

City Council Work Session Transcript – 11/7/2023

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[9:00:35 AM]

Good morning everybody. I will call to order the City Council Work Session it's 9'oclock in the morning, it's November 7th, 2023. We are meeting in the Austin City Council Chambers, which is here at City Hall, located at

301 West 2nd Street. Members the way we are going to proceed are the numbers. Because of the number of people we have are present and because of who sponsors what and that kind of thing. What we will do today. Is that

We will take up the three briefings..the two briefings, B2 & B3 We will not be taking up B1 until probably Thursday, We will take that on Thursday. Be. I'm sorry, I'm being reminded we're not posted, so it'll be postponed probably after Thanksgiving. B2 and b3, we will take up those briefings. We will have an executive session on on E one and E two, two and E three. But we will not have the other E four and E five until E four will be at a later point in time to coincide with be with the B one and E five will be postponed until another point in time. Yes,

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point in time. Yes, councilmember Fuentes mayor, can you clarify which item is postponed to November 30th? Yeah, because that was a very unclear statement. Thank you for allowing me the opportunity. Let me let me try to start over. And by the way, everybody, welcome to Tuesday. Oh, yes. And today is a voting day. And if you're in the if you're in the city hall, you can vote in city hall. So please, everybody vote. All right. Let me start over on the agenda. We will we are postponing Lang. Item B one briefing. We will hear B two and B three. We will have an executive session on E one, E, two, and E three. But we are

postpone joining E four and E five. Yes councilmember Fuentes, can I get clarification as to why we are postponing B one and

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why we are postponing B one and E four executive session topic on prop a yes. Well, I'll let the city attorney comment on that. >> Mayor. I think we're going to do them on Thursday. And it's because of the number of council members who are gone. Okay. >> Okay. Now that I've completely confused all that, we'll keep moving forward and see if we can confuse the rest of the day. So I will call up the parties that are going to give us the briefing on B item B two, which is the briefing on the I 35 cap and stitch project. And Mr. Good. Casting we on. I'll just yell.

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Casting we on. I'll just yell. >> There we go. >> All right. >> Well, while we're waiting to get that and since we're starting on a txdot matter, I might just mention a couple of things quickly, B and I'm sure Mr. Good's going to mention this, but one of the things that the council will recall is that we were looking at the concept of and at the request of several prominent members of our community, the concept of being able to cap at 11th and 12th street and I'll point out that txdot working, doing their engineering they have determine that we can in fact and will in fact be in a position to prioritize a 11th and 12th street, a cap on 11th and 12th street. And what it will do is

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street. And what it will do is it will affect the capping of Wright original or what we were looking at. I don't know what original means anymore, but what we were looking at before we started looking at 11th and 12th street in earnest was a cap that went up to eighth street. What txdot engineering says is that we can do up to seventh street and then go to 11th and 12th street, which would create about a 2.1 acre cap at 11th and 12th street, where people really prioritize wanting that and we will lose Luz only the one at eighth street. So they can still come up to seventh street. So that's a wonderful result. At the 2.1 acres I'm told would come at a cost of about \$43 million. So that as you all think through, particularly with this briefing, when we start talking about what how it is we might want to look at at finance

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might want to look at at finance Singh, but that puts us in a situation where we can we can prioritize that very well. And then one other thing I'll as we start off and I know we have a couple of txdot people in the room, but on behalf of the city, I'll just say, and I think everybody will agree with me, we'll see if there's objection. But many people it did not get reported widely, but one of the things that's happened over the last week or so is that txdot approved a grant to the city of Austin of \$11.3 million. That was part of the transportation alternative set aside grant program that will expand and enhance our metro bike share program for transition for electrical bicycles. There were 42 just in the txdot Austin district. There were 42 applications for grants for this, for this money and other

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this, for this money and other money. The district had to review all of it and they came down with giving the city of Austin 11.3 million. I point this out because like I say, it did not get widespread coverage. Paige coverage tends to be about what there's conflict about or what there's disagreement about. But here is txdot doing something that really expands our the priority of this council with regard to electric bikes. And I just want to make sure that we not only recognize it, but we say thank you to someone who is attempting to be a partner with that, I'll turn it assuming you can be heard and I'll turn it back to you now. Thank you, mayor, for that introduction. >> I appreciate that. Robert good. In my assistant city manager, I'm going to bookend the presentation today. I'm going to intro it, set, put the foundation in place, and then I'll come back at the end and talk to you about some prioritization suggestions. So today's presentation, the reason we're here today is to really is

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we're here today is to really is to try to focus the council and get feedback from you all. If we should prioritize some of these projects because we're going to show you some costs today that perhaps are new to you in some of the areas. And then we have a decision to make in December based on that prioritized Ann will come back to you in December to fund the design of those projects. So that's the purpose today. We'll start off with an overview of the cap and stitch project.. You're comfortable with is what kind of fund these can really be called stitches as well. There are different much wider infrastructure than they've done before. So we're really calling those txdot stitches. Those are baseline. That's what they will pay for. Then we'll have what we call city of Austin stitches or city of Austin caps. That's to

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city of Austin caps. That's to expand those that infrastructure even further. We're then going to show you some options on phasing txdot. We want to thank them then being very flexible in how we can fund

the funding timelines. This is new. We've been working with txdot staff, very much appreciate what they've done there. They've given us more flexibility and we're going to share that with you today. Then we're going to talk about project costs. You've seen some of the project costs on the infrastructure, the really the concrete box, but you haven't seen what we're estimating will be the amenities. And that's what we would put on top of those decks. We're going to share some estimated very, very, very rough estimates because, of course, it would depend on what you choose to put on those deck, on how much that would cost. So we're going to share those costs today . Those are new numbers for you. And also what it would take to maintain those annual fee based on those costs. We're going to then FSD is going to show some funding options that they've put together for you, and then I'm going to come back at the end and give you some

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and give you some recommendations on how to move forward. And with that, I'll turn it over to Richard and maybe switch chairs here. Yeah. Good morning, mayor and council. Richard Mendoza, interim director for transportation and public works. >> See if I can work this so this is a slate of caps and stitches that we're talking about today. They stretch from holly stitch on the south, which is on the right side of this powerpoint slide, all the way to 51st street on the north. And as the mayor previously stated, could you please note that the seventh and ninth street caps that were shown in earlier illustrations have been removed to allow for the 11th and 12th cap and to make that possible. Also shown here in Orange are the proposed caps that are being pursued by the university of Texas. Okay. Okay. This illustrates Ann depicts the txdot baseline stitch design or enhance crossings of central

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enhance crossings of central I-35. They include the bridge crossings with shared use paths on either side with 30 foot separation from back of curb. No city of Austin cost participation is required for these elements. Here's a 3D rendering of those baseline txdot design burns of the txdot baseline stitches you can see here that they do provide shared use paths shade structures, landscape lighting as well as pedestrian lighting and potential public art. I want to talk real briefly about a decision council made last month regarding the woodland avenue stitch. We brought this forward to you. You elected not to go forward with the city stitch and stay with the txdot baseline stitch. And this illustrates what that baseline stitch could look like. You can see it's a

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look like. You can see it's a much improved pedestrian bike crossing at the woodland avenue than what exists today. It also aligns directly with the bike and ped network on either side of I-35. A quick review of

the cap and stitch definitions and so on the left is the txdot baseline stitch design. Again, it's the enhanced crossing 30ft behind curb in the center. Illustrate what a city stitch could look like. It's basically the freeway deck plus up to 300ft of enhanced crossing. And these are wider. On the right are a illustration of a cap and caps are crossings greater than 300ft in length. The primary distinction between caps and stitches here are that the caps require life safety fan

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require life safety fan ventilation, while stitches do not. An overhead view of the potential cap locations between fifth street and seventh street is shown here. Txdot would still pay for those vehicle crossing INGS as well as the 30 foot behind curb a shared use path shown in dark green and purple. Any potential improvements in additional caps shown in the hatch green area would be the cost response ability of the city of Austin. Here's a better picture of what that could look like. This is a 3D rendering of those potential cap locations. There's was also in the lower right hand slide a picture of a nighttime view. So there's potential to put custom customized lighting for those spaces. The next few slides I'm going to cover the project

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going to cover the project components. These are the component parts that are going to allow for the city if we elect to phase in the captain stitch project acts, they consist of the roadway elements. These are the elements that are needed to accommodate future caps, including upgraded foundations. The lowered roadway hazmat catchment area for the life safety and fire extinguishing material and the concrete slab to support the deck cap tunnel elements include support, building, deck, cap and jet fans. And then finally, the third component are the amenities which we would elect to put on top. These could be open space parks, restrooms, pavilions, trees or cultural facilities. Cities so again, this is a new development and I appreciate the partnership with txdot in making this phased approach available to us. This slide shows the roadway elements

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slide shows the roadway elements first for the caps. They're shown here in the yellow hatched areas. These again, these are the structures that are needed to not preclude us from coming back and capping at a later date. If we choose to. And they're shown here again in hatched yellow. They include the vertical support columns, the lowered roadway. This is to accommodate future overhead jet fans, hazmat containers for fire, life safety suppression and then for comparison, you can see the baseline txdot structures in in dark black. These roadway elements can be constructed first and then we could come back at a later date if we elect to construct the tunnel elements and caps and phase in that work.

