

## Closed Caption Log, Council Inauguration, 8/21/08

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I always get nervous when it gets quiet in here. Folks, we have almost ready to get started.

Good morning, folks, I apologize for the delay getting started. I'm Austin, Texas mayor Will Wynn, it's my privilege to welcome pastor Gordon S. Jones, Alpha 7th Day Adventist Church, who will lead us in our invocation, please rise.

Our father in heaven, holy is your name. Consider the fact that we are your children, this is your world, we come this morning to express our gratitude for life. For your love, mercy, the benefits of blessings that you have bestowed on us. Collectively, Lord, we affirm that we really depend on you and we really look forward with hope for your guidance. Comfort those who need comfort today. Guide us because we -- we need guidance. Father, we do pray that you will teach us because at times we are ignorant. In Jesus' name we pray, amen.

Mayor Wynn: Thank you, pastor Jones. So there being a quorum present, at this time I will call to order this meeting of the Austin City Council. It is Thursday, August 21st, 2008. We are in the City Council chambers of the City Hall building, 301 West Second Street. Before I go through our changes and corrections and talk about the -- about the schedule to help folks in their day today, I do want to take just a minute to acknowledge the honorable Joe English, the county from Nacogdoches County is with us. Judge, welcome, glad to have you here. We will be taking up an item later this afternoon that is of interest to the judge. So proud to have a -- have a distinguished colleague here. So -- so, council, let's see. Actually, before I go into the changes and corrections for this week's posted agenda, we have a practices of -- when we can, announcing any potential upcoming items from council or issues that -- that councilmember's think will be before us over the next meeting or two. At this time, I would welcome any comments about potential upcoming items. Hearing none, I would like to propose some changes to this week's posted agenda. 2, we should note that it also comes recommended by the Resource Management Commission. It's already noted that -- amended by our electric utility commission. 19, we should note that it has been withdrawn from the agenda. 34, we should insert the phrase regarding the street event permit, subject to compliance with all administrative requirements. Again, this is the proposed issuance of a street permit for the bat fest and then corresponding with that, 36 has been withdrawn. 60, we should note that the zoning and platting commission recommendation is to grant general office conditional overlay or go co combined district zoning with conditions. 62, the zoning case

on Walgreen's, we should note that a valid -- on William cannon that a valid petition has been filed in opposition to the request. 75, which is one of our public hearings, we will note now that staff will be requesting that we postpone that public hearing to SEPTEMBER 25th, 2008, Technically because it's a time certain we can't take up the vote to postpone the , but just know that likely will happen. 78, staff will be requesting that we postpone that item indefinitely. So items 75 and 78 likely will not be taken up this evening. Our schedule here this morning after we get through our consent agenda, there might only be a single or just a few discussion items. Our morning briefing this morning will be our station area plan presentation by staff. My understanding is then staff will be proposing here in the next meeting or two the related zoning cases with those station air planning processes. At noon, as usual, we break for our general citizens communication. Then we generally go into closed session during our lunch break. And we have two items that we have two potential posted action items, items number 2 related to austin energy's potential bio mass plant and 4, regarding our potential -- our charter election that will be held this coming November. Both of those action items we will take up in closed session. So they will be off the consent agenda. We will take up -- we will take up those legal issues in closed session along with -- with some more items. And so likely those cases won't be heard publicly until well in the afternoon. 00 briefing today, both the presentation of a big chunk of the city manager's proposed 2008-2009 budget. The department presentations will be for the neighborhood planning and zoning department, watershed protection and review department, our public works, specifically a transportation fund and the economic growth and redevelopment services office budget as well as austin energy and related to that we'll have a relatively brief presentation from our partners at the austin technology incubator, here in the afternoon. 00 or sometime shortly thereafter we take up our zoning matters. 30 we break for live music and proclamations, stay tuned for Samantha miller, our musician today. 00 or thereafter we start our public hearings. Council, so far the only two items that are pulled off our consent agenda are taken off because we will be talking about legal issues in closed sessions, that's items number 2 regarding the bio mass plant and item 4 regarding our charter election in November. Any additional items that need to be pulled off the consent agenda? Hearing none, then I will propose the consent agenda. Again, for those folks who are trying to sort of plan their afternoon, because we do have a handful of speakers who signed up to give us testimony both on 2, austin energy's proposed bio mass plant and 4 the charter election, know that we'll take those items up, my -- my prediction would be middle of the afternoon as soon as we come back from executive session. 30 30 00, we will take up items 2 and 4 for those citizens who are here to give us testimony. So having said all of that, rich tells me that I think councilmember Morrison was going to propose to -- to perhaps postpone an item.

15, I think, related to our comprehensive plan, councilmember? Just a -- just to perhaps make the consent agenda a little easier with -- to postpone that until 9-25.

My understanding that staff appreciates that. gentry as I read the consent agenda, hopefully my refreshed screen will include postponing item 15 TO SEPTEMBER 25th, THANK You. So then with that said, councilmembers, our proposed consent agenda this morning numerically will be to -- to 1, our minutes from our last regular meeting, approve from our aviation department, item no. 3. From our communications and technology management department, items 5 and 6. From our community care services department, item no. 7. From our contract and land management department, items 8, 9, 10, and 11. From our health and human services department, approving item 12. From our law department,

approving item 13. From our library department, approving item 14. As part of the consent agenda, we will be 15, coming from our neighborhood planning and zoning department to September 25th, 2008. But we will be approving item 16. From our purchasing office, we will approve items 17, 18 -- 20, 21 I'm sorry we will be noting that we will actually be withdrawing item 19, but we will be approving items 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30. From our solid waste services department, we will be approving item no. 31. From our telecommunications and regulatory affairs department, approving item 32. From our watershed protection and development review department, approving items 33 and 34 per changes and correction. 35, our board and commission appointments that I will read into the record. They are to our austin community education consortium, dukes dafore is my nomination, to the austin community technology and telecommunications commission, councilmember Morrison nominated lineal to the austin mayor's committee for people with disabilities, councilmember shade nominated chip how. To the austin music commission sir a Hickman is -- Sarah Hickman is councilmember Morrison's nomination. I trust we get a concert out of that. To our commission for women, Linda medina is councilmember Martinez's nomination. To our community development commission, councilmember shade nominated Charlene Perkins. Did our electric utility commission, councilmember Martinez has nominated Michael Warner. To our Saltillo district redevelopment project community advisory group, I have nominated john lemon. And to the water and wastewater commission, Chan li is councilmember leffingwell's nomination. 35 on our consent agenda. We will note that item no. 36 Has been withdrawn. We will be setting the public hearings by approving item 37 and 38. I'll entertain a motion on that proposed consent agenda. Motion made by mayor pro tem McCracken, seconded by councilmember Cole to approve the consent agenda as proposed. Comments? Actually, first we will go to citizen comments. 34 regarding the street closing permit, French smith -- regarding the bat fest, French smith signed up to give us testimony. Welcome, Mr. smith. I guess you heard part of the consent agenda is to also sort of slightly change and correct this item to make sure that it's in compliance with administrative requirements, welcome.

Yes, thank you. I wanted to thank all of you all for your hard work. The city staff has made it possible to move to the first street bridge. They have done a great job in making this seamless. Right-of-way management has been in contact with me every day making changes, talking to people that will be affected. We have also discussed with your living room about next year and they found it agreeable that they would support an event if it was not on labor day weekend. And it was a single day event, so we're looking to do something along those lines next year. I think that we now know all of the issues, they are all in the open. So hopefully next year y'all won't be hearing about any problems regarding this event. So I thank y'all.

Mayor Wynn: Thank you, Mr. smith. Comments on this item? Councilmember Morrison I mean councilmember shade, excuse me.

There we go, sorry. I want to say thank you for doing the work that you have done these last two weeks. It really makes a difference. I think it sounds like a solution that's going to work better for everybody. I thank my colleagues for encouraging that to happen. Thank you again.

Thank you.

Councilmember Martinez.

> Thanks, mayor, I wanted to say thanks to French. I know when this first came up it upset some of us to hear we hadn't made any progress to discussions coming forward. I really appreciate you coming back to the table having these meaningful conversations. I specifically wanted to thank my council aide Andy Moore. He went above and beyond meeting sure we reached an amicable resolution. I really thank him for his efforts behind the scenes in making that happen.

He did a great job. I appreciate all of his help.

Obviously Andy Moore comes from bci, so he had a special passion in wanting to -- passion in wanting to make sure this worked out. I wasn't easy on him. I gave him a challenge and he stepped up to the plate. I really appreciate it.

Mayor Wynn: Thank you, Mr. Smith. Going to be a fun weekend. Not only bat fest going on on on the south first street 's home opener that Saturday night. Then Sunday evening the Nike Human Race will be happening downtown where Austin is one of 25 cities worldwide, only five in the western hemisphere chosen to -- to have a 10 k run simultaneously across the planet and Ben Harper is going to give a free concert at the steps of the capitol. Going to be a really fun weekend. Bat fest will be a big part of that.

Thank you.

So thank you, Mr. Smith. I think, council, that's all of our citizens' comment on our proposed consent agenda. Further council comments? Councilmember Cole.

Cole: I had one thing that I wanted to say to the living room and French Chee and all of our staff involved in those negotiations, that is that festivals are crucial to our city and that we as a body have worked to make another festival happen and the bats are very important. And so I'm pleased that we were able to come together as a group and make this succeed and that I hope we are able to do the same next year and the parties please feel free to call on us, call on our staff to make that happen. Since it's not on Labor Day weekend, hopefully it's not on a game day weekend.

Mayor Wynn: Again, we have a motion and a second on the table to approve the consent agenda as read. Further comments? Councilmember Leffingwell?

I just want to point out on item 31, this is another small step in our ongoing program to increase recycling here in Austin. This is a partnership with stores where we will be placing a container for paper and box board in the parking lots of these four stores and they are all listed on the agenda. Will be sharing the revenue. It's a 12-month contract and we expect to make approximately \$3,600 during that 12 months. So another small step towards fiscal responsibility as well.

Right. Exactly. Further comments on our consent agenda?

Mayor, show me voting no on 34.

