if there was extra money? Does that make sense, is what I'm asking. >> It does, and I think it depends on the proposition. At a certain point, you end up limiting yourself to only the things that are set out in the contract with the voters. >> Houston: And we haven't gotten to that yet. >> I think you'd have to look at each thing on a case-by-case basis to see whether it's something that goes beyond these projects or programs that are identified in the contract with the voters and, therefore, is not eligible for access funds as you've identified them, or whether it's something that you've left enough room for to be funded. >> Houston: And sometimes it's a need to have the flexibility, and then there's other times that there's a need to be a little bit more clear and concise about what it is we're doing so that the public doesn't see us doing the slight of hand. We said we were going to do this and yet you put money over here that was not even discussed in this conversation. I'm trying to not have that happen because this is a very large bond package. So I think -- I can't speak for all communities, but my community is really careful and wants us to be very careful that we're not playing slight of hand with the money here because it's a lot of money and we've got a lot of needs. All parts of the community have a lot of needs. We've just identified a small number of them to be addressed this time. So I just want to make sure that

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we have protections in place so that we're not playing loose with where we say we're going to be spending the money. >> Yes. I understand that. And that's a policy consideration that is part of why you're creating this contract with the voters, and if you have particular issues that you want to bring out and discuss legally, we do have bond counsel here who will be part of your executive session regarding the election, and there may be appropriate times to bring something like that up with him. >> Houston: Thank you. >> Mayor Adler: Okay. Anything else on this? Yes, councilmember pool, then mayor pro tem. >> Pool: I just have a real quick question for the city manager. Do we have sufficient finances, budget, and staff resources to do the necessary public education piece to have the material so people understand what would be in the bond for November? This is not advocacy, it's simply public information. >> Councilmember, yes, that is correct, and we are preparing, and even at the staff level,

we're learning some lessons from previous bond Henry B. Gonzalez elections and ensuring that we are prepared for this. >> Pool: That's great. I'm sure you'll make sure council offices get copies of the materials so we can transmit that out to the community. Thanks. And congratulations to all the staff who have worked on this. This is a good -- a good bond package. I'm really pleased. I do want to have -- I do want to make sure that the issues that councilmember Houston was bringing up, the contract with the voters, I want to really understand that because I don't want us to be tied so tightly that we have to come back to council to make changes, but we don't want to have it so loose and overly flexible that people in the public think that we are doing something that we didn't -- that we're pulling the wool over

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their eyes. I know it's a fine line, and that's the line I hope that we can walk. >> Mayor Adler: Mayor pro tem, you want to close this out? >> Tovo: Yes. I just had -- I just want to be sure that law sees land acquisition as identified on page 3 out of 9 as including properties that might have existing structures on them like apartment buildings. I want to be sure that we have -- that we have the opportunity to use our bond dollars not just to acquire vacant land for the purposes of building affordable housing but also to use it as a strike -- to see it as strike fund that we could use to buy existing apartment buildings and structure. And if not, then I would like to see that bullet amended. >> I think that that's -- councilmember, I think that that's a good thing to discuss with bond counsel when we're in executive session, to see whether there's anything that needs to be changed or whether we're complete in that. >> Tovo: Okay. Thank you. Are we scheduled for that today? Okay. Great. >> Mayor Adler: One option might be just to use real estate, we could talk about that, as opposed to "Land." Yeah. So let's see. All right. Thank you very much. Let's go on to the next item. The next item is shoal creek. Shoal creek, Mr. Flannigan, you pulled this. >> Flannigan: Yeah. So my hope is really that we can take the public hearing this week but not make our decision yet. I'd like a little more time to review the neighborhood plan that's being contemplated and my staff has had an opportunity to meet with folks, but I haven't had an opportunity to do that yet. So I hope my colleagues will join me in taking the public hearing on the north shoal creek, but postponing the decision until the following meeting so that there's time enough for me to go out and meet those folks. I haven't really had a chance because of the break and the other really intense things on the agenda, to really dig into the neighborhood plan. And that neighborhood is actually the closest one to my school

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district with the neighborhood plan in contemplation so that's just what I'm asking for. >> Mayor Adler: Okay. Further comment on this item? Mayor pro tem? >> Tovo: I guess I'd just ask if you've had conversations with the planning team, if they're in support of that kind of postponement. I think we've postponed it quite a few times. Has anybody talked to them about -- did you reach out and ask them how their -- what their feedback is? Staff? Do you have -- have you been in communication with them? >> We're just finding out about this so we can contact the team and ask them what they think. >> Mayor

