



October 1, 2020

Questions and Answers Report



Mayor Steve Adler

Mayor Pro Tem Delia Garza, District 2

Council Member Natasha Harper-Madison, District 1

Council Member Sabino "Pio" Renteria, District 3

Council Member Gregorio Casar, District 4

Council Member Ann Kitchen, District 5

Council Member Jimmy Flannigan, District 6

Council Member Leslie Pool, District 7

Council Member Paige Ellis, District 8

Council Member Kathie Tovo, District 9

Council Member Alison Alter, District 10

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

Item #11: Approve a resolution initiating code amendments to City Code Title 25 (Land Development) to establish a contractor registration program for building and demolition permitting.

COUNCIL MEMBER TOVO'S OFFICE

1. *How did staff determine that limiting active notification to just adjacent lots was adequate and appropriate?*

Research from 2013 found high levels of lead in dust far from the demolition site and recommended that notification be widened to a minimum of 400 feet.

Staff determined the area of notification through a Stakeholder Engagement process in 2018. Although the 2017 Demolition audit goal regarding notifications was intended to ensure interested parties could exercise appeal rights, citizens were interested in notification for a variety of safety reasons. DSD received suggestions ranging from 75 feet to 500 feet, as well as one lot to 5 houses in each direction to achieve these various safety goals.

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For notification beyond the Notification Diagram area, citizens can receive notification of upcoming demolitions by utilizing the Demolition Notification Tool released this summer as described in the July 29th memo to Council.

Refer to the question 5 response regarding lead dust.

2. *The language of the draft code for Item 67 states that notices shall be "mailed or placed on properties adjacent to the property where the demolition is to occur" yet page 6 of the "Recommendation on Changes to the Demolition Process" posted in the backup materials for this item shows properties two lots deep on either side of the demo site shaded as "notify." It would be helpful to know if the graphic is accurate to current intent and if so, how is this reflected in the wording of the proposed code language. What is DSD's definition of adjacent?*

Yes, the graphic is accurate to current intent. DSD's definition of "adjacent" is illustrated by the Notification Diagram; 2 properties to either side, 3 properties in front of, and 3 properties behind the demolition site. This totals 10 properties receiving notification, plus the required yard sign, publicly viewable on the demolition site itself.

3. *Were any public health or work safety experts consulted during their stakeholder process?*

No public health or work safety experts were consulted. DSD prioritized stakeholders identified in the 2017 Audit Report: Demolition Process.

Federal (EPA & OSHA) and state (TDSHS) regulations concerning Asbestos, Lead and Safety were researched and informed the recommendations.

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Regular communications regarding engagement opportunities were distributed to three separate stakeholder lists, including the DSD master stakeholder database, demolition contractors from the DSD permit database, and the COA community registry (approximately 6,285 stakeholders). In addition, public meeting notifications were issued by press releases, Nextdoor, and social media advertising

Of the 3 External Stakeholder Public Meetings held, 48.4% of attendees self-identified as Industry Stakeholders, 32.3% identified as Community Stakeholders with an organizational affiliation, and 19.4% identified as Community stakeholders without any organizational affiliation.

5. *Why did not recommend a dust suppression requirement?*

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Recommendation #7: Provide time for registration as an interested party). Dust suppression is not related to the notification.

DSD did consider the enforcement responsibilities associated with such requirements. DSD is moving forward with recommendations that will address the issues identified by the 2017 Audit (**Audit Goal #2: Ensure appropriate safety measures are in place prior to demolition activities. Recommendation #5: Continue to follow the State requirements for asbestos and lead in commercial demolitions. Require acknowledgement of compliance.**). These recommendations were favorable among each stakeholder group and DSD has a high confidence that compliance will be consistent.

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provided feedback. Neighborhood organizations generally favored full asbestos and lead removal and disposal regulations for residential properties.

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Item #14: Authorize negotiation and execution of an agreement with the Austin-Travis County Collaborative for the provision and coordination of Census 2020 outreach services in an amount not to exceed \$75,000, for a total agreement amount not to exceed \$275,000.00.

COUNCIL MEMBER POOL'S OFFICE

Please provide a summary of City of Austin and Travis County contributions of financial and staff resources to Census 2020 outreach effort.

The City of Austin and Travis County have contributed the same amounts for the 2020 Census initiative. The amounts fund both a Program Manager position as well as outreach services.

Year	Item	City of Austin	Travis County
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Below is a list of City of Austin staff that have helped work on the 2020 Census.

Name	Department
Ryan Robinson	*Planning and Zoning
Matt Dugan	*Planning and Zoning
Jeff Engstrom	*Planning and Zoning
Derica Peters	*Planning and Zoning
Jesse Gutierrez	*Planning and Zoning
Alyssa Lane	*Planning and Zoning

Tara Olson	Communications and Public Information
Mateo Clarke	Austin Transportation
Mackenzie Davison	Austin Code
Neal Whetstone	Mayor and Council
Juany Torres	Mayor and Council
John-Michael Cortez	Mayor and Council
Lesley Varghese	Mayor and Council
Rachel Nguyen	Austin Public Library
Sharon Herfurth	Austin Public Library
Melissa Sanchez	Austin Public Library
Bookmobile	Austin Public Library
Matt Peck	Watershed Protection
William Burdick	Watershed Protection

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Item #16: Authorize a fee-in-lieu of on-site affordable housing for a proposed commercial development located at or near 1300 E. 5th Street, 78702, that is subject to Plaza Saltillo Transit Oriented Development Regulating Plan.

