



EMMA S. BARRIENTOS MEXICAN AMERICAN CULTURAL CENTER

SPECIAL MEETING

ADVISORY BOARD MINUTES

Thursday, October 4, 2012

The Emma S. Barrientos: Mexican American Cultural Center Advisory Board convened in a Special Meeting at City Hall Council Chambers, 301 W. 2nd Street, Austin, Texas.

Juan Oyervides, Chair called the Board Meeting to order at 5:45 pm.

Board Members in Attendance:

Juan Oyervides, Chair
Velia Sanchez-Ruiz, Vice Chair
Cassie Smith, Member
Sylvia Orozco, Member

Board Members Absent: 2

Member, David Carroll
Member, Marisa Limon

Staff in Attendance:

Herlinda Zamora, ESB-MACC Manager

1. APPROVAL OF MINUTES: NONE

- 2. CITIZEN COMMUNICATION:** Twelve citizens spoke at the special meeting and 15 voted against the purchase of 64 Rainey Street. Many of the speakers who gathered in Council Chambers bearing signs that read “La Cultura No Se Vende” (Culture is not for sale) and made their voices heard, suggesting that the area around the ESB-MACC be declared a cultural district.

Former State Sen. Gonzalo Barrientos had an emotional plea for the Board: “There are some things that are more valued than money and progress, and that is our history and our culture,” Barrientos said. “We fought for this building to provide a semblance of the history of our state, a state where some of us Tejanos were here way before the Mayflower and Plymouth Rock. I think it would be a travesty to have this, albeit beautiful building, cover up part of what we Americans stand for.”

Paul Saldaña said that he was baffled that PARD staff did not recognize the history of the area and showed “We Will Always Be Here” a video of the *Los Elementos* mural being destroyed by a wrecking ball in 1971. The mural once sat on the site that was Juarez Lincoln Center that housed LUCHA and is now an IHOP restaurant at the entrance of Rainey Street.

MACC architect Jamie Beaman also spoke at the meeting, saying building on the parcel would be a “major mistake.”

“It's very difficult for me to come up here, because working for developers is my livelihood. But I have to say that I am against the sale of this property,” said Beaman. “The MACC was designed as a work of art. ... And blocking its view would be a major mistake and will block the view of this extraordinary building since the approach to the MACC was one of the more important issues in the overall design.”

Anita Quintannilla: Voiced her concern about the development of Rainey Street intruding on the civil rights of those who live in the neighborhood and creating cultural genocide.

Frank Fuentes: Expressed how ESB-MACC's beauty defines the space for the Mexican American community and concerns regarding the traffic in the neighborhood.

Perla Cavazos: Discussed the neighborhood's history and how its integrity has been stripped. She encouraged that City Council setup community meetings to talk to the stakeholders about decisions being made in their neighborhood and how it would benefit all.

Marta Cotera: Questioned why a parking garage for ESB-MACC was not placed on the bond and the neighborhood needs to be preserved as a cultural district.

Emilio Zamora: Conveyed the need to respect the Mexican American community and its values. He addressed the need for better communication in maintaining how ESB-MACC should run and how the Board should have been notified of the whole process because it appears as an act of dismissal and disregard.

Jose Velasquez: Questioned how many of the developers actually live in the areas that they represent.

3. **STAFF BRIEFINGS: NONE**

4. **PRESENTATIONS:** Development Project by 70 Rainey Street LP

Don Reese, Partner of 70 Rainey Street Limited: "I am not here today to address the process, but where we are is that we submitted an offer to purchase the property for sale. We submitted three options: one was for \$1.2 million in cash with no parking provided for the public, the second was \$400k with 20 parking spaces for the public, and the third was \$100k with 30 spaces provided for the public. Those were the three options that we offered for the site." Reese told the Board that he didn't yet have exact plans for the parcel, but plans to call for constructing a building taller than three or four stories. He explained that the property was zoned Central Business District, priced accordingly, and intended to be developed as such. He extended an invitation for the MACC Board to select an artist of their choosing for an entrance piece and offered the "seed money" to contract an artist for the piece if his group acquires 64 Rainey.

Artist **Miguel Segura** presented his design as "... something I came up with, but it's a tribute to the architecture and vision of the MACC. It's an intuitive element that communicates the function of the roundabout and creates a unique landmark."

Chair Oyervides questioned who on City staff and community members Reese was communicating with about the process of acquiring the parcel. Reese explained, "This property has been zoned, [...] lot 64 was also zoned CBD, therefore development constraints were already well defined for these properties. Meeting with neighborhood groups would be discretionary because the constraints on development are imposed by regulations that are in place." He also mentioned that he would have to deal with The City Real Estate Department who deals with real estate transactions in terms of acquisition of property owned by the City.

Chair Oyervides also brought up the question of the water line to Reese who was aware of the sewer line that run through the middle of the site and explained that he could not develop on top of it other than with pavement. And to build over it you would need to relocate the sewer line to build on both sides of it.