Adler: Okay. Yes, councilmember alter? >> Alter: I just received a request for us to debate the economic development later in the day. I'm not sure how you're planning -- >> Mayor Adler: We're going to talk about schedule here in a second. We'll talk about the whole day and Ms. Houston is also going to raise a particular item as well. That takes care of item 60. Item 108, Alison, you had raised this one. This was setting the minimum tax rate. >> Alter: Yeah. I just wanted to get a sense of where the dais is on that. The city manager had recommended yesterday that we set it at 6%, I guess is the appropriate language here, rather than at 8%, and I would be comfortable with the 6%, and I just -- before we got to Thursday and didn't have any discussion of it, I wanted to get a sense of where my colleagues would be. That seems to give us some room to move, but not -- but also to signal our strong intention to keep the tax rate at a reasonable level. Maybe Mr. Van eenoo, you could say how much room having it at 6% versus, I think, the 4.9, where that would allow us, because what I think we're doing -- and also explain a little bit for the public what it is that we are

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setting this Thursday, which I believe is just kind of the maximum. So we could still go with 4.9, but it gives us a little leeway. >> You're correct. The action you would take on Thursday is to set a maximum tax rate that you will consider as you move forward with the process. Once you set that maximum, you can't set a rate above it, but you could elect to set a rate below it. Anytime you are going to be setting a maximum above the effective tax rate, it triggers a truth in taxation process and public hearings, et cetera. That's part of why we have to do this, set the maximum of what you'll consider, because that then dictates the rest of the process. In regards to your specific questions, the role back rate is the 42 cents per hundred dollars of taxable value that staff has put into your rca, that's our standard approach, is to include their rollback rate in the language. The proposed rate is 43.85 cents, so if you wanted to set the maximum at the same rate that the budget has been proposed at, you could set it at 43.85, which is the 4.9% above the effective o&m. And if you elected to set it at 6%, that's 45.2 cents per hundred dollars of taxable value. The additional revenue at 6% versus 4.9%, if that's where you ultimately elected to set the tax rate, would be \$5.2 million. >> Alter: So can you say that one more time in terms of if the 44.82 -- is that the 6% or is that the 8%? >> The 44.82 is the 8%. The 44.20 is the 6%. >> Mayor Adler: And the

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5.2 million was what? >> The 5.2 million would be the additional revenue if you were to set the tax rate - - this is not setting, just setting a maximum, but if you were to ultimately approve a tax rate at 44.20, as opposed to the proposed budget rate of 43.85, that additional revenue is \$42 million. >> Alter: That would be the 6%. So the 44.20 is 6% above and that would generate 5.2 million above where the manager's budget is at, and this would be setting the cap -- we can still obviously choose to go with the city manager's budget or below. >> Absolutely correct. >> Alter: Okay. Thank you. And I wanted to just get a sense whereof my colleagues were at in terms of setting that maximum tax rate. >> Mayor Adler:

Okay. Greg? >> Casar: So it would be reflect for me, for knowing where I'm at, really helpful to know that the 6% is a \$5.2 million revenue change, if we could have that for 6, 6 and a half, 7, and 8. I don't know how hard those calculations are but if it's pretty linear -- >> 6:00 them now, but I can put them in writing. That way it'll be -- >> Casar: That would be great. Perfect. For me, I think, you know, it seems almost just like a nice -- a standard vote to set up the 8, not having set up 28, several of the times before just so when we get public testimony on the budget, all options are open and we're not foreclosing on options. At the same time, I do think the manager has done a really great job with the budget so far, and I don't see myself currently advocating for, you know, such significant changes, but at the same time, we have this whole public testimony and meeting -- you know, I haven't started taking meetings, many meetings for people outside of my district

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on the budget yet. And so I think that that's -- I'm sort of torn between those two imperatives, knowing we get to set the tax rate whatever we want if we don't foreclose on options. So I take the manager's recommendation at yesterday's budget announcement seriously into consideration while at the same time knowing that we can still set it under 8% if we wanted to, if we set it at 8. That's where I'm at, I think. -- Having the information about how much revenue will sort of inform where I land on this question. I'm just telling you honestly where I'm at on that right now. >> Mayor Adler: Ms. Houston, then councilmember pool. >> Houston: And although councilmember Casar asked you for what's 5%, could you tell me what 5% is, how much that would be? >> So the 5% rate would be 43.89. And that would be \$589,602 of additional revenue. >> Houston: Say it again -- >> 589. >> Houston: 89. Okay. >> Mayor Adler: Okay. Councilmember pool. >> Pool: Yeah, I'm trying to think what the benefits would be to having a lower max tax rate designation on Thursday. I haven't quite worked through all of that, so thanks for asking that councilmember alter. Knowing what may be in front of us at the legislature, I'm wondering would it be a useful exercise for us to take whatever additional monies might be collected that we don't budget and put them in our reserve fund in order to build it up for potential desert conditions in