Mayor Wynn: Yes, thank you. gentry will note that no vote. Again, a motion and a second on the table to approve the consent agenda as read. Further comments? Hearing none, all those in favor please say aye.

Aye.

Wynn: Opposed? Motion passes on a vote of 7-0. Thank you all very much. So, council, again our only potential discussion items, both include closed session legal advice. So as soon as the -- the crowd clears the room and/or quiets down, we will go to our morning briefing, which is the -- the presentation on our station area planning implementation. George Adams.

Welcome, Mr. Abbott.

Thank you, I'm.

Adams with the neighborhood planning and zoning department. Staff is here today to follow-up on council action, first reading action that was taken in April of this year on the station area plans for plaza Saltillo, martin Luther king, jr. Boulevard and Lamar Justin lane t.o.d.'s. We have staff from numerous departments, including the water utility, austin energy, finance department, neighborhood housing, community development, parks department, public works and watershed protection and development review. Some of these staff will present today on -- on the topics. Others will -- are just available for questions. The presentation today is a briefing. We recognize there's a -- there's a lot of material, a lot of information here and so we wanted to -- to make an initial presentation, answer any questions that you have, and then hopefully return to council for second and possibly third reading ON AUGUST THE 28th. Just wanted to point out in addition to the -- to the presentation that you are about to see, you should have received additional backup materials, which include a detailed report on the recommendations and additional analysis from Diana McIver & associates who was the city's consultant on the affordable housing part of the station area plans. First I would like to provide a brief overview of the process leading up to and through the station area plans. After the successful capital metro referendum, rail referendum in 2004, city council adopted a t.o.d. Ordinance in may of 2005. It did four major things, 's within the city's jurisdiction, defined the boundaries of 's and those were near the capital metro rail stops within the city. Established interim development regulations between the adoption of the ordinance and adoption of the station area plans, it defined a framework for the station area planning process and established the affordable housing goals for the station area plans. [Indiscernible] pb place making, a first with national and international expertise in t.o.d. Planning. The public process began in April of 2007. The first three plans for the Lamar Justin mlk and 's which are shown on the map before you, were developed over the next year through a series of public workshops and sure receipts charettes and a draft was presented in April of 2008. As part of the first reading the council identified numerous amendments and also incorporated a number of recommended amendments from the

planning commission into the station area plans. The central theme of these amendments is a strong interest in seeing the plans and affordable housing goals 's implemented. Since first reading, staff has engaged in an intensive interdepartmental review and coordination effort to develop the recommendations that you will see today. We believe that they will be a significant step forward in implementation of the station area plans. As I mentioned there were -- there were numerous council amendments at first reading. These ranged from very broad amendments that affected all 's to fairly specific amendments that focused in on one issue within one t.o.d. To facilitate today's presentation's and discussion, we have grouped the council amendments into five general categories or topic areas that encompass the first reading action. These include infrastructure, composed of water and wastewater, water quality, storm water drainage and transportation infrastructure, parks and open space, affordable housing, catalyst projects and funding for implementation. The format for the remainder of the presentation is to highlight the major council amendments within each of these five categories, all by brief staff analysis and recommendations. We will wrap up today's briefing by reviewing the staff recommendations and addressing any questions that you might have. So with that I'll cover the -- the -- the initial council recommendations or the recommendations on infrastructure. Infrastructure and the council's interest in strategic targeted investment and key projects 's is this first category. The first two amendments speak to water and wastewater and drainage infrastructure and all of 's and include funds to infrastructure improvement 's and developing a utility financing structure similar to what was done in the university neighborhood overlay. The next three amendments are transportation related and are specific to the Lamar Justin t.o.d. The first is to investigate methods of funding improvements to the Lamar airport intersection. The second is examine methods of improving east-west movement across Lamar boulevard between Koenig and Anderson lanes, the third is to develop a plan for traffic mitigation on a number of streets within that Lamar Justin t.o.d. The final council infrastructure amendment is specific to the plaza Saltillo t.o.d. It is to create an interim implementation plan for right-of-way acquisition for the lance Armstrong bikeway and implementation of off street facilities as described in the plaza Saltillo plan. Regarding the -- the water and wastewater infrastructure, the water utility has conducted a preliminary assessment of the water and wastewater needs in the first three 's as shown in the slides. To address the needs of 's 's the water utility is proposing 15 million for water and 15 million for wastewater infrastructure upgrades in plan for the t.o.d.'s. As part of its ongoing process, the utility will evaluate needs in the 's and refine and plans to reflect the identified needs. This periodic evaluation and update will allow the c.i.p. Plan to adopt to changes in 's and will provide the flexibility to take advantage of coordination opportunities with other infrastructure projects such as drainage and street reconstruction. So in summary, the -- the -- regarding the water and wastewater infrastructure, the recommendation is -- is to program 15 million for water, 15 million for wastewater over a 10 year period in the water utility plan, at this point I'm going to turn it over to Joe pantallion to cover water quality and storm water issues.

Thank you, George,.

Mayor Wynn: Welcome, Joe.

As watershed staff evaluated the infrastructure within the station area plans, one of the basic assumptions was that development would comply with our current land development code. So as far as

water quality and erosion is concerned, that would mean controls for -- for new and redeveloped areas and primarily on site controls. Something that we want to emphasize within these station area plans, though, is an emphasis on the use of green infrastructure. We felt there was a lot of potential, especially as we start to -- to promote densification, to really shy away from some of the heavy concrete walls, sedimentation filtration basins and start using our vegetated areas, things like rain gardens and directing water to landscape areas that can provide a level of storm water treatment. Our goal is to -- to require the developer to meet their water quality volume treatment requirement up to 75%. And for the remaining 25% then they would be allowed to pay a fee in lieu of their water quality controls. Of course the fee in lieu of option is available in the urban watersheds already. Going on to flood control, the land development code requires that new development not create an adverse impact on other properties. And that typically requires an on site detention pond to -- to make sure that post development runoff rates do not increase over predevelopment runoff rates. Now, as we take a harder look at the individual systems, drainage systems within these areas, the primary challenge for infill in this urban redevelopment that's desired is inadequate downstream capacity. Because of the fact that in our urban watersheds the majority of our storm drain systems were constructed before our most current criteria were developed in THE LATE 70s WE FIND THAT There are a lot of undersized and actually areas where there are no storm drains in our urban watersheds. So over the long term period, the long term strategy would be to provide the proper drainage systems all the way down to the receiving water, so that the water can be safely conveyed through those downstream areas where that inadequate downstream capacity exists. In the short term what we are proposing is that we dedicate \$20 million over the next 10 years for strategic improvements to storm drains for relocations, for inlet construction and relocations and for partnering as well. We are excited about the partnering aspect of this in that we feel that we can -- if we can get in on the front end with some of these developers, partner on opportunities on some of these large redevelopment sites to not only address their retention requirements but also to oversize some of those facilities and the city would bring dollars to that cause and that would not only improve the drainage situation within 's, but also for those people who live downstream, we are very excited about that, we would also be looking at some innovative technologies just as we have been in the water quality arena, some of those may be such things as underground detention is one thing that's being brought up where detention can be provided on site, but there's usable land left on top. Again that's being studied. We think that there's a lot of promise in terms of -- of having multi-objective facilities on these sites and what we are recommending is implementing that short term strategy over the course of the next 10 years. Finally as far as financing options are concerned, a district would be able to pay for drainage infrastructure. The drainage fee can also pay for drainage infrastructure, of course, and this is something that we could include in our fy 2010 cost of service study. Finally future go bonds could also be a part of that funding equation. Staff is also evaluating the potential for a modified rsmp program for the mlk t.o.d. Let me just take a moment to talk about that. The rsmp program is a program that allows developers to pay a fee in lieu of building on site flood control facilities. They have to meet very stringent criteria they have to demonstrate through a professional engineer's report that they can adequately convey their storm water to a receiving water and not create any additional flooding downstream. Sometimes in some cases that's possible because of the timing of the watershed and what have you. If this is a very popular program right now, the suburban watersheds, and we take the fees and are able to then build regional storm water detention

ponds, regional storm drains, which then allows others to participate. So it's kind of a self propagating program in the suburban watersheds. , we think that by building the backbone of the storm water drainage infrastructure for seven million, which we can do in the short term, we would like to try to offer this in the urban watersheds just for this area. It wouldn't be for the entire watershed, maybe for a project shed if you will, so we can recoup some of this money and see how we can reinvest it in that area to allow for densification and at the same time address our storm water needs to -- to prevent additional flooding and even fix some of the existing flooding. So we are going to be studying that and we hope to bring a recommendation and incorporate that into the our process as well. Now I'm going to turn the presentation over to Sonya Lopez to go over some of the transportation items.

Mayor Wynn: Thanks, Joe, welcome Mr. Lopez.

Good morning, Sonia Lopez with the neighborhood planning and zoning department. I'm going to cover the transportation items starting with the Lamar airport intersection improvements. The -- the improvements suggested in this particular item were a very significant item during the station area plan public meetings. The current intersection or state of the intersection facilitates car traffic but is not very good at accommodating pedestrian and bicycle infrastructure. There was a lot of concern in the plan if something is not done to improve the situation for all transportation modes, that will continue to be divided as it is today by these major roadways at Lamar and airport boulevard. So really the desire for making improvements to this intersection is to connect the two halves on the east and west sides of Lamar boulevard.

Mayor Wynn: We agree the trains start running December November of this year is my understanding. What's the -- what's the thought about being -- when realistically could we get some of this work done to try to get folks, you know, from the east side of Lamar over to the station.

That's exactly what --

okay, sorry.