Chair Oyervides asked the question about the height and number of parking spots for the structure. “I indicated that specifically when I addressed City Council that it would be a two story building... We would be going higher than a 2 or 3 story building.” Explained Reese.

Cassie Smith, ESB-MACC Board Member: I have some concerns in addition to the aesthetic view of the building. It’s a nice art piece suggested to compliment the building, but the building is an artwork in itself. One of the biggest constraints is safety and traffic congestion. The MACC has lots of large events and that area is not set up to have lots of cars come in and out. Is that part of the development process, of looking at the moving systems you have in that area? With a building so large it’s going to create even more problems within the existing system.

Don Reese, Partner of 70 Rainey Street Limited: As we go forward with any site or building permits, we will be working with specific City departments that address those needs and will let us know what the requirements are in terms of what we may or may not have to do. We do not have the control or authority of what goes on in that area. On our side we will have to work with staff and they will have to tell us what we can and cannot do in terms of the rest of the area. Again, we haven’t started with that process. That could take 6 months to a year, and at that point we will have a better idea of what it is we can actually be building.

Sylvia Orozco, ESB-MACC Board Member: I have a question for City staff, whether Parks or Real Estate. My observation is that I am on the Board, and the way I found out about it is that I found out in the paper. If I was a developer I would bid on it, but we have a question of how it got to that point in the paper when we’re right there. When we as the Board at the same time, we are doing a parking study that the City is paying for, where we’re studying that parcel of land for parking. We’re paying \$50k of bond money to study your land. And the staff and the City know our concern with parking, so the question, I see that you responded as an independent business problem, but why is that on the table to begin with? We’re the City.

Sara Hensley, PARD Director: I did speak up when this was brought forward to the PARD Board, and Lauraine Rizer was very helpful, and I was asked by the ESB-MACC to look at alternative parking. That’s what I did, and Lauraine took it very seriously with me. We met with City Manager Bert Lumbreras and City Manager Sue Edwards to show and talk about our concerns about the parking issues and that perhaps from a PARD perspective we’d like to have the land. When I found out there was a waste waterline that could cost anywhere between \$500k and \$750k to move or be altered so anything could happen there, and associated with the cost of the land it was unaffordable for me as a department to buy. That was when Lauraine worked with me and the two Assistant City Managers to come up with a creative solution to find parking spaces if we came up with a successful bid. That was before it came out on the street for a bid. I was the one that raised the issue and said we’re having a parking issue, and I was asked to look for

parking opportunities, and I'm still doing that, and we thought this was a creative way to solve parking issues at the MACC and around the area. It was put through RFP that the successful bidder provides additional parking. As you know, Council Members would not like to have that as part of the agreement, but I can only speak for what we see, and that is when parcels come up for sale in the City, Lauraine sends a letter to every department to see if they are interested in the land. I said yes, I'm interested, but when I saw the constraints and money involved, and when we knew there was interest from Council looking at the sale of this for what it was appraised, and keeping it on the tax rolls to help pay back tax increment financing SU, it was not as positively seen as we thought it was. That's the extent of it and what we did. Lauraine was very helpful to me in coming up with a solution to address parking. But what that does, what you're faced with now, is creating a parking structure you're concerned with now.

Sylvia Orozco, ESB-MACC Board Member: Right, but my issue is that this is the first time you're telling us this. I've been to every meeting and you never mentioned anything about drawing a creative solution or the property going up for sale. This was never up for discussion.

Sara Hensley, PARD Director: Right, I had a meeting with Bert Lumbreras, Juan Oyervides, and Paul Saldaña[...], I was the one who brought up the issue of the possibility of a developer buying up the property. I believe Former Mayor Gus Garcia was also at the meeting. I brought up the idea that it could be going to Council.

Member Orozco asked why it was not brought up to the MACC Board.

Sara Hensley, PARD Director: [...]I was working with the Assistant City Managers and working through this and did what I thought was the right thing to do for due diligence and trying to protect it. I even said through some emails that I was trying to work through this. I was not comfortable bringing this to the MACC until we had a solution. There was nothing I could do other than continue looking at this. I was looking at this to alleviate parking headaches from the boathouse as well as the MACC, and I could not bring this to them because this was a proposal. It was not something I could say was going to happen. [...]I don't know if they do public meetings regarding the sale of City property.

Velia Sanchez-Ruiz, ESB-MACC Board Member: To back up what Sylvia was saying, I was taken by surprise when I saw this on the agenda because we had been discussing this with you for quite a while and you knew we were interested. And you know me, I am the landscaper and I am very much concerned about the looks of the MACC, and we had talked about the surrounding buildings and it's just already compromised. We're just being swallowed up which is not what we want. I was just taken aback that this came out and I immediately called Council Member Morrison because I was concerned with it. It would have been respectful and courteous if someone gave us a heads up that the property was being sold.