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the future with regard to budget? >> I'm sure. We talked about that back to the time of the April forecast, the risk of the state legislature electing to lower the revenue cap from its current 8% level. One way to best position ourselves against that potential would be to go to a higher tax rate this year and essentially just put the money into a rainy day fund. It does two things. It gives you the money in the rainy day fund to adjust to a new revenue reality, but it also increases your prior year levy. These tax collections all build off your prior year levy so the higher your prior year levy is, is higher the future growth revenue will be. >> Pool: Okay. Thanks for reminding us about that I think that's a policy decision that we could contemplate before we make a final decision on Thursday. Thanks. >> Mayor Adler: Okay. Jimmy. >> Flannigan: I voted no on the budget and the tax rate last year because we were underfunding

our reserves, albeit slightly to Ed's point from last year, but nice to see maybe there's some support for not doing that again. I support capping it at 6%. I would support an effective rate lower than 6%, but I think the max at 6 makes sense to me, just as an indicator to the community what our intentions are and then if we can tweak that down as we really hone in on our strategic outcomes and considering, I think, that this new budget process which has already borne fruit is not even done, and there's still more exciting budget evolution yet to come. And so I think there may be even more to learn about where to best maximize these tax dollars. So I'm not -- given flexibility that the manager and staff and some of the policy changes that we've advocated for and managed

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to pass through -- I know councilmember alter and I have worked hard to a number of things to that end -- I'm hopeful we can do a good thing on the tax rate this year and keep it at a reasonable level. So I would support 6% for the max. >> Mayor Adler: Mayor pro tem? >> Tovo: I am -- I think I concur with much of what councilmember Casar has said, and I would -- I would support doing what we've done in the past, which is to set the maximum -- to vote to set the maximum and then signal to the community through our budget work that -- signal to the community that we are about to start the budget work and that we're doing this to preserve options, but that our hope is that we will get to the rate as suggested by -- as recommended by our city manager. I just think we're beginning the conversation, and I also don't want to foreclose opportunities that we haven't yet had a chance to deliberate on. >> Mayor Adler: Okay. Any other discussion on this issue? All right. Then let's move on. Ms. Houston, you wanted - on item number 59, you called that? It wasn't on the list. >> Houston: Yes. Mr. Coleman has been here all morning on item 88, I just will be asking for Thursday for a time certain for 6 o'clock for this zoning case to be heard on 88. He's been waiting all morning for that, so that's all -- >> Mayor Adler: So if we talk about the schedule, I would imagine that we're going to have long conversations -- >> Houston: Okay. >> Mayor Adler: -- On Thursday night on soccer, which remember we didn't call till after midnight last time so it would be my intent to call that pretty much after dinner so that -- we had a lot of people that came, so they're not last. And then the bond is going to be here so I don't know how many people are going to want speak to the bond. So to the degree we set other things after 6 o'clock, we may be setting things -- >> Houston: Early in the morning. >> Mayor Adler: It would be very late, so it would be part of the discussion. >> Houston: So let me talk with

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the neighborhood association and see what they want to do. >> Mayor Adler: Okay. Councilmember Garza? >> Garza: I'm sorry if I missed the previous discussion on soccer going later. I guess I'm curious why we would have it go later. Why isn't it a discussion we can have before dinner? We have significant comment -- >> Mayor Adler: I think there are a lot of people showing up for that, too, who want to be able to speak. What I'm saying is I don't want to call that last as we did last time. So it would be my intent with all these things, if we have time during the day and there are people here during the day,

we'll take as much testimony as we can. But after dinner, I would see us talking about soccer since that one had started after midnight last -- last time. >> Garza: I think that's great, but if we're signaling to people, for folks to come and talk about these things, I would be supportive of not having a time certain for soccer. There was significant discussion -- we've had significant discussion. I would propose we hear it -- especially since things are getting pushed into the evening, I would propose that we signal that it's going to be heard -- it can be heard at -- there's no time certain for it, is my point. >> Mayor Adler: I think that's always best. I concur with that. Councilmember pool. And we also have one more item to discuss, too. >> Pool: Yes. So I met with a group of constituents who will be affected by whatever happens at mckalla place and they're asking if they can come in as early as 3 o'clock to give testimony, understanding that our normal process with the larger items is to take them later. They did ask that they not be the last one on the list, kind of like what you were saying, and I think that has been our protocol in the past. If you've been last and then you come back again at another meeting date, we try to take your issue up a little bit sooner. So I would support what you originally offered, which is that

