

City Council Work Session Transcript – 8/29/2023

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[8:59:30 AM]

You're watching a-t-x-n the City of Austin's Government Access Channel good morning, everybody. I'm

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good morning, everybody. I'm going to call to order the Austin city council work session . It's 9:00 in the morning on Tuesday, August 29th, 2023. We are meeting in the council chambers at Austin city hall, which is located at 301 west second street. And we have a quorum of the Austin city council present. I'll note for the record that council member Kelly is joining us virtually. Members of the order will go in will be some pre-selected items and then we'll not pre-selected items. We'll go to briefings first. We'll first go to a briefing on the site plan process assessment. The we then go to the Austin Austin tourism public improvement district. Then we will have a number of items that have been pulled. What think it will be brief discussion, but just in anticipation of our council meeting to make sure we get questions answered or prepare for questions to be answered. On Thursday we are posted for an executive session today. Related

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executive session today. Related to house bill 2127, but members , there's a hearing on that tomorrow at the courthouse and so unless there's objection, what I'll do is actually we're also posted for this on Thursday at the council meeting and so that we'll have the information related to the hearing. We'll just do the executive session on Thursday, unless there's objection to that. Yes councilmember Fuentes, no

objection on that issue, but I did want to pull another item for discussion later today. >> That would be item 19. That is the contract for meeting services. >> Okay. Very good. Yes councilmember qadri. Yes, sir. >> I just wanted to confirm that you had seen on your end item 78 being pulled by our office. >> It's my understanding you wanted to pull 78. Yes, sir. So that you could maybe withdraw it. Yes, sir. That's what I thought. Okay. I just want to make sure I have my notes right. Yeah, we'll come back to that. Thank you. With that, we have

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Thank you. With that, we have some folks here today that are going to provide us a briefing on a review that has been done. A deep dive, if you will, a performance review, new audit, whatever you want to call it, of our site plan process. And I'll recognize them. Let them introduce themselves. You want to you want to start us off. Okay good. >> Good morning. Mayor Veronica Briseno, assistant city manager. Just wanted to kick us off before I turn it over to our consultants and say a few word about a few words about this important report that you're going to consider today. Improving affordability and access to housing is a critical priority for the mayor and council, for our organization, and for the greater Austin community. There are numerous factors that contribute to the affordability picture and quite frankly, many are not within the city's control. However, there is one significant factor over which we do have control. The site plan review process site plan review is one of the most complex development processes administered by the city of

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administered by the city of Austin with layers of regulatory requirements that are overseen by 11 city departments. This include our development services department. It's also a process that can and does impact the timelines and costs of new development designed to address our housing challenges in Austin. With that as a backdrop, we asked Mckinsey and company, an internationally recognized consulting firm, with experience in both the public and private sector, to conduct an in-depth analysis of our review process and they did so pro Bono. This type of detailed analysis that includes an assessment of current performance process mapping opportunities for impact, and a high level roadmap for implementation are all a departure from past reviews. Mckinsey and company focused on understanding the current process, its impact on both our customers and staff, and how it might be improved. It was done with the partnership of more than 150 city staff led by the development services department, but including all of the departments involved in the process to the review has been

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process to the review has been shared with our leadership team who are in support of the recommendations. Implementation of these recommendations will position us to make meaningful, short and long term improvements . Further, it will help us streamline how our departments work together will have a positive impact on the full range of the development processes and will accelerate problem solving and innovation moving forward. Development services director Jose Roig, who is here with us today, has been asked to take on a leadership role that spans the entirety of the development process. He has the full support of the city manager's office and the support of department leadership to get us where we need to be today. We have representatives from Mckinsey and company to share with you an overview of their findings as development services director, Roig is also here today to answer any questions that you may have and talk about the steps that we're taking. And lastly, before I turn this over to drew Erdman with Mckinsey and company, I did want to note that based on this work, we are recommending a consulting contract that will that will support implementation and

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support implementation and requesting authorization to negotiate and execute as posted as item number 23. On your agenda Thursday. And with that, I'm going to hand it over to drew. Thank you. >> Thank you. >> Good morning, everyone. I'm not drew. I'll introduce him in a moment. But my name is Paul colter. I'm a senior partner at Mckinsey and I'm the managing partner for our Austin office. I've been serving clients with Mckinsey for 23 years. I'll introduce drew in a moment but couldn't pass the opportunity to introduce our firm, our office and myself, and said a bit of the context. I'll just start with a bit of celebrate nation. We've now been in our new Austin office for 14 months. It's grown exponentially. We've got a number of colleagues that are quite committed to greater Austin and Texas as context. Austin is the third Mckinsey office in Texas. There is no other state in the country with three Mckinsey offices. In fact, of our seven 170 offices globally, there's only four other countries outside the us

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other countries outside the us with three Mckinsey offices. So as a firm, we're very committed to the state and as an office, we're very committed to the city . We launched our office and conduct a series of 138 interviews with some of you included and wrote a report that I wanted to just mention. Hopefully everyone's had access to it, but we'd love any feedback and any thoughts on the challenge is and the aspects to celebrate about our great city. And then on a personal note, I've I'm not a native Texan. I've lived here 16 years, 13 in Austin, three elsewhere in Texas. When I was in the military, we were sharing before the session. I have a three children, so I've made more. Austinites and we're personally as an office and as a firm, very committed to stewarding the growth of this city in an equitable, inclusive and sustainable way. And it's been an honor to collaborate with the city on this topic. So wanted to introduce myself a set, a bit of that context, but now I'll introduce drew to share the findings of our work.

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findings of our work. >> Thank you, sir. >> Thanks very much, Paul. Again, it's an honor to be able to present to this work session today. My name is Drew Erdman. I'm a partner in McKinsey and Company. I'm based out of our Saint Louis office, and I spend 100% of my time focused on state and local government improvements. Have passed public sector experience as well as private sector experience. But let's dive in. It's been a particular privilege to be part of this effort. You know, there's the cliché of pictures worth a thousand words. Well, this might be worth 2000. It is the scene setter for what you all have experienced. Your community has experienced. But also, quite frankly, the government institutions burn of how to adapt to this rate of change. You're familiar with the numbers, but it is worth stating again that at the start of the century, Austin was the 17th largest city in the United States. This year it's the 10th largest. There's only been a handful of other cities in the United States that have experienced this kind of rapid growth and development. And it

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growth and development. And it is understandable that there are need for change to accommodate that. When you think of the public sector and how it's managed. So just a few quick words. We were asked to conduct an assessment and what we did focused on the administration of the site plan development process. You see some of the highlights up on the screen. It is, you know, process mapping. It is going through laboriously, quite frankly, with the staff over 150 from across 11 departments mapping out what are the exact steps involved in a review process. Yes. Going through the platform, but also engaging. And this is significant. Equally for the customers, the applicants, as well as the staff and the process. And you see that there were over 20 different customer organizations or applicant organizations were involved in multiple workshops as well as 178. Participating in a survey will show some of those results momentarily. But along the way also surveys of city staff

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also surveys of city staff working sessions with city staff and interviews as well to co-develop these perspectives. So just a few headline messages to start with, the satisfaction with the current process is low. Over 80% of applicants burn have three plus cycles through the process. Over 30% have five times going through the process. So there's a lot of rework. Also and this is based on the survey about 80% report taking more than a year and about 28% reported taking more than 18 months to make it through the process. So this is just a quick comparison to some other benchmarks. This is for high satisfaction. It's on a scale of 1 to 10, that would be a nine or a ten. If you compare it to such things as this federal government or a cable television Ann in the private sector or

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Ann in the private sector or even state governments, that's not just Texas. That's across the United States. It's the current state of Austin site plan review is again lags comparable benchmarks. Now the city staff have to administer an inherently complicated and evolving code and want to stress that this is very, very hard technical work. Regardless of what jurisdiction you're in, in comparison. It is just a very difficult challenge. And then again, going back to those pictures where we started, where the evolving nature of the community, you see the scale of the regulation is involved about 1800 different regulations. Then that gets translated into technical manuals and technical codes for the specialties to translate into into action. And of course it's an evolving code which is understandable based upon the pace of development. Now we'll not go through this in depth, but this lays out the basic elements of the review process. And again, it is inherently complex, but it involves four basic steps.

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involves four basic steps. There's the submission where an applicant prepares a plan and then submits it through the formal process. Then there's be the completeness check where the city staff will go through and make sure that everything is compliant. Just from a completeness standpoint, or that's the way it should be. Then there's part C, which is the main meat of the process, the formal review where for up to 200 people or more may be involved in the process, going through a series of technical reviews. This is the meat of the process. And then the back end is actually the permit issuance . S okay. And you see there that this is something that can take not in every case depends on the complexity. Close to 1500 steps. It is significant hands on technical expertise that gives you a sense of how much time is involved in the process. There about the 20 equivalent of 20 ftes for work for a week, just want to highlight also this is not just or development services

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not just or development services department. You know that, but it is worth emphasizing 11 departments over 200 people could touch a site plan review in process, depending on its complexity. Also, even within those departments, there's this series of very technical specialties in some departments have multiple technical reviews by different technical experts as you go through. And this gives you a sense of the diversity scale and scope of that interaction. I want to note that makes it inherently complicated to execute efficiently and coming back to executing efficiently. One of the core findings that we have here is that across those 11 departments and all those public servants trying to do excellent work for the citizens of the of the Austin community, there is a lack of alignment on basically

who they are serving and what is the purpose of the process. And this is just a word cloud. This is based upon a workshop with city staff. Word cloud is just highlighting when we ask them,

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highlighting when we ask them, who is your who do you see as your primary customer? This is based on the frequency of words, the color doesn't matter, but it's the size of the word. What matters most is that there's variations across those 11 departments, and it is hard to have an efficient process with multiple handoffs if you're not aligned ultimately upon what is the purpose and who is the primary customer of the process . So a few other points we just want to highlight. We surveyed the city staff as well, just based on not the site plan process exactly, but more generally the skills and capabilities for operational excellence or continuous improvement, how you improve processes as you would in your work. These are some highlights of the survey. It's on a scale of 1 to 4, four being best, one being lowest. These are some select highlights, but what is significant to note is that on such things as if you look on the left hand side where it says principles and behaviors, the

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principles and behaviors, the idea that leaders have visits to work areas and provide support that scores relatively well. But if you look down below under operating procedures and technology where it's questions such as are staff trained in routine routinely apply root cause problem solving that's just technical for do they know how to continuous improve a process when it changes which is inherent in the work they do? You look at something like this that scores relatively low. And so what this just merely highlights is there are opportunities to build and improve the skills and capabilities of the city to be able to continuously improve the efficiency of the process. Now, another point to be highlighted, we heard this multiple times in the interview, Luz, but also just the data we have here, the attrition rate for staff. This does not include internal transfers within departments. So I want to note that it's actually a higher percentage, about 5 or 6% higher with

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about 5 or 6% higher with internal department transitions . But the broader theme, which is transitions in staff, have affected the performance and efficiency of the process. And you see that it takes and this is based upon the interviews that number 1 to 1 and a half years, it could be longer depending on the technical specialty. This is hard technical work to do. It takes time to build those skills and capabilities to be fully functional as an efficient reviewer. So if you're looking at something where it takes a year, a year and a half in some specialties may be over that maybe two years. And yet the average tenure is less than that. You can see that there can be a lot of discontinuity. We heard this both from staff as well as

customers. Now there's multiple platforms and obviously this ranges from the very, very tactical and everyday to the Amanda system, which is the core internal process management tool. It's Amanda's replacement was already on the

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replacement was already on the agenda for taking place. But this is something that is past its life expectancy. So to speak. And what the antiquated and Amanda system, what that's necessitated is, quite frankly, a series of manual workarounds within different teams. But it also prevents for both city staff as well as customers the transparency in the process, which impedes effective management, it effective measurement and effective performance. But that was already on the agenda for replacement. Want to emphasize that now. Now we will not go through this chart in detail, but I do want to explain it. We have a summary of it, but what matters here is what we attempt to capture. And I want to stress this is from the quantitative surveys as well as the interviews as well as workshops. The idea of a customer service journey through the entire end to end process. And this is a graphic representation. Ann it's a qualitative capturing it. But just let me explain how to read the chart. If you look across

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the chart. If you look across the top with those Chevrons, that's the actual breakdown of the major parts of the site plan review process that we introduced earlier. But it's a little more fine grained and you see the application in completeness, formal review and then permit issuance and what you see here is for both the city of Austin staff, that's the lower row and the applicant, we try and capture in a qualitative way their experience of what their feeling going through the process and the takeaway from this graphic is, is that both sides are frustrated, both sides are frustrated in this process. Yes. Want to note also just we did share this graphic with both applicants as well as city staff in workshops, and they agreed with it. They thought this was a fair representation of both of their experiences. Now, just as a summary, to step back from that fine grained, what you see here is just the summary of the challenges you see on the left hand side. The applicants, and

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hand side. The applicants, and oftentimes they're just mirrored on the city staff side. They're caught in this process that needs to be adapted and it can go from unclear requirements and an opaque process. And you look at it through the applicants lens sometimes, who's in charge? Who do I contact? It's unclear. That theme of loss of institutional knowledge with staff turnover for a critical pain point. This delay in comments as the comments come in batch is at the end of the process and often time applicants say if we had only known this six months ago, we could have already addressed that. And so

the question of how to provide draft comments earlier in the process to allow it to be more adaptive, quite frankly, inconsistent process and guidance, it may depend upon , again, coming back to that staff turnover. There's inconsistency in how things may be interpreted. This exact same plan may be viewed differently by someone and also at the end of the process, the wet signature requirements extends the permit issuance and you can see also on the city side that

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see also on the city side that there's comparable oil concerns or comparable frustrations. I won't go through them all, but hopefully that conveys some of the mutuality of the challenges . Now, time is money. Time is money. And every month of delay, want to emphasize this every month of unnecessary delay. These are complicated processes that do take time, but for every month of delay, these are some scenarios, as I want to emphasize, that there are scenarios, but representative based upon kind of averages of the types of development it gives you a sense of, you know, a redevelopment from for a single family redevelopment around \$10,000 a month of extra carrying costs. And you see that for Greenfield development. Imagine redeveloping a parking lot into a property or a multifamily residential residential redevelopment. You can see the scale and scope. But again, time is money. Every

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again, time is money. Every month of delay increases the carrying costs on a development project. So looking forward, if you approach this, it's not one single process. Want to come back to that again 11 departments with their own surprise processes involved. It's like it's gears of a machine. How do you make sure that those meshed together? It requires a comprehensive approach across strategy. People, processes and structure . There's a great opportunity to move from siloed at the top, siloed 11 departments to that common approach. Who do we serve ? Goes through the people model as well. The processes how to move from highly complex, often manual with manual workarounds inconsistent. And this is for both city staff and for applicants then being designed for both of them. And then of course the structure as well to be more flexible and integrated and outline a lot of words on this page. But basically one one