And I'll hit on what that could mean for scheduling in later slides as second element are the cap and stage components themselves. And these are these also include the overhead jet fans, the deck and

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overhead jet fans, the deck and the tunnel support building shown in additional hatch yellow and then finally, the third component are the amenities on top of the caps. And we really haven't been highlighting the cost of these amenities as of yet, but we want to begin showing these so that we can estimate those costs and council gets the entire picture of what the project could entail. Those amenities are illustrated here from the top view, both at 11th and 12th examples of what they could look like, as well as the Cesar Chavez to fourth street example. Okay so now that we know what can be constructed, I will go over the cost in the next few slides. The first cost. The city will be responsible for are design costs for the various cap and stitch components. Txdot would need the city commitment

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would need the city commitment for 30% design in the amount of \$15 million by December of 2023, which is next month and for 100% design in the amount of an additional 19 million no later than December of 2024. So these are the total design costs for all of the cap and stitch locations, excluding the amenities. I'll cover these construction costs in more detail in the next few slides, but please note that these are very early preliminary estimates of construction costs and they can change. They would also increase the longer we elect to phase in the these improvements due to inflation and then also for the first time, we've put together estimations of what the annual operations and maintenance costs would be for the city structural elements as well as the amenities on top on an annual basis. Starting with construction cost estimates for

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construction cost estimates for the roadway elements as we have them broken down here by each cap and stitch segment. Please note that there are no roadway estimates for the stitches as those will not be able to be phased in. Only the caps, the total city commitment needed for all potential cap locations is shown here as. \$165 million. Certainly using the slide you just used before combining it with maybe the next slide. >> And I apologize if I've jumped ahead, but using the slides you had just before about the funding design of 30% and then the additional and then you come up with a total of 165 million. And how does that how does what's the phased of that? And those require payments in terms of time? >> Yes, sir. So the 30% design

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>> Yes, sir. So the 30% design commitment that txdot would need by next month, I get that. >> I'm now I'm asking you to do the phase on the 165 165. >> I'll cover that in a following. >> I apologize for jumping ahead. Thank you. That's fine. And that cost again is 165 million. >> Okay. Okay. This slide speaks to the phasing opportunities. Here's here's your dates. Mayor for those caps the least expensive approach is to fund the roadway elements in the txdot contract in 2026. So those roadway elements again for 165 if we choose to phase it in, they would need that. If we want to go with their construction contract backed by 2026. That's the least expensive option. Option two would be to request the caps in the txdot construction contract via a change order. That would be in the year 2027. In a later slide, I'll show what those cost

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I'll show what those cost differentials are for each one of these options. Option three would allow the city to request the caps to be constructed noted in a separate txdot contract in the year 2032, when they've substantial completed the highway project. So then we would come back at that time with the separate txdot contract and put the lids and the caps and the life safety features on at that time. And then finally, the most extended option would be option for what txdot has asked, that if we move outside of the year 2032 when their highway project is substantially complete, that they would have a moratorium on additional construction over I-35. We could wait until 2042 to come back and put the caps on top. Council councilmember Fuentes, thank you .

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. >> Okay. So just so that I'm following this, the how is the 15 million that is needed in the that was previously cited and for the design portion compared to the note additional 19 million due to complete design. >> So the 15 million is to take the design of the city structural responsible elements here through 30% design and there's txdot is initiating that design work. Now and so in order to ensure that that is included in that in that work, we would need to commit to get to 30% design by December. They plan to be at 100% design Ann next year and so for those elements and cap and stitch segments that council chooses to move forward with, they would need, if we choose all of them, that number is \$19 million. We would need to provide txdot by December of 24.

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provide txdot by December of 24. So they can proceed with final design on the highway project. And then for construction, the first date coming up for us to meet to make our commitment for pay for construction of those selected cap and stitch locations would be 2026. That would be the least expensive option. Ann and they would include that in in their construction contract act. >> Thank you. That's that's clear. That helps to clarify that. If we wanted to fund all of the caps as proposed, be intent would be for the city to identify 15 million within the next few months and then an additional 19 million by the end of next year. Yes. Okay. Thank you. Yeah that would keep all of our options open if we go ahead and fund the entirety for the design. >> Now, obviously we can move through the process prioritization and selection and adjust what we actually decide to build up until 2026.

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to build up until 2026. >> Good. Thank you. Councilmember Allison alter. >> Thank you. So the design costs are separate from the 165? Yes, ma'am. >> It is. >> And the 165 million only covers the road elements. >> Yes, it does. >> So what are maybe that's later in the it's later in the presentation with the other costs are and can you remind us what was promised by txdot that they would cover I thought they were doing the basic infrastructure for the cap there. >> Yes. They're lowering the roadway and their baseline project is shown here in the black and along with the enhanced crossings which an illustration of that was the woodland, where to go. So the baseline txdot project with no city participation is you can see the roadway is a little bit at a higher elevation than it would be to accommodate a cap. That's they would need to lower it to accommodate the overhead

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it to accommodate the overhead fans. The support structures. Now you know, baseline project, there's no cap. They don't need to be as wide or as deep from a structural perspective of and that would be the baseline Ann txdot project. >> Thank you. I'll have more questions later. Thank you. >> Councilmember Ryan alder. >> Just to get an abundance of clarification in your big yellow box at the top of slide 17, it says coa commitment is needed by December of 24 to fund structures. So that's not just the 19 million. That's that's whatever we decide, whether it's just the road elements, whether it's the, the caps as well. We need to by December of 24, have a commitment of either maybe 165 million. I know future slides talk about the cap costs, but it's not just the 19 million by December of 24. Is that correct? That's correct. Okay. I just

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That's correct. Okay. I just want to thank you. That's it. >> Please proceed. Thank you. >> This was the timeline here is a spread out timeline of those decision points that we just covered. Beginning next

month with a commitment for 30% design. We do show we anticipate a decision from the us dot on our grant application for the reconnect communities grant for the cap between Cesar Chavez and fourth. As you recall, we applied for \$105 million for that txdot shows 100% design by April, may 26th and then the target for the commitment of the roadway construction and city caps in 26 and 27. Okay this slide shows the cost estimates

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slide shows the cost estimates for each element and segment to include all of the caps and the stitches. This is inclusive of the roadway elements. The 165 million shown earlier. The bottom line to take from this slide is that the all in is 509 million. If we elect to do just the caps themselves selves, that number is reduce. To \$478 million. These are cost estimates for the amenities that potentially we could build on top of the caps. These cost estimates are taken from the example of the klyde Warren park cap in Dallas, Texas, and it also captures initial estimates for operations and maintenance. So this slide wraps up all of

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So this slide wraps up all of the segments with the different costs by scenario. The caps and stitch segment outs are along the left, and as you go right across the slide, you can see the lowest cost alternative for all locations is that 165 million to build the roadway elements plus the 34 million for design Ann. So that would total \$208 million if the city elects to go with scenario two to incorporate into the txdot contract for the both the roadway elements and the tunnel elements, then that number is shown here as 543 for all cap and stitch location burns and then the final number is when you add in cost estimates for the improvements and amenities on top. And those are still to be determined. But we do know that as we move through the process, we'll be getting continuous feedback from the

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continuous feedback from the community on what they would like to see on the caps, the far right two columns are our first estimates at the annual operations and maintenance costs , both for the structural elements from txdot that will be responsible for these are the additions to their base design of 12.7 million. We would have to like maintain and operate the force fan ventilation system all the mechanical associated with that. And then on the far right is an estimation of annual operations and maintenance for any amenities and improvements. We would build on top of the cap and stitch locations. Again we hope to hear next February a successful outcome of our grant application of 105 million that could be applied to any one of these options as well. The option between Cesar Chavez and fourth. At this point, I'm going to turn it over to finance to

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to turn it over to finance to talk about some of our funding options on how we might meet those commitments if we elect to go forward with any of these cap and stitch locations. >> Good morning. I'm Kim Olivares, deputy cfo. So what we've done to give you the biggest picture possible in terms of funding opportunities for this project is basically create a menu of all the various options, but also indicate where they're best applied or not applied. And then just some additional notes. So you notice that with this table and it appears on the next slide as well, that we have the green yellow, red to make it pretty clear as to where it's best applied maybe or not not recommended. I'm not going to go through every single funding source on here in the interest of time. But I do want to note

