

**City Council Questions and Answers for
Thursday, June 20, 2013**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, June 20, 2013 at Austin City Hall
301 W. Second Street, Austin, TX



**Mayor Lee Leffingwell
Mayor Pro Tem Sheryl Cole
Council Member Chris Riley, Place 1
Council Member Mike Martinez, Place 2
Council Member Kathie Tovo, Place 3
Council Member Laura Morrison, Place 4
Council Member William Spelman, Place 5**

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

QUESTIONS FROM COUNCIL

1. Agenda Item # 2
 - a. QUESTION: What prompted these changes? COUNCIL MEMBER SPELMAN
 - b. ANSWER: In August 2012, City Council adopted a new Water Conservation Code which allows customers to pursue an Administrative Hearing for violations against this code. The proposed changes to the City Regulation add the reference code violation to the Administrative Hearing Regulations. In addition, Austin Energy recommends the addition of non-prosecutable meter tampering to be eligible for an Administrative Hearing. Austin Energy identified the importance of allowing customers this avenue to dispute non-prosecutable meter tampering charges on their accounts. Staff also made other small administrative clarifications throughout the regulations that are helpful in resolving customer issues.
2. Agenda Items # 3 and # 4
 - a. QUESTION: The backup states that authorization and purchase is subject to further council approval. Please clarify. Are contracts written so that there is no commitment to purchase power with this approval? COUNCIL MEMBER MORRISON
 - b. ANSWER: Per Council Resolution No. 20110310-003, Exhibit C. Information Relating to Generation Resource Acquisitions, Austin Energy will bring forward for consideration at two separate Council meetings any proposed long term purchase power agreements (PPA) or new generation for anything over 10 MW. The RCAs on June 20 will allow Austin Energy to continue negotiating with the proposed entities. On June 27, Austin Energy will request the authorization to proceed with executing the contracts once the negotiations are complete. The sentence in the RCAs referring to "further Council approval" refers to the approval the utility seeks on June 27.
3. Agenda Item # 5
 - a. QUESTION: What is being done to prevent future fires? COUNCIL MEMBER SPELMAN
 - b. ANSWER: Austin Water is taking steps to mitigate the risk and strengthen on site fire suppression capabilities. Action items include reconfiguring the size,

shape, orientation and spacing of compost windrows to improve fire breaks and mitigate wind-induced fire risks. Fire suppression improvements include the purchase of water cannons, densifying the irrigation system network and analyzing specialized fire suppression materials. Austin Water will continue to work closely with the Austin Fire Department through these steps.

4. Agenda Item # 9

- a. QUESTION: Please provide some additional information on the breakdown of the cost for this project. COUNCIL MEMBER SPELMAN
- b. ANSWER: This is a lump sum bid for two separate shower facilities at two different sites – the Waller Creek Center and PARD Headquarters. By packaging the projects under one construction contract, we receive a more economical bid than if they were bid separately. The cost estimate prepared by our consultants last year indicated the Waller Creek Center remodel would constitute 44% (\$249,260) of the total estimated cost and the freestanding PARD facility would constitute 56% (\$317,240) of the total project cost. We did not require a breakdown of the cost for each facility as part of the bid requirements. We received three bids for this project; the two lowest bids were \$1,700.00 apart. The closeness of the two low bids indicates a very competitive bid environment.

5. Agenda Item # 16

- a. QUESTION: How long have these CDCs/properties been tax exempt?
COUNCIL MEMBER SPELMAN
- b. ANSWER: See attachment.

6. Agenda Items # 18 and # 19

- a. QUESTION: a) What departments will be housed in these facilities? b) If that has not been determined yet, when will the plan be finalized? COUNCIL MEMBER SPELMAN
- b. ANSWER: a) We have not determined who will be housed at these facilities. b) We are looking at critical space needs for One Texas Center and City Hall. The Strategic Facilities Study showed a need to enter into short term leases to vacate space for additional Council members and the revamping of One Texas Center. The space for the new Council members must be ready by the end of 2014 causing us to work backwards to determine deadlines. This Council action will allow us to lock down space in close vicinity to City Hall and One Texas Center while simultaneously space planning.