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this page. But basically one one takeaway from this is that you cannot do this all overnight. But the flip side is, is that there are some things you can do in the near term, medium term and long term. There's no there's no way to do a rapid transformation overnight. And no one is suggesting it takes time , for example. But hopefully this conveys the idea of what would need to be done in different horizons. But there are a series of quick wins that have been identified and want to stress in the process a series of

over 30 possible initiatives developed, identified and co-developed with city staff of the city staff also obviously knows they have many good ideas about what we need to do to begin moving forward. And so many of those are already in motion. As director of will outline in a second. But what this hinges upon is rapid action to build momentum, but also, quite frankly, getting the cross department governance right. This is hard stuff across 11

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This is hard stuff across 11 departments. There's no sugarcoating that. But getting on the same page, having the same performance indicators, having the same customer, and then being able to build the skills and capabilities to adapt is going to be the secret for long term success as opposed to something that is tactically done. And then you have to come back later. It is building. It's building the capability is to fish rather than giving someone a fish. I'm going to turn it over to the director of dsd to Jose, to walk through the progress since we completed our assessment. >> Thank you. >> Thank you, drew. Thank you, Mckinsey, for that presentation . Good morning, mayor and council. My name is also Roig director for dsd and I really appreciate the opportunity to be here today and present this to you and really discuss the progress that we have made so far and what we're going to be in the future, which is the most important thing I stepped into this role in February of this year, and since that time we have been directing our

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have been directing our attention to improving turnaround times in site plan review. It's a main priority and really the overall experience with the customers and development services as we set our sites. First of all, in launching our public project teams and improve affordable housing outcomes when it has to do with development and promoting a culture of collaboration between all the partner departments and working to align our work with the mindset of one city, one team and reconnecting with the stakeholders, which is one of the most important things that we do. So we began this work in late March and Mckinsey actually finished the work in June and we've been making some progress as not only in implementing some of the quick wins that they recommended, but also some other ones that we identify as as improvements that we can actually do as a department. So from the top development services, with the support of

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services, with the support of the city manager's office, will be taking the lead in coordinating all the review process and everything that has to do related with the with the improving efforts. And we're going to do this in partnership with the 11 other departments that are in this process that contribute to

the site plan. We have established already a cross-departmental leadership meeting and we're going to make sure that that team ensures that change is happening throughout the development process and across the organization, throughout the team. One of the one of the main goals that we have is, first of all, define and create this cross departmental kpis. So we are measuring the right thing, also establishing the organization wide standards for customer experience so everybody has the same experience across the board and, and define the requirements for the enterprise tools needed to support the development process. In terms of the external experience on the on

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external experience on the on the right side there we fully executed the co-location already, the development center. So all the partner departments have a daily in-person presence in the building. We plan to extend the stakeholder advisory council that we already have to include more stakeholders that have worked with us in this initiative and others that have represented, you know, different segments of the community. We also happy to report that in partnership with the law department, we are expanding our paralegal capacity. They will be training staff on that and will be looking to hire additional paralegal in early 2024 on the on the pre-submission review and empower case manager role. We have been successfully piloting those in the smart and permanent housing and permanent supportive housing site plan review process. And we are working to expand that to the full spectrum of the site plan and actively recruiting right now for temporary staff to support that

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temporary staff to support that model so we can keep the staff that is doing review, doing reviews and they don't have to, you know, change their priorities. We have now made great progress on on on the on the on the submittal guidelines. So we're going to be working with other departments on how we can do that and have that ready for the stakeholders. And while we love the idea of the piece of tracker or the permit tracker is a great idea, even even, you know, domino's have a way to know where your pizza is at the time. So we want that transparency that openness, that communication. We want to be, you know, we need some resources and we are going to need the support from ctm to make that a priority. So that that's happening. Some additional wins that we have in the department. We have realigned the site plan review staff and priorities to support the city goals and objectives which are affordable housing, public projects and priority projects. We have

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priority projects. We have refined several site plan related business process to streamline the community experience. We launched the public project teams to which is dedicated to support the

projects and not only streamline the review of these projects, but also result in additional review capacity for the site plan team by removing those from the main team. We have developed a robust set of business process analytics to understand challenges in real time and we are promoting a department culture with a bias towards action that prioritizes substance over process. Now results. That's that's, that's, you know, if we do that, what are the results of that? So what we have seen is a smart housing reviews are nearly 100% on time . Permanent supportive housing is 100% on time. So I'm happy to report that we have recognized as a 50% reduction in days needed for initial and update reviews. It went from 100 days to, you know, the approximate 43. We have eliminated the

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43. We have eliminated the portion of the site plan review backlog except for one discipline and we had grant a full one year extension to the site plan approval. And also we have improved and this is one thing that I'm really big on communication and accountability throughout the creation of that round table with all the departments in the city, we continue to look for improvements beyond the site plan process mean the fact that we chose the site plan as the most complex process that we do in the department with the idea that if we fix some things in there, we're going to actually have this in-house easements and improvements throughout the department. So we are working to complete a comprehensive overhaul of the website to improve the accessibility and ease of navigation on the website. We will continue to invest in logic, logic based web tools to support the customers throughout the development process. We recently launched a wizard called do need a permit, which is I've been getting a lot

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which is I've been getting a lot of great feedback on that from the community. How we see it is to actually navigate that process. We are excited about a recent pilot that we launched with a company called arc star. Using that company, we're going to be testing the use of artificial intelligence. I'm excited about that one. That one is a great program. I can't wait to see that going. And we're going to improve the quality and the compliance of building plans on metals with that with that company. Last but not not least, we took we look for every opportunity to expand on our community engagement and stakeholder engagement across all the groups that we have working with. We welcome all the feedback, participation across all the segments. I can tell you that every day I have I am blessed and have the opportunity to work alongside a group of dedicated public servants that are fully committed to the city and this community. And I assure you that we are all invested in

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you that we are all invested in working together to improve the community experience through the . With that said, we open for any questions. >> Thank you all. Thanks all three of you for the report, but I'll open it up for questions. Luz councilmember Fuentes, thank you. >> Thank you for the presentation and thank you, director Roig for your comments . Was very happy to hear of all the new initiatives that have been implemented in such a short time under your leadership. You know, this information is important. And certainly we've heard in our community about the issues with our permitting process, our development services process and, and certainly what that entails. And for me, the way I look at this issue is understanding the unique realities that our families are facing in this city. You know, I hear from families almost every week about being priced out and having to move elsewhere because of high costs. Their rents are going up or they can't afford to buy their first home and that is an issue as we strive to make Austin affordable community for everyone. And to ensure that

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everyone. And to ensure that we're keeping families in their homes, we have to ensure that this part of the process, when it comes to getting homes affordable homes built is quicker and it's done efficiently and it's done in a transparent manner. So this information really is helpful in giving us the framework to how to better understand what we need to do as as a city and as a policy maker. So a few of the questions that I had for you all, I guess director Roig, I'll start with you. One of the comments that were made as part of the McKinsey presentation was the lack of alignment on who the city was serving as a who the city was serving. And so I kind of wanted to get, from your perspective, your leadership, what is the city's take on on that service model? >> Well, thank you, councilmember Fuentes, for that question. And I was actually there as part of the forum that actually went that was disclosed . And, yes, we seen that. I think that's a challenge. Now, who do we serve? Do we serve the community only and enforce the

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community only and enforce the ordinance that we have? Do we serve the developers? Tirz so is this is this division, you know, who do we serve? I think as a city, we need to actually have a better vision on that. In my view, personally, I'm here to serve the city of Austin, so everybody is my customer and I want to make sure that we can get that across the board with all the departments we are here to serve. Everybody that comes through the department. We can do it better. The fact that we are just the one stop shop. We can we can provide a better service. I want people to come to the department and say, I got a great service in regardless that they cannot go to another city to get a permit. So we, we have a lot of work to do there. I think there's a there's a lack of priorities or understanding of who is really the customer. But I think we're getting there. We have already getting the departments together. We are meeting, we are promoting that culture that everybody is our customer and we're here to serve the community. So I think we are we're going to be the group progress on that one. So as part of that culture building, you know, one of the other comments, observations that were shared with the report was, is, you know, the ability for staff to

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know, the ability for staff to be able to pivot depending on the problem presented, you know, wanting to, to come from a place of improvement and iteration with our processes. >> Can you speak to that issue? Yeah. >> And that's a challenge that we have. And I think some of the challenge comes from not having all the tools that we need. You know, in the toolbox. I mean, especially with technology, it's really cumbersome. It's all about process, process, process. And I came on board and I and I asked, why can we do this or that? And everybody points out to the system we cannot do this because the Amanda system cannot do it. So I think we are we are missing a lot based on the tools that we have. So I think that as we get better tools, as we get better technology, people will be able to prioritize and look at their work, look at really what am I doing here? And really, you know, prioritize the work based on on on what they have in the table. So I'm very hopeful for that part of that. >> It's creating those clear processes, right? Making sure that people understand you know, have has the department considered the iso standard? I know there's a certification

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know there's a certification that departments and divisions can go through to have a standardized process. Is that in the future where we are looking at some of that, we have the iso ratings already for this year. >> We are looking also into accreditations in the department. So we have to do some improvements to actually get better. We have meetings with the with the people that do the iso ratings. So we are looking forward to get some improvements so we can get a better rating coming up and also get some more accreditation in the department based on the best practices and standards across the nation. Okay. >> So we currently do have we participate in the iso process. Okay and then lastly, and I'll turn it over to my colleagues is around the goals, the kpis that were mentioned. Can you speak to that process? You know, in the development of the kpis, how would you approach that? What is the process that you plan to so the plan on that one right now, even though we have some kpis, I want to make sure that we actually measuring the right thing.

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thing. >> So we measure the things that could be measured and actually provide results. So with the creation of the interdepartmental cross team, we are all the departments that are dealing with the development process are going to be looking at those kpis so we can look at, you know, timeliness, Luz quality of the work that we do so we can actually get the right stuff. And for that I will tell you that we need the right technology enhancements to actually get the information on the data to actually get the kpis. It's been a challenge on that and Ken, there's a lot of stories on that one. I think having the goals

specific to the type of permit, I know it's a different timeline associated with the permit for building a new single family home versus a remodel. >> So I think having those those nuances, yes, I totally agree. >> And that's one of the things that we're lacking right now cannot the tools to divide, you know, what is it, a single family home? Is it a multi-family Leslie? We have some issues with the system right now to actually get that data correctly, to get those kpis in place. >> Thank you. >> Thank you. Councilmember

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>> Thank you. Councilmember Fuentes, other councilmember Ryan alter, thank you very much . >> Pick up kind of right where councilmember Fuentes left. Well, first, I want to say I think you're doing a great job. Thank you. I'm really excited about where this is going. I think the work that Mckinsey has done is really laid a good path. And so I appreciate the manager and the mayor's work on this. I know it's an important issue. We one of the, the constant themes that you hear with people and it's not just related to the site plan process, but it extends to other things, you know, getting something from either Austin energy or Austin water, a tap, a transformer is the, the ability to just have a really quick expectation, right? How long is it going to take me to get X Ann and they might not like the answer to that question . Ann but knowing the answer and allowing the applicant to plan a accordingly and then have that answer actually be realistic and not a moving target I think is

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not a moving target I think is really important. And so as we think of things like the pizza tracker and other technology, logical improvements, really being able to allow for rey realistic understanding of, we think your, you know, either application or this will be done at this date and that be a, a real timeline I think will go a long way for people and as we do that, as we kind of improve our technology around this, I know we want to put the right process in place so that we're not layering good technology, energy over bad process. I'm just a little wary, though, of I know how long it takes us to do certain technological improvements. And so I'm worried if we wait until we finally get the process right and then we start doing the technology, there won't be that that integrate action that we need. And so kind of building it while we fly. Yes, element but I think

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we fly. Yes, element but I think y'all are are planning to it. But I just want to kind of emphasize that importance. So that's it. I just wanted to bring up the that quick thing and thank you for appreciate your work that you're doing. >> Appreciate it. >> Thank you. >> Thank you. Councilmember councilmember vela in in reviewing the slides and again, appreciate the presentation and I'm very glad that we're tackling this head on. >> The city is also zo a an applicant just like that is correct. Any other. So what are

our internal vinyl? You know, what do city staffers think about the site plan review process because they are having to go through it just like the our private sector, colleagues are Mackenzie can correct me if I'm wrong, but they actually were actually part of the survey that you saw with the smiley faces and the unhappy faces. >> And so, so there is a frowning yeah, I like your

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frowning yeah, I like your optimism in the way you pointed out. >> Smiley faces. >> You can see this frustration on both sides and it is a complex project. And I think that it goes back to the communication, the collaboration between everybody that is involved in the process and having having a way to when we actually find that conflict a way to escalate that quickly so we can resolve it. Right now it's been like kind of lost, you know, and it takes time and people don't we don't want to escalate things in there. So providing the as a as a as a as a leader for this process, we're going to be able to, you know, meet with other departments. Okay. We have a conflict here. We're going to move it. But yes, it is it is a frustration for both sides. I mean, it's not like like the city is happy with the process and the customers are I mean, it is a frustration on both sides. So we have recognized that excuse me. >> So do you want to elaborate a little bit on the improvements we've made in that regard? I'm talking about the process and the process on that, and that's why we have the we launched the public project teams, which actually deals with the working very close with capital delivery

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very close with capital delivery services, with transportation and public works. >> So we have a process for the city to actually go through that and we actually piloting that so we can anything that we do there, we can use it as an example. And what can we do on the site plan as a whole and actually maybe expedite the process and make it better? Yes >> And on that, I was at the Mearns meadow flood diversion channel that they're putting in there in north Austin where there was the flooding took place recently. It was the first time that I had been able to interact with the capital delivery services and is the thinking behind the consolidation of the capital projects into capital delivery service to expedite these kinds of projects and processes? >> Yes, I've been I've been in conversations with director snow on that regard. We are trying to find out what are the redundancies that we have in place right now so we can actually, you know, transfer some of those to his team so they can do all the vertical mean all the horizontal projects and actually expedite the site plan permitting process in that regard. Yes. >> Yeah. I mean, I think there's a lot of sense in that where for major projects like that,

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major projects like that, they're going to require extensive permitting just put them all in the same department and have that kind of expertise. So I really appreciate. And the last question this has come up actually with regard to the mayor pro tem item on the on the site plan light or removing the site plans for the four units. Apparently we there are still concerns with regard to the commercial versus residential code and which applies whereby by, you know, the residential code is generally speaking a much simpler and easier code. There are more contractors available all that know how to work the residential code and are familiar with the standards for the residential code, whereas the commercial code strict the limited number of contractors that are, you know, kind of familiar with the process, familiar with the code carry the types of insurance, those kinds of things like that. And the line apparently and