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of time. But I do want to note this is a this is a large scale project. This is a large price tag. So that's why we're trying to put as many options forward as possible for council's consideration. The one the items that are best utilized for the infrastructure needs up front. Absolutely include the tifa, the transportation Ann, infrastructure finance and innovation act loan, federal grants and public improvement bonds. So voter approved debt. So it's important to note that with tifa, even though it is a loan, it would still be considered debt on the city's books and then federal grants obviously, like Richard noted, we are pursuing all of those that may be available. And then public improvement bonds would require a bond election. The there's been talk about. Oh, actually, I'm sorry. One quick thing. There there's been a lot of conversation about tax increment financing. We are investigating what the potential values are of properties in the

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values are of properties in the surrounding area. There's still quite a bit of work to do on that front to ensure that we have a complete picture, especially relative to geographic areas. But we're looking closely at that. It wouldn't be the best source for the upfront infrastructure. That would be more appropriate for the amenities. So that does give us a little bit of time in terms of the schedule certificates of obligation. One thing to note there is while it does qualify for use here and it does not require voter approval, the state has paid particular attention to how and when comes can be used. And it also it does create challenges for your cap amenities because once you close , you can't you can't use comes for economic development purposes. So as we have those conversations about the cap amenities, we need to make sure that we're including the conversation with various funding, cut ourselves off options.

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options. >> Can I interrupt you quickly? Councilmember qadri yes, sir. Thank you, mayor. And I'm sorry, I can't speak. I just had a quick question. Does the tifa loan inquiry bond election? No no, it does not. Does not. Okay. No, thank you. >> Since we're asking you about tifa and let me get a little bit of clarification, too, so that we can have a complete discussion about it. Tifa will a tifa loan will allow us to borrow up to 33% and in some cases up to 49. But but that requires special circumstances. But 33% of the total project members, I think it's a it's pretty clear that the total this is part of the overall project on I 35. It's being designed as part would be designed as part of the overall project. It's been considered from the very beginning as part of the overall project. So if you take into account the cost of the overall project, the tifa loan probably

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project, the tifa loan probably would be able to, depending on how we how we what we want to do. The tifa loan would allow us to cover all all of what we want to do. So typically it's a low interest, a very low interest rate because it's done so that we can so that cities can do things like this. So it's a low interest rate. The second part that I would say about that is that you typically don't have to start paying on it until five years after the loan is made. So there's a lot of benefits to the concept of utilizing a tifa loan because you can get it all and you can get it get it. We could get it all and we could get it done at a low interest rate. And with some deference in terms of the time that we'd have to start paying that. I say, anything you disagree with? Nope. Okay. Well I appreciate

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Nope. Okay. Well I appreciate the clarification. >> Sure. >> I'm glad you asked the question. >> So I made the note about the CEOs public private partnerships and ground leases. That is definitely an option we want to be considering long term for the amenities. There are some some factors with txdot that we need to work out in terms of a ground lease options on those caps and then finally, is philanthropy. There have been other projects like this and in Dallas that have benefited from private philanthropy to help support it. We've also seen success with our Waterloo greenway conservancy model on this front. So based on all of those funding sources, that menu we've come up with with some hypothetical funding stacks. Now these are very hypothetical. They're very we just kind of just illustrate that how this might work, because what has been noted before the cost estimates, particularly for the cap amenities are very rough estimate. It's there's a lot of conversations that would still

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conversations that would still need to occur as to what specifically would exist on those caps. So just take all of this with a grain of salt is what I'm basically saying. But basically for the infrastructure purposes, assuming 543 million, we could look at a capital stack of federal grants, tifa and bond election to cover those costs for cap amenities. That's where you have your best opportunities for philanthropy and a three, as well as the tax increment financing, but also bond election dollars to for that and your annual operating expenses. Those costs can vary significantly specifically depending on what amenities you put on those caps. But there are some certain things like we talked about the fans and whatnot, but this is where you might be able to create a trust. You can work on ground leases. There's various fees depending on what those caps are or what the amenities on the caps may be. It can create some fee opportunities as well as sales tax revenue, various other types

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tax revenue, various other types of tax revenue. So again, these are just hypothetical illustrative. This is not like an written in in stone plan. I'm just I'm going overboard on making sure that's clear. So at this point now, I'm going to pass it back over to Robert. >> So you're not asking for me to accept a motion on that plan? No no, no. >> Yeah. >> I just want to be clear. Yeah oh, yeah. Sorry thank you. >> Okay, so I'm going to wrap it up today and what we'd like to at least begin a dialog on what you want to do for prioritization because you saw some expenses for the first time, some amenity costs and operation and maintenance. And we need to make a decision on what to carry forward this December because we're going to give txdot the go ahead to start design work on what? And so we wouldn't want to tell them to design something that you all probably won't want to ever

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probably won't want to ever build. So we thought at least we'd do a straw poll on what we could do and what I would suggest, based on what you all the conversation that we had with woodland, we suggest you just we just move forward with the caps. So December of 23, we would put in the design costs for to get to 30% design for the caps and then we would have another year as to December 24th to determine what we would need to commit to as a city for not only the design sun design funds but then what we think we're going to build what txdot has given us the phasing for is the timing on when we would have to pay that money. We still need the commitment from the city on what we think we're going, what we want to include. If we if we put forward the design right now for all the caps that keeps all our options open, at least for another year, for all the caps. But we do recommend at this point we just focus on that and we drop the stitches off. So with that, mayor, we appreciate

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with that, mayor, we appreciate some guidance on what to bring forward to you in December. >> Yeah, and I'll do my best to try to. We're not going to be voting on anything Lang council, but we'd like to have a conversation. Councilmember Kelly, please. Thank you. Proceed yeah. >> So looking at the funding that we need in order to continue this project, I'm just curious, does the city have any funding available currently to put towards this endeavor? Yeah. We can certainly look at reallocating funding that would take council action to do so. >> There's there are some bond dollars from prior transportation bond elections that have not been specifically programed yet. They have a category per se, but they've not been programed. So there's options there and but there's limited to the degree we're talking about for this this

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talking about for this this dollar amount. We don't have that kind of money on hand. But there are some options. >> Would it be possible can I interrupt you and yes, for my clarity purposes, when you say money for this, are you talking about the first money we need, or are you talking about all the money? >> Any any part of it? Okay. Yeah. Sorry. I could be a little more specific in my head. >> Just. Just for purposes of how we're talking about this. It and Robert, correct me if I say something wrong, but as we as and this is just me and my simplistic way of trying to think about this is it seems to me we have a couple of decisions . And your question goes to maybe all of them. So decision on number one is, do we want to be prepared to take the first step, which is the 15 million with the understanding that that's 15 million by the end of the year, that they would have to come back to us and probably have a reallocation of dollars. And then the second tranche

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And then the second tranche would be an additional 19 million. But we would have to be by the end of next year, but we would have to. And that leads to the third, which is we have to be in a position to say, here's what we're we're going to do across the board. And that may require some prioritization of what I think I heard Robert say is that for right now, we buy ourselves time, if you will, by saying we're going to do the 30% at 15, and then we can have additional discussion Ann, which would allow us to do things like explore a tafia loan and be able to come back to council and say, all right, that that would cover it all if that's what we want to do and we don't need to then prioritize and say, okay, we're going to go first here, or we would also know by February of

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would also know by February of next year whether we got the grant. So we that would actually be first. But you see how I'm saying so in my simplistic mind, I'm breaking it down into three kind of tranches. So that's why I interrupted and I apologize, but that's to ask that question. >> I would have gotten there eventually. But you're more much more succinct in what you're saying. So I appreciate that. I mean, I'm sitting here thinking and I'm sure there's other people in the community and maybe even my colleagues. I mean, we need to come up with \$15 million base basically by the end of next month. And it's not like we can just print money. So I'd like to see some of the ways that we can potentially maybe reallocate or come up with that as a good faith effort to show txdot we are interested in this project and then get the additional suggestions from our professional city staff on that. Thank you. Mr. Van van eenoo chief financial officer so your Mike's not. >> I think it has something to do with Robert. He goes up to a microphone, it goes dead. Yeah. >> Yeah. Good morning again. Ed

[9:43:03 AM]