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it wouldn't be the last, it would be the first item that we call after we come back from dinner, and that to the extent people come before that, just say 3 o'clock in the afternoon, they can speak to us on the items, because there's two items, soccer and alternative development proposals that would be before us on Thursday. >> Mayor Adler: And I would urge us collectively as a group to move through the agenda as best we might so that we have a chance to get a lot of testimony in the afternoon, if possible. >> Pool: So is that what we're committing to do? >> Mayor Adler: Yes. >> Pool: Because I want to make sure -- >> Mayor Adler: Pending the conversation that's happening around the table, that's what I recommended. Greg, and then mayor pro tem. And then Ms. Houston. >> Casar: Mayor, I heard you mention that we might have the bond in the evening. Are there -- there are already a significant number of people signed up. I hoped based on the comment today, maybe we could get it done on consent. I just wanted to get a sense. >> Mayor Adler: I think if we could do that, that would be great. I haven't heard otherwise. >> Tovo: I want to get back to the soccer timing question, I thought I heard -- I have no opinion necessarily about where it should come up, but I thought I heard, councilmember pool, you saying people had requested more certain time, could come in at 3:00, and that would be consistent with councilmember Garza's request that we not necessarily push it to the evening. But in your conclusion you suggested that we have it at 6:00. So how about 3:00? >> Mayor Adler: I think we're not setting a time certain. So if there are people here to testify in the afternoon and we're able to take that testimony, we're going to take their testimony. So we would encourage people to come in the afternoon if they're available to do that. >> Tovo: But I thought I heard -- when councilmember pool wrapped up her comment, she seemed to be suggesting that we wouldn't make a decision until after dinner. >> Pool: I actually didn't say what we would do. I was actually repeating what the

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mayor said, which would be, that would be the first item we would then take up when we came back from our dinner break. >> Mayor Adler: We're going to be starting then. >> Tovo: I understand that, but I guess I'm asking, councilmember pool, are you suggesting -- what if people come at 3:00 and testify, would we make a decision or are you requesting that we not make a decision until after dinner? Again, I'm not sure I have an opinion about it, I'm just trying to clarify the discussion for the public because it's not clear to me. >> Pool: I was following the process we've sort of unofficially adopted, we take the testimony at 3:00 or whenever people are there, and not take action until after a certain point, which is the vague "After we come back from dinner" in order to accommodate people who may or may not be able to be there in the afternoon or evening. >> Tovo: Okay. That is our normal process when we set a time certain of, say, 6:00. That's all I'm trying to clarify. It sounds as if you do not want us -- you are requesting that we not make a decision until after dinner. >> Pool: I don't think any action by council should be taken until we know that we've heard from everybody on the item. And that's how setting it for a time certain of 6 o'clock or after would help with that. >> Tovo: Okay. >> Mayor Adler: If we set a time certain, we're saying we're not going to call it up before that time. So we're not setting a time certain so we can take testimony in the afternoon. But what we're also saying is we're not going to make a decision -- >> Tovo: Until after dinner. Okay. Thank you. I think -- so just to sum up, we're going to take testimony starting at 3:00 or earlier, or when it comes up on the agenda. >> Mayor Adler: Whenever we can. >> Tovo: We're going to start taking testimony whenever it comes up on the agenda, but we will not make a decision until after dinner. >> Mayor Adler: Correct. >> Tovo: Okay. Thank you. >> Mayor Adler: Ms. Houston. >> Houston: Thank you, and I will check with the neighborhood association on 88. >> Mayor Adler: Okay. >> Houston: And now that they've had an opportunity to hear all the conversation about soccer, to see what their preference is.