So after talking with transportation staff and neighborhood planning and zoning and the public works department, we thought that we could implement some short-term improvements at opening day or close to opening day that would improve the situation for pedestrians and cyclists, those are listed here, sidewalk modifications, pedestrian activated signals to help with some of those free rights where cars have free access or uninterrupted right turn access. Additional safety lighting, silent signage, possibly island extensions. So these are fairly low cost things that we can do. In a relatively short period of time. Public works has said they could probably accommodate the majority of these if not all of them in their current operating budget. In order to make significant improvements to the intersections and flow of traffic in the area, existing flow of traffic and future predicted traffic increases some mid and long term improvements need to be made. Those could include real lining the intersection -- realigning the intersection, the creation of on street northbound bus facility. Currently capital metro has significant issues with dropping off passengers from their northbound buses on to Lamar, they are really looking for a solution, a long-term solution to this issue. But we could also talk in the long term of creating



alternative routes to just the existing routes that are in place today. So after talking with -- again transportation staff and public works and planning and zoning, we -- we decided that really we need to hire a consultant to evaluate what our options are, what some of those cost estimates might be. We could get in a future budget allocation money to do that consultant work and then future improvements would most likely be done, is established, we think this would be a great candidate project for a tax increment finance district. If that's not an option, future transportation bond funding is probably the most realistic source of funding for making these types of improvements since they will be very high dollar improvements. The second transportation item relates to improving east-west mobility in the t.o.d. The -- the Koenig lane is actually to the south, it's and Anderson lane is to the north outside of the t.o.d. As well. This was a recommendation from the planning commission that was incorporated based upon a lot of comment given at the public hearing from the highland neighborhood. That's on the east side of Lamar boulevard. And they have a lot of concerns about being able to access the west side of the t.o.d. In particular because several years ago, public works implemented some infrastructure on the east side of the street called morrow, on the east west of , some if you are put in place that restricts westbound access on this road called morrow, in fact cuts highland off from the west side of Lamar, the increase view neighborhood. So they have expressed a lot of concern about this. After talking with transportation staff, it became pretty clear quickly that there are limited opportunities to try to make new east-west corrections. There's a rail line that makes that very difficult. There's predominantly single family development on very narrow roads going through this area. So the two ideas that came out of our staff discussions were, one, looking at Anderson lane, looking seriously about how capacity could be improved, about how -- how the street scape can be improved to really make it accessible for bicyclists and pedestrians. Also probably most significant is how to improve access to Anderson lane and also to 183, which is just north of there. A situation that currently exists involved a lot of weaving. It's unclear exactly how to get to Anderson lane if you are going northbound on Lamar. So staff is recommending that we look at Anderson lane as a corridor study to do some of these things. And that could really help with east-west flow in this area. Recommended funding sources for a consultant study again would be a future budget allocation. Actual design and construction of improvements again would be future transportation bond funding dollars. Another item that we could look at as staff is evaluating the -- the marrow issue, brought up during the public hearing. Admittedly it's a very sensitive, very divisive topics. The east side of Lamar the highland neighborhood very much wants it to be open. The west side neighborhood Crestview station has been very open about not wanting it to be opened. After talking with public works, we could go in and evaluate the conditions today. There is a traffic calming study that's in place for the Crestview neighborhood that I'll talk about on the next slide, it's very likely that morrow will receive some kind of traffic calming mechanism in the near future. Also to let you know, we're not talking about opening up access to northbound Lamar traffic to turn left. But just evaluating whether or not opening up west bounds access from the east side of morrow to the west, what kind of impacts that would have. So we are suggesting going through the board and commission review process after some results and recommendations have been developed. The third transportation related item relates to traffic mitigation on streets within the Crestview neighborhood. This was a significant issue raised at the station area planning public meetings and also at the public hearings when the station area plans were presented. There were concerns, predominantly from the Crestview neighborhood association, regarding impacts to traffic impacts to existing streets from Crestview. Especially because of potential

future street corrections that are suggested in the station area plans. After talking with public works staff, the current activity that's ongoing is again this traffic calming study in the Crestview neighborhood. The study includes all of the streets in the Crestview neighborhood, these three listed here, [indiscernible] a new street. Justin lane is currently undergoing analysis for reclassification from an arterial to a local street, so there's a possibility that Justin lane also received traffic calming which has been one of the streets that have been most talked about with respect to traffic mitigation. And in addition to that, staff recommends that we look at -- at a -- new street corrections are made, look at their impact or potential impact that they could have on the neighborhood and evaluate them for traffic calming as they are built and actually implement that traffic calming to make sure that the streets are designed for local access. And then the fourth item relates to the plaza Saltillo t.o.d. And it regards implementing an off street bicycle facility for the lance Armstrong bikeway. Currently the facility is an on street signed bike route in this -- in this area. The off street facility was first envisioned in Saltillo district redevelopment master plan done by roma design for capital metro, it was a master plan for capital metro's 11-acres that they owned between fourth and fifth street and i-35 and Comal streets. The plaza Saltillo station area plan carries forward this vision for an off street facility. The idea is that when the property redevelops, the rail line would be relocated to the south. Currently the rail line bisects the property right in the mid. The idea is that the rail line would be relocated to the south to make the property more developable. You would have larger size of tracts and the lance Armstrong bikeway facility would be built next to it along with an adjacent sidewalk. All three of those elements would be located on the north side of fifth street and coordinated. After talking with the bike program manager in public works, bodet recommends maintaining the on street facility until such time as we know the rail relocation plans and then we can identify the lance Armstrong bikeway project for future funding and implement it all in coordination. So that one doesn't prohibit the other from occurring. Parks and open space is the next topic. I'm going to introduce the council action, Stuart strong from the parks department is going to come up and address the actual staff recommendation. At first reading, council asked that specific park acquisition sites be identified. Also that park acquisition plan be prepared for approval. And that -- that y'all consider the dedication of public open space on the austin energy property and, also that other parkland be provided in or near the districts through future parkland dedication funds that are generated in the t.o.d.

Mayor Wynn: Thank you, ms. Lopez, welcome, Mr. Strong.

Good morning, I'm Stuart strong, I'm your acting director of the parks and recreation department. We understand that your interest in supplying adequate parkland in the areas and with a level of certainty. We will offer for you a slight -- slightly different approach to this, but which may be [indiscernible] for your consideration. What we are suggesting is that we have already identified parkland in the maps that you have before you. That show that our intent is to get centrally located small neighborhood parks to serve the residential development. Because we don't know exactly how the areas will develop out, we are suggesting that you -- as an alternative, that you use the methodology of the park dedication ordinance. As you know, as development occurs and there's residential development, the park dedication ordinance requires that the developer give either land or funds for park acquisition and/or improvement. Our suggestion is that you wait until development occurs and where you find centers of residential density, simply require land be dedicated to the city at no cost. What that does is that it

places a decision farther back in your process and you don't have the certainty today, but there will be certainty because of the requirements in your ordinance. Then as it follows through, as additional development occurs, there would be a requirement for fees, which could be used to develop that land, which would be required from -- from those developers who have the highest density development. And in any -- any fees would be used in those parks or nearby parks. We would offer that for your consideration.

Thank you.

Mayor Wynn: Thank you, Mr. strong.

Good morning, councilmembers, my name is Margaret Shaw, I'm the director of neighborhood housing and community development, I'm here today to present our recommendations on affordable housing. Again, I would like to stress that success in reaching the affordable 's is entirely dependent on providing a variety of tools and ways for us to encourage developers both non-profit and for profit to incorporate their affordability. The plan that staff recommends this morning is based on direction from council at the first reading as well as our independent CONSULTANT Diana McIver & associates work on how to reach these goals and to maximize the opportunities. To recap, from the first reading council advised to allow for alternative compliance to the provision of affordable housing required in exchange for a development bonuses. Not to allow a fee in lieu of unless there was a council action. To prioritize fee in lieu of funds collected in order to be used in developments within the transit oriented districts and to initiate a catalyst project on city owned lands. I apologize. Some of the other items suggested was to provide estimates for subsidies required to achieve affordable housing in es, to develop interim implementation, to meet a 25% affordable housing goal and to amend the scoring process for our general obligation bond in other programs to prioritize 's and to change from 10 to 25% some of the development bonus requirements. With work from our consultants, they have found that the city subsidies, in order to achieve the 25% goal of affordability in the short term, instead of reaching it in 2015, would 5 million and \$32 million. That is based on, I must stress, just estimates and -- of projections that es as well as some hypothetical mixes of affordable housing developments, both rental and owner, that would reach folks earning between 30 percent and 60% of mfi. Affordable housing like any other real estate development depends on marketing cans, opportunity, timing, the availability of financial support and subsidies. So moving on, some of the recommendations that staff would make today to you is to encourage affordable housingability through a variety of density bonuses as well as providing gap financing through our programs, utilizing fee in lieu of programs to build affordable housing within es, to facilitate tax credit developments and also in developing a catalyst project on city owned lands. And changing those affordability goals to reach a deeper affordability level, staff would recommend that the developers be responsible for providing a floor of affordability within the districts. So to provide in a density bonus equal to 10% or heightened density bonus equal to 15% and city funding be used to encourage that deeper affordability to 25% of affordability. Funding, as you know, with the desperate need for affordable housing throughout austin is often under much demand. So therefore we want to make sure that affordability is encouraged throughout the district, even if funds our funds are being used for other projects. [One moment please for change in captioners]

last but not least as I have mentioned, to reach these levels it requires a variety of different tools to reach these deeper levels. The low income housing tax credit program, which is run by the internal revenue service and then administered by the state department of housing and community affairs is a critical element to that. And I'm pleased to report to you today that arrest stuff has been working with of the state legislature as well as members of tdhca and other stakeholders statewide to include language in the 2009 rule that would encourage the use of tax credits within the urban core. So we believe that this will be a great step forward in helping to reach these levels. Thank you very much.

Mayor Wynn: Thank you, ms. Shaw.