>> Yeah. Good morning again. Ed Benigno chief financial officer so based upon what we hear from council today, our plan would be to come back in December with a capital budget amendment of \$15 million, which would be backed by debt. And that's the only action we would need from council right now with the form of that debt, whether it was reallocating previously approved bonds from voters or if it was the tiffa loan, or if it was a future bond election. Ann is a matter of how this plays out, or it could be even the federal grant potentially, but the action we would need from council in December is simply a budget amendment for \$15 million backed by a future debt issuance. And we have a lot of options about what that future debt issuance would look like. >> Okay, that's very helpful information. Thank you for providing that. I think we have an incredible opportunity here and I certainly wouldn't want to miss out on that. We can make some significant enhancement to 35 throughout this construction process and I think that's a huge community benefit. Thank you, mayor. >> Thank you. Council member councilmember qadri. Then councilmember Ryan alter. Thank you, mayor. >> And hopefully my voice doesn't go out this time. I have

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doesn't go out this time. I have I have three sets of questions. The first has to do with tiff funding. I just wanted to know when will we see the final report on using tiff funds for the caps? Well I think that's Ed and Kim, but they've been working with some consultants to put together that funding stream. >> You saw the funding caps. I don't think we were even going to do a formal report. I think this the results of all that work you saw today on all the options that we can provide to you as we move forward. >> Got it. Thank you. And then I had a question on the future I-35 planning grant and if this might have been answered in the previous questions that I do apologize. Where are we in that timeline and when? When will it be complete? We hope to hear in February. >> That's why the mayor, I think, hit it very succinctly, is what what what we're asking today is a direction on should we remove a few stitches that \$15 million

then would be reduced. Some to keep just the caps flexible and then come back in February ish when we know

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in February ish when we know what the grant is to see if you all want to reprioritize again on the caps. Do we want to reduce some of the caps going forward or keep them all in the books? So February of 24 is when we expect to hear back on that grant, and that would be a good opportunity then to come back to council and talk about going forward. Councilmember qadri, can I interrupt you? >> Yes, sir. And just add and again, if I say something wrong, please, please stop me quickly. But that would also allow us, I think, sufficient time for us to know whether the ability to get a tiffa loan and for what we could get a tiffa loan. We would have we'd have good information on on that so that in February not only would we know about the grant on the Cesar Chavez to for, but we would likely know at least a solid nod and a wink and a you know, good, good job kind of thing about a potential tiffa

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of thing about a potential tiffa loan that would then allow us, if we didn't want to, if we did want to do a TV loan for everything we could, we could start prioritizing, but at least we would be prioritizing it in that context. One other thing I'll mention that typically what happens on a loan is you have 35 years to pay it off. You don't start, you don't have to start for five, and then you have 35 years to pay it off. So it it feels a lot like the cheapest value. The cheapest value or the cheapest money. And with with plenty of time to handle that. So again, thank you for letting me interrupt. I just want to put that as part of what you're asking. Great. >> I appreciate that, mayor. And I just want to confirm, the, I had said the planning grant right. And that's the timeline that you had laid out for the, for the planning grant. >> No, that's for the actual grant for Cesar Chavez to, for. Okay and that would be to design and construct it. Okay.

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and construct it. Okay. >> Okay. Got it. Thank you for the clarification. Two more questions. Rey had received federal dollars to complete this plan. Are there any penalties if we don't complete this plan and implement this plan? Does this thread in future federal funds? >> Well, I think for the for example, the grant we applied for, for some reason we got that grant and then said, thank you, but no thank you. That that does impact. I think, future funding opportunities. Okay. >> Thank you. And then my last question on it relates to the federal capital grants. What are our chances of receiving future grants? Will continue to look at every grant option community. >> The beauty of this is txdot is allowed us to phase, not the commitment for you're going to we're going to build them, but at least for how we're going to the time, the funding timeline. So we would continue to pursue all of the things that that add in and Kim

laid out during that time to continue to seek federal grants. So we look at every opportunity we could. Great,

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opportunity we could. Great, great. >> And then I just I just want to thank staff for all their all their work and answering all our questions today. >> Thank you, councilmember qadri councilmember Ryan alter, then councilmember Allison alter. >> I wanted to ask a couple of questions about the holly stitch. If we elected to not move forward on that stitch. Is that a city only stitch or would that become a capital or txdot narrow or kind of like what we saw at woodland? It would be a txdot baseline stitch. >> So we'd still have that enhanced crossing that 30ft on both sides of the curb. So we would still have a good that's the beauty and what the mayor asked us to do today is make sure we, you all are comfortable understanding what txdot is providing their baseline. So even if we you're right, councilmember, move that holly stitch. It doesn't mean there's not a connection. Txdot still providing that 30 foot section. >> So on both sides, on both sides of the roadway. >> That's right. >> So this one would produce about an acre. So I'm guessing it's just shy of 300ft. And do we have any kind of vision on of

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we have any kind of vision on of I'm looking for the Y on how we got to that one because I think that is there is some value of creating a larger usable space for that area. It's a community that I should be very well connected to the city and also has has proximity to Lakes. I could see people using it. So I'm just trying to understand the how we got to that, that decision, the why on how we included those. >> We got a resolution from council. I don't recall the date on try to find every opportunity we can to put caps and stitches so that that's why that came about. The why we're recommending today is simply do we want to move forward with the entire menu or do we want to start doing some triage work and prioritize based on the woodland discussion? Ann we've heard some several council members during that discussion that let's save our money to focus on caps and not the stitches. And that's

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not the stitches. And that's that's why we're recommending that today. The resolution was February, February 23rd. >> Got it. >> Well, as we have the discussion, I personally think the holly stitch has some some merit. When I look at all the stitches and so as we have that conversation today, I just think that is an area that would really benefit its proximity to the various community elements. I just think for me personally, I'm I find value in it. >> Great. Thank you, councilmember councilmember Allison alter, then the mayor pro tem. >> Thank you. I want to build off of what councilmember Ryan alter was asking about the stitches. So if I'm understanding on slide three, there's blue sections that are just stitches and

we're all of those. Will all of those still be txdot stitches? They just won't be enlarged along the lines of the koa stitch model? That's right. Okay and then Ann, I would like us to get maybe in

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I would like us to get maybe in writing some more information about the future debt options for the \$15 million that Ed Benigno was discussing that we had multiple options to fund that. I understand. We just have to declare that we're going to pay that at this point. But I'd like to have a little bit more information in writing on what the debt options are for that and when we would make those decisions on that. And then this chart on page three shows the UT caps. What is the status of those caps in terms of their commitment to those caps and whether those happen? >> We haven't been in close coordination with UT on that. I think they're still exploring those as far as I've heard and I'm sure you've heard the same thing that UT is still working with txdot on, on exploring those. But we don't we don't we haven't heard of a commitment from UT to. >> Okay. And then, having been in the discussions since 2020, I'm confused and a little bit frustrated because it seems like

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frustrated because it seems like the caps are the thing that address some of the economic and environmental justice issues. They're not. They're clearly not in the proposal. That text that's coming to us with at this point in time. They were in all of the models that were shown to the community to get feedback. I think it is very clear that people in the community would be confused and would be assuming that we were getting those those caps and that there was much more of a contribution towards those caps than we're seeing from txdot. So can you help me understand where the economic justice adjustments are in the plan absent these caps? Because we're widening the highway so much, we're just furthering the divide. If we don't have these caps and it seems to all be falling on us to do that. But yet I believe the requirements as they move forward with these processes to address that so can you help me understand how we're

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you help me understand how we're how they're based doesn't address these. >> And that would be a txdot question. >> Tucker, could you respond, please. >> Morning, mayor. Council members. Tucker Ferguson, txdot Austin district. I would ask you, could you rephrase the question? >> Sure. How is your program for I-35 addressing the economic and environmental justice issues that at least I understand, are part of this process that you have to follow? >> All of that was contained in our draft environmental impact statement. And ultimately in the final environmental impact statement, we looked at many different studies and what different impacts our project was causing on different parcels and

communities and put together a number of different mitigation measures. And that's all included in the in the Eis.