COUNCIL MEMBER POOL'S OFFICE

Please calculate the number of affordable units that would otherwise be provided at 1300 E. 5th St. should the fee in lieu option not be available. Also, please provide an explanation for why the affordable units required for 1300 E. 5th St. cannot be located within the project's residential portions.

Pending

Item #28: Ratify a contract with Cleaning Guys LLC, to provide emergency cleanup services for lands and creeks, in the amount of \$207,000. (Note: This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

COUNCIL MEMBER TOVO'S OFFICE

Council Member Tovo provided budget direction regarding coordination with social service providers for that previous contract. Do you know if that direction is contained within this new contract if it is indeed for encampment clean-ups?

Yes, this contract is for encampment clean-ups. The provision in the contract states, the "City will coordinate with service agencies to provide case management services to those experiencing homelessness a minimum of 72 hours prior to the commencement of each clean-up project."

Item #52: Approve an ordinance amending certain Fiscal Year 2020-2021 department budgets to fund the Save Austin's Vital Economic Sectors (SAVES) Fund to support COVID-19 emergency relief as follows: the Financial Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$6,000,000 to the General Fund Emergency Reserve Fund; and the Fiscal Year 2020-2021 Building Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$500,000 to the General Fund Emergency Reserve Fund; the Pay for Success Reserve Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$4,800,000 to the General Fund Emergency Reserve Fund; and the Austin Transportation Department Mobility Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$3,700,000 to the General Fund Emergency Reserve Fund; and declaring an emergency.

COUNCIL MEMBER POOL'S OFFICE

- 1. Please provide a full accounting for how the City will pay off the bond debt from the expansion of the Convention Center in 2000.*

The Venue Project Fund is the source of payment for debt service related to the 2000 expansion and is derived from the 2% HOT increase approved by the voters for the expansion of the Convention Center in 1998.

- 2. Please include the amount that must be kept in reserves for convention center O&M, and what is then left over in HOT reserves. Please separate the reserves amounts between the O&M reserves requirement and the Capital Fund, and explain what each one is for and from where its revenues are derived.*

Our financial policies dictate our reserve requirements and the appropriate uses of these reserves. These financial policies are critical to the sound fiscal management of the department and have contributed to the strong credit rating the Convention Center maintains. Below are our financial policies as approved by the City Council. It may also be found on page 602 of the Approved Budget. Please note: the City's Financial Advisor has stated that utilizing ACCD reserves for non-ACCD purposes would open the door to questions from the rating agencies, and could be viewed negatively by those agencies. Given the current economic state of the hospitality industry, ACCD reserves should remain within ACCD. If Convention Center reserves were taken for non-ACCD uses and rating agencies were to downgrade the ACCD credit as a result, that would lead to increased borrowing costs when ACCD were to access the capital markets. In addition, such

rating action would immediately impact the fees paid on existing credit agreements.

Austin Convention Center Financial Policies

1. Debt service reserves shall be funded in accordance with the respective bond covenants for Austin Convention Center's Hotel Occupancy Tax Revenue bonds and Palmer Events Center's Town Lake Community Events Center Venue Project bonds.
2. The term of long-term debt generally shall not exceed the expected useful life of the asset, and shall not generally exceed 30 years.
3. Capitalized interest during construction shall not exceed five years. Council approval shall be obtained before proceeding with financing that includes capitalized interest.
4. The Austin Convention Center shall maintain an operating reserve that is equivalent to 180 days of operating and maintenance expenses for both the Austin Convention Center and the Palmer Events Center operating funds (as required by its Town Lake Community Events Venue bond covenants).

In the event that operating reserves drop below the policy, and to the extent that respective facility funds allow (i.e., Austin Convention Center facility revenue and Hotel Occupancy Tax pledged toward the related bonds, and Palmer Events Center revenues pledged toward Town Lake Community Events Venue bonds), the balance will be replenished to the target level within five years. The operating reserve fund will only be used to offset a current year revenue shortfall where actual revenue is less than the budgeted level by 10% or more.

5. A capital reserve shall be maintained that is equivalent to 50% of the annual depreciation expense as reported in the prior year Comprehensive Annual Financial Report. The reserve may be used for capital projects that provide additions, replacements, and improvements to Austin Convention Center facilities.
6. Ongoing routine, preventative maintenance should be funded on a pay-as-you-go basis.

The chart below shows the required reserve amounts as noted in our financial policies above:

	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 CYE	FY 2020-21 Approved
CC-180 day Reserve	15,330,984	15,617,801	16,081,827	22,714,825	20,556,878	20,556,878
CC-Capital Reserve	4,473,898	4,473,898	4,555,840	4,508,635	4,508,635	4,508,635
	19,804,882	20,091,699	20,637,667	27,223,460	25,065,513	25,065,513

3. Please include the amount per year spent on debt service on the bonds, and what that number would be, including savings on interest, were the City to accelerate the debt service (i.e., fully paying the debt in three years, five years, and ten years).

The following tables reflect the debt service requirement year over year for Hotel Occupancy Tax (HOT) revenue backed debt and the estimated defeasance cost and associated avoided debt service with paying off the debt early (three years and five years).