7. Agenda Item # 24

- a. QUESTION: What can we do to help defray some of the maintenance costs


of this program over time (e.g. will there be membership fees, etc)?
COUNCIL MEMBER SPELMAN


- b. ANSWER: Revenues to support the operation, maintenance, and expansion of the system are collected from Bike Share system user fees. These fees include individual and corporate memberships and daily usage fees. Additional revenue sources also include advertising, additional grants, partnerships, and other miscellaneous sources. Revenues will flow through a "waterfall" of accounts: first to pay for operations and maintenance, then into capital repair and replacement, and lastly into a reserve account to be used for system expansion.

8. Agenda Item # 46

- a. QUESTION: a) Is this a fixed price contract with Lockheed Martin? b) Is this an "off the shelf" system we are procuring? c) Is it possible to see a demonstration of the product? COUNCIL MEMBER MORRISON
- b. ANSWER: a) Yes – as long as we do not change the original scope submitted in the RFP. b) Yes, it's their business process management solution, "Intranet Quorum (IQ)." c) Because the vendor is based in Virginia, we are working with them to set up a webinar so that all who are interested would be able to participate in viewing the product. We will provide dates and times as soon as they are confirmed.

END OF REPORT - ATTACHMENTS TO FOLLOW

 *The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

 *For assistance please call 974-2210 OR 974-2445 TDD.*



Council Question and Answer

Related To	Agenda Item #16	Meeting Date	June 20, 2013
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Additional Answer Information

QUESTION: How long have these CDCs/properties been tax exempt? COUNCIL MEMBER SPELMAN

ANSWER: On Agenda Item 16, Exhibit A (attached), with the exception of 1313 Willow Street, the properties listed currently are only exempt from City of Austin property taxes since the City designated them as being part of a Community Land Trust (CLT). The exemption from City ad valorem taxes has only been in effect for one year and the CLT exemption must be renewed each year according to the Texas Property Tax Code.

Other properties owned by these organizations (and not listed on Exhibit A) may already be totally tax-exempt depending on when they were purchased and what the properties are used for. Previous state law allowed non-profit affordable housing providers a total property tax exemption. Effective January 1, 2004, the law changed such that a 50% exemption was granted to these organizations purchasing property to be operated as rental housing. However, the same organizations owning land to be developed for ownership housing still retain the 100% exemption with the idea being that when the new home is sold to a homebuyer, the property will be added to the tax rolls. See following attachment.

EXHIBIT A

List of CLT Organizations and Properties Proposed for Tax Exemption

1. Blackland Community Development Corporation

<u>Address</u>	<u>TCAD ID</u>	<u>Estimated Exemption Amount</u>
1803 East 20 th Street	#202341	\$1,333.69
2106 Chestnut Avenue	#203987	<u>125.73</u>
		\$1,459.42

2. Chestnut Neighborhood Revitalization Corporation

<u>Address</u>	<u>TCAD ID</u>	<u>Estimated Exemption Amount</u>
1807 East 13 th Street	#197289	\$ 197.59
1212 Chicon Street	#197290	197.81
1309 Chicon Street	#198693	427.47
1301 Chicon Street	#198700	213.73
1301 ½ Chicon Street	#198701	213.73
1305 Chicon Street	#198702	<u>137.31</u>
		\$1,387.64

3. Guadalupe Neighborhood Development Corporation

<u>Address</u>	<u>TCAD ID</u>	<u>Estimated Exemption Amount</u>
1313 Willow Street ¹	#188739	<u>\$ 0.00</u>
		\$ 0.00

Total Estimated Exemption Amount: \$2,847.06

¹This property was acquired in 1990 and functioned as a rental property until 2012 when it was demolished and a new home was constructed. The new home was sold as a CLT home to its long-time renter. The former renter owns the improvements and the Guadalupe Neighborhood Development Corporation (GNDC) retains ownership of the land. The property has been exempt from all ad valorem taxes since it was first acquired. It is anticipated that the improvements will be subject to property tax while the land, which is still owned by GNDC, will remain tax exempt.