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>> Mayor Adler: Okay. >> Houston: Item number 59 -- >> Mayor Adler: Anybody else have anything else on the calendar? Yes. >> Alter: For the schedule, with respect to economic development, I think there's some people who want to testify who can't come until later, but I think we may need to have our conversations -- like to begin our conversations as a council earlier and maybe not make a final decision -- I don't have enough information about what they are requesting be and -- >> Mayor Adler: Why don't you check on that and let us know. >> Alter: Yeah. >> Mayor Adler: And then let us know. >> Alter: Okay. >> Mayor Adler: Other things on the schedule and the calendar? Jimmy. >> Flannigan: Yeah. Item 48, which is a collections contract for the municipal court, we're going to be reviewing those at the judicial committee, all of their contract, so I'm just asking for a postponement to the next meeting so the judicial committee has time to review it, item 48. >> Mayor Adler: Does anybody on staff have objection to postponing those items? >> Flannigan: My understanding, the contract ends at the end of December -- >> Mayor Adler: So the world knows, it's likely those items will be postponed. Leslie. >> Pool: If we wanted to talk about the order of the initiatives that will be on the ballot, the different proposals that will go to the voters, is that something we'll do in executive session? >> We're going to have an executive session and talk about that in a short bit. >> Pool: Great. Through. >> Mayor Adler: Last time -- >> Tovo: Scheduling. Just so we're all clear, after dinner we're going to get through as much as we can during the day, but after dinner we're still going to have soccer, final decisions on economic

development, it sounds like, and a zoning case, and possibly other things. >> Mayor Adler: Correct. >> Tovo: So that's a lot for the evening so we're going to have to really think about how we're going to manage through that. >> Alter: Economic development didn't say it needed to be after dinner, so we might be able to -- >> Tovo: And you're going to clarify -- >> Mayor Adler: If we can get rid of that during the day, that would be puzzle.

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>> So, mayor, you're tying your hands on soccer and that's all then. >> Mayor Adler: That's all. That was the only thing we said we wouldn't take action on until after dinner. Okay? Do we want to tie our hands on soccer? >> Tovo: Well, we can't anyway till Thursday. We can't make a decision on that till Thursday. >> Mayor Adler: Okay. Ms. Houston? >> Houston: But if there are people here that want to talk about the bond, they will have an opportunity to do that. Correct? >> Mayor Adler: If people are signing up for the bond and we hear interest on that we can talk about that on Thursday. The suggestion is, we've talked about it, we've been through it, there's been a lot of public engagement, there may not be that issue. >> Houston: Okay. >> Mayor Adler: Ms. Houston, do you want to talk to us about item 59? >> Houston: Yes. Thank you. I just needed to ask the sponsors of this item, as far as I'm able to tell, there's a well-used process to request fee waivers. What's the purpose of memorializing the statement of exclusion? I'm not sure what this statement is supposed to do. >> Mayor Adler: I think that the intent here -- what I'm -- the people who have joined on this resolution, is just to make sure that the focus on the veterans day parade is on those who have served in the military armed forces of the United States of America. >> Houston: So if somebody comes up, mayor, and they want to do something else on veterans day, there's a process that we go through to give them a fee waiver. And that process is not exclusionary. You have to have two sponsors, four sponsors, folks willing to do it, and if they're not willing to do it, they don't get the fee waivers. And so I'm not sure why that process will not work in this instance. >> Mayor Adler: Well, this is the council saying with respect to the parade, the veterans day parade, our hope is that the

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council will say to staff that we want this event to just focus on -- on those that have served in the United States of America military armed forces. This does not prevent any other councilmembers from coming forward with something else if they want to, but this is to give direction as concerns the veterans day parade. >> Houston: So if allied forces want to March as a part in that, from England or if they can't participate in that parade -- >> Mayor Adler: That would be correct, because we want the focus to be on those that have served in the United States military armed forces. That's correct. >> Houston: I think it's exclusionary. I think you're trying to say something without actually saying what you're trying to say because I think it would probably be against free speech to be able to say that. So I'm going to be uncomfortable voting for this because it could be next time -- not -- black people can't. You know, some next council could say, it's our desire that people who are of a different nationality

can't get a fee waiver. Everybody should have a right to request one. The council has a right not to grant them. That process is already in place. What we're doing is saying, yes, we're only saying it's for veterans, but that's what the veterans day act says, it's the veterans day parade for folks in the United States. But if somebody comes up and asks for a fee waiver, nobody puts it forward, they don't get the fee waiver. So I'm not sure why we're trying to be that specific. >> Mayor Adler: There's not something preventing you or any other councilmembers from coming forward with a different resolution for a different event