Table 1- Debt Service Requirement

FY	Series 2008	Series 2012	HOT Revenue Backed
			Debt Service
2020	7,232,706.76	1,765,500.00	8,998,206.76
2021	8,276,482.39	1,761,000.00	10,037,482.39
2022	8,280,682.75	1,758,875.00	10,039,557.75
2023	8,238,869.69	1,758,875.00	9,997,744.69
2024	8,255,636.89	1,751,000.00	10,006,636.89
2025	8,269,846.68	1,750,125.00	10,019,971.68
2026	8,291,174.00	1,750,875.00	10,042,049.00
2027	8,289,618.86	1,743,250.00	10,032,868.86
2028	8,309,937.48	1,742,125.00	10,052,062.48
2029	8,331,479.74	1,732,375.00	10,063,854.74
2030	8,363,758.08	1,730,812.50	10,094,570.58

Table 2- Estimated Defeasance and Avoided Debt Service for Early Repayment

	Estimated Defeasance		Debt Service Savings
	Payment	Debt Service Avoided	
As of 09/30/2023	70,536,890.33	69,748,973.44	-787,916.89
	Estimated Defeasance		Debt Service Savings
	Payment	Debt Service Avoided	
As of 09/30/2025	52,187,688.88	49,869,558.35	-2,318,130.53

4. *Previous balance sheets have indicated that proceeds from conventions and meetings are insufficient to cover the actual costs. Please provide a full accounting of the cash flow (balances) that demonstrate the income and outlay for conventions and meetings, and what sources of revenues are used to move these operations from a deficit posture to a positive balance sheet.*

The Law Department has provided the legal framework for fees, with which the Convention Center, like other City departments, complies. The Convention Center provides discounts to our customers to attract them to our City. This is an industry norm and is critical to our ability to compete against our peer cities for convention business. A fiscal analysis is done to ensure there is sufficient Hotel Occupancy Tax (HOT) that will be generated by the convention coming in to offset the operating loss from the event, and our business model is designed to maximize HOT revenues received. As such, the fees we charge for our operations are at or below cost of service. There is no excess in these funds; as noted in the question, we do not fully fund our operations from the fees we charge our customers based on our business model that seeks to maximize hotel occupancy revenue. The balance of Convention Center operations is paid for by the HOT received from Convention

Center event attendees and other visitors to Austin. Attached is our most recent fund summary that details the revenues and expenditures of the Convention Center Operating Fund. This may be found on page 421 of the [Proposed Budget](#) (no changes were made during budget adoption). Please see attachment.

Items #52 and #53: Approve an ordinance amending certain Fiscal Year 2020-2021 department budgets to fund the Save Austin's Vital Economic Sectors (SAVES) Fund to support COVID-19 emergency relief as follows: the Financial Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$6,000,000 to the General Fund Emergency Reserve Fund; and the Fiscal Year 2020-2021 Building Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$500,000 to the General Fund Emergency Reserve Fund; the Pay for Success Reserve Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$4,800,000 to the General Fund Emergency Reserve Fund; and the Austin Transportation Department Mobility Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$3,700,000 to the General Fund Emergency Reserve Fund; and declaring an emergency.

Approve an ordinance amending Exhibit 'A' of Ordinance No. 20200812-002 (Fiscal Year 2020-2021 Fee Schedule) to increase the amount of the Transportation User Fee; and declaring an emergency.

QUESTIONS ASKED AT WORK SESSION

Memo attached.

Item #55: Approve a resolution creating the Austin Economic Development Corporation (Corporation), a Local Government Corporation under Subchapter D, Chapter 431, Texas Transportation Code; approving and adopting the corporation's Articles of Incorporation and Bylaws; and appointing the initial Board.

COUNCIL MEMBER ALTER'S OFFICE

1) Who are the initial incorporators and board members?

Staff recommends the Mayor, the City Manager, the CFO, and the City Attorney be the incorporators and the interim seats of the initial board with City staff from Places 1-4 outlined in Article II, Section 1 of the Bylaws:

- Place 1: Director, Economic Development Department (Public/Private) or designee
- Place 2: Director, City Neighborhood Housing & Community Development Department (Housing) or designee
- Place 3: Chief Equity Officer, City of Austin (Equity) or designee
- Place 4: City Chief Financial Officer (Finance) or designee

2) Will the Board of Directors be required to file financial statements?

Only the people who are city staff and who are required to file by virtue of their offices will be required to file financial statements.

3) *How does the contract with the city regarding the projects intersect with the bylaws and articles of incorporation?*

The bylaws and articles of incorporation establish the basic parameters and structure of the new entity. This includes items such as board composition, roles and legal limitations. These documents do not address specific projects. Each year, the AEDC will execute a contract with the City of Austin every year to establish what projects will be pursued by the AEDC. As a part of that annual contract, the City and AEDC will establish financial arrangements for the projects. The City may also layer on additional requirements for the LGC including such matters as the Living Wage or particular community benefits that Council considers fundamental to any particular project. On an annual basis, prior to entering negotiations for a new contract, the AEDC will provide an annual report of its activities to EDD. This report will include a list of all property currently being managed by the AEDC on behalf of the City, along with an operating budget, capital budget and narrative description of public purpose for each property. In addition the annual report will include: a historical budget for the organization as a whole and projection for the future; a balance sheet; any further funding requests for the coming year; a report of any programs undertaken by AEDC on behalf of the City of Austin; and an inclusive growth report on the City of Austin, and how the AEDC has contributed to improvements in economic growth, social equity (including DI&E), cultural vitality and environmental sustainability. See the Consultant's final report for further details.

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QUESTIONS ASKED AT WORK SESSION

1. *Is the Cultural Trust Committee being created?*

The Consultant recommends immediately creating a Cultural Trust Citizen Advisory Committee to support the work of advancing the Cultural Trust immediately.

2. *It appears the City Manager has the authority to change the Articles of Incorporation. Is that the case, or who has the authority to change the Articles of Incorporation?*

Neither the City Manager nor the Council should legally have the ability to change the Articles of Incorporation. However, the Council can require certain changes as part of annual contract negotiations.