Council, George Adams, neighborhood planning and zoning again. I'll be discussing the staff recommendations for the catalyst projects. The fourth category or grouping of amendments is that of catalyst projects. I think the main point of the council's action on first reading is the interest in potentially leveraging city-owned 's to serve as model projects. In general there isn't a large amount of city-owned property in any of the first 's, but two sites were specifically identified at first reading. And these include property at 411 chicon street in the and property at 910 Justin lane in the Lamar t.o.d. And I'll give you more detail on each of those. The property at 411 chicon street is approximately a 5.3-acre site. It was acquired by building services in 2000. Some of the current uses at the site include building services headquarters and just in time supply warehouse, citywide central mailroom, the central office of materials management, citywide voice offices and forensics storage facility, material staging area for remodeling activities, secure parking for maintenance vehicles, and a recently opened e.m.s. Demand station. At the Justin lane site -- excuse me, the Justin lane site is about a five and a half acre site. It was acquired by austin energy in 1997 for use initially as a lay-down road with plans for a substation. As you know that, substation has subsequently been located at a site in the nearby Crestview station development. Uses that are currently at the site include construction equipment, lay-down yard, warehouse space for ae facilities, and material reclamation operations. Regarding the 910 Justin lane site, austin energy has identified several needed steps in order for the property to be redeveloped. First, the current ae uses would need to be relocated to comparable sites. Second, the city would need to identify the site as surplus to city operations or to utility operations, excuse me. And third, the redevelopment options for the site would need to be explored and finalized. One key point to note is that the utility bond covenants require that the utility receive proceeds when utility property is sold or conveyed for a private use. So in summary, given that both of these sites have existing facilities and uses, staff recommends that we conduct an analysis that will identify the cost and impact of relocating the existing city buildings and services, identify the availability of alternative locations and facilities, identify potential funding sources for the relocation, explore further the redevelopment options for the sites and then return to council with the results of this analysis to determine future action. With that I am going to turn it over to Leslie broader from the finance department. Thank you.

Mayor Wynn: Thanks, George. Welcome ms. brow der.

We want to cover with you the steps it would take to create a tif for potential financing of improvements within the t.o.d. And then also to make some recommendations about how to assess whether tif's are really the best tool finance those improvements, what our next steps would be there. Just in terms of an

overview of the tif process, the key elements of the work that are needed to establish a tax increment financing zone are first of all an economic feasibility study. The economic feasibility study basically researches current market conditions within the zone that you've targeted and it also looks at future market conditions attempting to estimate how property tax values could grow within the tif zone based on the reinvestment or the redevelopment project that is being considered. So that developing a project plan is really a second step that goes in tandem with the economic feasibility study. And then really a third key element is developing a financing plan on how to pay for the project. Once you have those three elements in place and completed, you are actually required under state law to with the various taxing entities in your area to discuss those plans with them. And this applies whether or not you were looking for a funding partner with another taxing entity as we did with waller creek or if it's a single entity tif such as the mueller development. And then as a final step to creation of the tif, you are required to hold a public hearing prior to the city council would consider adopting an ordinance to actually establish the tif zone. Oops, got too fast there. The tif project and financing plans are actually referred to periodically throughout the state law. The project plan is very straightforward. It identifies the improvements that are to be funded by the tif. And those plans can be amended from time to time as needed along with the financing plan as well. The financing plan also very straightforward shows how the project plan will be funded, and that incorporates the findings from the economic feasibility study, looks at the assessed property values within the tif zone, and also estimates over the life of the tif how those values are expected to grow in light of the reinvestment or the redevelopment project. These are some of the improvements that the neighborhood planning and zoning department has identified that could specifically occur within 's that could be funded by a tif. Street reconstruction, streetscape improvements, parks development, structured parking, property acquisition and then Joe pantalion talked about various potential utility facility upgrades. Just some general tif considerations, it does allow you a tool to dedicate a revenue stream to pay for projects that in most cases would not have occurred otherwise without the establishment of the tif. It can reduce the overall general fund revenue that's available to fund services citywide. And this is primarily related to the new construction piece, which is what brings in your new revenue, which would now be devoted to the tif zone. Just to note, our city financial policies currently limit, basic withly call for us not to tiffany more tax base than five percent of our total tax base. You're actually allowed to do 15% under the state law, but we have included in our financial policies the lower limit, and I think the rationale there is just to proceed with a -- with caution and careful consideration as you move to develop these tif zones. They're a little bit more expensive to create and administer than more traditional financing mechanisms. They require a more legal review. And of course there's steps to putting those plans together, establishing the tif boards, etcetera. And then you also have to be cognizant of overlapping tif boundaries. We cannot have a double tif situation in terms of the geography itself. And then just a final note, at this point it's not here on the bullets. At the end of the life you have an enhanced tax base that can then become part of your overall city tax base. Our recommendation in terms of next steps would be to hire a consultant to prepare a feasibility assessment for , and the goal there would be to assess availability of funding projects through the tif financing mechanism. In that study we would actually look at the cost then fit analysis and also consider the impact on the general fund revenue during the life of the tif, report all of our findings and recommendations back to you after that process is complete, and then we would proceed if the viability assessment is positive to develop preliminary project plans in a little bit more detail than we have done

so far. So with that, back to Sonya.

Again, Sonya Lopez with neighborhood planning and zoning. The next section is based on bonuses and capability standards and also regarding potential future t.o.d. Amendments. We'd like to highlight some of the first reading actions related to development bonuses and compatibility standards because there are some inconsistencies between the first reading actions and possible conflicts. In particular the planning commission recommendations were fully incorporated into the council action without discussion. So some clarity is needed on particular items to make sure that we're proceeding as council intend. The first item with respect to council action of not waiving compatibility standards, but making them part of the affordable housing development bonuses. If you'll recall the original proposal in the station area plans was to reduce exaitability standards out right to a certain level. In response to first reading council action, our recommendation is in line with council's first reading action to waive compatibility standards for projects that provide affordable housing via development bonus. And what we wanted to specifically also bring to your attention is that there were a couple of actions regarding properties on the northside of seventh street in the plaza Saltillo t.o.d. And a property within the where there were specific actions taken with respect to compatibility. So we are assuming that council is not wanting to waive compatibility on those particular properties; however, if that was not council's intent to have compatibility and that capability should be waived here if a development bonus is granted, that is something that we would like further clarification on. The next item, development bonuses should not be permitted for the list of properties submitted by the east César Chavez neighborhood planning team. It's in the plaza Saltillo t.o.d. This was a recommendation that was included by the planning commission. It was one of those that was directly incorporated into the city council recommendation. This was an intent of the planning commission to address neighborhood concerns of allowing out right reductions and compatibility stz. And again, this response or relates to the initial staff recommendation where there were out right reductions. Given that the proposal now is to not allow for those out right reductions compatibility and to incorporate waivers into the development bonuses, our staff recommendation is to make all properties eligible for development bonus as proposed in the draft Saltillo plan so that if these properties are developed, there is some incentive in place to provide a certain level of affordable housing and greater density in our t.o.d.'s. But again, if it was council's intent -- if council's intent is something different than what we are proceeding with, please let us know. The third item was a discussion item at council, ensure that only properties actually used as single-family trigger compatibility standards, nand response the staff recommendation is to specify the regulating plans that only single-family and related uses outside of a trigger compatibility standards on properties within the t.o.d.'s. And I want to emphasize the outside of a t.o.d. part. The staff recommendation is in line with the 2005 t.o.d. Ordinance that specified that once the station area plan is adopted, compatibility can only be triggered by properties outside of a t.o.d. District. Now, there was some discussion at first reading regarding whether or not compatibility should be triggered by single-family properties inside a t.o.d. District. It was left a bit unclear, but the reason we're bringing this to your attention is not because there was any kind of noifntion or posting error, but that if the intention of council is to have compatibility triggered by properties inside of a , a follow-up step to process a code amendment would be required. So we would need council direction to go ahead and process a code amendment. And the standard code amendment process would ensue. And the last thing I wanted to bring to your attention are two staff recommended

amendments to the 2005 t.o.d. ordinance. And in both of these cases the message is that we don't want to lose out on opportunities to provide a certain level of affordable housing and density around our stations. The first item -- actually, both of the items affect the plaza Saltillo area, but the first item is specific to plaza Saltillo totd. Currently in the t.o.d. Ordinance there is a restriction that does not allow a height bonus on any other property except the 11 acres that's owned by capital metro. And our recommendation is that we would allow all of the properties that are eligible according to the draft station area plan to be eligible for that height bonus. It doesn't affect a tremendous number of properties, but there are a few parcels right adjacent to the station that could benefit from a height bonus if the ordinance language were changed. The second item relates to both the mlk and plaza Saltillo stare area plan as they're both within the cpnr zone, the community preservation and revitalization zone. It specified that if any additional height is granted through a station area plan, that the full 25% affordability must be achieved. Now, in line with what margaret Shaw talked about with respect with to the staff recommendation of requiring a certain level of the development community, 10 percent for a density bonus, 15% affordability for a height bonus, if the city is unable to meet the gaps between what the developer provides and the 25% riment that that development bonus still be allowed or permitted. Right now that is not -- that would not be allowed given the language in the ordinance. So we are proposing a change to that so that less than 25 percent would be permitted if the city cannot fund that gap. And I'm going to turn things over to George Adams. He's going to summarize what we've talked about today.

Thank you. Council, this concludes our presentation, but I wanted to just very quickly summarize our recommended next steps. Regarding water and wastewater and drainage infrastructure, staff recommendation is to update the water, wastewater and drainage cip plans for all 's to include the improvements. Regarding transportation infrastructure, to move forward with the implementation of the short-term improvements to the Lamar airport intersection and evaluate the potential for term improvements. To initiate a corridor study for Anderson lane that focuses on potential capacity improvements as well as improved access from north Lamar to Anderson lane. To move forward with the staff-led process to evaluate access to morrow street and return to council with potential options. To coordinate the construction of an off-street facility for the lance Armstrong bikeway in , at the same time that the rail line is relocated. Regarding affordable housing, to meet the affordable housing goals by focusing on development bonuses, gaap fansing with general obligation bonds, fee in lieu fund and other sources and utilizing catalyst projects as the most efficient means of providing affordable housing in the t.o.d.'s. For parks and open space, accept the parkland dedication for sites identified in the station area plans and focus any parkland dedication fees in 's or in close proximity. Regarding the catalyst projects, to analyze the cost and impact of relocating city facilities at 4 chicon and 910 Justin lane and return to council. Regarding the funding for implementation, to evaluate the financial feasibility of a tax increment finance zone 's and return to council with the results of this analysis. And then finally, to initiate the code amendments identified in Sonya's presentation. Finally, I just wanted to mention again, the more detail report and analysis that is also part of your backup, and that we plan on returning to council for second and possibly third reading on august 28th. With that, staff is available to answer any questions that you may have. Thank you.