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included in the in the Eis. >> Okay. Can you speak to some of the mitigation measures, some of those one of the main ones that would be the most visible is lowering the highway. >> Many, many folks believe that the elevated sections and the upper decks have been a dividing line between east and west Austin for many years. We agreed early on that we were lowering all of that from the upper decks and the downtown section, which ultimately does allow for these capping and stitching opportunities that have been presented today. That's probably the most visible as far as right of way relocations and properties that we will be acquiring as part of this project. We are offering some enhanced relocation benefits to some of the businesses and some of the residents that that provide services to the community that wouldn't otherwise be part of the normal right of way relocation package is extended period of time, some additional compensation to rent

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additional compensation to rent or relocate to places within looking for within a mile of the city to allow them to stay within their community and do it for a longer period of time on using some funds that will be from our right of way budgets and do that. Those are a couple that are off the top of my head that I can think of right now. But again, it's all committed or all documented in the Eis document of all of our mitigation measures. >> Thank you. But you know, last time you were here, we talked about how how in your office you didn't really investigate what the impact of the caps from an environmental standpoint. Is that correct? >> That is correct. And the reason for that, we showed the capping opportunities, but the but the caps were not agreed upon or part of the plan. So the emissions analysis and the greenhouse gases that we modeled included in the feis did not include those what those caps,

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include those what those caps, wherever they end up being with in, in collaboration with council, the capping project, we will do another environmental clearance on the cap locations which will incorporate the environmental benefits or impacts of the cap locations. Once we collectively decide on where those caps will be and moving forward with that, based on the decisions that we heard that will be coming in the next year or so. >> So at this point after all of these many years, we still don't know what the environmental impact of putting the caps. >> Would that be determined once that project and the captain project is defined and as we are today, it's not defined. So we have to have a defined project where those cats will go before we can do the environmental analysis on it. >> Okay. >> Thank you very

much. >> Thank you. Councilmember councilmember mead, mayor pro tem. >> Thank you, mayor. I have a couple questions on community input eight so I'm not sure maybe the first question is who's handling that? Is that txdot or is that the city or is

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txdot or is that the city or is it both community input on on as far as the information that's being shared with the public about this project, the caps and stitches is there any analysis being done with the folks that would be crossing the highway to figure out which ones are priority for those folks? And if they would prefer caps and stitches on any of these platforms? >> So on the bigger picture, we've had many years of community input and collaboration with the city. So the public meetings we've had in the outreach ones that were required as part of our eyes process, we teamed with the city and had those meetings, but we had a number of other outreach in communities with pop up meetings and weekend meetings where we invited the community to show not just the capping and the stitching, but the overall project which the capping and stitching opportunities were part of that. So we received that information and just the changes that have been mentioned today of now being able to

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today of now being able to afford the opportunity of a cap between 11th and 12th was based on public input. In the last couple of months we developed a or a capping opportunity. What we're calling the airport area from airport to the to the south of that, which was based on a public feedback and public input. So it's been many, many years of public input, input information that we've gathered and we've included as many of those features into the project as we could. And we've always looked at those opportunities and have done that in conjunction with the city. >> Okay. So if folks have an opinion at this point in time, let's say we come to a realization where we can only fund 80% of the caps and stitches that we'd ideally like to see is that just more of an informal way? They need to reach out to us or reach out to you to make it known if we can't get all of them funded. And I just want to make sure we're hearing from people and it's might be

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from people and it's might be more helpful to have a formalized input on this and prioritization. I know there's a handful of council members that are curious about which ones are the need to have, which ones are the nice to haves and which ones are hey, if we can do it, then we'll try. We'll be looking for the city on that input and, but, and I don't want to speak to the city's process for gathering that input, but we'd be looking for the city to lead that discussion and informing us what they want to do. Anything to add ? No apologies for everyone sharing one microphone. Yeah >> Yeah. Council member our

department's been working really closely with an established community steering committee and also with the da. Their work actually informed and the desire for the 11th to 12th street cap and they're going to continue being a source, a resource for us, not only as we decide the final placements, but also the look and feel of what we place on top to ensure that it is

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on top to ensure that it is resembling the adjoining communities that it will be serving. >> Okay. And does that steering committee have a like a community advisory? Is it is it just stakeholders that are nearby? And how is this steering committee formed? >> It was formed about nine months ago. Earlier in the process when we were still trying to arrive at the potential cap and stitch locations. It's a formal committee with a charter agreement. We're updating that now. The initial phase of their work from a technical perspective is pretty much complete. And so now the focus is going to shift to more of the look and feel and to ensure that the caps reflect the communities that they're most directly adjoined. Okay. That's that's good to hear. >> My next question will be about the relocations I had seen a news story about it looked like maybe the landlord of an apartment building had gotten notice, but maybe that notice wasn't given to the tenants. Is

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wasn't given to the tenants. Is there work happening through the city or txdot to make sure that even though the landlords got notice that the people are actually occupying that space, are aware of the situation and their assistance that might be available to them. >> So, so that question is related to the txdot project. I would ask them to address that. >> We ought to be saving money that we can build, put on caps with the microphone, use, take the microphone budget and reallocate it. >> The answer to that question is yes. We are attempting to reach both landlords. Obviously they are the property owners and they need to be contacted first. But tenants as well. And sometimes it's a little bit more difficult to do that. The one thing I do want to point out is I've seen reports where it says folks have been given a 90 day notice that they need to move. That is that's not completely correct. The 90 days is a minimum number. We have to give them a minimum of 90 days to be

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them a minimum of 90 days to be relocated. So our right of way team will be working with them to get them through that process and provide them all of the relocation costs and reimbursements that they're afforded to. But the 90 days is a 90 day notice of minimum. It can take longer than that. And we realize that, okay, I really appreciate that. >> I know there's no perfect method. You may have the list of the landlords and who is in the appraisal district registry, but I know from some of the work we've done in

my district every so often there's an owner that is not local and it can be very hard to figure out how to make sure that information is getting shared with the people that are impacted. I will I will just end on I know there's been some conversation about bond funding, and so I'm I guess I'll separate this into two questions. And this is for city staff on the fee alone, are there any limitations to what money can be used to pay that back? Is that something that needs to be paid

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something that needs to be paid out of general fund over the years or. Do do the owners of that loan not care where the money comes from on our end? >> No, the owner is alone. Do not care how they get paid back. They just want to be paid back. This is something we would plan to incorporate into the debt service portion of our tax rate. >> If I might. The only requirement is to get the loan is you have to have a you have to have a dedicated source of funding. >> You have to tell them you can pay it back. >> That's right. That makes sense to me. >> Before they would give the money out. And so I want to be really careful about when we talk about some of the bond funding that's previously been approved. I just want to make sure we're being really transparent with the voters in Austin and understanding that oftentimes we go to the voters to ask them to approve the geo bonds and we need to maintain our strong commitment to using them in the way that the voters expected at the time they took that vote. And so I'm going to

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that vote. And so I'm going to have strong reservations, as you know, returning geo voter approved bond money into projects that are state sponsored or federally sponsored that may have other ways to help assist us, whether they want to. And are willing to allocate those dollars is another story. But I really want to make sure that we're protecting our locally approved bonds because those, you know, a million here, a million there can go a really long way for a safe route to school or transit enhancement for bus stops and trying to make sure that we've got the other aspects of mobility and environmental protection in our in our mode shift goals that we have here at the city. So I just want to make sure we're staying as true as we can to what people had expected when they went and allowed us to be able to build these projects for them. >> Thank you. Mayor pro tem councilmember Fuentes. >> Thank you. I first wanted to start off by emphasizing my support for the holly stitch. Thank you, councilmember Ryan alder, for bringing that up. And I do want to share that for staff to know that that is a

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staff to know that that is a priority for our community and two priority for me personally. And so I would want to see that stitch prioritized. The questions I have is regarding the funding mechanism for Dallas

and how they funded the klyde Warren park cap. Can you all briefly touch on what all the funding sources were made available to fund the Dallas cap? And if it isn't available, perhaps staff can provide that because I hear conflicting information as to the level of federal funding, the level of txdot funding for the cap as well as the philanthropic funding that came in for that. >> We'll get back to you on that. I know there was philanthropy, was a big component of that to begin with. So but we'll get back to you with the particulars. >> And I want to thank staff for providing this is was probably the most well done presentation I've seen on this. And so I want to thank you for putting this all together, all the different funding mechanisms and sources that we have available and the different scenarios that we should be considering as we take a look at this generational project that we're that we have

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project that we're that we have going on in our city. Knowing that philanthropy played a big part in Dallas, why not? Who would be taking the lead on those asks for the caps here in Austin? You know who would be taking the lead on the public private partnership? How does that look like? What should we be considering at this time when we think about those two revenue sources, as we've just begun those conversations, we would have to obviously ramp those up and given the time frame we have another year. >> And so all of the things that Ed and Kim listed, we'd have to start ramping up who would be on point for those? As you know, the city is not a good fund raiser, so it probably wouldn't be us. We'd have to look for other partners to do that and so could staff also provide us with recommendations? >> How other cities approach this level of investment from outside sources? >> Because we see sorry for interrupting. We see a continuing dialog with council going forward. This is the first

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going forward. This is the first step. December will be here and then we need to keep touching base frequently to get further direction. So we see this as a regular communication with council. Thank you. >> Thank you. Council members councilmember Ryan alter. >> One final question. I don't know if it's a txdot question or your question, but the support structures, as you all are contemplating them, are they just to support that green space or do we think those could, you know, two story, three story? I don't know what the height limit there is, but any kind of building. >> Yeah, we've assumed two story structures could be on these caps. So if we went any farther than that, we'd have to really do some more redesign work. But at this point, we're assuming two stories. Okay. Thank you. >> Thank you. Councilmember you feel like you've got guidance? >> Yeah. What I'm hearing today is if the council is okay with that, we'll keep the holly stitch on the table moving forward, but we'll eliminate the other stitches that were on

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other stitches that were on there. So we'll we've we've gotten some prioritization. Keep that option open moving forward. And we'll we'll we'll move forward with that on just bring that back in December councilmember Allison alter. >> So I just want to acknowledge that two of our representatives who represent some of those other stitches are not here today. So they may have different feedback. So I would ask that we make sure that they have an opportunity to provide that feedback. >> We will we'll circle back with. >> All right. Thank you. Thank you, mayor. Thank you, members. That will take us to the next briefing. And that will be a briefing on parkland dedication requirements. Just for calendar or for timing purposes. Liz and clock purposes. After we do that, we will then go to the council items of interest that have been pulled. Those are six, 15 and 16 and then we'll go into the executive session and council member, mayor, council on this item for parkland dedication requirements.