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or a different parade. But with respect to the veterans day parade that's on congress avenue, this is the council -- this is the council stating what its desire is, that a parade or events that day be focused on those that have served in the United States military armed forces. It does not stop councilmembers from bringing something in the future if they want to bring something else. >> Houston: Right. But I guess what I'm saying is that that process is available to us now without making this exclusionary statement because we have a process that if no councilmember brings a waiver forward from whatever group that is that wants to March in the veterans day parade that we don't think should be in the veterans day parade, it doesn't come forward. But what we're doing as a council, if this is adopted on Thursday, is that we're specifically excluding specific groups, and we all know who those groups are. And I just think we ought to keep with the process. The process is clear, nobody brings it forward, nothing happens. >> Mayor Adler: I understand. >> Houston: So I understand what you're trying to do, I just -- I see it as us being very exclusionary, and I feel very uncomfortable saying that, in that way -- because we have a process, that we're going to say it is our desire to exclude any other groups that are not veterans of the United States armed services. So I just needed to express that publicly so that you understood why I'm going to be voting against this on Thursday. >> Mayor Adler: Any other further discussion on this or anything else? All right. We've gone through everything. I think now we're going to go into executive session. Yes, councilmember alter. >> Alter: I had thought I pulled 111. >> Mayor Adler: I'm sorry? >> Alter: I had thought I pulled 111. >> Mayor Adler: We can discuss it. I don't see it but go ahead and discuss it. What's 111? >> Alter: 111 is the codenext reset. >> Mayor Adler: Okay. >> Alter: And I guess I just wanted to have an opportunity to

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say that this presents us with an opportunity to reset the tone and to restore trust in the community. And I completely appreciate the direction that we're moving. I think it would be really helpful for that end of resetting the tone and restoring trust if we could get some greater clarity on what folks have in mind when they talk about the reset because there are lots of discussions and confusion and different possible interpretations, and we did not have an opportunity as a council to have a discussion before the message board posts were posted, and I think it's important that we have some conversation before the election so that people understand some of the intentions. And so I don't know if the sponsors would

like to speak a little bit to what their intentions are and how we might create a process that is going to be worthy of Austin and to get us moving forward towards a better tone and more trust in the community. And then I also wanted to ask Mr. Cronk if he can be prepared on Thursday to provide a little bit of sense of some of the first steps. Obviously, you would not expect you to have the full process, but I am really sensing that there's -- this process has been so full of anxiety that there is a residual anxiety that while people may welcome the end of codenext, for a variety of reasons and different reasons on different sides, there is a residual anxiety that folks are feeling that I think we could dispel with better communication across the council.

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>> So the resolution is intentionally non-specific about the next steps because I think it's important for our new city manager to explore what process we can devise or what process staff has the resources to support that can actually show us the ways to address affordability and flooding and transportation and these issues that we know are being left unsolved by our current code. And so whatever that process might be, I think inevitably it will be more successful initiated by a city manager who we know is going to stick around in a form of government that we know is not going to change. And given the new data that we've seen come out just in the last couple of months. So I think there's a lot of unknowns that have been answered recently that would have been great to know when the old at-large council started this process back when it did, and so there's a lot of hope and optimism, and I hope that we get to share in that hope and optimism by seeing what fixing this broken code can look like in a city staff that is going to be much more stable than the one that we've had. >> Mayor Adler: Okay. Ms. Houston? Okay. Anybody else want to say anything? All right. Then let's move forward. We're now going to go into closed session. In closed session we're going to take up four items, council. This varies a little different from what we had posted. Item e2 is the Austin country club versus the city of Austin, that's being taken up on 551.071, legal matters. Also related to that same section, legal matters, e3, Nelson Linder versus the city of Austin. Also taking up e4, which is the November 2018 bond -- 2018 election. Adding item number E -- adding

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item number 59, which is the fee waiver and veterans day parade issue so we can talk about that in executive session. Item e1 and e5 have been Braun, e1 just a general proposition, item e5, mckalla item, will be on Thursday, but I'm not sure we need issues to talk about today so pull that from today's executive session. Four matters to discuss legally, 551.0 1, e2, e3, e4, and item 59. Any other thoughts? Councilmember pool? >> Pool: Just a really quick question, by pulling item number 5, are you saying -- >> Mayor Adler: 59. I'm sorry. >> Pool: The fifth item for executive session you said was mckalla. By pulling that, are you saying staff has nothing new to report to us on any -- okay. Great. Thanks. >> Mayor Adler: That was what I just learned. Okay? So without objection then we'll go into executive session. It is

12:05. The next time we convene will be out in the main chambers for the special-called at 3 o'clock.  
We're in recess.

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(Mayor) It's 2:31 p.m. and while in executive session we discussed legal issues related to items: E2, 3 and 4 and number 59, the meeting is adjourned.