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And the line apparently and please correct me if I'm wrong though is the two units or less you use residential code, but even though we have eliminate site plan requirements for the four units, there's still all this commercial building requirement agents that are strict make those projects much more difficult. I don't know if that was quite contemplated in the in the site plan item. Again this is the first I've I've really I'm learning about this process, you know, very complex development process. And again, any thoughts on that or and I understand also I'll just say like Memphis, I believe just moved to, I think six units or less was residential code. And I want to say North Carolina as well. Move to basically saying that a four unit project doesn't need to go to the commercial level of code with the idea being that we want to facilitate these projects and move them forward just any thoughts on those changes? >> Yeah. Yes. Even though it's

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>> Yeah. Yes. Even though it's not actually part of this project I've been in conversation with on that on that issue and heard from some of the stakeholders about that concern. I'm a code geek at heart, so I'm sorry if I go too technical, but yes, mean there's a way to actually build up to four units under the under the residential code. And so we can we can build those as a townhomes and actually use the I don't consider the ibc to be more complex than the they have the same requirements. The only problem is that when you go to the ibc, you have more reviews in the department. So we are working through those challenges right now and talking to staff and see how we can actually make that make that a better experience when we're dealing with the site plan light up to four units and we are making progress on that one, especially with the adoption of the new codes. So we're going to go next year. >> Thank you very much. >> Thank you. Councilmember. Any other. Yes. Mayor pro tem. >> Thank you, mayor. I want to start with a question about slide 16. It talks about the people part of this holistic approach and in the slide, when

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approach and in the slide, when it says 21st century model with compelling employee value proposition and skill building, is that geared toward employee recruitment, retention, you know, promoting from within? Is that where that's coming from? >> A little bit of all of the above? Which is so to step back a little bit, if you look at the research of public sector employees, why they leave. So on the retention side, actually professional development tops the list of the lack of professional development opportunities so that is an example. That is one element of it. The flip side is also on recruitment as well as what is the value proposition. Ann for me to join an organization and is just one example of a potential shift, not advocacy, but just as an example which is that many public sector organizations still operate on the kind of cradle to end of end of a career perspective of, hey, can we bring people in for an

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can we bring people in for an entire life cycle of that? They remain for 30 or 40 years and when that is not necessarily realistic, obviously in the current labor market and in the current expectations. So it's how to adapt to be more nimble and attract people for maybe periods of time in their career. You know, as starter career, mid-career as opposed to having a kind of career, you know, end to end perspective towards your value proposition. >> That makes sense to me. I know a lot of folks that are of retirement age now may have stayed in one profession their entire lives with one company, but we just don't see that these days. You just don't see that are going to be moving around. You know, we've had conversations previously about how to attract former employees back and trying to make that incentive more feasible for people. Things like coming back in and folks would lose all of their vacation pay and they'd come back and they'd start back at square one. And we know there's folks out there that have years of experience and working, you know, for the city and for these departments in particular. I have another question, and it is about slide

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question, and it is about slide 15, where it talks about single family redevelop development, Greenfield development and multifamily redevelopment. And it seems like there's a really high percentage of Greenfield development. And that struck me, you know, are we incentivizing utilizing the most centrally based land where a lot of folks already work and trying to shorten commutes? Or are we somehow incentivize using, you know, building in the Greenfield, which is farther away and sometimes can create congestion and other sorts of environmental impact? S can you talk a little bit about new development versus redevelopment and which one's more enticing? Absolutely >> What I can speak to is the facts of the case. I cannot speak to the incentives or the policy perspective, so maybe I'll turn over to the director on that. But the numbers that you see on slide 15, which are you know, again, 30, 38% of the

applications in 2022 were for Greenfield development. We did look for from 2020 through 2023 as well to see if that number was consistent. And it is

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was consistent. And it is basically consistent with the historic norm. Can not speak to the incentives or encouragement on that number to just administratively, I don't know if the director has comments on it, but just from an administrative standpoint, those were the percentages. >> I'll give him just a second. >> Yeah, yeah. >> We'll have to get back to you on that one because I don't think we have that data. But I mean, I don't think we actually doing more like incentives on the Greenfield. I mean, it's all mandated by the by the land development code. So I will have to look at the details on on on the amount of development that is going on in there. And see how how is that that we are we see that that amount of development there. So. >> Okay. And then another question on that same slide when we talk about single family versus multifamily, was there an assessment of things that are between duplex and, let's say, 20 units like we've talked about the site plan light process that staff is currently working on? Was was that part of your analysis? Is how hard is it to get through for missing middle styles of housing?

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styles of housing? >> We did not do that analysis. So happy to provide the details on the for example, the single family residential that scenario is based on a duplex. We could get into, but we didn't. We only did these three basic scenarios. >> Okay. >> Just as a reminder that ordinance passed after they actually finish their work. So we were in the process of making those adjustment. So I think we're going to see more of that information once we get people using the system and see how how easy it is to actually go through it. >> I appreciate that. I know these conversations are happening concurrently where we're trying to make it easier for people to build. The more flexible styles of housing that that fit more seamlessly into into walkable neighborhoods. And so I'll be curious to see how that conversation plays out moving forward. I hope that this is an opportunity to get it right and to get it done very smoothly from the beginning. So I think there's some opportunity in with these conversations. >> Burns right. >> Thank you, councilmember Allison alter. >> Good morning. Thank you for being here. Excited to see this work move forward. And I do want

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work move forward. And I do want to just offer a little bit of historical perspective, because this is not the first time we've had this conversation. It's not the first time that our staff have said that we need to have better coordination and that they wanted a study and they wanted these other things. And for various reasons, that hasn't happen. And so for the city manager's office, you know, I really do hope that

this time the upper management will lead in and help to make this work, work so that we can shorten the times and facilitate the process. But that really does require not just Mr. Roig's leadership. It's going to require for the city manager's office leaning in. So I just want to kind of underscore that if this time is going to be different, it is not just on the development services director. I want to go back to the question that councilmember Fuentes raised about the primary customer and the different views of that. I mean, that's inherent

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of that. I mean, that's inherent in a government position. And so what I really want to understand, Eid is, you know, some of the codes are necessary for life and safety and to propagate values that we have in our community. And I'm a little concerned about that presentation of, okay, who's our primary customer? And then we're saying, well, everyone's our customer. I'm not sure that that solves the problem that's being raised, but it is true that you have multiple customers. So can you help me understand how we prioritize the life and safety issues and the quality of life issues that are part of this process at the same time that we understand that there's costs that we're imposing on the applicants with the time, like how do you get that right balance and where does that life and safety, quality of life perspective get brought in? And how is that valued in this process that you're proposing?

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process that you're proposing? >> Thank you for that. And I think that's that's a challenge that we have, right? We have different departments and everybody has a different priority. And their main job is to protect the environment or utility and things like that. But they have a piece on the development process. So finding the balance, you know, finding that how can we continue to do development in a responsible way while we actually achieve all the outcomes at the end of the day, it's all about outcomes. It's how we can get we can get a better process in place that we can achieve all the goals that we have, whether it's environment, whether it's water quality, whether it's like, you know, location of utilities and so on, and resolve those conflicts along the way. I think that the main key here is actually not being stuck in the process, but actually look at the at the system and look at the customer and provide that experience and finding that balance, which is what we're working on with the department meeting that we have right now with the with the other departments that we have. >> Thank you. I want to want to suggest that perhaps you take a look at how we've implemented

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look at how we've implemented the wildland urban interface code, which does require that cooperation, but has allowed for some of the flexibility and allowed for some of those conversations

early on while still maintaining the life safety. We were one of the only cities in the country that has done that. My understanding is the way that that's being implemented is really working collaboratively. Fauci to address the real problem that the life safety issues pose. Ed while still addressing some of the cost issues and being creative, understanding that different sites are different in how you do that. And so there may be some lessons to learn even from our own processes there, because I think you know, we're still growing in that process. But I think we have done some of the things right in that regard. The other thing that I wanted to raise was the IT platforms. So we are not very good at implementing new platforms. I'm in my seventh year on council and I think for

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year on council and I think for six and a half years I've been asking where are human capital management system is and may be on this week's agenda. I still don't know from my Q&A the way it was posed. And that's like basic things, like time sheets and, you know, like so how is this time going to be different? But with respect to the platforms, I'm chair of the audit and finance. We have a ton of audits that have told staff we've been promised over and over and over again that we were going to be fixing Amanda. What is going to make this time different? >> What is going to make a difference is that we have the full support from right now. Amanda system is done. We're done with it. No more updates. So they already went through that. A task to looking at the requirements for the new system. With the work with McKinsey, we have identified all the things that need to be added to it. So now we have the full support to actually move forward with the new system. Mean it's not like we're going, oh, let's think about it, let's do another upgrade. We're done with Amanda and the customers know that. We've been telling them that and they are expecting that to

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they are expecting that to happen. So we have a lot of expectation on the on the plate right now. And I think that one of the challenges is that experience that the customer has with the portal and getting information from that system as well as the director for the department, it's really hard for me to get data on on processes and where we are in the in the system. So we're done. I mean, so at this point we have the support from city managers office and we are moving forward with an upgrade. >> And how are we set in terms of funding to implement these sets of processes? We have information on how is it going to be funded? >> No, we'll get you that information. I think that I think the funding is being allocated for that. But so I believe if it is not allocated already, the plan is to allocate it, but we can confirm that. >> But the this is a top priority for us. It's a top priority for city management. And so it will it will happen. >> I believe we also identified as a nominee for CMS. So I think it's actually the funding is

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it's actually the funding is actually assigned to the replacement. So we're we're moving. >> Okay. I have to look back for the particular item that's for this week. I'm assuming there's a funding source for that or it wouldn't be on the agenda. But the whole process, you know, even when they go through it, they're going to be costs. There's the Amanda costs and all of that. So if you can give us a sense of what you're projecting in terms of costs or what's already budgeted or there's a mid-year budget amendment that has to happen in so that we can anticipate any changes that we may have to think about as we plan. Think that would be really helpful. Thank you. >> Any other questions? Yes councilmember harper-madison, not a question. >> So much as a statement. Literal we have a staffer right now whose computer is completely kaput and I've had some kibbutz. I just think, generally speaking, I appreciate councilmember alter's line of questioning from

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alter's line of questioning from a larger perspective. But for what it's worth, when our staffers and our council members computers go kaput, it's problematic. So just wanted to add that to the conversation. >> Thank you. >> We are making sure that all employees have the tools that they need to do their their right work. >> So I appreciate that. >> Thank you. >> Mayor pro tem, I've got one last question I'm curious about. >> Throughout this process, if there's a focus on identifying conflicts between code and criteria manuals or other sorts of council direction, is that part of the work. >> Short answer there is yes. We did go through the kind of very intensive effort with the city staff to identify areas of overlap in interpretation across multiple departments. There's 4547 sorry sections that involve

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4547 sorry sections that involve more than two specialties. So that means it doesn't necessarily mean there are different interpretations, it just means that different specialties are looking at the same code and over 90 metric themes that involve two or more specialties. There are some that involve up to nine different specialties looking at a specific issue, and it could be, you know, sidewalks or height, you know, a variety of things that redundancy is not necessarily leading to not necessarily leading to tension or different interpretation to be clear. But we have gone through it and we've identified those opportunity. Luz and quite frankly, what it then requires and has started is the ability then for the stakeholder or the internal teams to come together and actually have the discussion of, wait a second, how are you using that? How are we using it? Are we in fact in tension? So that was something that was identify died, went through at a relatively granular level to identify those and in some cases, the city staff has already begun to have the dialog of, you

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begun to have the dialog of, you know, deconflicting, so to speak, to make or synchronize Ann on how they interpret. But there is quite a as I just identified, there are multiple opportunities where different specialties are looking at the same code or same theme, sometimes for different reasons, and that needs to be de-conflicted yeah, and I'm curious about that from a couple of different angles and some of which is do we have conflicting code where there's actually two different lines of code that don't add up to the same result and then others that are just who's looking at the same sentence and reading into that differently. >> And obviously you're going to get differences across departments because everyone has got a, you know, an expertise from a different angle. But I know this dais and previous diocese have said, you know, we're ready to help iron out where those conflicts are. If it's really a matter of you need council to come in and interpret what do we want that to look like or do we need to change the language of the code for specific reasons that we're more than happy to do that. And so I just I know we've had these

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just I know we've had these conversations over the years about are there parts of the code that just don't make sense? Are there parts that are duplicative or redundant? And that leads into the larger conversation of do we need, you know, a more intensive cleanup and do we need to make it a little more streamlined or is it something that we can work with the code that is existing and just try to iron out some of the problems? >> Thank you. Thank you. Mayor pro tem councilmember Fuentes. >> Thank you. Thank you. Mayor pro tem, you're or your question reminded me of what is probably the most important question for this item. Is on the agenda. You know, we just heard from Mckinsey regarding the report that they that they did Ed and we talked about recommended strategies. Director Roy, you talked about what's already underway with the department. So what does this contract, the item up for approval on Thursday with Mckinsey regarding the implementation? Like what is the scope of work for that effort? And if someone can talk through what we can expect, you want to talk about the first phase of

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talk about the first phase of the contract. >> I think it's best for you to . >> Okay. Yeah. And I think that, you know, that's what we didn't wait for are the quick wins. We were establishing those anything that we can do as a department, we're going to start that work. So the work with Mckinsey that is coming up is going to be very in-depth, quick looking at, you know, all for the first six months of implementation so we can get the department in the on stage and we can actually start the process of putting the requirements for the new software that we need. Looking at how we can we can have that communication, collaboration and implementing these tools that we need in place to actually, I don't know, think it's a slide you have you have the number, the slide slide 17 is the one that describes, you

know, the work that is going to flow and we have adjusted the timelines accordingly. But that's that's the importance of the work within McKinsey. They're going to they're going to actually put all the resources they have on these and of course, we cannot do this alone. I mean, there's a lot of resources that we need to actually meet that that demand

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actually meet that that demand on the work. Okay >> Well, let me rephrase my question. Like what at the end of this contract with McKinsey, what what is our desired outcome? What are the goals of having them on board and what can we expect? >> That's a that's a great question. And I think that, you know, at the end, at the end of the contract, we expect to see tangible results on the on the process. We expect to have the requirements that we need for the new system that we need in the in the in the department and really establishing the guidelines and the kpis that we need across the departments to actually make this process a better process. There's a lot of deliverable goals in there and on on that. So for that you have to go through the, through the whole contract. And you know, if you evaluate it, the goal of this is to implement all the findings. >> And 17 lays out some of the generalities, things like establishing performance management criteria, things like putting a new process in for mapping and what the operating procedure functioning would would end up looking by looking