3. *It appears the entity to be created can change the bylaws and not the Council. If that is the case, what problem is trying to be solved? What would be a split in the bylaws of giving Council some authority to change the bylaws?*

In general, entities do have the ability to change their own bylaws, although they must always abide by applicable law. However, if council chooses, it may require certain items in the bylaws of the corporation as a condition of entering into an annual contract. But if council is approving all of the ministerial actions of the LGC, the entity will not truly be independent, and issues of

financial and legal liability will arise due to questions as to the actual independence of the entity.

4. *How does the remaining board get placed? What is the timeline?*

Staff recommends that the City Council fill the interim seats of the initial board with City staff nominators of Places 1-4 outlined in Article II, Section 1 of the Bylaws. The interim staff and board will retain professional services to begin crafting the agreement between the City and AEDC while opening an executive recruitment process for the President and Chief Executive Officer (CEO), to begin scoping priority projects discussed with the City Council, and to further define the process to on-boarding the first full board of AEDC. This will include additional discussions with nominating entities before requesting Council approve updated bylaws with nominating bodies and bringing forward nominees that have been submitted and interviewed by AEDC for presentation to Mayor and Council. Staff anticipates these processes will be complete and brought to a council vote within 90 days.

5. *What is the interim staffing plan?*

AEDC may begin work immediately upon a Council vote. The initial staff will include an interim CEO (the current Director of EDD), interim COO (a current COA employee with department management experience), an interim Admin (a current COA employee), an interim Transactions Manager (a consultant), and transaction associate (a consultant). The interim staff will immediately begin on the process of pushing forward the process for full board placement for approval and empaneling of a board within 90 days of the vote to establish the entity. The interim staff will put forward immediate job postings to be hired within 180 days. An executive search firm should be retained to seek a permanent President and CEO.

6. *Please make the articles/bylaws gender neutral.*

Law is working on this request.

Item #57: Ratify Amendment No. 2 to the agreement with the Austin Public Education Foundation, dba Austin Ed Fund, to provide emergency food access for caregivers of students in Austin-area schools, increasing funding in an amount not to exceed \$369,728 and extending the current term through December 30, 2020, for a revised total agreement amount not to exceed \$2,689,078.

COUNCIL MEMBER ALTER'S OFFICE

1) *Who is served and what is provided?*

Two meals per day are provided to caregivers of AISD students. The children must come with the adults or the adults must provide some documentation.

Caregiver meals are being provided at 49 AISD Campus (Mon – Fri)

Meals are provided by the following restaurants – Easy Tiger, Good Work Austin and Henbit.

2) *How much longer the program will be sustained based on previous allocations and approval of this item?*

With the additional \$369K, this Friday, October 2, 2020 is the last day of meals for caregivers.

3) *What additional funding amount would be necessary to cover the program costs through the end of 2020?*

The amount of funding needed will depend on how many meals per week and for how long the City wants to fund the meals.

Approximately \$700K would be needed through December 18, 2020, based on a new model of providing a 4 meal pack (8 meals) once per week.

The table below provides additional options and considerations.

4-day Meal Packs (8 total meals per week)	\$ amount	Subtracting \$300K from AISD Crisis Support	# meals
Weekly estimates	\$ 100,000		20,000
10 weeks: 10/8/20 -12/18/20 (excludes Thanksgiving)	\$ 1,000,000	\$700,000	200,000
13 weeks: 10/8/20-1/1/21 + includes Thanksgiving	\$ 1,300,000	\$1,000,000	260,000

7-day Meal Packs (14 total meals per week)	\$ amount	Subtracting \$300K from AISD Crisis Support	# meals
Weekly estimate (based on previous distribution model)	\$ 150,000		30,000
10 weeks: 10/8/20 -12/18/20 (excludes Thanksgiving)	\$ 1,500,000	\$1,200,000	300,000
13 weeks: 10/8/20-1/1/21 + includes Thanksgiving	\$ 1,950,000	\$1,650,000	390,000



Council Question and Answer

Related To

Item #11

Meeting Date

October 1, 2020

Additional Answer Information

Approve a resolution initiating code amendments to City Code Title 25 (Land Development) to establish a contractor registration program for building and demolition permitting.

QUESTION/ANSWER: Council Member Tovo's Office

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Refer to the question 5 response regarding lead dust.

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Council Question and Answer

Related To

Item #14

Meeting Date

October 1, 2020

Additional Answer Information

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QUESTION/ANSWER: Council Member Pool's Office

Please provide a summary of City of Austin and Travis County contributions of financial and staff resources to Census 2020 outreach effort.

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Sharon Herfurth	Austin Public Library
Melissa Sanchez	Austin Public Library
Bookmobile	Austin Public Library
Matt Peck	Watershed Protection
William Burdick	Watershed Protection

*Merged with NHCD on October 1, 2020 to form Housing and Planning Department



Council Question and Answer

Related To	Item #16	Meeting Date	October 1, 2020
Additional Answer Information			

Authorize a fee-in-lieu of on-site affordable housing for a proposed commercial development located at or near 1300 E. 5th Street, 78702, that is subject to Plaza Saltillo Transit Oriented Development Regulating Plan.

QUESTION/ANSWER: Council Member Pool's Office

Please calculate the number of affordable units that would otherwise be provided at 1300 E. 5th St. should the fee in lieu option not be available. Also, please provide an explanation for why the affordable units required for 1300 E. 5th St. cannot be located within the project's residential portions.

The proposed development at 1300 E 5th Street, 78702 is a 100% commercial development with zero residential space. Due to this, the only option for the development to access the requested development bonuses available under the Plaza Saltillo TOD Regulating Plan is to pay a fee-in-lieu. The fee-in-lieu must be approved by City Council.