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dedication requirements. >> We've asked. Kymberley Mcneilly. Mcneilly to make the presentation, we'll attempt to try to explain what what were the requirements before the law and what the requirements are post law, and then try to offer some approaches as we go into the new year in terms of how we might be able to deal with some of its effects. We're not completely ready to deal with all of those issues, but we know that that needs to get done. And so let me turn it over to kymberley to tee this up and proceed with this presentation. >> So good morning, council mayor and council kymberley Mcneilly serving as the parks and recreation director. And with me I have principal planner robin heymans and robin will be providing you the presentation and I will be here to help answer questions along with the entire park, not the entire, but along with some parkland dedication, representatives from our planning team. >> Good morning, mayor. Mayor

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>> Good morning, mayor. Mayor pro tem and council members. My name is robin heymans. I'm a principal planner with the parks and recreation department. Today we're going to talk about the parkland dedication requirements and we'll go over the background for hb 1526, the changes to the parkland dedication ordinance, an overview of what that ordinance language will look like, the geographic areas prescribed by the state bill and our timeline for compliance. So hb 15 oh, next slide. Thank you. Hb 1526 was introduced into the last legislative session by a representative from corsicana. The bill affects cities with a population over 800,000, includes Austin, Houston, San Antonio, Dallas and Fort Worth. This represents about 25% of the state's population. Ann. The bill requires Austin to make substantial changes to the current parkland dedication ordinance to be in compliance with state law. And there is

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with state law. And there is very little room for the city's discretion in the new ordinance language. The bill impacts only multifamily and hotel motel development applications filed on or after January 1st, 2024, for the purpose of this presentation, multifamily is inclusive of hotel, motel units and all changes mentioned in this presentation apply only to multifamily unless specifically noted the bill preempts the city from requiring parkland dedication on commercial developments. Review Singh recently adopted changes to the ordinance. However municipalities all across the nation will be taking advantage of Austin's work and adopting their own. Next, we'll review the summary of changes made to the bill so the ordinance is currently under development. The language sorry. I'm so sorry. There we go. Most significant,

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There we go. Most significant, the state law reduces the required acres of parkland per 1000 residents from today's 9.4 acres to just under a 10th of an acre to three acres, depending on the location of the project within the city. This is because, unlike the existing ordinance, which is based on a nexus between new development and its impact on parkland, the state bill is written with the assumption that residents expect less acres of parkland per person as the density of the neighborhood increases. This creates an inverse relation between the density of the city and the amount of parkland available to use. The bill also caps any land dedication to just 10% of the site area for multifamily properties. Today, only properties within the urban core are capped at 15. Finally fee collection is shifting from the time of site plan or subdivision permit to the time of certificate of occupancy or co. There is typically a 60 month to five year delay between the time of permit and co, which means there will be an initial

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means there will be an initial delay in fee collection that could impact the parkland acquisition and development budget up. To five years. So the ordinance is currently under development. We're still writing it, but what is provided here is an outline of what the language will look like. These terms largely apply just to multifamily and hotel motel development and council. You will adopt the geographic areas, the central business district, urban and suburban areas which are used in calculating the fees and fees are set by an average appraised value of land in those areas. Once a decade and increase year over year by no more than the consumer price index before being reset at the average appraised value again at this time, we do not know the average land value in the geographic area as those areas have not yet been adopted. The geographic areas may be redesignated at any time by an amendment to the comprehensive

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amendment to the comprehensive plan. Parkland dedication can be satisfied with land dedication, fee payment or a combination, and the formula is shown on the slide different from today's fee formulas, but are prescribed by the state bill. There is now only a single fee that encompasses both parkland acquisition and development for multifamily fees. Currently we have a parkland fee in lieu and a park development fee is two separate fees. The park level of service is considerably reduced from today's 9.4 acres per 1000 people to just over 3000ft² for 1000 people in the CBD area and a max of three acres per 1000 people in the suburban area due to the new dwelling unit and density discount factors prescribed by the bill. So as a result, parkland level of service will decline and part predicts we will need to adjust our kpi or key performance indicators and service goals to keep pace with the impacts of

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keep pace with the impacts of these new formulas. There are some modifications to standards for dedicated parkland and as previously mentioned, commercial development is exempt. Fees must be paid prior to go and a new and there's a new cap on land dedication affecting both single family and multifamily. There's a modified appeals process which allows the applicants to appeal any aspect of the land dedication, including orientation on the site and amount. And this appeal must be heard within 60 days, or it is considered settled in the applicant's favor. Finally, there is also a modified parkland early determination review. Next, Scott Grantham will cover the geographic areas. Good morning, mayor and council Scott Grantham with parks and recreation department. >> One of the key mandates of the state law is that the city designate all areas within its boundaries as central business

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boundaries as central business district, urban or suburban, with different density factors and fee levels set for each designation. In these designate areas are strictly for parkland dedication purposes. They don't affect any other city requirements or standards as city council will be holding a public hearing this Thursday and asked to consider these areas, the geographic areas may be amended once adopted at any time with an amendment to the comprehensive plan, according to the bill, the areas and associated levels of service then this is a quote from the bill reflect the diminishing expectation Ann of parkland in increasingly dense urban environments. The boundaries of these designated areas, which are called, we've referred to sometimes as rings are at the discretion of the city to establish each. Each area will have a unique average land value assigned by the appraisal district. Each area will have a

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district. Each area will have a unique, let's see, the parkland level of service is different in each area. Each area's fees will be calculated using 0.005 acres per unit multiplied by the average land value for that area. Then divided by the density factor according to the state bill, those density factors are one for the suburban area for Shaw, for urban and 40 for the CBD. We provided what those values would equal for parks level of service. So the city of Austin's current goal is to provide 24 acres of parkland per 1000 residents. Let's go on to the next slide. >> Okay, next slide. >> The state bill sets a strict timeline for compliance. The new ordinance and the geographic areas must be adopted by December 1st and go into effect for all new site plans and

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for all new site plans and subdivisions with hotel and motel multifamily uses by January first, codes and ordinances joint committee voted to recommend the term sheet for the ordinance on October 18th, the parks and recreation board likewise voted to recommend the term sheet for the ordinance on October 24th. They noted in their resolution the negative impacts of the bill on the parks level of service as the geographic areas will be considered by a council this Thursday with a public hearing and the code ordinance will be considered Ed the what's the repeal and replace of the parkland dedication ordinance will be considered by council no later than November 30th. Following a postponement by the planning commission on October 24th. So with that, we'll open it up for questions. >> Councilmember Ryan alter, then councilmember Allison alter just one quick comment as we look at this now. >> Thank you for this detailed

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>> Thank you for this detailed information. I just want to put out one piece of context that doesn't change what we're doing here. But I think just is important to note and understand . I took a look last year at our park acquisition to see what the impact butts that this could potentially have. And last year, over 88% of our land acquisition came from parkland dedication, Ann and another large portion of that, that remaining 12% we acquired with some of the fees from the parkland dedication. So as we kind of navigate this new space, I'm not saying all that's going to go away because as the bill does still allow us some acquisition of land or fee in lieu. But I think we just it's important that we think about how we address the reduced amount of both fee and land that that we might find ourselves in

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that we might find ourselves in and think about what we might do to offset that. So that's just a point of reference. Thank you. >> Thank you. Councilmember councilmember Allison alter. >> Thank you. I appreciate the presentation. I would have loved to see exactly the impact so that we can see how much we this process has gutted our parkland dedication. Appreciate the numbers that my colleague reference just, you know, we may go down as low as \$1 million in the next budget in terms of this funding source is moving forward by some calculation. And obviously it depends on the numbers that come back where where we land. But it's not so much the money that's important. It is the ability to dedicate the land and one thing you didn't cover is that there are scenarios where we would have to pay for land if we wanted it, because even if it's floodplain,