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would end up looking by looking like and could go on and on. But then if you look at the deliverables that are in the contract, it is a it is okay. You have brought to us a really robust analogy of what our problems are in the site planning process. Now we're hiring you to employ meant what we need to do to fix all of those things. And it's going to take, as they point out, in 17, you will have some things that will happen fairly quickly. Then you will have through 2024, you'll have a lot of change in 2024 because you have that full year. But that's not even finished. Then it'll be sometime when you get to 25 that it will all come fully to scale at that point and want to add to that that the fact that we pick up the major pain point which is the site plan process, many of the improvements and recommendations that we have is across the board. >> So we are looking at at improving everything that has to do with permitting across the across the department and

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across the department and review. >> So and if I could add to that, the contract will enable staff. We're literally building the plane while we fly it. We're making these changes as we go. The director has been great at implementing things. As he's become aware of them and the quick wins that he's been able to do. But staff is continuing with their daily work implementing change and implementing more long term

change. So it's important for us to keep that efficiency and prioritization moving forward. >> So the understanding is that Mckinsey would be assisting city staff to implement all 30 initiatives outlined in this report, correct? Okay all right. Well thank you. I do just want for emphasis sake, I want to also give some comments around the it system and ensuring that the updates are made timely. I think we've all had several projects where we were promised that the updates would happen and then that hasn't actually panned out that way. And on this chart on 17, it has system implementation would begin on next March. And so to the extent that we can expedite that, that

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that we can expedite that, that effort, just knowing the critical piece that we have and how Amanda has been outlined as a source of issue, I also wanted to give my attention to that as well. >> Thank you. Councilmember Fuentes councilmember harper-madison thank you, mayor, for the recognition. >> My question is for staff and possibly the consultants as well . I'm interested in how these proposed changes will benefit not just builders and developers of new housing or developments, but also existing small business owners. And this is why this is important to me. I'd like to provide some context. Several small businesses in my district , most recently the national really renowned restaurant, Mr. Ann at 12th and cedar. You're smiling like you're familiar. >> I'm familiar with it. >> I have found themselves in

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>> I have found themselves in the tornado of conflicting permitting and processes. These conflicts can cause small businesses. 30 people got furloughed. These conflicts can call businesses or cause small businesses. Those who don't even own the property. Correct. To lay off their staff and lose inventory and reduce business operations to get their work done on to the property and the tenants. How will these proposed improvements that are being developed that benefit small businesses like a Mr. Zakaria thank you for that question. >> And I'm very familiar with the with the situation there, and I can tell you that, yes, that's what happened when you had different departments in charge of different things.

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charge of different things. You're going to find these conflicts. We're not waiting for , you know, Mckinsey to come in and implement improvements to actually better that experience . And I could tell you that as a fact on that one. Our staff has been able to coordinate with different departments and bring them to the table to actually have that conversation with the with the business owners. I think as we continue this process and working together as departments, we can identify those conflicts and we can actually have a way to bring them together to have a conversation and find a resolution right away. I'm happy to inform you that we had a meeting yesterday that was the staffing there. There was fire

department there, Austin energy staffing there. So everybody working together for the solution, which is, you know, in many cases we don't see that improving communication, transparency. And that's the key. And I think that when we're looking at just it's going to be it's going to be an overall improvement in the department on on all those items. So but we here for the small developer with the big developer for the mom and pop shop and we want to provide the services, you know, the best we can so we are

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the best we can so we are working really hard to actually get that coordination done between departments. >> I would add to that, I would like to complete my thought. >> Please. I appreciate the response. But while I appreciate the response and I really, truly appreciate at the level of. The level of you all appreciating that we have a gem in our city, a nationally renowned restaurant and chef who you are under fire by way of our permitting process . I mean, I mean, they're like for departments that are coming down on them right now. And I appreciate that you recognize that. I would like to say that while I appreciate the response , I truly hope that a part of the scope of the work that

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the scope of the work that Mckinsey does will include on opportunities for the city to work with local business owners . It's critical to work with local business owners and a preventative education manner. So as to prevent this kind of punitive and detrimental outcome. It has real consequences. Agree so I must add. Mr. Is a business and I'm speaking to them specifically because I've been dealing with this specific Leslie Kerri for a great deal of publicity and notoriety. We simply do not know how many lessons that we can learn here and it's important that local businesses have fallen prey, frankly, to our convoluted system. It's a mess.

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convoluted system. It's a mess. And they are right to be mad at us. So how will these changes help them and how have existing small businesses been engaged in the remediation process? >> You're talking about a specific to that case or generally, I mean, generally speaking, I mean, beyond the pandemic, I mean, we watched so many small businesses fail, but beyond the pandemic, I just think generally speaking, we don't offer enough support for small businesses that we rely on require an and I would like to know how how have they been engaged in the process? >> Yes. Like what are we asking them in terms of what they need ?

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? >> That's a great question. I think we have done a great job engaging with the stakeholders and they actually part of the stakeholder engagement within the department have many, many opportunities for community action. They can come and ask questions. They can come in there with the project beforehand and have a discussion with us and look at all the requirements that we have in the codes. I want to make sure that we actually, you know, take a look at the life safety aspects of the code, which is important to have that in mind too. But we are we are, you know, open for the communication. And, you know, before they start the process mean they can come in and they can have a communication. So we have engaged and we have a great group of people that those neighborhood and neighborhood engagement and I'll make sure that that we think maybe that was a question was asking like how are we engaging with them? >> Like, are we offering them the opportunity to on the front end, we need to maybe target more small businesses and we can actually expand that that communication and education process on that. Definitely think that would be a great idea. Thank you so much. Let me just try to elaborate. >> You know, council member, mayor, council. First of all, we've engaged with stakeholders

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we've engaged with stakeholders . So that's, we've, we've done that. But one of the things that Josie has done under Veronica's leadership, assistant city manager Briseno leadership is we've brought all the pieces of the development process into one building. So when we when someone comes in to want to know, I want to go do a home improvement or I want to do a commercial improvement, we've got all the players are supposed to be in that building so that they can work with those small businesses as middle sized businesses, large businesses. The other thing that was mentioned by the consultant during the presentation, which is key, is the number of touches someone has to go through in our process is so extensive, it's easy for a homeowner or it's easy for any business to get frustrated with that process and try to do short circuits and what ends up happening is we end up short circuiting a process which ends up taking longer to fix it. We're intending to try to be as customer friendly as we can and also have a fidelity to the code, whether it's the building code, the electrical code, as well as the land development code. So that's really the intent here. And we're going to continue to connect with all stakeholders as

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connect with all stakeholders as we learn more from them in terms of their frustrations, in terms of things we ought to be building into our process improvements so that we can address their needs as well as the community's needs. >> I appreciate that. Thank you . Interim city manager. I think the one thing I would add there is, we have options. There are unionized block walkers who can hang door hangers and Ed who can actually actively reach out. I think sometimes while we have these resources which I appreciate folks don't know that they're available to them and that's a part of the problem. So

>> So thank you for your comments. >> Thank you. Yes, ma'am. >> Councilmember Allison alter, thank you. >> I'm not sure if my question is for procurement or the city manager's office took a look at the rca again for item 23 and do have a couple of questions. So it says it's for a term of six months is an and this

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months is an and this conversation doesn't sound like this is a six month project so can you share why this is a six month term? And it's a six month term to not exceed 2.5. Are we expecting that you're coming back in six months and asking for more money or is this how do we how do we think about that term? >> Let me ask Veronica to answer that question, since it's an item that she was the sponsor of the term for six months. >> Our understanding is that it will take the six months to really get the implementation and hitting the ground running. As said, we've already started. So we're trying to be we're trying to prioritize a swift and efficient response. So that was the idea behind the six month term. And I don't believe the intention is to come back with an amendment. But I'm looking to our director to confirm that. So it is for the six month term. Okay >> So Mackenzie's engagement is the six months period and not to exceed 2.5 million and you're not anticipating coming back and asking for more after that 2.5?

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asking for more after that 2.5? >> I hope not. Well, we'll see. I mean, but it is right now, it's for six months not to exceed 2.5 million. Yes >> Okay. >> And then for better or worse, we have not had the opportunity to have that many pro-bono. Engagements of a firm of the caliber of Mckinsey. And I appreciate that. But but as chair of audit and finance, I just want to clarify that we are able to switch this over to a contract because we are using a cooperative agreement, aren't, under omnia partners partners which have not heard of as a cooperative agreement before. But is that the procurement process that we are using rather than competitively bidding? This is because this particular firm is available through the cooperative agreement. >> Councilmember mayor James

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>> Councilmember mayor James Scarborough financial services department, central procurement . >> You are correct. We would actually see this as a separate contract. The pro Bono agreement was developed outside of our area when this requirement came to us, we looked at it first as a professional service exempt based on the experience that the contractor had developed while they engaged us. But then we were alerted to the availability of cooperative contracts that could cover parts of these services. We reviewed those contracts determined the best fit. So omnia partners is just a national purchasing cooperative. It's available to us under Texas state procurement statutes. You might have heard of it

previously was known as us communities. It's been around for a long, long time. We've used them on a number of occasions. >> Okay. And then I would ask the city manager, so it says there's funding in the amount of 416,000 in this fiscal year's budget. But there's and it says funding for the remaining contract term is contingent upon available funding. So presumably

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available funding. So presumably we have a sense of where the other 2 million is coming from. If you can provide that clarification either now or before or Thursday, I would appreciate that. >> Yeah, we'll do that. And in fact, as you will notice from a lot of our contracts that come to council, you'll have that phrase in there. We've got the funding for this fiscal year and then to move beyond this fiscal year will be contingent on funding, but we'll identify the funding. That is true, but we also usually at this point, once we've passed the budget, we would know whether we have the money in the next year's budget. >> So we'll get we'll get the rca may have been drafted before then, but I would like the clarification. Yeah. >> Thank you. >> All right, members, first of all, I want to say thank you to Mackenzie and thank you for the presentation. And we also appreciate the director. Thank you for your detailed approach to this. I've been looking since I have been involved in local government for somebody that would openly admit they're a code geek and then I wonder what what that why would you ever

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what that why would you ever want to be a code geek? But guess being the director of that department, we want a code geek there. So thank you for being willing to admit that and thank you for what you do. We'll look forward to Thursday and if there are any additional questions, of course, council will try to submit those to you in advance of Thursday. But thank you all very much for this. Members. That'll take us to our next item, which is a briefing on the Austin tourism public improvement district. As soon as you're ready to take it away. Okay. >> So good morning, mayor and council. I'm Katie Zamesnik. I am an assistant director with the Austin convention center. And I'm here today to talk to you about the proposed Austin tourism public improvement district or PID, as you'll hear me call it, throughout the presentation, I am joined by my

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presentation, I am joined by my director, Tricia Tatro, as well as Tom Noonan, president and CEO of Visit Austin. And we're here today because on August 31st we are asking for council approval of the service plan and petition language that will go forward and is the first step toward the creation of the PID. So we just want to talk a little bit about what a PID is. Austin's experience and then some of the financials included in their. So what is a PID? PIDs are a special sort of public improvement district that are

created at the request of hotels . They are designed to generate funding for the district, for sales and marketing activities to design, to generate hotel activity within the city of Austin. Specific public improvement district will actually also allow for the city to generate funding for critical city priorities through the success of the Austin convention center, the pid will actually allow the convention center to remain competitive with our peer cities, such as Dallas and San Antonio, who already have in

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Antonio, who already have in place. It's going to also provide critical funding for the for tourism in the city in the years that the convention center is closed for the redevelopment and expansion. And last but certainly not least, is going to contribute to hotel occupancy, tax growth, which will benefit our cultural arts. Historic preservation and live music funds as so as I mentioned, the service or the pid is comprised solely of hotels in the city of Austin and within that it's only hotels that have more than 100 rooms in the city. It's over 60% of the hotels have to agree to the to the service plan and request this. And it includes an assessment on gross taxable room nights in the city on those eligible hotels. The Austin pid service plan includes a 2% assessment on that gross taxable room night. The council will annually approve the budget and the updated service plan and assessment as and then it is overseen by the pid management corporation, which is created as

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corporation, which is created as a tri party agreement between the city of Austin, the pid management corporation and visit Austin this specific pid is currently proposed to be in effect for ten years. Council may renew or dissolve the pid after that. As I mentioned, it must be approved by over 60% of the hotel ownership groups in the city. And then finally, the Austin pid service plan includes a primary and secondary program of work. The primary program of work is in effect when the convention center is fully operational and then the secondary program of work is in effect when the convention center is closed for the redevelopment and expansion project. So the service plan includes budget allocations for the revenues that are received through the pid, what's shown on the screen here are the budget allocations that are in effect during the primary program of work. The first category, the convention center group business incentives, which is what we'll be talking a little bit more about in later slides, is the portion that is allocated to the convention center for group business incentives and is the

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business incentives and is the source of funding that will ultimately flow to the city as unrestricted revenue. So as you can see here, it is a 20% of the total revenue of the pid. We do have access to an additional 20% from the sales and marketing activities category below. If we expend the first 20% in a

given year. So I do want to pause and just explain kind of how the convention center's business model fits into this. So when the convention center is evaluating a piece of business that wants to book at the center or if we are looking to compete to bring a convention into the city of Austin, we take a look at all of the revenue that that convention will bring, not just what benefits the convention center. So this includes hotel tax, sales tax, etcetera. If they cross a certain certain threshold, we give incentives to those events or buy downs. That's essentially just revenue that the convention center is forgoing in recognition of the extraordinary impact of this event on the city of Austin, we are made whole through our

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are made whole through our allocation of hotel tax, and that is our business model and the business model that occurs all across the country. We and so that's that incentive program is what is eligible under under this 20. And then the additional 20% as well. So then the next category is the sales and marketing activities. This is 60% of total revenue. However, 20. So which would reduce that down to 40 is eligible to be included in the convention center's group business category . Then you have the hotel business incentive program, which functions very similarly to the Austin convention center's group business incentive program. However it's only for events that occur at area hotels and then finally, you have 10% of the total revenue goes to research and administration. And this is just to measure the efficacy of the programs being undertaken with the pid dollars. I do want to pause here and just acknowledge that this service plan is different than what was brought