Council Question and Answer

Related To

Item #28

Meeting Date

October 1, 2020

Additional Answer Information

Ratify a contract with Cleaning Guys LLC, to provide emergency cleanup services for lands and creeks, in the amount of \$207,000. (Note: This contract is exempt from the City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

QUESTION/ANSWER: Council Member Tovo's Office

Council Member Tovo provided budget direction regarding coordination with social service providers for that previous contract. Do you know if that direction is contained within this new contract if it is indeed for encampment clean-ups?

Yes, this contract is for encampment clean-ups. The provision in the contract states, the "City will coordinate with service agencies to provide case management services to those experiencing homelessness a minimum of 72 hours prior to the commencement of each clean-up project."



Council Question and Answer

Related To

Item #55

Meeting Date

October 1, 2020

Additional Answer Information

Approve a resolution creating the Austin Economic Development Corporation (Corporation), a Local Government Corporation under Subchapter D, Chapter 431, Texas Transportation Code; approving and adopting the corporation's Articles of Incorporation and Bylaws; and appointing the initial Board.

QUESTION/ANSWER: Questions asked at work session

1. *Is the Cultural Trust Committee being created?*

The Consultant recommends immediately creating a Cultural Trust Citizen Advisory Committee to support the work of advancing the Cultural Trust immediately.

2. *It appears the City Manager has the authority to change the Articles of Incorporation. Is that the case, or who has the authority to change the Articles of Incorporation?*

Neither the City Manager nor the Council should legally have the ability to change the Articles of Incorporation. However, the Council can require certain changes as part of annual contract negotiations.

3. *It appears the entity to be created can change the bylaws and not the Council. If that is the case, what problem is trying to be solved? What would be a split in the bylaws of giving Council some authority to change the bylaws?*

In general, entities do have the ability to change their own bylaws, although they must always abide by applicable law. However, if council chooses, it may require certain items in the bylaws of the corporation as a condition of entering into an annual contract. But if council is approving all of the ministerial actions of the LGC, the entity will not truly be independent, and issues of financial and legal liability will arise due to questions as to the actual independence of the entity.

4. *How does the remaining board get placed? What is the timeline?*

Staff recommends that the City Council fill the interim seats of the initial board with City staff nominators of Places 1-4 outlined in Article II, Section 1 of the Bylaws. The interim staff and board will retain professional services to begin crafting the agreement between the City and AEDC while opening an executive recruitment process for the President and Chief Executive Officer (CEO), to begin scoping priority projects discussed with the City Council, and to further define the process to on-boarding the first full board of AEDC. This will include additional discussions with nominating entities before requesting Council approve updated bylaws with nominating bodies and bringing forward nominees that have been submitted and interviewed by AEDC for presentation to Mayor and Council. Staff anticipates these processes will be complete and brought to a council vote within 90 days.

5. *What is the interim staffing plan?*

AEDC may begin work immediately upon a Council vote. The initial staff will include an interim CEO (the current Director of EDD), interim COO (a current COA employee with department management experience), an interim Admin (a current COA employee), an interim Transactions Manager (a consultant), and transaction associate (a

consultant). The interim staff will immediately begin on the process of pushing forward the process for full board placement for approval and empaneling of a board within 90 days of the vote to establish the entity. The interim staff will put forward immediate job postings to be hired within 180 days. An executive search firm should be retained to seek a permanent President and CEO.

6. *Please make the articles/bylaws gender neutral.*

Law is working on this request.



Council Question and Answer

Related To

Item #52

Meeting Date

October 1, 2020

Additional Answer Information

Approve an ordinance amending certain Fiscal Year 2020-2021 department budgets to fund the Save Austin's Vital Economic Sectors (SAVES) Fund to support COVID-19 emergency relief as follows: the Financial Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$6,000,000 to the General Fund Emergency Reserve Fund; and the Fiscal Year 2020-2021 Building Services Department Capital Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$500,000 to the General Fund Emergency Reserve Fund; the Pay for Success Reserve Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$4,800,000 to the General Fund Emergency Reserve Fund; and the Austin Transportation Department Mobility Fund Operating Budget (Ordinance No. 20200812-001) to transfer out and appropriate \$3,700,000 to the General Fund Emergency Reserve Fund; and declaring an emergency.

QUESTION/ANSWER: Council Member Pool's Office

1. *Please provide a full accounting for how the City will pay off the bond debt from the expansion of the Convention Center in 2000.*

The Venue Project Fund is the source of payment for debt service related to the 2000 expansion and is derived from the 2% HOT increase approved by the voters for the expansion of the Convention Center in 1998.

2. *Please include the amount that must be kept in reserves for convention center O&M, and what is then left over in HOT reserves. Please separate the reserves amounts between the O&M reserves requirement and the Capital Fund, and explain what each one is for and from where its revenues are derived.*

Our financial policies dictate our reserve requirements and the appropriate uses of these reserves. These financial policies are critical to the sound fiscal management of the department and have contributed to the strong credit rating the Convention Center maintains. Below are our financial policies as approved by the City Council. It may also be found on page 602 of the Approved Budget. Please note: the City's Financial Advisor has stated that utilizing ACCD reserves for non-ACCD purposes would open the door to questions from the rating agencies, and could be viewed negatively by those agencies. Given the current economic state of the hospitality industry, ACCD reserves should remain within ACCD. If Convention Center reserves were taken for non-ACCD uses and rating agencies were to downgrade the ACCD credit as a result, that would lead to increased borrowing costs when ACCD were to access the capital markets. In addition, such rating action would immediately impact the fees paid on existing credit agreements.