Mayor Wynn: Thank you, Mr. Adams. Questions for staff? I guess my first, maybe only one, George, so

regarding the code amendments that Lopez talked about, I guess further clarification from council regarding everything from compatibility to other issues. Is the meeting of the 28th when you all bring this back for potential second and/or third reading when that would happen?

Yes, mayor.

All right.

Further questions? Councilmember leffingwell.

Leffingwell: This may be for ms. Browder. You were talking about the five percent policy cap on tif's. I assume that's citywide. So where do we stand right now? What percentage do we have tif, the property tax base?

Right now we have less than one percent tif'd. The total tax base that was recently certified is about 76.5 billion. And of course the two tid's that we currently have, the two primary are waller creek and the mueller redevelopment. And they total in terms of the 2008 certified taxable value about 390 million.

So waller and mueller are both included in that less than one percent?

Yes.

Leffingwell: That is the toalings that we have and total that we're committed to?

We have another tif referred to as the csc tif, but it's cap at \$100,000 and it's primarily to provide maintenance on the landscaping and the surrounding areas, city hall. So it's relatively minor.

Leffingwell: So when you come back with the tif analysis that you talked about, it will include the background information of how this fits into the policy now and forecast into the future.

Yes.

Leffingwell: Thank you.

Mayor Wynn: So Browder, that inspired another question. So when we calculate our total tif valuation, so 300 some-oddmillion dollars today, but of course waller creek, there's not a whole lot of tax base there. The whole rationale for tif to begin with. And then the same thing with mueller. Mueller's I'd estimate it's 15 percent built out perhaps. So as mueller gets built out, you sort of keep a rolling analysis as to -- so in theory there will be another 600, # \$800 million built out at mueller at that time, but probably by that time our overall assessed value will grow well into the 80's or 90 billion. And so is that how you continue to analyze it or --

it's my understanding that as you enter into a new tif, you're supposed to look at it at that point in time



for the city as a whole. So you would look at the values that you have under tif at that point in time. And then of course the state cap is -- under state law is 15 percent.

Right.

Mayor Wynn: For instance, when we with did waller, we chose dozens of acres along the creek recently for that boundary, but much of it of course is extremely underdeveloped. There's vacant land in the floodplain and there's these old crummy looking little buildings over there. So is that analysis based on the current assessed value that was over there when we drew those boundaries?

I believe it is.

You establish the tif district, what you're actually establishing is that's the base year. And so any development that occurs beyond that point, that increment is what's being captured that you're going to use to fund your project plan.

Mayor Wynn: But as far as the five percent -- it seems like a very appropriate policy to have, by the way. As far as the five percent policy we have, again, you just look at the original boundaries within a tif and so waller creek probably was 100, \$200 million or so?

It was around 236 million was the base value for waller creek.

Was the current value when we created the tif?

We will go back and get you more details on that, but it's my understanding, yes, that you would look at that as you establish each tif. But we'll double-check on that.

Thank you.

Further questions for staff? Councilmember Morrison, and then Cole.

Morrison: I actually have some follow-up questions on the tif that you might be able to help me with. As you mentioned, we have the homestead preservation district that's a pending tif that we haven't implemented, but we have the into do so, I think. So you said -- you mentioned a couple of things that we would have to draw the boundaries of this tif, which if we were to tif Saltillo and mlk, because those are both in that potential. Soic the first question is -- so I guess the first question is when we got the authority to create that homestead preservation district, that was through some state legislation. Are we going to have to go back to the state to redraw the boundaries to cut out Saltillo and mlk from the homestead privevation district?

I don't believe that that's the case and it's my understanding -- and again, we will confirm this with our bond counsel and our attorneys as well, is that in terms of that homestead preservation zone, you could

tif portions within that and not necessarily the whole thing.

Morrison: Okay. And then another bullet point you had said that your analysis will provide an assessment of the impact on the general fund to creating these's. Would it be possible -- if we tif these projects, that means that there would be less area to tif for a potential homestead preservation tif, would it be possible to do some kind of analysis of also the packet on a potential homestead preservation district?

We will.

Morrison: Okay. Great. And I have a few further questions, and I think Shaw might be able to answer. Hello. This one -- you were mentioning some work going on at the legislature about allowing tax credits in the urban core, is that correct?

Yes, ma'am.

Morrison: Could you explain where we're allowed to use tax credits at this point?

Actually, what we've been working on, we were invited to participate with some of the other major cities. Every year -- let me back up and give you some background. The way low income tax credit housing income runs for each state is they set what's called a qualified allocation plan, so statewide how they will allocate these tax credits. And each year we go through a process, the state goes through a process to update that plan. What we've been working on and were invited to participate by senator west and representative Menendez in a group that is looking at major cities that are experiencing a lot of growth, the current plan doesn't necessarily show us the disadvantages urban core development by inadvertently incentivizing suburban and developments. So what we've been working on and just this week have agreed to some language that the board will consider recommending to the legislature that would allow urban core developments to receive points. And so we're not quite sure what the definition of urban core is. We're working on that and what the points would be. Right now it means that it would not be disadvantage the. So a development that was coming in for vertical mixed use, transit oriented developments, any of the urban core developments would be on an equal footing with other tax applications.

Morrison: I see. Is there still a limit that tax credits can only be used in certain census tracts?

They can actually be used anywhere. What you're referring to are what are called qct's, qualified census tracts. rules allow a bonus of 30%, so you get 30% more equity if you develop in these qct's, which are calculated by the federal government and they're high poverty groups. So you don't have to develop there, but obviously as a developer and one who developed in qct's, there's a real bonus because you're getting 30% more equity to do that development.

Morrison: I see. Thank you. That's been an issue that has been raised recently --

it's certainly a factor in the dispersion of affordable housing. Absolutely. And the program, that is federal

legislation that would have to change.

Morrison: Great. Thank you. And then I do have two more questions. Adams can answer them. Or ms. Lopez. I'm not sure. On the changes to the discussion about compatibility standards, my main question there is whether the -- especially the east César Chavez area neighborhoods and then also the mlk area neighborhoods participated in any of the discussions between first reading and now.

And I may ask Sonya to speak to that if you don't mind.

I've heard predominantly from representatives in the mlk neighborhood. And several of them were interested in knowing if something that they had presented at the planning commission hearing had been incorporated into action, which was on a specific street called Miriam to extend compatibility out from that street. And I let them know that hadn't been incorporated into the action. Apart from that we haven't had any specific discussions about the compatibility issue but I've had correspondence on what the first street reading action was and what our responses have been.

Morrison: Thank you. And one other question. It's my last. Adams, you mentioned the catalyst project in terms of looking at city owned land. And I don't know if -- how broadly this has been distributed yet, but the children and families taskforce put out a final report in the past few weeks and I haven't had a chance to study it too much. A lot has been going on. I'm sure a lot of other people haven't either and I hope we will be able to get a report on that in the near future. But one of the things that I did notice in there is that they have a recommendation for the city to actually do a pilot project of a family friendly development in the because they think that for the city to step forward and show that it's practical and what family friendly features might be and all could be a good step in trying to get more diversified housing in 's if that's something that we would like. So I wanted to ask if maybe you could take a look at this recommendation and their report, and see if that might fold into what you're looking at for the development on the city owned land.

Certainly.

Morrison: Okay. Thank you.

Mayor Wynn: Councilmember Cole.

Cole: I just have a few questions on the financing issue for ms. Browder. I recognize that we have a huge bill to pay for the infrastructure at the -- bill to pay for the infrastructure at the 's and that we're contemplating a tif. But I want to be sure that we get clear the benefits versus the potential downsides of a tif. Can you explain what impact a tif has on our tax rate and why that is significant?

Well, there are a couple of items. Just in terms of the tax revenue that goes into the general fund each year, the primary opportunity that you have for new revenue of course is generated by new construction. And to the extent that you'd capture new construction in any tif that you create that would have occurred anyway regardless of the redevelopment project, then that redevelopment snatches the tif to

phi the project rather than going into the general fund to pay for regular municipal services. So when we recommended our assessment going forward with the analysis of these potential tif projects for the transit oriented development, part of that analysis would be to look at the potential impact of that and kind of give you an order of magnitude idea of what that could potentially involve.

Cole: I think that's important to at least have on the table that we understand because like with waller we knew that was in the floodplain and that if we didn't do anything, there was going to be no increment in value and we saw the rest of downtown booming. And so but for that infrastructure improvement, those revenues from that property would not rise. And then I think a different analysis went into mueller. It was in the urban core, but we did the tif and we also did a 380. And I don't want us to get in the situation where we just assume that each t.o.d. is the same or that we do a cookie cutter kind of approach. I know once we with set a precedent, then that tends to be what we do over and over again. But I wanted to ask you in connection with just caution about just kind of following the tif option over is does the five percent policy that we have have any relationship to our bond rating? So even if, say, we're less than one percent now with mueller and waller, that we go to, say, two percent because we decide we want to tif all the t.o.d.'s. Will that have an impact on our bond rating?

It's hard to say at this point. When the bond rating agencies look at your financial condition, they really look at all of the factors that are involved. And you know, if you were tifying a significant portion of your tax base, the question would probably come up, but again, they would look at the economic factors within your city, just a number of things. So it would be difficult to isolate it to any single item.

Okay. And I guess I would just encourage that as much as you can. I know this might be difficult that as council weighs the different tif'd options to pay for the infrastructure that we need, including potential rail system, that we look at that in the agriculture gat and not make and not consider the whole picture.

We'll do that.

Cole: Okay. Thank you.

Mayor Wynn: Mayor pro tem.