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different than what was brought to the city council in 2020. That at that time the there was a postponed at the request of the stakeholders in order just to have a little bit more discussion as we were in the middle of covid, we've worked really diligently with all of the stakeholders in those intervening years to bring forth this service plan, and it just really reflects the realities of the industry. We, the convention center and the hotels as a whole. So in the old service plan, the convention center was envisioned to remain open during the reconstruction Ann that is no longer the case. And also covid had a devastating effect on the hotel industry. And so that is why we've ended up in this with these categories that we have here today. So want to talk a little bit more about at the convention center incentives . So as I mentioned, the primary program of work there at the top is what is in effect when the convention center is fully operational. So that'll be the time period from now until about 2020, mid 25, when we close the facility. And then we'll be back

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facility. And then we'll be back in effect in 20 late 28 or 20 early 29 when we reopen. So the secondary program of work was created in order to allow the convention center to still give incentives during the closure period. But it does also recognize that those that level of incentive will be far less than what it would be when the convention center is operating. Vinyl so therefore, under the secondary program of work that our 20% allocation is reduced to 10% of the total revenue, and then that that differential will that 10% differential is put into a floating category called the variable room night generation share. And that allows this flexibility and it can go toward any sales and marketing activities, including further buy downs at the convention center. And so you'll see here the convention center is eligible for this category. And we would be working very hard to get that second 10. It does also create a reopening fund. And so of the allocation that the convention center receives under the secondary program of work, 50% of any

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program of work, 50% of any unspent or or funds that have not been encumbered are earmarked into a special reopening fund that is available when the convention center reverts to the primary program of work and would be used to buy down and to do more sales and marketing activities. When the convention center is reopened. So then the next question is how does the city get the money? And so we've created this graphic that shows how it flows from how we get from tepid to unrestricted revenue to the into the general fund. So the first step is the hotels pay their 2% self-assessment. They remit this either quarterly or monthly, monthly, just as they do their hotel tax. And then each year, the convention center during the budget process, which again is approved by the board and the city council, they will the convention center will review the upcoming events and submit our estimates for what's incentives and what events we think would be eligible under

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think would be eligible under the pid. The management corporation reviews and approves these these incentives. And then again, that budget is approved by the city council. Then the next step is that the events with the approved incentives occurs and this is where I want to take another pause to kind of explain a little bit of the nuances with how the money is flowing to the city. So the convention center books business years in advance. And so we will be using the dollars that we are allocated in in a year, both for current year business and then also for future year business. The funds have to remain encumbered and restricted up until such time as the legal limitation of the funding is satisfied in this case, it means that the events with the approved incentives actually occurs. So in what you might see in the service plan for the convention center's allocation may not necessarily reflect what the transfer is over to the city as unrestricted revenue. And this is again because we will be using our current year dollars

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using our current year dollars both for future business and existing business. So once the event occurs, state statutes are satisfied the funds become unrestricted and the convention center will submit all necessary paperwork to show that the event occurred and what the final incentives were. The management corporation then will transfer those approved incentives over to our creatively named pid fund in the city. It'll be a special revenue fund. And then from there we will collect funds throughout the year and then during the budget process you'll see that transfer to the general fund and can be allocated to council priorities. At that time. So the money slide. So you can see here kind of what the overall incentives this is what the draft service plan and the pink header there is the 20% for the convention center. I do want to stress that these revenue projections are based on a 7.5% growth. This is just to ensure

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growth. This is just to ensure that the pid is capturing the full amount of revenue available to it. It is possible that these numbers will come in slightly less than that. So you can see the 20% allocation for the convention center in that in that pink column and then the light gray headers on 24, 20, 24, 25, all the way down to 2028, 29 shows the years where the secondary program of work would be in effect. And so those numbers are halved based on the allocation. So if we are eligible and get the full 20% all throughout the full ten year plan, you're looking at about \$78 million that would flow to the city for as unrestricted revenue. It could be as high as 120. If we are able to capture that additional 40% during the primary program of work. But it may be as low as 60 if the business just isn't there during those years of closure or, you know, if we're not able to tap into that additional 40% so as I mentioned, the pid will be

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mentioned, the pid will be overseen by the pid management corporation that is created as a as an agreement between the city, the pid management corporation and visit Austin. The Austin city council will review annually and approve the budget plan or the budget and assessment plan every year that's proposed by the pid board. The board of directors is composed of 11 hotel members and then there are three ex-officio members visit Austin's president and CEO, the Austin hotel lodging and associations president and CEO and then the Austin convention center. Can you advance one slide? It's not working. Okay, last slide. I promise. So as I mentioned at the top, on August 31st, we are asking for council approval of the draft service plan and petition language. This will allow the hotel lodging association and visit Austin to go to the hoteliers to collect their signatures. It is important to note that this step was not required by state law. However, it's been found in the creation of other pids that this

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creation of other pids that this council approval of this gives the hoteliers certainty that nothing will change in the service plan if the if we if the petition collection of signatures begins and the service plan changes, we have to start the process all over again. It is about a two month process to get the signatures for all of the hotels. And so we anticipate that we'd be back in October to of council approves on August 31st. At that time we would be doing a two public hearings, one to create the district and one on the assessment. And then also that would be the day that council would take the action to create the district. All of these three things can happen on the same day, and we're anticipating that in about October and November, after that, the district will begin the assessment and the remitting of fees will occur. And then what we're recommending as staff is that during the 2025 budget process is when council would allocate the dollars. This just allows for us to see kind of how the funds are flowing, get our feet under us and just

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get our feet under us and just see what we're talking about, because the funds will kind of come in during the year as events occur. And with that we can take any questions, council members questions. >> Yes. Councilmember Fuentes, thank you and thank you for the presentation. >> This has been helpful. Can you talk us through the staff capacity when it comes to 20% working on the 20% of incentives for that year? And what does that look like? And if you can explain that in more detail. >> Yeah. So every year we kind of know what we have. As I said, we book years in advance. And so we know sort of what our baseline level of incentives for our events are. So the process to come up with our estimate each year is pretty simple. And then on the back end, our sales team is working. You know, there's food and beverage credits that happen during the event that can change. And so we have document Ann that kind of flows throughout. The other piece is we are looking at our incentive program in order to

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incentive program in order to see how we can rework it to maximize the amount of funding that we can get to flow through the city. There are some pieces within there that we're taking a look at and we think that we'll be able to increase what our current incentive program actually looks like won't affect our customers at all, but it will just allow us to gain a little bit of extra dollars coming out of the pid. >> You said it's easy for staff to make an assessment of how much incentive funding for that year. Is that right? That's correct. And so and that is the I guess, the part that I'm struggling with here is if we you don't count it until the event actually takes place. So you would have information Ann is your funding this year based on events that were booked 2 to 3 years ago? Yeah they were for I mean, five years ago in some cases. >> So it's events that were booked a long time ago as well as we do. Also book within a 12 to 18 month window. >> So you would already have an estimate of how much an

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estimate of how much an incentives you can use for the next 3 to 4 years come going out. So in 2024, 25, 26, based on previous bookings, in a normal a normal course of business, I would say yes, because we are anticipating closing the convention center in 2025. >> Things are a little bit different. We're still working through what events we're able to keep on the books and then looking at how you know, we can evaluate a campus wide approach. So there's a little bit more uncertainty during the years of closure. Yeah, but generally speaking, you know, when we are open and operational and so from now until that point, I would say your statement is accurate. >> And colleagues, the reason why I'm asking about staff capacity on increasing incentives and thank you for including your presenter action and acknowledging the change in the agreement terms that were originally presented back in 2019 to the community and proposed to council in 2020. There has been a significant difference. We went from 40% down to 20. So I'm trying to understand, you know, can we

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understand, you know, can we increase that threshold to 25, 30? And part of that, that understanding comes with what is our staff able to do. So if we wanted to go to 25% and incentives per year, what would that look like for staff? >> So we have access up to the full 40% under the service plan. It just, you know, we need to get through our first 20% based on our current incentive levels. I think getting to 25% would be a difficult amount, especially leading up to the closure. You know, we've already begun to lose some business that we you know, some year over year business in anticipation of the closure they needed to go and find longer term contracts at other convention centers. So what I think that the flexibility that's built into the service plan at this point to give us the 20% and then also that additional 20% really sets us up for success because we never want to over promise and

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never want to over promise and under deliver. >> So you say we have access to the 40, but going more than 20% is contingent. If you spend the full 20% in that year. Right. And we can't get the incentive until the event is held. So there is an a variable here. >> So the encumbering of the funds. So during will begin selling the new convention center in 2026. And so we'll be encumbering funds and those would count toward that 20. So it is possible all through it doesn't have to be just what is actually out the door. The event occurs. It can be also those encumbered funds that would count toward that 20. >> Okay. Okay. And you know, part of my concern burns right now with the service plan and for full transfer currency, I'm in support of the creation of the tourism public improvement district. I think we need to join other

cities in having this type of fee assessed to visitors so that we can fund our tourism activity as well as other services. Luz, which for me

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services. Luz, which for me includes addressing homelessness. What, what I struggle with was that there has been a significant change in the agreement from what was presented in 2019 and 2020. It took a lot of hard work to get to that agreement. A lot of conversations were involved and we're here as a council with the consideration of putting forth a ten year agreement. Binds a council, the next council, the next council after that to the terms that we would be approving at this time. And for me, that gives me a lot of concern since there's been such changes, we've had changes in the economy, we've had changes in the market, we're going to have change with our convention center being fully closed. I mean, there's a lot of uncertainty coming out in the next few years. So, colleagues, I would love for us to consider making an amendment to the service plan and to consider it at a four year agreement. I think that will give us enough time to see what it would look like with us having the convention center closed. We'll have a year with the convention center open or

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the convention center open or two and then the closure and then we can come back. And that council four years from now can take a look at the terms and make that assessment of whether or not it is in the best interest of the city. And that's that's also what I am looking at, the lens that I'm looking at this through is maximizing benefits to the city. So we'd love for you all to consider that as an amendment for Thursday that we are looking at . And then the other question I have is around an economic study . We know that the tourism commission, which is a commission Ann of advisors that we have on board to provide their recommendation and having the tourism commission's recommendation on the creation of a tourism public improvement district is important. Yet the tourism commission was divided. They did not. They were not able to reach consensus on whether or not to recommend. And this ten year service plan to the city and so for me, that also gives me a lot of pause. And why think us considering this agreement at a four year level as well as a

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a four year level as well as a directing and instituting an economic study so that we can take a look at what the next few years look like, especially considering that we're going to have the convention center fully closed. So I also want us to consider that as a potential amendment that we will be bringing forward for consideration so that we can, four years from now, have that study done. We can engage the city's economists as well in this conversation, Ann and be better guided. Eid any comments you'd

like to share on the economic study? >> So the lawyers here. But I do think that state law requires a minimum of a five year cycle for the pid. I would also say you mentioned the uncertainty piece of it, and that's really what the hotels are looking for with that longer time frame. It allows them to get through to the closure and into the reopening period. Right. Because it's going to take us some time to ramp back up and stabilize as a convention center. And so if we end the pid kind of midway

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we end the pid kind of midway through the construction of the convention center, and then that doesn't really give them that certainty because we've been trying to get this T pid in place so that they have that funding as available and that they're set up for success so that the impact of the convention center closure to the hotels is minimized throughout the process. >> Can you remind me what years the convention center will be closed? >> We will be closing in spring of 25 after south by and then reopening. By January 20th. >> Okay. So that would be years two through of the ten year agreement. >> So if we do, the ten year agreement would get us to 2033, which is about when we'd hit stabilization. >> So it's going to close from 25 to 29. So that would be roughly two through six two. Thank you. Thank you. Thank you so much. >> Councilmember Allison alter.

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>> Councilmember Allison alter. >> Good morning. So we had a presentation at audit in finance, and one of the questions that asked was about the south by southwest public safety expenses and whether we could work those into to the T pad, which would provide a more regular payment that we could count on. >> Yep. So we are not able to directly pay for that out of the dollars right? They're restricted now after the 2019 law to sales, marketing and business promotion directly related to hotels, we are as we've mentioned, we're looking very closely at our incentive program. The difference is we can only discount the, you know, the funds that are coming from the pid through the convention centers allocation are flowing to the general fund and not staying within the convention centers coffers. And so for us, discounting a facility is different than, you know, perhaps us paying for the pid dollars, paying for marketing

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dollars, paying for marketing that could go, you know, could help offset some of the police costs for south by southwest, but so does south by southwest pay us anything south by southwest does pay the convention center a portion of the facility rental. >> Okay. >> I still think there ought to be a way to address that expense through this process. It is very frustrating, the change in law relative to where we were in 2019. I understand the need for the ped with respect to the the health of our hoteliers during

this process. But, but there are a lot of lot of shifts here that make me uncomfy double. I would like to continue to see whether there's a solution here with respect to that funding, which would be over \$1 million that the city is currently subsidizing south by southwest. We all value south by southwest and we want them there. But when

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and we want them there. But when we're talking about this ped, it seems like that is really a valuable part of what we're providing to the hoteliers. So I would just throw that out to Mr. Noonan and visit Austin. If there's a creative way to do that, I think that would really add to this process. >> Councilmember qadri and then councilmember pool, thank you, mayor, and really appreciate y'all's work and talking to our staff and all the presentations that have happened. >> And just so I'm clear, council member Fuentes, propose of a four year plan that legally can't happen, but a five year plan would be something more attainable. >> Well, my understanding of state law is that it has to be at least five years. Okay >> Got it. Okay. Yeah. And I think if that was the case and I don't know where the council member is at, but I think it would be in favor of a five year plan if that's. >> If I might interrupt. Yeah part of the concern, though, is we don't get to just make that decision right. If we

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make that decision right. If we if we want a ped, if we believe that a pid is in the best interest of the city of Austin and there's reasons to believe a pid is in the best interest of the city of Austin, it's a tool that allows us not just for the benefit of the tourism industry , but the city is able to gain funds through the use of that. And of course that's part of what we've all been talking about. We're in a in a very unique set of circumstances in that we're talking about creating a pid and then closing a convention center that's not typically the way a gets created. And part of the problem is four and five years would be basically create a for a period of time that we're just closed. So the parties that have to actually approve this, the ones that have to actually tax themselves selves, if you will. So that the city can utilize this tool. My guess is based on conversations I've had with them , we wouldn't have a pet at and

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, we wouldn't have a pet at and so I completely understand what councilmember Fuentes what the goal is and what the discussion is. It's just that we're kind of in a unique we're keeping it weird, if you will. Yeah and so we need to we need to keep that in mind because. >> Mayor, is it clarifying question then is the thought here that we are supposed to rubber stamp this service plan proposal? Because if we're not if we're not able to set direction and how the petition is circulated and set our priorities as a council and how we envision the pid, which what I'm proposing is that agreed upon terms just changing the length

of time that's within the ten year service to what is legally allowed. Five I'd be open to, you know, 6 or 7 years, whatever, open to feedback from my colleagues here. But we have to set the direction as policymakers and how we envision this public improvement district happening in our city. >> There's no question that's true. And I'm not suggesting that that you don't do that. All I'm suggesting is that as we make those decisions about what