PARD Director Hensley told the board that she did speak up about the land being used to solve parking problems at the MACC and called herself a "skunk at the picnic" that delayed the whole process. She added that she tried to include a demand that parking be built on the land that was ultimately unsuccessful. Director Hensley said that the discovery that it would cost \$500,000 to \$750,000 to move a wastewater line and the cost of the land made it unaffordable for her department.

“Where it went was not our decision,” said Hensley. “All I can tell you is that I red-flagged it.”

Lauraine Rizer, Division Manager of Real Estate Services, told ESB- MACC Board members that City staff was more focused on creating more parking in the area.

“In all the meetings that I have been involved in, the sentiment was that it was really more of excitement because we thought we made a big headway in stopping your problems,” Rizer said. “It was never a malicious thing. So I think that somehow we got so focused on fixing that issue, we heard it so much, that we got thinking that it was really doing something great for you guys. The only thing that I knew was that you needed parking.”

Juan Oyervides, ESB-MACC Chair: Let’s go back to the point where you asked every City Department if they were interested in this property. You asked them if they would object to the disposition of the property. No department objected to the proposed sale of this property except for PARD who identified it as a need for additional parking. Can you explain how if a City Department expresses a need for it, how did you go from there to putting it directly out to bid? Was it strictly based on monetary considerations that required moving a waste waterline if we used it for surface parking?

Lauraine Rizer, Division Manager of Real Estate Services: When a department decides they need that property, they would pay for the appraised value of the property. There would be funds transferred. So then what we tried to do is look at, as one of the options was to put it back on the tax rolls, I tried to look at how to get parking for the MACC and put it on the tax rolls. One of the things as we did in the request for offers is we said whoever provides the parking has to get income on that parking. We haven’t gone through all the details yet, but it was assumed that income would be part of the MACC’s revenues.

Juan Oyervides, ESB-MACC Chair: I don’t understand your answer. Sara Hensley said you were under pressures to do something with this property. What pressures was she referring to?

Lauraine Rizer, Division Manager of Real Estate Services: Most everything we do, as part of our performance measures, is to buy and sell whatever we do in a short period of time. So what we’re trying to do is get the property to Council and on the tax role for the next fiscal year.

The Board raised the issue of not being consulted about the PARD’S staff process in selling the property on Rainey Street.

Sara Hensley, PARD Director: If there was a process flaw, I admit that. I raised the issues from a Director’s point of view[...] Lauraine was right there with me in trying to reflect what I felt was most important, which was taking a step back and looking at the needs of the MACC and what this might do and the impact it might make. There were decisions made to move this forward and agreements about having parking, but in hindsight, I also don’t want it to look like we purposefully avoided talking about this to you. If there was a breakdown in communicating with you and the Board[...] I want you to know that Lauraine stood by me when I raised the red flag and helped me try to slow it down and look at it holistically as a business perspective and dealing with parking, [...].

Cassie Smith, ESB-MACC Board Member: Thank you for the explanation. I understand this is an economic and business transaction. But there are also huge cultural factors. And being in Parks and Recreation, I'm sure you understand that you cannot quantify the need for a cultural center or access to it, and that's where the Board can give direction.

5. BOARD ITEMS FOR DISCUSSION AND/OR ACTION

- a. The Board will discuss and take action on issues related to ESB-MACC entrance, Rainey Street LP proposed purchase of 64 Rainey Street parcel and City staff process for recommendation of sale.
 - i. "I am on the board, and the way that I found out about it was that I saw it in the paper," said Member Sylvia Orozco. "How did it even get to that point? How did it get to the paper when we're right there? How did it get to that point when we, as a board, at the same time we are doing a parking study that we are paying for – that the city is paying for – where we are studying that parcel of land for parking. We're paying \$50,000 out of bond money to study your land."
 - ii. Member Smith said, "I understand that this is an economic transaction, and it's business ... but there are also huge cultural factors. I think that's a place where the Board can give a lot of direction." Member Smith said, "I know that it seems like everyone was trying to do us a favor by pursuing parking. But there is a lack of awareness about the cultural needs of the center and the appearance of the center and community involvement in the center. And I don't think any of those things are worth a 30-space parking exchange."
 - iii. The Board reaffirmed a June 6 resolution to acquire the 64 Rainey Street parcel for ESB-MACC and recommended to City Council to not sell the parcel in a (4-0) vote. + Chair Oyervides, Vice-Chair Velia-Sanchez and Members Smith and Orozco. Board Members Marisa Limon and David Carroll were absent.
 - iv. Member Orozco made a friendly amendment to not go through with the sale of the 64 Rainey Street parcel, and to direct City manager to instruct City departments to work together to transfer, deed, or swap parcel to Parks and Recreation Department for exclusive use by the ESB-MACC.

6. FUTURE AGENDA ITEMS: NONE

ADJOURNMENT

Oyervides adjourned the meeting at 8:10 pm with a motion from Member Velia-Sanchez and a second from Member Cassie without objection (4.0). + Chair Oyervides, Vice-Chair Velia-Sanchez and Members Smith and Orozco.