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because even if it's floodplain, we have to pay full appraisal value for it and the fees are set so much lower than the cost of land that there are scenario where we would actually end up paying them for land and I think that we need to be very careful to watch those kinds of scenarios as and where that would happen. And we need to consider taking some legal action. I believe I believe this is a, you know, requiring us in those scenarios to pay somebody for something more than it's worth, which violates, you know, some tenants that we have as a city from the law. And so I think that we really do need to explore the options here that we have. This is an extreme overreach, in my view. It violates all of the tenants of the national standards for doing parkland dedication because it severs that relationship between the parkland and the other pieces. So I want to just throw out there. I think that we are

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out there. I think that we are going to need to, you know, now that we have a better understanding of what this means, we really do need to think about every tool in our toolbox to fight against this. I understand at this point we have to move forward with it, but it is just absolutely, absolutely devastating for our parks. And it's not it's not so much the fees. I just want to be really clear. It's the way that it cuts off our knees and our ability to require the land dedication. And it's very unclear what happens if somebody wants to give us more land, you know, like I mean, just it creates all sorts of uncertainties and problems. I think moving forward, even if we have a developer here that wants to have that park space, which we know is going to enhance their property, this is just, you know, a really, really sad for our community that values our parks. And I look forward to working with you. Council member Ryan alter on finding

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Ryan alter on finding alternative funding sources. Did you guys want to add something look like you were? Yes thank you. >> Council member did want to mention the scenario that you mentioned about if a developer would ever be paid for their land that that the that ordinance is in draft form now. But we are looking at baking that into the ordinance that that's a scenario that that we would not do. Okay but is there is there a scenario where if they want to provide more land, they want to dedicate more land that we don't have to pay for it? >> It's a volunteer. >> Could you help us with the ordinance. Yeah >> And if I need to take this into legal session, that's fine, but. >> Hi, Erica Lopez, assistant city attorney. We right now we are talking about when land is being required in order for the

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being required in order for the applicant to receive development approval. If the applicant wanted to voluntarily donate land outside of that process, then the city has separate processes in which we accept donated land. So we would just separate it from the approval of the development that they're proposing. So we just treat those as two separate processes. If there was a scenario, if that was a scenario, okay, I can imagine lots of complications with that. >> But you can take that offline. Thank you. Council thank you all very much for the presentation. I'm sorry, I have one one last question, if I might. >> Councilmember Allison alter. >> There was discussion about about possibly changing the boundaries for the suburban to the urban. And we talked about how that would affect the formula for this. Does that also affect the formula for parkland deficiency? Because it would change some areas from requiring a quarter mile to a half mile for access.

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for access. >> That's something that we haven't explored at this time. That is possible that it may change those boundaries, but those boundaries were set on the 2009 walk shed or walk to a park resolution that council set for the urban and those boundaries are defined by the current urban core, which is still defined in our. >> Okay. If you if you could just clarify for me that because I'd like us to be able to move forward where we keep the walk sheds as we had them before, even if we have this map, yes, we'll discuss it and bring you a clarification. >> Thank you. Thank you. >> Thank you all for the presentation. Miss Sanders. That will take us to council items of interest. There were three items that were pulled. Item six and 16 both relate generally to the same issue. So I'm going to call those up together unless somebody has a disagreement with that. And council member Kelly, I'll recognize you and then

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I'll recognize you and then council member qadri yeah. >> Thank you, mayor, for the recognition when I pulled these items because I had several questions related to them. But the manager came to my office

yesterday and we worked out a little bit of a plan. So I'd like for him to share that with everyone related to that. >> Okay. Councilmember as you as you know, on a real estate matter, I think what we indicated was we'd be happy to talk about the terms and the negotiations that we have ongoing so that you're so that the council can be fully informed of that. >> And we talked about doing that on Thursday in executive session. Executive session, correct? >> Okay. That's all I had. Mayor, thank you. >> Thank you, councilmember councilmember qadri. >> That was that was painless. I just have a few questions for Ed. Is it painful? Sorry. That was. Yeah, that was. Yeah, it was painless. >> Are you implying that it's sometimes painful when I speak? >> No, no, no, no. >> As in, like, it went by. It went by pretty fast. >> I could understand that. No, no, not at all. I think he. >> I think he just said the quiet part out loud. >> Yeah, not at all. >> I'll take that as a

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>> I'll take that as a compliment. >> Went by really fast. I thought it was going to be a lot of questions and a lot of time, but thank you for the briefness of it. I should have said briefness. That's what I should have said. >> Council member qadri. For some reason you have the floor. Yeah, I know. >> Yeah. >> Yeah. So I just wanted to. I appreciate Ed coming by our office and I appreciate Deborah Thomas also chatting with us about this, but I just wanted to ask a few questions for, for, for clarity sake and also for the public to kind of be informed on. But I just have a few questions. First one, what are the funding sources coming from to purchase the shelter? >> Sure. We have we have three funding sources identified. One would be our community development block grant funds. We have funding available in that grant funding from our housing trust fund and then also on on on council's agenda is a recommendation to purchase the Ben white facility. We currently lease that facility for \$6.4 million. I'm assuming council approves the purchase, the funding that we had put away in the budget for the lease, about \$5 million of lease expenses that savings would go towards

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that savings would go towards the acquisition and the purchase price of this property. Of course, in the future we'll have debt service to pay on that facility, but that would not be until a subsequent fiscal year and it would be out of our debt service tax rate, not our operating rate. >> Great. Thank you. And then what are the purchasing costs and renovation costs required for the for the property? >> So the price of the property is 15 million, \$50,000. That's supported by a third party appraisal. The renovations are currently underway. You may recall that the council has approved the lease of this facility so that we could keep it in use as a shelter. We have a one year lease agreement for currently. That lease would go away and we wouldn't pay those lease payments. If the purchase goes through. But we've already started Eid renovations in the neighborhood of a couple of hundred thousand dollars. Just immediate needs that the facility requires. And if we ultimately end up staying in that facility for an extended period of time, the facility would need additional

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would need additional improvements over time. But the initial improvements we're making are in the neighborhood of a few hundred thousand dollars. >> Got it. Thank you. And then what was the funding originally dedicated for the, I guess the 15.5 million? Was it was it dedicated for anything or is it being taken from something to fund it or not? >> Well, part of it was that lease expense that I talked about. And then the housing trust fund is a there's different sources of funding into the housing trust fund. We're looking at the general fund revenues and those dollars can be used for support of any housing projects or really general fund dollars. So they could have been used for a variety of purposes, including the purchase of the shelter in regards to the cdbg fund, I'd have to ask Rosie maybe to come down and if there was if there were plans for those community development block grant dollars. Okay, great. >> And then the last question, and I don't know if you would answer this or Rosie, but would the population that the

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the population that the Salvation Army serve, would it be the same salvation or would it be the same population they serve previously? So women. >> I think that's a David gray question and he's here as well. Okay great. >> Mr. Gray. >> Good morning. Council David gray, interim homeless strategy officer. So the current plan is for the Salvation Army site to serve women as well as individuals who identify as transgender under. Great. >> Oh, great. Okay great. Well, I appreciate it. That's it. Hopefully that was painless. As well. So thank you, sir. >> Thank you. Councilmember. Councilmember Allison alter. >> So. So, Mr. Benigno, the housing trust fund. If we take that 5 million, that means there's 5 million less to spend on other things next fiscal year. Correct yeah, correct. >> There be additional allocation of funding into the housing trust fund next year, but it's a pot of money that can be used for housing things. So a \$5 million is used for this

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\$5 million is used for this purpose. It's \$5 million less that could be used for other housing purposes. In regards to the cdbg, I did check with Rosie, and that's carry forward money. That's money that is from previous year's allocations that needs to be allocated to some appropriate use. And this is what we're recommending to allocate it to the to the purchase of this shelter. >> And how much is that? >> That's 5 million. Three. 5 million pots, \$5 million of cdbg funding, \$5 million of housing trust fund funding, \$5 million from the lease savings from the lease savings for the purchase. Yep okay. Thank you. >> Councilmember. I see you leaning, please. >> Councilmember Ryan holt-rabb for the manager. >> We

had had discussions about the plan for after we purchase what what we have envisioned for the future of this site. And so I just as as we get towards

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I just as as we get towards Thursday any details you can provide on what that time horizon is for this site would just be helpful. Yeah >> And just so I mean, I think one of the things that we have found as a real need for this facility is as is when I first arrived here in February, as you all may recall, the salvation Army had indicated that it was trying to close this facility. We were able to work with them on a couple of months extension so that we could then move toward forward to do the lease so that so that we could effectively enforce the no camping ban that the voters authorize in 21. So that I mean, and to have a facility downtown that can serve those needs that that constituent is very important. And I think then the overall plan is once we'll own about the two significant parcels on this block, and I don't want to get ahead of myself, but I think that's something that we'll want to do in engagement with the community at the appropriate time so that we can figure out what the best