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make those decisions about what we want to recommend, we do take into account the reality of the situation we find ourselves in and whether we would have a pid at all. And just think that's part of the discussion session process that we will need to have. It's not just a question of the law, it's a question of how do you get to the ability to utilize the tool. And I'm sorry I interrupted. No, not at all. >> I appreciate the thoughtfulness from both councilmember Fuentes and yourself, and I really do appreciate that. I have three questions for you all and a lot of them are more just, you know, clarifying for folks that might be watching just to get background. So like I said, for the benefit of anyone watching who might not know the extensive history of the pid, can you briefly go over the pathway from initial conversation options with the previous council to what we've been presented with today? So basically, how did we get here? Is my is my question. >> And yes. And so some of this was before both of our times at

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was before both of our times at the in certainly in your role in me at the convention center. So I will do my best. So I believe the pid conversation started back in 2017. Ann and at that time, you know, they were we were still exploring the expansion and all of those conversations were happening in state law at that time allowed for some more permissible uses of pid funds. And so conversation burns and negotiations at that time were centered around a 1% pid, where the city would get 40% of that 1, 20% would be a direct payment to the city for use for public health and safety initiatives. And then the other 20% would come through the convention center as a buy down incentive program. 2019, it's our understanding that some of the hotels around the state were taking a look at kind of what was going on with pids and desire to have the law change to reflect what was happening with the current pids in place. And so that's where you saw that

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so that's where you saw that state law change. I think it was house bill 1136 and at that time it restricted it to just the sales and marketing and promotion of, of directly related to hotels within the pid and so from there city staff had to pivot and that's where you ended up with the service plan that you saw in 2020, which again was still the one, it was 40% at 1. And it was all for convention center buy downs. It

was still bifurcated, 20% was for existing business. And then the second 20% was only for new business, which would have been a little bit more difficult for the convention center to achieve what we've done in this service plan is now have the full 20 up to 40% is of the 2% is eligible for our new and existing business. And so the change. From 1% to 2% came from the hoteliers. When they when the convention center was envisioned to be closed rather than

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to be closed rather than remaining open and so that's where the big change was, was you had covid and then the convention center expansion change. And so the hoteliers at that point desired to have a 2% pid so they could maximize the funding that they'd be able to leverage during the years that the convention center was closed . >> Ed great. You answered a lot of my the rest of my question. And just to confirm, just for background for myself. 1136 was what session in 2019, 2019. Great. Okay. >> Don't quote me on that bill, though. >> Okay. No worries. I will not. Two more questions and we've already kind of touched on this and think the council member had also touched on this loss changed, you know, you know, so the ability to receive certain benefits or it might not be the same, but what were the initial percentages? And if you don't have that right now, if you could maybe circle back around so the initial percentages, as I understand it, was the 40% of 1. >> Yeah. Prior to 2019, that first 20% was a direct payment to the city post 2019. That 20% was through convention center

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was through convention center buy downs of new and existing business. The second 20% was always just the new business portion of it. So the 2020 service plan did allow for up to 2. It would require a three quarters vote of the board of directors and was not envisioned to occur until after the convention centers outstanding 2% for the 2001 expansion was paid off, so it most likely would not have occurred in the first iteration of the pid at that time. >> Got it. Thank you. And you need the numbers already. And then my last question. When did the iteration of this current draft plan begin? >> So it would have been I jumped into it March of 2020 when I first joined the convention center, there had already been some conversations , but then we got into it in earnest and that resulted in the 2020 service plan that you saw. And that was postponed in November of 2020. >> Great. Well, thank you for answering all my questions. And once again, appreciate the mayor and council member Fuentes on their comments.

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their comments. >> Councilmember Allison alter, then councilmember Ryan alter. >> Thank you. Is there anything in the statute that limits the reimbursement to the convention center. For incentives that are provided for other projects to come to? Austin? >> I'm going to stop pretending to be a lawyer and let

the real lawyers come in. >> Hello, Ian. How Austin law department. So in terms of in terms of the reimbursement to the city, that depends really on the eligible uses. Are they eligible use of the pid and are they under the management at the service plan that the pid has adopted? So there isn't necessarily a strict number on on percentage that it can or cannot do. It just has to be an eligible expense of the bid. And under the service plan. >> Okay. So if the county was providing incentives at the expo center, is there a mechanism where the money could flow to cover those incentives.

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cover those incentives. >> To the extent, again, to the extent that they fall, that they fall into the eligible uses of the pid. And again, a county also can create pids as well under the statute or sorry, they can create not they can create pids under the statute, but it's really about what is the expense , the advertising expense that's happening that meets the statutory definition, where that money goes there. >> Okay. Remind me what the eligible expenses are. >> All right. I will read the exact words. So that we don't have any. So this is 372.0035. And you're looking at subsection E, so it's a district created after September one, 2019, may undertake a project under the section only for advertising, promotion or business recruitment as authorized by section 372.0 03b 13 directly related to hotels. And there are other I would point out as you

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other I would point out as you look at the statute that the recent legislature starting on September 1st, it'll look a little different because they cleaned it up as part of the omnibus Brackett bill hb 4559. So as you look at it now, it'll look a little different in a couple of days. >> Okay. But if we can provide incentives that are, you know, a convention exhibition hall that is less expense of that counts as advertising for a hotel, couldn't the expo center be doing the same thing, say, for the rodeo. >> I mean, that would be a way to keep the money, at least in government. >> And be used for something we could potentially agree on? Yeah think county. >> I think I'd want to look at that question and come back to you on it. Not having. >> Okay so my if you if you could take a look I'm curious if there's a way to legally

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there's a way to legally approach this that recognizes the consequences for our hotels of bookings at the expo center. County has a whole lot of other has other venues. We just saw like the bmx track. Don't I don't know if they're offering things for them to come into the city through that pard also has a number of events, including acl, that we are effectively helping, you know, to be here. If there is a way to be considered ING those as eligible to get us to, you know, have some confidence that we would be able to secure the 40% for investments into the community, whether it's fully under the city's control or the

county's control. I mean, there are other things besides the convention center that help with hoteliers .
>> Oh, yes. We can look into that and thank you. Thank you. >> Councilman Ryan alter and then councilmember pool and councilman pool. I apologize. I'd said I'd come to you earlier

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I'd said I'd come to you earlier and screwed up, so. >> And if she wants to go, I'm happy to wait. Okay similar question that I just follow up. Question questions kind of in some of my colleagues questions made me think about something as it relates to venues that attract a business. If the university of Texas gives us incentives to the moody center, in theory, that's a government entity that could. Engage in the same practice as the convention center. Is that correct. >> I think we'd have to kind of fold that into what else is being looked at. But I would say that it would need to be a contract probably with the convention center. That's not to say it's not eligible, but I think it would. And I think that's kind of based on the controls. Right. So we can't dictate what the university of Texas is going to spend their money on. We can't dictate what the county is going to spend their money on. And so there you

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their money on. And so there you kind of lose that level of control once you start adding that that complexity. But certainly I think if there's an avenue and we're looking at this already as part of our closure plan and the campus wide approach that we're, you know, that we're implementing to keep as much business as possible and as much as many conventions as possible during the years of closure. So we are looking at pard facilities. We're looking at palmer event center. We are looking at moody, that kind of thing. So I think if we can if there's a way to make it that it's a contract that flows through the convention center, I think that that's probably an avenue that that is certainly worth exploring. And when we've kind of already been thinking about and you mentioned in talking about the timing, if we if everything goes according to current plan, it would go the collections would start in, let's say, December. >> How are those collected? Are they monthly? Are they rey? What would the flow look like? >> It depends on the hotel. So they can either remit quarterly or monthly to the pid. Now the

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or monthly to the pid. Now the portion that would flow from the pid back to the city for the incentives for the events that actually occur will, I would imagine, would be on a monthly basis. We talked with the city of Dallas and I think that's what they've what they told us that they did. And so but again, it just is dependent on the event. So the second the event happens and we've buttoned it all up and got our paperwork in order, we'll be going to the pid to get those improved incentives transferred over. >> And if we started collecting in December, there would thank you. A previous. Lee a previous. But let's say we

have a buydown for January of 24 for would that automatically become eligible under the service plan or. >> Yeah, as long as the pid is active and in place. And so that's sort of, you know, that that speaks to kind of delaying Wright. So we're forgoing collections and we're also forgoing eligible events that that would be, you know, could be reimbursed through the pid and flow to the city. >> And on your suggestion that

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>> And on your suggestion that we allocate for 25, are you talking about fiscal year 25 or actually the budget process in 2025? >> The budget process that will start in 24 for the fy 25 budget process? >> Yes. >> Looking kind of more holistically at the purpose of the pid, the purpose as I understand it, as it's stated in in the documents, is to attract more tourism, more hotel stays to the city. Is that is there any other purpose aside from that, or is that pretty much what it's for? Yeah and you talk about being in a unique spot because we're about to close a convention center and how people would normally do it opposite. I can almost think that this is a very valuable time for the hotels to have a pid come online

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hotels to have a pid come online because now a big draw for them is going off line for a while. And so we potentially are authorizing Singh new revenue to help build them back up to help attract more more tourism to offset some of that convention center. So it almost seems to be an appropriate timing. But then in how the plan is structured and it does feel very I mean, it's bifurcated, right? You've got your first half, which is when we're closed and the second half when we're not. And I think that, just speaks a little bit to what councilmember Fuentes is talking about in terms of temperley looking. You know, we do have a very natural break in this in terms of the reopening fund during the closure period. Is that money allocated in the fiscal year of being less than

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fiscal year of being less than 10% or is it allocated like is there is there going to be some like separate bank account where in 2026, if we spend 8, 50, 2, so 1% will go over to the reopening fund that'll just sit in the bank account or is that just, on the like how does that work in terms of actual dollars? >> That's exactly how it will work, is that it's it will be eligible to be spent once we reopen the convention center. And so and again, we will be encumbering funds as well. And so those dollars don't count. So we might actually spend 8% and then we encumber the additional two. And so then no money would go to the reopening fund because we've spent our allocation. Okay >> So and the encumbered counts towards the year is encumbered, not the year spent. If and this might be an eon question Ann if it was less than ten years and we encumbered funds outside of the plan period, you know, let's

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the plan period, you know, let's say it went five years to 2029 and then we have contracts that are 30, 31 and what happens to both the reopening fund and the pid wouldn't exist. But those funds have been encumbered. Are they sitting in a bank account or are they Shea? Yeah. So I mean, there emotional question of what that would look like and yes, that is one of our concerns with a shorter time frame as well is, you know, ending the pid right in the middle of the closure when we've built up all, you know, all of these funds that are going to be spent when we reopen. >> And what happens, my understanding is that the funds either go back to the hotels or it sounds like they can also be spent down. But Ian might be able to answer that question, but that is one of our concerns with that as well. I mean, our incentive program is going to continue regardless. You know, we the pid is not affecting our ability to do our business as usual. It might help augment it a little bit, but that is a

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a little bit, but that is a concern with, you know, building up this fund and then ending the pid potentially. And then what happens to those dollars that we can't they can't just flow to the city as general fund? >> Okay. >> Well, like councilmember Fuentes, I, I support the pid. I think it's an important tool, especially as we enter this closure period. It will help us continue van eenoo to have the business here in Austin, the tourism, which supports many of our local businesses and so in some fashion is coming right at the right time. I like the councilmember, want want the best deal possible for our residents and I think you have really worked within the sandbox. You you find yourself and it's a tough balance. I don't want to cut off our nose to spite our face, but I also want it to do everything we can at this moment because this

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at this moment because this moment, once it passes, you know, there's no going back. So I really appreciate your words and help thinking about this. >> Thank you. Councilmember. Councilmember pool. >> It feels like a long journey. >> Yeah. >> Here with the convention center, the mayor just wanted to make sure that the city manager and the staff and the leadership overseeing all of this know how much I appreciate the really strong work that has been brought to bear over the last 2 to 3 years to get us to this particular point. Getting here has been a heck of a journey. And to have a sense of what the future of the convention center looks like and to have it crystallizing as we do here now with this vote in front of us, I think is a really important moment for the community. Katy I've scrutinized this deal in its many permutations pretty

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its many permutations pretty closely over the years and have argued with staff about details on it and I think that what we have in front of us here is a good outcome. Mayor and I would argue for the longer term for a number of reasons. One is it gives us some runway that I think we will need because we don't know how long this will actually take. We've got estimates and we've got aspirations, but we won't know. And I think that actually works to argue for the ten year term. I wouldn't want to short change that and then realize that we need to continue it and have to go back to square one and ask for everybody to sign up again, I wouldn't want to do that to all the hoteliers and the city staff to go through the process a second time. So I, I support the longer term that has been recommended here by the staff.
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recommended here by the staff. I also want to point out the role that the tourism commission has played in the past. And there was a divided opinion about what the fate of the convention center should be. And I think that we still see some echoes of that dispute that was at the tourism commission. But this dais did make the decision a couple of years ago on how we were going to move forward. And staff has since that point been building on that clear vote and Eid approval of the dais in and that the item that we're looking at here with the pid grows directly from that ground. So I can I will be supporting Lang this item on Thursday and wanted to take this moment to thank the staff for the extraordinary effort that has in fact re shaped the vision and discussed it with us and described it to us in ways that

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described it to us in ways that are comprehensible. Taking into account the changes that the legislature, the things that we knew were coming our way and things that we didn't know, but still rolling with those punches and I thank you all for that, for that work. Thanks, mayor. Thank you, councilmember. >> If there are any questions, I've got a couple that would like to get a couple of things on the record, because I know people are talking about things out in the universe. There first, I'd like for you to describe how the decisions get made on the reimbursement rate and who makes the decision to offer an a so-called incentive or a buy down? >> Sure. Tricia teatro, director of the convention center. So visit Austin is our main marketing arm and does a majority of the work going out to get the business, the tourism business to bring in to Austin. And so when the leads come through, visit Austin. We meet together, we identify what the

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together, we identify what the type of business is, how big the group is, and we analyze that. As Katie said earlier, we analyze the total room nights that they'll be bringing in, what the economic impact is to the hotel community, what the sales impact, sales tax impact is to the overall city. And then lastly, what would the convention center revenue be? We look at the convention center revenue kind of last because, again, you know, our business model is structured in such a way that we are here to maximize hotel occupancy, tax. And so we will receive that on the back end of things once we take a look at the total value of that of that piece of business that we're looking to bring into the city. Then we collected we work together with visit Austin and the hotel community as we're looking at what blocks of hotel rooms are available in the city for this total package. And then we come to an agreement on what the overall rates of the hotels will be. The groups, the you know, the amount of space that can be booked at each hotel. And what that convention center discount is going to look like. So the convention center will

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So the convention center will then put together a contract and that contract will show what the overall facility rental is for the actual convention center and any of those ancillary services that the convention center offers food and beverage, things of that nature. From there, we take that and we analyze and we give discounts based on what those booking and room night credits are, what some of the food and beverage is. It's going to be spent. And then we come up with what an actual facility rental cost is. The difference between what we would have charged and what that with those discounts are, is the amount of money that would be eligible to be submitted to the bid. So we will work in partnership with visit Austin as we're evaluating pieces of business to identify whether or not that piece of business will meet the thresholds of bringing actual room nights to the city, whether that's existing business or new business that we're looking for. And then those discounts will flow through from the convention center's contract. >> But that's the ultimate

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>> But that's the ultimate decision. When you keep saying we the ultimate decision, the business decision that gets made about what's the incentive going to be, we factoring on all those different things that you brought in, that's ultimately a decision to be made by the convention center that is correct. And so while it may be made in concert with visit Austin, correct. It's not visit Austin that's making that decision. >> Correct. >> And if visit Austin were to go out and Ed market and work to get a piece of business and even , say, incentives will be available, may be available, however, they they sell that ultimately that decision has to come down to a business decision made by the convention center for as a as a professional determination. >> If you're talking about the 20% of the convention centers allocation or between that 20 and 40% of the convention center's allocation. Ann that is correct.