McCracken: Yeah. I'm going to come back. For starters, councilmember Cole, councilmember Morrison and I heard this presentation and provided comments at the land use transportation committee. I want to commend our staff and our outside consultants. I think they've done an excellent job. This is an enormously complex planning and financial effort for three areas that are at the heart of our land use transportation strategy in this region. So seriously a really, really fine job. We're going to have some national innovations in here. I'm really impressed by the green infrastructure portion of this. In particular this will set a great precedent for the city. One thing that we had a -- I had a little difference at the committee, and it's come up again today and it's on the parkland acquisition strategy. Our amendment said to identify park acquisition sites, and the response it got back today is that they did not think that they would -- the pard did not want to do that. So for starters I don't think that was a discretionary part of our amendment, but I also don't think it's the only thing to do to identify specific park sites. I think we

need to see some compliance with our amendments when they're presented. And the rationale behind that is that particularly for trails planning and for greenways planning, those cross property lines, so a property by property sit back and hope something good happens to us from the development community approach is not going to result in a comprehensive planning for trails, for instance. We need to be proactive. These are public spaces, the public needs to plan the public spaces as opposed to helping the development community gets to something nice. So that's why I thought we needed to be proactive about it. And I hope that on the sec reading that we'll repeat the amendment we passed on first reading. This could be done the same way we do open space planning, however where this is done in private so we give away where we're manning to do this. But particularly since we have the opportunity to co-locate storm water and park sites that there could be some way to con glam rate funds and partner up planning efforts on this. On the issue of how we finance these, the infrastructure in the 's, Leslie, I think we have basically three tools, as I understand it. That would be tax increment financing, general obligation bonds and public improvement district funding sources, is that right?

Those are probably the three basics.

Yeah.

McCracken: And it obviously for each of these districts and in general for infrastructure financing, have you to valuate on a case-by-case basis the pros and cons of general obligation bonds versus tax increment financing versus public improvement districts. Can you tell us how often is the projection from the staff on when we'll be holding general obligation bond elections if we were to go down the route of funding infrastructure through g.o. Bonds?

In terms of looking at how often we do elections, we generally look at our capacity. And we have some general guidelines in the financial policy. The current bond program that was approved in 2006 is a seven-year bond program.

So in theory you would be looking at, you know -- so like a 2013 or 2012 -- if you were going do it at the end of the seven-year cycle and it could be sooner or later, is that right?

That's right. I believe the last time we issued bonds it was more like a six-year window.

McCracken: Based on past experience we would be looking at if we were going to finance the infrastructure through g.o. Bonds, we would be be looking at 2012 to load it into the queue for the six-year plan.

Assuming it would be a seven-year, according to the current estimated time frame of the current bond sale that -- the bond program that we're working under.

McCracken: I think that raises the prospect that if we are -- I'm not going to advo for any of these tools. Have you to evaluate them and we don't have any information to evaluate them at the moment. bond financing approach is that we might not be able to finance the infrastructure until as late as 2018 at the

rail stops that are going to open at the end of this year bond route, so that means we could have the rail stations open for 10 years before -- bond approach we might be able to finance the infrastructure because 2012 plus six years is 2018. We could be looking at a pretty long time frame if we go the g.o. bond route. That obviously would be a weakness of that approach, right?

We'd need to look at that further just in terms of capacity. I'd really have to say that at this point.

McCracken: Yeah. Do we currently have the infrastructure for the 's loaded into projected future bond election recommendations?

No, we don't. We don't know.

McCracken: To your knowledge based on what our current projections are of current infrastructure needs for future bond elections, what is roughly our total outstanding projected bond election identifieds?

I would have to go back and look. We did basically a needs assessment prior to embarking into the 2006 bond election. And I don't recall the exact dollar figure there, but I'd have to go get that and get that back to you.

McCracken: I recall it was a billion plus. I think we'll see some infrastructure financing issues related to road reconstruction and sidewalks citywide that I -- I think we're going to see a seven-figure number, just -- so I think that's the highlight that there are down sides both -- there are strengths and weaknesses both of a tif approach and of a g.o. bond approach. And in the strength of the bond approach is that we do it on a broad property tax rate. The weakness is that we don't have this infrastructure loaded into our current bond planning. It may take as long as 10 years if we were to get it into a bond election before the infrastructure would be funded for rail stations that are supposed to open here in a few month. But their financially less -- there's less risk involved. The negatives on tax increment financing are that to some degree they might reduce the ability to fund other things citywide, as I think you identify here. You will see the tif considerations are that they reduce the overall general fund revenues available for services citywide. And the second one is that tif's do not reduce the effective tax rate. And those are obviously contradictory statements. If the tip's do not reduce the effective tax rate, then they in general do not have a flux the amount of city fund -- a reduction in the amount of city funding available. I think we can see that those two statements cancel each other out. I think the reality is it's a case-by-case basis and evee valuate. In some cases they will affect the amount of revenues available, because as councilmember Cole noted, if thrn stuff that were going to happen anyway, why would you use tax increment financing? Whereas in the case of the waller creek tunnel, that property is in the floodplain. Without the tax increment financing you don't even get to build it. So that's part of the analysis.

In terms of the revenue lost to the general fund, it's not so necessarily related to the tax rate. It's the loss of construction, the new construction that could have potentially occurred anyway without that particular

project in the tif. So just to clarify that.

McCracken: Yeah. And I think that the third one we would need to look at would be the opportunity for public improvement districts, which folks who aren't familiar with those, we have one in downtown austin. It is a voluntary 10-cent additional assessment of property tax on top of the property tax rate that the landowners downtown voluntarily pay when they enter into the district. So, for instance, a 300-million-dollar downtown office building is producing 3 million a year of voluntary additional tax payments on top of their normal tax payments. And that obviously does not detract from general fund revenues and it's on top of that it won't work in every case either, but these are simply tools. But what I would like to see is when we take this up next week is to evaluate for funding infrastructure both the financial feasibility and the timing of the bonds and public improvement districts. Those all have different pros and cons. They all have different implications in the different t.o.d.'s. So I think we've got to have that evaluation and know it because until we do that evaluation we would have to speculate that. As we're getting a flavor of, this is really complex work. I think the staff has done an outstanding job and I appreciate your work.

Mayor Wynn: Further questions of staff or commence? Again, we look forward to having the next presentations and a series of discussions and decisions, I guess, next week, the 28th. So thank you all very much. Council, that takes us just to our timely general citizen communication. Noon section. I have seen a couple of citizens arrive. So we'll give staff time to clear the room and we'll take up -- our first speaker is Albert deLoach. Welcome. You will have three minutes, to be followed by Pat Valls-Trelles. Welcome. Again, you will have three minutes.

I've come today pretty much just to introduce myself to y'all. I am Albert deLoach, owner and operator of the Austin Enchanted Forest. I wanted you to be able to put a face to the name of the forest. I know that many of you are already aware of the issues that are facing us and have been approached outside the council by many of the supporters of the forest. I am taking all of the necessary steps to come into compliance with the physical issues that have been raised that are facing the forest, a licensed electrician has been retained and funds from the benefit series that are being used to resolve the concerns of both the fire department and the code issues. I am looking forward, though, to working with the city to find the appropriate means to resolve the other concerns that have been raised as far as the zoning issues. I'm hoping that through our mutual cooperation that we're going to be able to find a way that I will be able to remain open so that I can serve the community of artists, musicians and the public hopefully in the near future. In this downtime I am continuing to go develop our summer camp programs, opening certain parts of the property for community garden and pressing forward with the help of Austin Green Arts, GAGA, Greater Austin Garage Art, which is also a spinoff of the forest, the Long Center, the performance troupe out of Los Angeles, and the Mouse Trap out of San Francisco, plus a significant list of local educators and artisans to create a long-term goal of a learning and arts space and center there off of Oltorf and Lamar. The Enchanted Forest has always been open to the arts for both our local and national artists and performers. I know that by working with you all and the city to resolve the issues that are at question, the forest will be able to serve our community again. If there is anything that I can do personally to answer any questions or concerns that you all may have or the city in general may have about what we are and how we are going about doing it at the forest, please don't

hesitate to contact me. Once again, thank you very much for your time. And I'm looking forward to our new working relationship and thank you very much.

Mayor Wynn: Did you. Thank you. Pat, welcome back. You too will have three. And by the way, do you pronounce is trelles?

Yes. I think you've been pronouncing it the right way all along. Mayor and mayor pro tem and city councilmembers, thank you again for giving me this opportunity to speak to you. I am back to talk to you about the pet registration program and the process you are using to change that program. I especially will have some comments for you, city manager. I also want to address the impact on low income people that your proposed changes may have, which I have not discussed before, and I also would like to save a little bit of time at the end to talk about the adoption center if I have time. City manager, I've e-mailed you on this issue and thank you for your willingness to dialogue with with me on it. I hope you will continue to do. The current registration program that we have, pet registration program, is an ordinance, but you set the fees through the budget. And right now you've recommended abolishing the fees, which essentially forces the council to apolish the program. , In various incident views that I've heard you on, on coop radio and the chronicle, I've heard you say you're open to citizen participation. If you set the fees at zero right now, you essentially force city council to apolish the program without the dialogue that I think austin citizens want and that you've said you support. So I am asking you to leave the fees as they are right now until the ordinance discussion happens. And at that point city council will have the ability to make the decision based on policy and then the budget should follow the policy. The way your staff is going about it right now is to set the fees through the budget process that essentially forces council's hand later on to apolish the program without us having had a discussion about the merits of the program. Now, having said that and having already addressed some of the merits of the program that I want you to keep, which is the pet registration program, I'd like to address one more thing that I haven't talked about. And I have this insight based on some comments that were made at yesterday's animal advisory commission retreat. Right now the direction staff wants to go is to have voluntary microchipping. Microchipping is very expensive. People cannot afford that -- low income people cannot afford that. You are currently subsidizing at 100% some microchippings for some very low income people. But that's very expensive for the city and you're not going to get everybody. If a low income has a choice between a five-dollar pet registration and a 50-dollar microchip-- and by the way, \$50 is just for the microchip. You probably need to pay another \$40 to a veterinarian to get in the door. I am asking you to analyze this issue very thoroughly before you go with a microchipping program that only certain people can afford and that is very expensive for the city current pet registration program that we have. If you choose to go with chie mie crow chipping after having had the debate I will that and we will have to accept that, but I think I'm trying as hard as I can to ask you to take a thorough look at a program that you are plan to go abolish without going through the process. [ Buzzer sounds ] I will have to address the adoption center at another time. Thank you for listening and I hope to hear from you soon. Thanks. Moisture.

Mayor Wynn: Thank you, pat. Welcome Mr. Paul Robbins. You too will have three minutes and be followed by Gus Pena.