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we can figure out what the best path forward would be. >> And if I might just I want to say, because I see some people in the in the audience and I've received a number of phone calls from folks we know that we are behind on the number of emergency shelter beds this council has had a work session on it. We've had reports to us and it's a lot that we're behind . We know that this council with the manager has worked to try to alleviate that problem and folk have create some focus that wasn't there before. Shaw on the use of those shelter beds and has taken action on. It was like three weeks to a month after in January 33i think it was in January. It may have been the first part of February. I can't

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first part of February. I can't remember because there was like a storm and you know, a lot of other stuff that happened during that period of time. But the Salvation Army announced that it was going to leave the downtown area. And by leaving the downtown area, it was going to immediate Ali. And in the downtown area to increase the number of missing shelter beds. Some people that have contacted my office seem to have forgotten that. And I want to remind them of that. I also want to remind them that they are some of the very same people that criticize us, whether the city is moving rapidly enough to find, find shelter, space for people that are living homeless in the downtown area or otherwise in the city. And yet, yet when we look to ways to solve of this issue, are also the first to

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issue, are also the first to criticize. Everyone wants to go to heaven. But ain't no one wants to die Ann and in this situation we need more shelter beds. What I would anticipate and what I would hope and what I would pray since I'm using the heaven concept here, is that when the \$65 million dollars and probably other funding, but when the \$65 million that was obtained from the state to help with housing, when we're in a position to put more people into the emergency shelter beds or non-congregate shelters as a result of being able to actually utilize that money, that may speed up our ability to make other decision related to other other non emergency shelters. But I'm just going to say it

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But I'm just going to say it undermines the effort it to house our homeless population and to solve some of the very problems that that people bring to our attention on a daily basis. And arguably an hourly basis by saying we shouldn't go forward on something like this. So I just since folks are interested, I thought I would take the opportunity to say thank you for your interest. The next item on our agenda is item number 15. And I'll recognize councilmember Allison alter, who pulled the item. Thank you. >> So, colleagues, I pulled this item to highlight some work that I as chair of audit and finance, have been working on since 2019. Ann with with Ms. Olivares and the strategic governance facilities governance team and this is not to really raise questions, but to posit to shed

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questions, but to posit to shed some positive light on something that we are doing right here at the city at the time that we began this facility governance process, we had a very large portion of our employees housed in leased spaces. This was coming at the same time that we had the revenue caps imposed leases get paid out of o&m. And if you own the facilities, you get to pay that out of debt. So at the time that we did our facilities, governance plan in 2019, we had projected that we would have about a \$30 million savings on our o&m with this purchase of the Ben white facility, where we have a lot of general fund departments housed, it's my understanding that we will be arriving at a point where we will have be in the position to fully transition to owned spaces from lease spaces as the remaining leases come

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as the remaining leases come due. And I wanted to just invite Ms. Olivares to speak a little bit about the many things that this purchase allows us to do in relation to that facilities governance plan and how it positions us well for financially. Thank you. >> Deputy cfo. What the council member stated is absolutely

on point. We're very excited for this purchase. I actually did have a handful of slides just to give you some photographs because I know not everyone has necessarily been to this building. So, I know. Oh so it is located on Ben white, east of 35, close to Iltorf and it was originally built as a semiconductor wafer fabrication fabrication fabric plant and then fully renovated in 2017 to convert it into this office

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convert it into this office space. So there's over 244,000ft² !S. We currently occupy about 80% of that. The Mexican consulate also occupies just about 10% of that space. And then there's a small amount that is currently unoccupied that we're going to be able to convert and utilize for homeland security, emergency management purposes. So we're the current lease leases for this from the city of Austin total about \$6.5 million. The debt service for this will be about \$6.1 million. So we automatically have savings on that front. But we also have there will be the continued lease payments coming from the Mexican consulate through the remainder of their lease, which goes through 2032, which will help us offset operating costs. So we're already we're going to be seeing significant savings right out the door once we acquire this facility. It also includes. 24.53 acres of property. The development agreement for that site, which

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agreement for that site, which reaches back many, many years, a permits impervious coverage for that site up to 80% right now or about 55, 56% is being utilized. So we have approximately 2,000,000ft² !S of far available for us to be thinking about in future city needs. So this this acquisition not only helps us convert from lease to own space, it also helps us achieve savings, but then it also gives us options for the future for whatever other additional needs we might have as a as an organization, as a community. So right now there's a number of departments that occupy the building. We have economic development, communications, public information, Austin energy capital, livery services, human resources and Austin code. As we complete this acquisition and we make some some moves, we'll have awesome public health, which also and human resources which also includes our employee health clinic on the site. But economic development at Pio hessam parks department and transportation

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department and transportation and public works. So we've also invested a number of dollars into this facility over the years to make it our own. So this just allows us to continue to benefit from that investment on a more long term basis. So very excited for this purchase and what it means for the organization. Thank you. >> And I just want to acknowledge, miss Olivares, his leadership on this and the other members of the strategic facilities governance team who have been really working hard to find all

of the ways for word that we can most effectively move to this owned space, which I think is really important for us fiscally. So thank you. >> And I'll note my colleagues from sgt that are in the room, Mike Gates and Daryl Alexander, who are absolutely integral, integral for all of this work. So appreciate them very much. Thank you. >> Mayor pro tem got just a couple of questions. >> Don't go too far. Are there other tenants on site? And would you foresee those tenants would

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you foresee those tenants would stay there long term or is there a plan to phase out any other subcontractors that are officing there? >> So for the space that we're purchasing, the only other tenant is the Mexican consulate and they do have a lease through 2032. >> Okay. I had seen something else on the map and maybe they're not there anymore, but it looked like there was some sort of place where people could order food for events and things like that. So I didn't know if they were still in the building. >> And there's a meat plant, meat processing plant that is also on the site, but their space, they own it. It's a city services and fresh ground beef. All in one place. Okay >> For the burgers? Yeah >> Learn something new every day . >> Somehow feels very compatible . Yeah. >> So. >> So on that note, are there places for employees to eat nearby? It looks like it's very car centric. Doesn't look like there's much bus service or walkable city. It looks like it's a very expand, massive office park that this location is within. Are there any other

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is within. Are there any other opportunities to make sure that staff can get lunch if they forget to bring theirs, since it's highway bound essentially? >> Yeah. So there is a bus stop nearby. There is a little bit of a walk from that stop to our building specifically. And when it comes to food options, there aren't a ton. Totally admit that. But with this ownership, we have the ability to start addressing that. If we want to look at food options within the building. But also if we want to look at, like I noted, that the acreage that is included in the purchase, if we want to look at opportunities for how we utilize that acreage going forward to meet those other other needs organizationally, community wise, we have that option as a tenant. We don't. So this just opens up the options for us. That's perfect. >> And I know there are great places to eat nearby. You just, I think have to drive there. Yeah, there's many places I said that'd be a great place for lunch, but I also want to make sure that as as we look at those issues like the bus stop situation and shuttling or

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situation and shuttling or anything like that, I would hate for the distance to be an impediment to people who want to work for those departments that just say, you know, I just I can't get there. I don't

have reliable transportation Ann I have mobility impairments, things like that. I want to make sure that it's welcoming and open to everybody, depending on their commute needs. Absolutely >> Good. Thank you. Mayor pro tem councilmember alter, you have anything else? Great thank you all very much. Members, that concludes the council items of interest. We will. We've also concluded our briefings for the day. So with that, the city council will go into a closed session and we will take up three items pursuant to sections 551.076 and 551.089 of the Texas government code. The city council will discuss information security issues related to item E one, a cyber security matters, including assessments and deployments of personnel and devices, audits, network security information and

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security information and information technology resources and critical infrastructure. Pursuant to section 551 071 and 55107. Two of the Texas government. The city council will discuss legal issues and real estate matters related to items E two and E three. The conveyance exchange or value of approximately nine acres of park land located at 2525 south lakeshore boulevard, also known as central maintenance complex members for clarity purposes, we will not be taking up items E four and E five on the posted agenda. Those have been postponed. Is there any objection to going into executive session on the items announced? E one, E two and E three hearing none. The council will now go into executive session for members of the public. I will return at the end of the executive session and

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of the executive session and announce when we are out of executive session and without objection, announce the adjournment of this work session. We are now going into executive session. It is 10:47 A.M. On November 7th. Thank you, everyone.

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We are out of closed session. In closed session we discussed information security issues related to item E1 and real estate matters related to item E3. Item E2 was withdrawn. We are adjourned for November 7th, 2023 at 12:45 P.M.