Austin Convention Center Financial Policies

1. Debt service reserves shall be funded in accordance with the respective bond covenants for Austin Convention Center's Hotel Occupancy Tax Revenue bonds and Palmer Events Center's Town Lake Community Events Center Venue Project bonds.
2. The term of long-term debt generally shall not exceed the expected useful life of the asset, and shall not generally exceed 30 years.
3. Capitalized interest during construction shall not exceed five years. Council approval shall be obtained before proceeding with financing that includes capitalized interest.
4. The Austin Convention Center shall maintain an operating reserve that is equivalent to 180 days of operating and maintenance expenses for both the Austin Convention Center and the Palmer Events Center operating funds (as required by its Town Lake Community Events Venue bond covenants).

In the event that operating reserves drop below the policy, and to the extent that respective facility funds allow (i.e., Austin Convention Center facility revenue and Hotel Occupancy Tax pledged toward the related bonds, and Palmer Events Center revenues pledged toward Town Lake Community Events Venue bonds), the balance will be replenished to the target level within five years. The operating reserve fund will only be used to offset a current year revenue shortfall where actual revenue is less than the budgeted level by 10% or more.

5. A capital reserve shall be maintained that is equivalent to 50% of the annual depreciation expense as reported in the prior year Comprehensive Annual Financial Report. The reserve may be used for capital projects that provide additions, replacements, and improvements to Austin Convention Center facilities.
6. Ongoing routine, preventative maintenance should be funded on a pay-as-you-go basis.

The chart below shows the required reserve amounts as noted in our financial policies above:

	FY 2015-16 Actuals	FY 2016-17 Actuals	FY 2017-18 Actuals	FY 2018-19 Actuals	FY 2019-20 CYE	FY 2020-21 Approved
CC-180 day Reserve	15,330,984	15,617,801	16,081,827	22,714,825	20,556,878	20,556,878
CC-Capital Reserve	4,473,898	4,473,898	4,555,840	4,508,635	4,508,635	4,508,635
	19,804,882	20,091,699	20,637,667	27,223,460	25,065,513	25,065,513

3. Please include the amount per year spent on debt service on the bonds, and what that number would be, including savings on interest, were the City to accelerate the debt service (i.e., fully paying the debt in three years, five years, and ten years).

The following tables reflect the debt service requirement year over year for Hotel Occupancy Tax (HOT) revenue backed debt and the estimated defeasance cost and associated avoided debt service with paying off the debt early (three years and five years).

Table 1- Debt Service Requirement

FY	Series 2008	Series 2012	HOT Revenue Backed Debt Service
2020	7,232,706.76	1,765,500.00	8,998,206.76
2021	8,276,482.39	1,761,000.00	10,037,482.39
2022	8,280,682.75	1,758,875.00	10,039,557.75
2023	8,238,869.69	1,758,875.00	9,997,744.69
2024	8,255,636.89	1,751,000.00	10,006,636.89
2025	8,269,846.68	1,750,125.00	10,019,971.68
2026	8,291,174.00	1,750,875.00	10,042,049.00
2027	8,289,618.86	1,743,250.00	10,032,868.86
2028	8,309,937.48	1,742,125.00	10,052,062.48
2029	8,331,479.74	1,732,375.00	10,063,854.74
2030	8,363,758.08	1,730,812.50	10,094,570.58

Table 2- Estimated Defeasance and Avoided Debt Service for Early Repayment

Estimated Defeasance			
	Payment	Debt Service Avoided	Debt Service Savings
As of 09/30/2023	70,536,890.33	69,748,973.44	-787,916.89
Estimated Defeasance			
	Payment	Debt Service Avoided	Debt Service Savings
As of 09/30/2025	52,187,688.88	49,869,558.35	-2,318,130.53

4. *Previous balance sheets have indicated that proceeds from conventions and meetings are insufficient to cover the actual costs. Please provide a full accounting of the cash flow (balances) that demonstrate the income and outlay for conventions and meetings, and what sources of revenues are used to move these operations from a deficit posture to a positive balance sheet.*

The Law Department has provided the legal framework for fees, with which the Convention Center, like other City departments, complies. The Convention Center provides discounts to our customers to attract them to our City. This is an industry norm and is critical to our ability to compete against our peer cities for convention business. A fiscal analysis is done to ensure there is sufficient Hotel Occupancy Tax (HOT) that will be generated by the convention coming in to offset the operating loss from the event, and our business model is designed to maximize HOT revenues received. As such, the fees we charge for our operations are at or below cost of service. There is no excess in these funds; as noted in the question, we do not fully fund our operations from the fees we charge our customers based on our business model that seeks to maximize hotel occupancy revenue. The balance of Convention Center operations is paid for by the HOT received from Convention Center event attendees and other visitors to Austin. Below is our most recent fund summary that details the revenues and expenditures of the Convention Center Operating Fund. This may be found on page 421 of the [Proposed Budget](#) (no changes were made during budget adoption).