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correct. >> What I'm worried about is situations where those who might be looking to create a Ed are worried about who makes the ultimate decision about where the money, where the incentives will get spent, how much will get spent, those sorts of things . That comes down to the convention center's professional staff, right? That is correct. Okay where are we? Is it an rfp or an rfq on the convention center right now? >> It's actually both. We have feel better about my question now. We actually have, I think, four solicitations to have closed. We've done evaluations. So we had an rfq for design and engineering services that is closed and evaluations have been done. Rfp for construction management services, those are the two that form that construction manager at risk methodology that is also closed. Evaluations are underway. And then we will be back to council in the fall for approval of those two contracts. >> So the what would happen if a decision were made that we

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decision were made that we wanted to reopen that that what would it do time wise and otherwise wise to the process? I'm not suggesting it. I'm just there's a lot of talk out in the world. >> Like you probably saw the expression on our face. >> Yeah, I'm worried a little bit about causing a health problem. >> So want to think of having a heart attack. >> So certainly from a timing perspective, we would absolutely lose another year on this project. >> And the loss of the first year during the negotiations with the Hilton cost us just south of 100 of \$200 million to the project just because of inflation and because we are concerned gained by the south by component of all of this. It is critically important that we minimize the effect of south by or the effect of the closure on south by. It is our largest event, one of our largest economic generators. And so our time construction timeline is we have to close after a south by and open after a south by. So this move would absolutely if we were to reopen, it would

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were to reopen, it would absolutely from that perspective make us lose yet another year. I don't know what the legal recourse is of those who have already submitted. I would have to look at our at our contracting folks and get that answer. >> But I'm just talking about time. >> It would it would be very, very detrimental to the project if could add to that, in that year, we don't have any business. >> So we have been releasing conventions in anticipation of this process. >> Yes. Thank you for that. When did the rfq, when did that close out and if you don't know, you can get that to me later. But just go. Part of the reason I'm asking this is because I want people in the world to hear these things. >> Is it closed? End of July. I think both of them closed. End of July. >> Both of them. You believe at the end of July? Yep. Good all right. Thank you. Members. You got. Yes. Council member pool. >> One last thing. It occurs to me that it might be helpful for us to get a refresh on the economic impact of south by and the revenues that flow from that

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the revenues that flow from that and to give some frame for why there are certain fees that may be waived by the city. So we've got some historical perspective on that that take us up to the current day. Mayor, do you think that'd be something? Yes maybe get a briefing on? Absolutely. That'd be helpful. Thanks. Okay. >> Thank you all very much. And council. That's. That's a good discussion on both of those items. So thank you for that. We'll now go to item number 35, which was pulled Eid by councilmember Fuentes and council member. I'll recognize you on that. >> Thank you, mayor. Colleagues item 35 is a service agreement with our Austin housing finance corporation. And so I wanted to , to, ask staff some questions regarding the funds that are being allocated to hfc. And so I'll start with if you can thank you, Ms. Demayo, for joining us. If you can start us off by just giving us an overview of the type of programs that are funded as part of this funding allocation.

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allocation. >> Absolutely. Mandy Demayo, deputy director, housing department at the service agreement encompasses it's the agreement between hfc and the city of Austin and encompasses all of our housing related programs. So on the council agenda as well as on the hfc agenda is a service agreement representing about \$112 million that incorporates both capital and operating. So those were back up to the agenda, exhibit a and exhibit B, 75 million in capital and then the remainder about 37 million in operating the housing programs that run through hfc are are our entire suite of home repair programs. So that includes from our smallest, which is our minor home repair program all the way up to our home repair loan program, which provides it's a loan to eligible homeowners up to \$75,000. And that's secured with a loan agreement and a lien

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with a loan agreement and a lien . The rest are grant programs. The funding for all of those programs include both federal dollars. So our home and cdbg dollars as well as local dollars , including our general obligation bonds, other programs include really our largest programs, which are our Roda and oda programs, rental housing development assistance, ownership, housing development assistance, and those provide gap financing for developers of affordable housing. So both nonprofit and for profit developers of affordable housing . >> Thank you and colleagues. The reason why I pulled this item is I wanted to take a look at how our home repair programs are connected. We know through hfc, we have our our home repair program, which is used for minor home repair issues and a lot of our senior residents who participate in this program to help our community stay in their homes and to ensure that homes are safe and that they're

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are safe and that they're compliant with code separately. Austin energy also has a weatherization program. And so I'm wondering how and that weatherization program is focused on conservation becoming more energy efficient. And so I'm looking at this through the lens of how are we creating a more resilient Austin, a more resilient community. And through these both through these two home repair programs are they working together? Yes. Please go ahead. >> They are working hand in hand . In fact, we the housing department administers Austin energy's weatherization program. We are all part of the home repair coalition group Austin energy, the nonprofits who administer all of the home repair programs, both in in full purpose jurisdiction as well as in the county that Travis county also has home repair programs. We have a referral process because sometimes we are not able to serve. If somebody in the extraterritorial

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the extraterritorial jurisdiction or we refer to entities that have funding that can serve those folks, but we work hand in hand, both with Austin water I'm sorry, Austin energy as well as Austin water, we administer the funding for the pilot program, which is the private lateral program. So that program we channel through our nonprofit partners to provide repairs on the home owner, eligible homeowner. So low income homeowner on the homeowner side of the property to ensure appropriate connection to the water and wastewater system. So Austin water, Austin energy strong partners referral. And we tend to leverage our funds along with each other. >> So the best source of contact, if we have a constituent who reaches out, is to connect them with whom at hfc , our home repair program. >> So you can call our main number our 974 3100, or you can go online Ann. And we actually

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go online Ann. And we actually have we have a, a comprehensive education program called Austin is my home and if you just Google, Austin is my home. There are online you can get information on on home repairs as well as property tax exemption for eligible homeowners as well as how to avoid predatory lending. A variety of different tools and Eid you can submit an application online. >> Thank you. And that leads me into the segue into property tax . Property taxes. But before I move to that, the so I guess is it possible what I've seen other cities do as they seek to become more resilient is allowing funding grants available for homeowners to create cool roofs . So to update the roofs with the technology needed to combat climate change and so is there are we looking into that? Do we currently cover cool roof roofing structures? So I need to

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roofing structures? So I need to go back and check and we can respond in writing. >> But right now, roofing is an eligible repair expense. I can't speak directly to cool roofing, but that is something that certainly overall creating more resilient and sustainable homes for our low income community is a priority for the department. Yeah. >> And colleagues, I think that would really, if we're able to add this and do some education around it, it would build off the shade structures and the other work that we're doing with the cool pavement pilot program that we have going on. Councilmember, do you have a comment on that one? >> Okay, I'll call you out of order. Go ahead. >> So the guidelines on the home assistance funding, do you know them off the top of your head? >> I'm so sorry if you've already covered it. >> The guidelines on the home repair program. So we have different programs, have different guidelines because there are different funding levels. So we start at our our lowest funding level is the minor home repair program, which starting October first, we did a

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starting October first, we did a solicitation. We'll be working with three different nonprofit organizations to administer that program. It will go up to \$7,500 per home repair and then we go to our go repair program, which is our partnership with seven nonprofits. That goes up to \$20,000. And then we go all the way up to our home repair loan program, which goes up to \$75,000. Our guidelines are posted on our website. I will say we have different Eid in order to make this more effective for the community. Essentially the eligible homeowners will inquire and talk to us about what their needs are and then we determine help them determine which is the appropriate program because we administer, as I mentioned, the pilot program, which is specific to Austin water and the private lateral weatherization program. There are a variety of different programs we want folks to come to us. We make sure they're income eligible and we make sure that we have a program to serve their needs. >> Appreciate it. Came to mind

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>> Appreciate it. Came to mind because of the Mearns meadow flooding situation. I know we had told a number of the neighbors about the program where they could get the grants, in particular the grants. I'm hoping some of them applied. Obviously the income eligibility, I don't think some of them are not going to be eligible. But there were other elderly fixed income folks that would Ed, I would imagine be eligible. >> So our income eligibility Katy, just so folks know, is 80% or below median family income. It's adjusted for household size and that is primarily because most of our home repair programs are federally funded and those are the federal requirements. >> Thank you. >> Thank you. Councilmember Fuentes, have you completed your questions? >> I just had one more one more item. And colleagues, the reason why I pulled this because I wanted to tee up a motion that I'll be bringing forward on this

item to provide direction is what I've seen other cities do around property taxes is host a series of workshops aimed at educating residents on how to protest their property tax. And I think that would be a helpful way for the city to engage, to

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way for the city to engage, to share information that we know is already available and people with means are more able to find that information. So really bringing the city out into the community, cities that needed the most to provide this type of education. So I'll be providing some direction to ask that the city host these workshops moving forward. >> Thank you, councilmember. >> And I should note that we participate in a variety of community based educational opportunities and always bring with us the Austin is my home information. We have also worked with Travis central appraisal district on their workshops, so we kind of piggyback on those to provide information Ann about our home repair programs. Great. >> Thank you. Thank you. Councilmember Fuentes. Councilmember Ryan alter, thank you very much. >> On the down payment assistance line. See, that's just shy of a million and a half. What is our current down payment assistance? What's the current program look like? >> So our current program is funded federally funded with

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funded federally funded with home dollars. And you are correct, it is 1.5 million I think this fiscal year. We haven't varied that much over the over recent years. We provide either \$14,999 or or \$40,000 through a shared equity mechanism. So there are two different paths that homeowners can take, I will say, because of the current market, as you all know, our home sales prices are somewhere around \$600,000. It is effective to shut out low and moderate income folks from first time home buyer options. So what we have been doing in the last several years is really layering our down payment assistance onto our existing subsidy or incentive program arms. And by that, what I mean is if we have a nonprofit, I'll use habitat for humanity and they're building a subdivision with lower price because we provided some sort of subsidy, lower priced homeownership opportunities. We'll work with them to layer on down payment

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them to layer on down payment assistance onto that because those homes are within reach of first time home buyers. So that's our ownership. Housing development assistance layered with down payment assistance. And then through our incentive programs, we have a variety of developer incentive programs like a vmu or something like that. And they're required because of the increased entitlements are required to provide certain percentage Paige affordable units. And we'll layer for down payment

assistance on top of that because the homes are already reduced in price that are within reach of homeowners. First time home buyers. We also have a community land trust, as you all know, and those are because administer tirz that and the land is separated from the improvements. Those homes are all being sold in the \$200,000 range to first time home buyers . And we will also layer a down payment assistance onto that. >> So in terms of the shared

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>> So in terms of the shared equity, what does that look like? Is that, we the city gets a is a co-owner share and then when it's sold we get some of that equity back or we're not a co-owner but as the home there's an affordability period for down payment assistance depending on the length of time that you actually stay in the home. >> And each year a certain amount is forgiven. Ann but then we would share share in the increase in equity and the home buyer over time. Now and then we would get repaid and then we take those proceeds and that's program income and we put it back into the program. If you stay in the home for longer than a certain time period, typically it's 15 years, then there is no shared equity component. And you've satisfied and you've satisfied the requirements. Do we have a lot of applicants to

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we have a lot of applicants to this program? So unfortunately, when you look at where you look at the \$1.5 million for in recent years, we have served historically. Between 25 and 30 households through this program, part part of the reasoning, we're actually not so much limited by resources as we are by housing stock that is affordable to first time home buyers. Really, we're looking at homes that would be in the \$200,000 range broadly, depending on the size of the home and the location. Ann. And those are next to impossible to come by, which is why in recent years we've been layering our the program with our existing programs. We are looking at ways to expand and down payment assistance and broaden some eligibility requirements. We recognize, including exploring increasing the amount of down payment assistance. \$40,000 may not be enough, but how do we ensure that we're investing the

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ensure that we're investing the right amount of dollars and securing the city's interests in that investment? We're exploring all of these different things personally, and as a department, we'd like to see a significant increase in number of first time homebuyers who are low and moderate income. But we want to set them up for success, right? >> Well, and you know, you hit right where I was going. I think that it it's both in terms of the dollar number. But I mean, we can all guess \$40,000 for down payment assistance is not going to get a lot of people into homes to buy a home. And we know the need

is much greater than 20 or 30 families or individuals. That's correct. And so how we can utilize and was looking at the \$15 million for oda, what ability is there? We have and you touched on that. So I'm glad y'all are trying to layer that on. But it's a. The number of conversations

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The number of conversations about about with individuals of I who are renters who say, you know, I could afford my monthly payment in a home. I just can't save \$100,000. It's not practical. And so you know, innovative ways where maybe we do take an actual full percentage Paige of, you know, if we were 5% owners of the home and when they resold the home, we got that 5% back and have it revolve ways that we can get larger dollar amounts for individuals in their down payment. But that is done in a way that it's not just dollars out the door. It can appreciate and recycle. I would like for us to think how we might do that. >> We are certainly supportive of that and trying to find creative ways to increase low and moderate income homeowners in Austin. >> Appreciate it. Thank you. >> Thank you. Councilmember councilmember Fuentes, thank you for pulling. That was a good discussion. And thank you very