Mayor, may I use my three minutes to address you later on the bio mass plant?

Mayor Wynn: Later as in --

when you all take it up. I'll merge these three minutes with the other --

Mayor Wynn: Sure. You bet you. So Gus Pena, welcome back, to be followed by jimmy Castro.

Good afternoon, mayor, city manager. Gus Pena. First of all, I'm over here not representing anybody, as Castro always says, but when people ask me to direct irkz to the council, I'll be more than happy to do that. First of all, thank you, ott, for the meeting that you enabled us to have with you, my son, lucio, and an architect out there, you were very professional. We knew that was going to happen. But thank you very much because it was a warm feeling. Councilmember Morrison, thank you very much for calling me back on the issues that you know about. The poor and the seniors, I understand we're in an economic crunch right now, but as you propose to raise taxes as the school board, and other taxing teats are doing, it hurts the poor, the needing and the have not's. Please remain cognizant of the fact that once we hear about road repairs yesterday, and anybody can rebut this once I leave, you need to bring these issues up early on. Roads need to be repaired. That has been one of our issues since we brought it up to mayor Bruce Todd and mayor Kirk Watson. As I say here on the agenda, crime is on the increase, but I want to specifically thank assistant chief Jeff attics, who I've known since the early '90's. And we have an outing gentleman as assistant chief. I appreciate his friendship and appreciate his concern for the people out there. Increase, if you can. We spoke to the city manager about increasing funding for social service agencies. Everywhere you call for help, we don't have any. We're waiting for the budget cycle to end and then we start a new fiscal year. It's very sad. People, I'm kind of embarrassed to come over here. I'm humble. I'm in a situation which is really tough. I will tell you this much, please return phone calls. We helped get you elected. Senior citizens call, people call, please return your phone calls. Have the courtesy and the respect to call. Return phone calls. You expect to be elected mayor, city councilmember councilmember, whatever, very careful. It may not happen. I would like to thank Becky molar, Vivian Willis, René Laura. And I've been a member of the union for over 37 years and then ntu, veterans administration. I want to thank them for having the insight and the sensitivity for helping people in need and thank god that they don't turn any people away I would also Jesse cono and he has a repair shop in east austin and has been very helpful in providing school supplies, help for the poor, the needy, the have not's, kids that are wearing tennis shoes with holes in them. These are the types of individuals that the good lord is blessing. He has a repair shop on east seven street. Si, I thank you very much for your help. Also, the last item and I'll wrap it up. [ Buzzer sounds ] please help the veterans, support the veterans and their issues about housing, health care, jobs be. Thank you very much and keep up the good work. God bless you.

Mayor Wynn: Thank you. Castro, to be followed by laslo herczeg.

My name is jimmy Castro. I'm here to speak on my own behalf. I do have some slides to show you this afternoon. All the presentation has been under way in anticipation of the austin independent school district's first day of school on Monday, august 25th. They've been teacher training this summer. In-

service training for the 5,400 teachers of the austin independent district school district. Especially for the 750 new teachers of the austin independent school district. The austin employees have been helping with preregistration. The classified workers are making sure all the school facilities and buses are ready roll. And the teachers have been working on all the decorations in the classrooms in which a teachers are paid for with with their own money. The austin independent school district back to school bash is set for SATURDAY, AUGUST 23rd, From nine a.m. to 1:00 p.m. At the Delco activity center. As a parent, you hear it all the time, get involved in your child's learning, get involved in your child's school, get involved in your child's education. But why should I get involved? How can I get involved? The first step is by joining your campus pta. The second step is by attending your campus back to school night. This allows the time for teachers to meet the parents, and especially the parents to meet the teachers. Aisd elementary school back to school night, these dates are set by the schools. Aisd middle school back to school night is Tuesday, September second. Aisd high school back to school night is Wednesday, September third. All drivers need to remember the speed in the school zones is 20 miles per hour. And failure to observe the school zone speed may result up to a 250-dollar fine. All drivers need to remember the school bus law which states to stop while school buses are loading and unloading students. And failure to observe the school bus law may result up to a one thousand dollar fine. Among the most obvious and forgotten items on the back to school list is making sure your child immunizations are up to date. The Texas department of health regulations require that students be current with all required immunizations prior to the first day of school on Monday, august 25th. Finally, another annual event is the austin independent school district's 35th annual band jam reset for September 11th at the burger center. One of the participating schools will include the Anderson high school marching band and drill team. All families are encouraged to join the band parents in attending this austin independent school district event, which will include some of the top rated bands statewide. Thank you, mayor Wynn.

Mayor Wynn: Thank you. And this parent can't wait for school to start. [ Laughter ] let's see. Our next speaker, I hope I have this right, Laszlo. Welcome. You will also have three minutes to be followed by Mary Arnold.

Thank you, Mr. mayor. Good afternoon, councilmembers, old ones and new ones. And good afternoon Mr. ott. I'm very pleased to meet you. I am here owe I know this is after lunch and you probably are digesting and booking your next appointment, but what I'm going to tell you is really going to you up. I found an error in the process of ordinance pub be publishing (indiscernible). In the amount of time I have I'm not going to be able to develop this topic. What happened is the law department published two conflicting ordinances for zoning case c-14-05-0202. And I have these numbers in front of me and I'm available to consult with you on this. Apparently -- anyway, the import of this is I found one error, but we all know there are many other duplicate ordinances. So I'm requesting the city manager to request an audit for the zoning cases. And secondly, I'm requesting performance indicators for the law department, for the entire department to have 100% accuracy on ordinances being accurate to the action that is actually taking place on the council. And thirdly, I'm requesting Guernsey and the zoning dent to stop ignoring my property rights and repeatedly not notifying me about zoning cases and not maintaining the mass. This is become agriculture third time occurrence can that we're not being notified about zoning cases. And you can see from the importance of that they're all here, the law department is here. But I want an assurance from Guernsey that if there's any zoning case or any matter affecting in my area, I'm

going to be notified. I'm fed up with the repeated errors and becoming a comedy of errors. So having said that, I'm sorry that I'm coming as antagonistic, but I have been antagonized by the repeated errors. I will be available for additional consultation, but I'm requesting an audit. I'm a technologist. I can ask to search the database and find additional ordinances. If this is not going to get handled by the council, I will take it to lawmakers at the state. That is my communication to you today. Thank you.

Mayor Wynn: Thank you. And as you pointed out, Thomas, a number of folks are here because we do take this seriously. And I hope we can resolve that. Thank you. Welcome, Mary Arnold. You will have three minutes to be followed by Richard troxell.

Thank you. I serve on the city's golf advisory board. And the golf advisory board for the past two years has been feeling that we are in a state of siege. It was two years ago that the university of Texas board of regent appointed their Brackenridge tract taskforce. And so we began to understand that the golf course, our oldest and cherished golf course, was a target. We also at this time are trying to work on ways to improve the Morris Williams golf course as the catellus, Robert mueller development goes forward, the golf course is shown on their plan as being in a sense an amenity to that wonderful new development. Bertha means came and spoke to the parks board and to the golf advisory board asking that we look at the big picture of how the golf course needs to be improved just as the new development is coming forward. And we've been working with the austin water utility who is going to put a sewer line across the golf course to serve the mueller development. And trying to find ways that the mitigation for that project can be put into projects that will help the improvement of the golf course. And I brought a list of those improvements, which of course, cannot all be paid for with mitigation from the water utility. I'd like to beseech the city council to search for additional funds. And one source I would mention is the possibility of repaying the golf fund \$400,000 that was taken out of the fund over a five-year period that should have been paid by the general fund to pay back the aviation department for some acreage at Morris Williams that had originally been paid for by the f.a.a. And if that's complicated, don't worry about it, just repay the golf fund. [ Laughter ] and we can put that money to use in making improvements at Morris Williams. And any other things that you can provide or direct us to, we would appreciate very much. I was glad to hear -- [ buzzer sounds ] -- mayor pro tem talk about being proactive with regard to public spaces. Our golf courses are public spaces and we desperately need for the council to be proactive, particularly with regard to the Brackenridge tract. Thank you very much.

Mayor Wynn: Thank you, Arnold Richard troxell, who I thought I saw earlier. Welcome, Richard. Three minutes. To be followed by David kobierowski.

Good afternoon, my name is Richard troxell. I am president of house the homeless. Today I'm about to report on four sistation surveys -- solicitation surveys identifying two common threads, the need for employment and adequate income. On Tuesday, the university of Texas school of social work presented its preliminary finds on their solicitation report. They interviewed about 130 individuals and found that 51% of those surveys went to job training and went% were looking for -- and 52% were looking for work. And the 84 riding theme is that they were, quote, soliciting for daily survival. In the unsheltered homeless count survey conducted may 2007, over 200 respondents were interviewed. When asked as to the cause of their homelessness, 100 said it was because of being, quote, unable to

pay either their rent or mortgage, unquote. Another 118 said it was due to unemployment. A third survey, this time conducted by the city of Houston health and human services department, 345 persons were interview. When asked their reason for their street solicitation, 250 or 73% stated income for survival. When asked if they enjoyed street solicitation, 81% said no. When asked what would be required for them to stop street solicitation, 196 or 57% responded with employment. The fourth and final survey was conducted in austin in November 2007 successfully interviewing 526 people experiencing homelessness. 38% Said they were working at the time of the interview. When asked if they would work a 40 hour a week job if they were sure it would pay them enough to afford basic food, clothing, shelter, in other words, a living wage, 468 or 91%, said they would work 40 hours for a living wage. A week ago on Tuesday the police department announced its crack down on people for panhandling and other quality of life offenses. When asked about the need of our businesses to roll up their sleeves in the battle to end homelessness and not just punishing those who experience it, mayor Wynn said we could do better. Today I submit these four surveys as evidence of our desire to work for fair wages and we call upon you, mayor, to do better, to use your position of influence from the dais to encourage our businesses to pay fair living wages to the workers who are helping make them millionaires. We encourage our businesses to share the feast with those who work for them and not just to share the crumbs found on the side of the road. The community action network's 10-year plan calls upon all citizens to work to end homelessness, and that includes our businesses. [ Buzzer sounds ] thank you.