Convention Center Operating Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
	Actual	Actual	Estimated	Amended	Proposed
Beginning Balance	27,405,861	28,384,052	34,767,641	24,794,745	30,409,200
Revenue					
Contractor Revenue	14,026,043	21,721,537	5,567,857	16,535,984	8,630,734
Facility Revenue	8,408,779	8,020,149	4,047,299	7,953,267	6,151,388
Parking Fees	4,042,496	4,720,773	2,876,874	4,263,407	3,179,513
Interest	554,178	788,378	366,579	500,602	377,576
Building Rental/Lease	244,064	236,397	233,181	233,181	243,636
Other Revenue	100,373	108,041	93,100	110,000	109,500
Scrap Sales	4,149	1,049	0	0	0
Total Revenue	27,380,081	35,596,323	13,184,890	29,596,441	18,692,347
Transfers In					
Other Funds	43,029,021	49,119,702	35,705,641	49,665,485	33,434,312
Total Transfers In	43,029,021	49,119,702	35,705,641	49,665,485	33,434,312
Total Available Funds	70,409,102	84,716,025	48,890,531	79,261,926	52,126,659
Program Requirements					
Event Operations	38,288,083	42,483,272	33,640,345	45,760,593	38,249,107
Support Services	6,316,857	7,534,271	7,311,557	9,361,965	7,616,810
Total Program Requirements	44,604,940	50,017,543	40,951,902	55,122,558	45,865,917
Other Requirements					
Supplemental Retirement Contribution	0	0	0	0	146,461
Accrued Payroll	103,633	212,379	24,913	24,913	78,653
Total Other Requirements	103,633	212,379	24,913	24,913	225,114
Transfers Out					
Trf to Historical Preservation Fund	2,491,937	0	2,463,805	3,144,447	2,225,829
Trf to Special Revenue Fund	0	0	2,463,805	3,144,447	2,225,829
Trf to GO Debt Service	1,998,632	2,027,072	2,031,548	2,085,652	2,157,403
Administrative Support	1,550,501	2,022,261	1,789,992	1,789,992	1,814,920
CTM Support	1,248,380	1,299,115	1,351,228	1,351,228	1,359,788
Regional Radio System	146,915	269,860	271,284	271,284	328,191
Trf to PID Fund	285,000	285,000	285,000	285,000	285,000
Workers' Compensation	236,705	228,615	204,077	204,077	190,884
Trf to CIP Mgm - CPM	118,549	196,967	42,317	42,317	54,037
Liability Reserve	61,723	44,088	29,640	29,640	29,640
Trf to Conv Ctr CIP Fund	7,608,983	0	0	0	0
Trf to Conv Ctr Capital Fund	9,390,509	20,143,668	0	4,633,260	0
Trf to Tourism & Promotion Fnd	0	2,142,856	1,339,461	3,080,629	0
Total Transfers Out	25,137,834	28,659,502	12,272,157	20,061,973	10,671,521
Total Requirements	69,846,407	78,889,424	53,248,972	75,209,444	56,762,552
Excess (Deficiency) of Total Available Funds Over Total Requirements	562,695	5,826,601	(4,358,441)	4,052,482	(4,635,893)
Adjustment to GAAP	415,496	556,988	0	0	0
<i>Note: Numbers may not add due to rounding.</i>					
Ending Balance	28,384,052	34,767,641	30,409,200	28,847,227	25,773,307



MEMORANDUM

TO: Mayor and City Council

FROM: Gina Fiandaca
Assistant City Manager

Cc: Robert Spillar, P.E., Director
Jim Dale, P.E., Acting Director
Austin Transportation Department
Spencer Cronk, City Manager

DATE: October 1, 2020

SUBJECT: Items 52 and 53 - ATD Program Implications of ROW TURP Re-direction

Austin City Council has requested information about the impacts to Austin Transportation Department (ATD) if the Transportation User Fee (TUF) is not increased to offset the transfer of \$3.7M in Temporary Use of Right-of-Way Permit (TURP) fees to the Save Austin's Vital Economic Sectors (SAVES) Fund. This request is related to Item 52 (proposed budget amendments to fund SAVES) and Item 53 (proposed TUF increase) on Council's agenda for October 1, 2020.

ATD collects TURP fees (rental fees) when public streets and other rights-of-way (ROW) are used for private use – typically to facilitate construction projects. These funds pay for the services to manage the ROW and are also directly reinvested in the transportation system throughout the City for safety (Vision Zero), responding to citizen requests, building signals, roadway design for all users, planning, maintenance, etc. TURP fees are projected to generate approximately \$6.6M in FY21. Reviewing TURPs in the downtown area are complex and include analysis, utility coordination, traffic control plan review, and inspections to keep the city streets moving and safe. The direct costs of providing these services in downtown are currently estimated to be \$2.9M per year. The remaining revenue (from ROW rental) is \$3.7M and is integrated within the ATD approved FY21 Budget and is integral to our ability to provide services to the community. Should the TURP fee be transferred from ATD without an immediate revenue replacement, ATD would look to its approved FY21 budget and programs for cost savings, which ultimately result in cutting services to our customers.

ATD has analyzed the Council approved FY2020-21 budget and identified projects and programs that would be reduced, delayed or eliminated. This analysis assumes a \$3.7M budget transfer to the SAVES Fund without funds being replenished to ATD's FY2020-21 budget (i.e., a \$3.7M budget reduction for one year). In developing the following list of projects and programs, the preservation of Vision Zero initiatives, safety projects, and retaining current staff were the highest priority for the department and are a last resort for further reductions.

1. Reductions in Capital Improvement Program
 - a. Replacement vehicles and equipment for field staff
 - b. Traffic signal construction

*Delivering a safe, reliable, and sustainable transportation system
that enhances the environment and economic strength of the region.*

2. Defer Transfer to Great Streets Development Program

The transfer to the Great Streets Development Program provides funding to improve downtown streets and sidewalks. It provides financial assistance to private developers to implement streetscape standards that go above and beyond the City's minimum requirements. The program has been funded by ATD parking revenue and is managed by the Planning Department. The Great Streets Fund currently has a balance of over \$6M according to publicly available data. ATD is proposing an indefinite freeze on the annual transfer from mobility to the Great Streets Fund to reduce the impact on the department.