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discussion. And thank you very much for the detailed answers. That's very helpful. Thank you. We'll go to item number 82. I pulled that item. Members the reason I pulled that item is because I want to clarification since we just went through the budget process and want to just make sure I'm completely clear as I understood the budget process where we discussed a proposed amendment on this item , it was that there was direction for the fire chief to come back with an analysis on what is needed in terms of zero 1 or 2 aerial trucks, and that the analysis from the fire chief would also make a recommendation on any new staffing request for one or more aerial trucks. And you'll remember there was some discussion about, an aerial truck being taken out of service , but being ready in case you needed it for service, what that might mean for staffing and there's a discussion about how bonds would pay for that. And

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bonds would pay for that. And then a decision would be made about staffing at any at a point after the analysis was completed by the fire chief. I'm just unclear on what it is we're now doing on an item that felt very similar. And I'll I'll start by asking councilmember Kelly, is the sponsor of the item if she wants to discuss that and then chief, I'll come to you if I've said anything wrong or if you understand me to said anything wrong. >> Thank you, Mr. Mayor. >> Councilmember Kelly, can you help us on that? Yeah, absolutely. >> So this item, is just to make sure that we have that comprehensive report on staffing

available. I understand how you could come to the conclusion that it was similar, but this specifically just focuses on that staffing component to ensure that the direction is clear to the city manager and that we have all our ducks in a row when we're making the decisions, moving forward related to the aerial fire truck and the staffing there. Yeah but you the but if you don't mind and I apologize, guys, I don't

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and I apologize, guys, I don't mean to dispute it, but the resolution directs it to be for their funding allocation to be prioritized, used and thought it was that we were going to have direction from the fire chief on what the needs were before we would we would not be directing prioritization of funding. >> The manager would then bring it back to us. Am I reading that wrong? >> I mean, that definitely sounds familiar. Could we hear from the fire chief what she believes this resolution does? Obviously, I don't want to be in conflict with anything. We've already passed or something similar. But I'd like to understand how they see this before I give further comment. >> That's great, chief. Talk to us. >> Joel baker, fire chief, city of Austin fire department to begin with. Thank you very much, Mr. Mayor. Council members councilmember Carter, for giving me an opportunity to talk about the staffing for the area apparatus that we need. It's my understanding the resolution in 2020, we receive our proved to receive one new area with

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receive one new area with staffing. Well, we received the area truck. We have that truck. We did not receive the funding or the additional personnel for 16 personnel to staff that area truck. So we have a truck in service, but we don't have the personnel. Well, actually we don't have the truck in service. What we did, we took that new area truck. We play the shell game, we put the new area truck in service and we took the oldest area of truck that we had in our fleet and put it back in a reserve right. That's what hath taken place right now. So we have a brand new truck. We don't have staff. However if we had funding today, Ann and approve of additional 16 personnel, we can staff a truck up. We need a truck on the southeast area of town as well as northwest. >> So zo guess my question and maybe it's for we wait till Thursday and do it with when

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Thursday and do it with when managers that's why we went through a budget process this and it was my understanding that as part of what we were doing in the budget process and one of the concerns about an aerial truck was, was that if we went ahead and purchased another aerial truck where would the funding come for the staffing? And that's why the amendment discussion that we had was that there would be something come back from you at guess now at a later time. But you're telling me

apparently you've done the analysis, I mean, that was the purpose of the budget process. That was the purpose of laying out the amendments on a special day. So maybe I'm the only one confused, but I see some heads nodding that indicates I'm. >> Mr. >> Mr. Mayor, I see one head nodding that yeah, you are the one confused. But the rest of it saw some other heads that looked like they were more in line. >> Mr. Mayor, in this last budget process that we just went through, we received the monies and the funding for the for the

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and the funding for the for the truck. It took about 18 months to 24 months to build the truck. So by year 20, fiscal year 2025, my assumption I hope this is a correct assumption that we will receive the funding to staff the truck. So but prior to this past budget cycle, we just went through and 2023 fiscal year 20, fiscal year 2020 budget cycle, we received the funding for the area truck. We requested the funding for the personnel for that truck. With that funding was removed out of the budget to staff the truck. So over between over the next two budget cycles, I believe we will have two new area trucks. One was approved for funding and I think that's the one let me rephrase that. Over the next two budget cycle for 2020, we received a brand new area truck for the department requested funding.

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department requested funding. The funding was given to us and taken back as my understanding what when? Fiscal year 2020. Okay this past budget cycle, we requested an area truck. We received the area truck. And as my understanding come fiscal year 20 to 25, we will receive the funding to staff the truck. It'll take about again, 18 months to 24 months to build a truck. >> That's what that's what we were told during the last budget cycle. So there wasn't a need to prioritize funding for staff right now because of where we were headed. Councilmember Allison alter that's not. >> Well, I'm sorry. Go ahead, ma'am. >> Thank you. So as I understood what we did in the budget is we funded one one truck and we provided direction to explore whether a second truck was a good thing to be ordered at the time. The, the first truck was

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time. The, the first truck was characterized by some as a reserve fleet item, but there was a desire to get moving on the second truck if that was appropriate when you were ordering it, if there were economies of scale, if there were 18 months, I believe that what this item does is prioritize in the next budget. The notion of figuring out the staffing needs for the aerial trucks, which would arrive sometime in the next budget cycle. So it is priority using that process during this fiscal year to get us to the next budget cycle set up. So that we could staff up the aerial truck at the time that that it arrived . It is

duplicative. I believe, of, director Ann we have already given, but that's my understanding of where councilmember pool and then in the end we want to have and we have, we want an expansion of

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have, we want an expansion of the number of the trucks rather than taking one out of service, which is what we've done in the past, does sound like a duplication. >> That's correct, ma'am. Councilmember pool so we we're looking at two areas. Truck keep in mind the city of Austin fire department has not added an additional truck to our fleet since 1995. We talked about that, added an additional truck to the fleet. We have received replacement trucks. But we take one, we get a new truck and we take one out of service. So since 1995, Austin fire department have had 13 area trucks. Today Shea we have 13 area trucks. The city of Austin in 1995 had approximately 75 high rise buildings to date, we have 230 plus high rise buildings. 1995, we had approximately 31 fire stations. Today we have 52 fire stations in. I don't know what the

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in. I don't know what the wildland footprint print looked like in 1995, but I know today we are recognized in the city of Austin as the fifth city with potential fire loss. >> I don't think I don't think it's lost on anybody sitting up here, which is the same group that was sitting up here during a lengthy budget process on what the need, what the changes are since 1995, what the needs are with regard to wildfire. I'm just trying to figure out why we're we're bringing this up again and whether or not we need to bring it up again or if we already have given the direction that's necessary. So we're all with you. On what? How the place has grown and what what the needs are. Councilmember Kelly yeah, it's pretty clear from this conversation, Ann, that this some of this resolution does seem duplicative of the efforts that we made in the budget that clearly was not my intention.

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intention. >> I actually wanted to bring this forward in the budget discussion. But anyway, all that aside, I will work today and tomorrow with my sub quorum. So that we can adjust this or or make some sort of difference with it so that it doesn't seem duplicative. But still supports the fire department and what their needs are for staffing for these units. That's great. >> Thank everybody's for that. I just think there's a lack of clarity on where we are. So unless somebody unless somebody else has something. Councilmember Kelly, thank you for that. And chief, thank you very much. >> So it's my understanding that we're going to receive the additional staffing and funding for the truck. >> We just decided that, okay, I just want to make sure I'm clear. Yeah, want to be clear. Okay. Thank you. In fact, they may be waiting for you outside. Okay >> Absolutely. >> We appreciate your time and appreciate your being here

and all you do. Thank you, Mr. Thank you, chief. Thank you, members. I pulled item number 86. But my question has been answered with regard to item number 86. >> Let me comment about that one real quick.

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real quick. >> Sure, please. Councilmember just so everyone's aware, item 86, it's a involves residential commercial I on Thursday will be making a motion. >> I know we have a stacked agenda for at housing and planning, but to send it there so we can have a conversation hopefully briefly because we do have a full meeting. But just to have that committee discussion first and then hopefully bring it back on the 14th and we can engage and know. Councilmember Vella has some thoughts on it as well. So it'll give us a good opportunity to do that. >> Good deal. Thank you very much. Councilmember councilmember qadri, you're recognized on the item number 78. >> Great. >> Thank you, mayor. So I'm going to try to make the agenda for Thursday a little bit lighter with what we're about to do. But you might not realize it, but there's a lot of diverse activities along the curb space in our city. Curb space is where we have our bike lanes, where we put our trash containers for collection, where busses and taxis pick up and drop off

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taxis pick up and drop off passengers, where delivery trucks load and unload and where and where replant shade trees and where people park cars and scooters. And with our move to eliminate parking mandates citywide, we're potentially adding more complexity to the question of curb management. Our Austin strategic mobility plan calls for a comprehensive curb management plan and that's why I brought this item forward. But after talking with city staff, I understand transportation and public works is just as eager as I am to see this plan come to life. And they tell me they're already gearing up for all of this. So this resolution Ann isn't necessary. So in the interest of not micromanaging from the dais, I'd like to withdraw the item from our agenda and give my full trust to staff on the good work. I know that they will do. I really do appreciate the conversations that we've had as an office with staff. I appreciate my own staff on working really hard on this item. So, you know, thank you, Caleb, for all your work on

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Caleb, for all your work on this. And I really do want to thank my co-sponsors. And, you know, I'm really excited about the critical work that will be done on this. But I'm I'm pulling the item. >> Thank you very much. >> Council member. Yes mayor pro tem, just very quickly, I appreciate being a co-sponsor of this and you and your team's work on it. >> I would ask also that staff connect with us in the mobility committee. We've had some conversations around things like parking in the bike lanes and other sorts of curbside management. So I just wanted to flag that, that we wanted to make sure this conversation

was progressing and that we don't get left out of the conversation of all the needs of our curbside management programs. Councilmember qadri yeah. >> And just to touch on with with the mayor pro tem said, I think we discussed this in the last mobility meeting, but whether it be parking in the bike lanes, whether it be leaving trash cans out, all this creates potential safety risk. We've gotten a lot of emails, especially when festivals like south by southwest happen in downtown about bicyclists dealing with cars or other, I

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dealing with cars or other, I don't know, hindrances in the way. So I think that's very much needed. >> Great. Thank you, councilmember harper-madison. >> If I may just add to that conversation, Ann, one of the things that I brought up recently is people passing and the bike lanes. I don't know that our general public recognizes that the bike lane is not an opportunity to pass other cars. So that's something that I'd like to bring up. But then for what it's worth, where I live, I'm so close to the UT stadium on game days. The bike lanes are completely full of cars. There is no bike lane. It's nothing but cars and, you know, trailer parties. And so I just think from a general public perspective, there may be an opportunity here for us to talk to people about the purpose of the bike lanes and how we can

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the bike lanes and how we can figure out some of those alternative options. So don't don't pass in the bike lane. That's not where you pass it. Don't park in the bike lane to go to the game. You know, I appreciate that that folks want to go in and revel in their UT. And antics. However they literally take up all the bike lane for the entire day. So I think that's just like one of those things. Mayor pro tem, I wonder if that's something we could add to our already packed list of things to talk about. Is how we can teach people what the purpose of the bike lane is and how we could do a better job of people, not you know, inhibiting people's ability to use them right? >> Because it's about bikes and

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>> Because it's about bikes and it's also about people with different mobility issues, folks in wheelchairs. We know our sidewalk network is impaired as as much as we know folks are working on this with the city every single day. But we absolutely want to take up those issues have communicated with the urban transportation commission as well about some of the ideas about, for instance, you can park in a bike lane unless it is signed, that you can't park in the bike lane. And I would love to flip that so that it's only allowed in places where city staff has deemed it's imperative and necessary for accessibility to be able to do that. But there's definitely a great conversation around bike lanes, making sure they're free of debris and other sorts of hindrances because at the end of the day, there's road users out there and if they just

get shoved into the road with the cars, that is prioritizing one road user over another. And I know that generally our transportation and public works wants all users of that public space to have the right level of accessibility. All right. >> Thank you, councilmember Fuentes. I'll recognize you on

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Fuentes. I'll recognize you on item number 19. >> Thank you. Item 19 is a contract with Hyatt and manager wanted to pull this item to have a conversation and we can talk offline about it, but to surface it for the Dyess here. And I know councilmember alter Allison alter asked a question about it in the q&a was whether or not we should consider executing a contract for rental services with our own hotel or the city owns two hotels, the Hilton downtown and the Hilton at the airport. We recognize that the convention center is going to be closed for a number of years. Should we be encouraging the city to be utilizing meeting spaces at our own hotel during that closure versus contracting out with the different hotel? And so wanted to have that conversation on that. I'm happy to take offline, but wanted to surface it for the Dyess. >> Great. Thank you members. That's all. Councilmember Ryan alter was going to see if I could. >> Item 88 councilmember Fuentes's. Item about the roof.

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Fuentes's. Item about the roof. Yeah. And if I may, just a quick . Not about the roofs. I'm sorry about ac cooling. She talked about roofs. Cool roofs, which had many, I just wanted to bring up. I'm looking at I think it's important. Not only that we have everyone has air conditioning, but as we are, if we're going to be putting requirements into the code about having air conditioning, I think we should have the conversation about the efficiency of that air conditioning and hopefully ramping that up over time, because I, I was listening to NPR this morning and they were talking about half of our load, over half of our load statewide is residential. And within the residential component, the majority of that is your air conditioner. So my most of our state load, the biggest chunk is air conditioning and if we can increase the efficiency of our air conditioners, we can not only reduce people's electricity bill, but have a lower climate

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bill, but have a lower climate impact. So would like to explore methods how we can help improve that efficiency through this requirement. Great. Thank you. >> Councilmember harper-madison . >> I was just going to add an anecdote, really. I just had to have my air conditioner replaced so I sat in a house that was 92 degrees and the way my lupus is set up, if you overheat, you're sick for days and they had to replace not just the ac, but the duct system. And I overheard my landlord say to the people, replace this ac that it was over 20 years old and so in addition to having extraordinary utility bills, we had an ac that I

set it at 74 and it was still 81 degrees in my house. It didn't work. And I think that's another thing to think about, especially as we think about it from an equity perspective. If my house

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equity perspective. If my house was built in 1956, if my ac has been there for the whole time, not only was it not cooling my house, it was costing me too much money to not cool my house. And so I think that's something that we should address as well. So thank you. I really appreciate your commentary because I think that's something to consider. >> Great. Thank you all members, as I indicated, we will wait until Thursday to take up the executive session item. It is also posted on our Thursday agenda because of the hearing that will be conducted tomorrow and that will allow us to have greater information when we are discussing that in executive session. There being no other business to come before the Austin city council at this regular scheduled council work session. Without objection, we are adjourned at 11:52 A.M. Thanks, everybody.