3. Defer Transportation Demand Management (TDM) Program

Travel demand is down in Austin with daily weekday volumes roughly 25% lower than this time last year. ATD is reassessing its TDM Program and developing a fresh direction forward. As a result, ATD will cancel funding for the Smart Trips Program. ATD is still committed to TDM and will restart its program as travel demand recovers with the economy. TDM is still important to achieving the Austin Strategic Mobility Plans goal of a 50/50 mode split by 2039.

4. Delay Downtown Austin Core Transportation (ACT) Plan

Downtown mobility and access will change with reconstructing I-35 and should be considered in the ACT Plan. Given the final design for I-35 is expected mid- to late-2021, delaying this project until FY21 is prudent. Developing the ACT Plan is dependent on future funding availability.

5. Freeze Vacant Positions/Staff Augmentation

ATD would defer hiring current vacant positions and reduce the utilization of staff augmentation for transportation projects. The impact of this freeze will impact the planning and design of transportation infrastructure improvements, and timely response to citizen and 311 requests, roadway design for all modes of transportation, retiming signals, and other planning efforts.

The above list is only a reduction to the FY 2020-21 budget and does not reflect the additional challenges of a similar budget cut in FY 2021-22, which could trigger deeper programmatic, partnership project, and staffing cuts.

Please contact Jim Dale, Acting Transportation Director, 512-974-4070, if you have any questions.



Council Question and Answer

Related To

Item #55

Meeting Date

October 1, 2020

Additional Answer Information

Approve a resolution creating the Austin Economic Development Corporation (Corporation), a Local Government Corporation under Subchapter D, Chapter 431, Texas Transportation Code; approving and adopting the corporation's Articles of Incorporation and Bylaws; and appointing the initial Board.

QUESTION/ANSWER: Council Member Alter's Office

1) Who are the initial incorporators and board members?

Staff recommends the Mayor, the City Manager, the CFO, and the City Attorney be the incorporators and the interim seats of the initial board with City staff from Places 1-4 outlined in Article II, Section 1 of the Bylaws:

- Place 1: Director, Economic Development Department (Public/Private) or designee
- Place 2: Director, City Neighborhood Housing & Community Development Department (Housing) or designee
- Place 3: Chief Equity Officer, City of Austin (Equity) or designee
- Place 4: City Chief Financial Officer (Finance) or designee

2) Will the Board of Directors be required to file financial statements?

Only the people who are city staff and who are required to file by virtue of their offices will be required to file financial statements.

3) How does the contract with the city regarding the projects intersect with the bylaws and articles of incorporation?

The bylaws and articles of incorporation establish the basic parameters and structure of the new entity. This includes items such as board composition, roles and legal limitations. These documents do not address specific projects. Each year, the AEDC will execute a contract with the City of Austin every year to establish what projects will be pursued by the AEDC. As a part of that annual contract, the City and AEDC will establish financial arrangements for the projects. The City may also layer on additional requirements for the LGC including such matters as the Living Wage or particular community benefits that Council considers fundamental to any particular project. On an annual basis, prior to entering negotiations for a new contract, the AEDC will provide an annual report of its activities to EDD. This report will include a list of all property currently being managed by the AEDC on behalf of the City, along with an operating budget, capital budget and narrative description of public purpose for each property. In addition the annual report will include: a historical budget for the organization as a whole and projection for the future; a balance sheet; any further funding requests for the coming year; a report of any

programs undertaken by AEDC on behalf of the City of Austin; and an inclusive growth report on the City of Austin, and how the AEDC has contributed to improvements in economic growth, social equity (including DI&E), cultural vitality and environmental sustainability. See the Consultant's final report for further details.



Council Question and Answer

Related To

Item #57

Meeting Date

October 1, 2020

Additional Answer Information

Ratify Amendment No. 2 to the agreement with the Austin Public Education Foundation, dba Austin Ed Fund, to provide emergency food access for caregivers of students in Austin-area schools, increasing funding in an amount not to exceed \$369,728 and extending the current term through December 30, 2020, for a revised total agreement amount not to exceed \$2,689,078.

QUESTION/ANSWER: Council Member Alter's Office

1) *Who is served and what is provided?*

Two meals per day are provided to caregivers of AISD students. The children must come with the adults or the adults must provide some documentation.

Caregiver meals are being provided at 49 AISD Campus (Mon – Fri)

Meals are provided by the following restaurants – Easy Tiger, Good Work Austin and Henbit.

2) *How much longer the program will be sustained based on previous allocations and approval of this item?*

With the additional \$369K, this Friday, October 2, 2020 is the last day of meals for caregivers.

3) *What additional funding amount would be necessary to cover the program costs through the end of 2020?*

The amount of funding needed will depend on how many meals per week and for how long the City wants to fund the meals.

Approximately \$700K would be needed through December 18, 2020, based on a new model of providing a 4 meal pack (8 meals) once per week.

The table below provides additional options and considerations.

4-day Meal Packs (8 total meals per week)	\$ amount	Subtracting \$300K from AISD Crisis Support	# meals
Weekly estimates	\$ 100,000		20,000
10 weeks: 10/8/20 -12/18/20 (excludes Thanksgiving)	\$ 1,000,000	\$700,000	200,000
13 weeks: 10/8/20-1/1/21 + includes Thanksgiving	\$ 1,300,000	\$1,000,000	260,000

7-day Meal Packs (14 total meals per week)	\$ amount	Subtracting \$300K from AISD Crisis Support	# meals
Weekly estimate (based on previous distribution model)	\$ 150,000		30,000
10 weeks: 10/8/20 -12/18/20 (excludes Thanksgiving)	\$ 1,500,000	\$1,200,000	300,000
13 weeks: 10/8/20-1/1/21 + includes Thanksgiving	\$ 1,950,000	\$1,650,000	390,000