Mayor Wynn: Thank you, Mr. troxell. Our next speaker is David kobierowski. To be followed by earnest samudio.

Good afternoon, everyone, mayor, city manager, councilmembers, I'm David. It's not too often we get a chance to celebrate post event and be able to share with y'all what we had. This past Sunday we had a very successful event. The gray panthers of austin hosted an annual meeting here at the afl/cio here in town at 12th and Lavaca. And we had 155 people show up for an event. It was called rehabilitation, not incarceration. The idea here was to elevate the conversation about what's happening throughout our state. Right now Texas has thest population of prisoners in the country. We surpassed California recently. Also about 50% of our inmates throughout Texas are in prison because of drug offenses and most of those being non-violent drug offenses. It's depressing, it's embarrassing, it's sad. What's even worse is the amount of money that we are spending as an organization on the revolving door of these individuals going through Texas prisons. So individually I've spoke to many folks throughout the state house and legislature. We had Donna Howard in attendance. We had sheriff Greg Hamilton here from Travis county. We had Bruce elephant, who is the constable here in Travis county. We had Gary cobb also in attendance, the assistant da. We had Laura Morrison, the council person there. Individually folks get it. There's no question about it. What happens is there's a perception out there that if you support these types of programs that you're weak on crime. And I'm here to say that if foangz are not supporting these -- if folks are thought supporting these types of programs, that they're wasting our taxpayers money and I would almost say that they're weak on crime, our jail system is broken, it's not working. And it's time for us, the city of austin, to support some change. I think we can do that. The gray panthers last year had a health care event. You recently passed a resolution to support single pair health care. I want this to be our top issue going into next year. Lastly, I just left the senate, they had a committee

meeting out there with a number of individuals and in the state legislature talking about what they can do right now, increasing beds, just minor changes. They need the support from the community, from us, as leaders to help them understand that they will have the support. Politicians will not be put out of office if they support good things such as this. So thank you and thank you for your support. I look forward to -- if anybody wants to sponsor a measure such as this for the city of austin, I'd love to talk to you about it.

Mayor Wynn: Thank you, David. And our final speaker is, if he's here, is earnest samudio. Sorry if I mispronounced that name. Earnest? He has signed up wishing to address us regarding the circus. samudio is not with us. So council, conclude our general citizen communication today as posted. We have no more action items to take up before our closed session discussions, so without objection, we will now go into closed session 071 of the open meetings act to take up potentially legal issues related to item number 41, ballot language for our charter amendment election in November, item 42, legal issues regarding labor negotiations with our public safety departments. Item number 43, legal issues regarding a franchise with the pedernales electric cooperative. We may take up pursuant to 086, that being competitive public power utility issues, item number 40 regarding austin energy's fuel and generation resource plans, specifically related to item number 2, that being austin energy's proposed bio mass generating plant in east Texas.

Mayor, with council's indulgence may I make a brief comment for clarification on items 40 and 41?

Mayor Wynn: Yes.

Items 40 and 41 relate to the upcoming election on proposed charter amendments, one of which is the stop domain subsidies charter amendment. One of the things council will be considering this afternoon is the ballot language for that particular amendment. I have heard some public discussion that the draft ordinance that is in council's backup contains language that is the city attorney's recommendation of what the ballot language should look like. That is knots correct. Council -- that is not correct. Council will go into a closed session this afternoon to receive the city attorney's advice and recommendations, after which council will make a decision as to what the balance language will be. The language that appears in that proposed ordinance or draft ordinance is the result of me asking my attorneys to get some very simple language as a place holder while council discusses and deliberates and makes its decision. Again, I've heard some public discussion that people are characterizing that as the city attorney's. I haven't made my recommendation. I will. So thank you. Raffy.

Mayor Wynn: Thank you, owe smith for that clarification. We are now in closed session. I anticipate this closed session lasting for two to three hours, so I anticipate the council coming back into open session sometime after 00, hopefully well before 00 to take up these two discussion items, items number 2 and number 4 as well as our afternoon briefings in advance of our zoning cases. We are now in closed session. Thank you.

Mayor Wynn: We are out of executive session for the time being. gentry, in executive session we did not and will not today take up item 43, our posted item regarding pec. We did conclude our presentation on

item number 42, labor negotiations with our public safety departments. We concluded our discussing legal matters regarding item number 2, austin energy's proposed bio mass facility in east Texas. We'll take that up here shortly. We began our discussions on item number 41 regarding ballot language for our charter amendment election in November. We had adjourned that discussion and will reconvene that discussion here in a few hours sometime this evening. But we did conclude our legal discussions regarding -- and our competitive matter discussions regarding item number 40, which relates to austin energy's proposed bio mass generation plant in east Texas. And with that we'll call up item number 2, which is our posted action item related to this issue. And I think general manager roger Duncan has a presentation prepared. Welcome Mr. Duncan.

Thank you very much, mayor --

Mayor Wynn: I'm sorry, roger. Just to help folks here to sort of plan our afternoon and evening and early morning. We're obviously running way behind schedule already. As soon as we conduct this discussion and potential action item, I'm suggesting it might take an hour or so. We do have a dozen or folks want to give us testimony in addition to likely some discussion and q and a with councilmembers. We with still have yet to have our mid afternoon council briefing that includes both presentation from the austin nolg incubator, but also the city's budget presentations on a number of key city departments, including austin energy. I'm suggesting folks who are here or are watching at home, we likely won't even go to the first of our zone cases until well after our break for live music and procs. We still have another executive session while we eat dinner this evening. So if I were planning my evening and if you have some zoning cases before the council, my prediction is that we won't even begin our zoning cases until well after dinner. So we'll try to be as cognizant of everybody as we can be. Welcome back Mr. Duncan. Excuse me.

Thank you. And council, item number 2 is the proposed purchase power agreement with Nacogdoches power. I would like to start and go through some slide that you have seen before in general on our generation planning and spend most of the time addressing some of the questions that have been raised over the last couple of weeks by the citizens and discuss those and then I believe as the mayor said we have several speakers that would like to address this issue. First to remind the council, the goals for austin energy, of which this project seeks to address, is 30% renewables, including 100 megawatts of solar by 2020, 70 watts of energy conservation by that date. A co 2 cap in reduction plan. All new generation be corporal neutral and to enhance our building codes for zero energy capable homes by 2015. Again, this is our load forecast that we are projecting between now and 2020. With the various facilities. And we with show about a 238-megawatt gap. We have several options to meet that gap. One of the options we're going to talk about today, which is the 100-megawatt bio mass plant. We have presented to the council in an earlier presentation a straw man proposal for projected new resources between now and 2020 to cover that gap. At the top line you see our current mix of coal, nuclear gas, bio mass, wind and solar. There are a couple of projects that are already under construction for next year. The 100-megawatt expansion at sand hill energy center, which is gas. Another 165 megawatts of wind is coming on board this year to be by December to be our next batch of green choice. I sent a memo out last week showing that green choice has already been sold out for the remainder of this year of this 165 megawatts that will make up the next batch of green choice. And there

were two projects there that we felt we needed to proceed with right away. One is the 30-megawatt solar project out at the Webberville site. And the other is this project, be the 100 megawatts of bio mass that is slotted to come online in 2012. All the other parts of this plan we hope to have a full public discussion on over the next year. In the community. The project location is near Nacogdoches in the east Texas timber belt off of state highway 204. It is located in the ERCOT north zone region. It is a 100-megawatt waste wood power generation facility. It is considered to be carbon neutral use of bio mass fuel. The fuel for this includes forest revenues such as thinning and slash, mill residue, reject lumber and so forth. And urban wood waste clearing, timber, pallets, packaging wood. The company is here to answer questions about any particular aspects of the fuel mix that you may wish to ask. It uses approximately a million tons of fuel per year. The boiler design accommodates a variability in the fuel, particularly because of different moisture contents in the fuels that would be going into it. The site is owned and fully permitted and fuel studies do indicate inadequate supply with with some of the supply already under contract. The background on Nacogdoches power, they are a joint venture between energy manage incorporated of Boston and bay corps holding of ports muth new Hampshire. They're focused on renewable energy projects and you can see the types of generation that they have been involved with over the years. And sheer wrestled the gainsville -- and they are involved with the gainsville regional utility to develop a sister project in florida. Benefits from this type of power that we have mentioned before, it is a farm and dispatch able renewable resource with a high capacity factor. This plant is guaranteed to be available to us 90% of the time. That makes it in our opinion a base load type of plant and a very dependable source of capacity for covering peak demand. We consider this type of renewable to be extremely important in meeting our 30% goal. This plant plus the 30 megawatts of solar at Webberville will put us at 18 percent renewables at the end of 2012. Over halfway toward our 30% by 2020 goal. Because of its capacity factor, its equivalent generally to 250 to 275 megawatts of wind or of solar. Our projected resource plan a calls for 200 megawatts of bio mass. You will need a lot more wind and solar to equal that if you were to offset it. There are costs in the future that we expect enacted by federal legislation that this plant would not be impacted by. It diversify our renewables by both type of renewables and location of our power plants. It avoids the west Texas transmission that we are experiencing a great deal of transmission congestion coming out of west Texas at this point. We consider this a hedge against future carbon legislation that I just mentioned. And also a hedge against-- also a hedge against natural gas costs that we are concerned about the increases in that area in particular. We've been asked about the projected fuel charge impacts. We expect that this plant will impact the 2012 fuel charge by about -- in a range of minus two percent to a plus five percent of the 2012 fuel charge. We already expected that 2012 fuel charge to have increased from today's fuel charge substantially based on fuel costs natural gas and increased transmission and congestion in ERCOT fees. On top of that existing 2012 fuel charge, we expect that this will have either a dollar and a half a month reduction in that charge or as much to two and a half months' increase. That's a function of what the price of natural gas is, the availability of production tax credits, state of Texas waste fuel grants and other factors that would impact that range. Now, there have been several questions that have occurred over the last two weeks. And what I'm trying to do the rest of this presentation is address some of the major issues that have been raised to the best of our ability. And a lot of those have centered around what is the payment structure of the contract. And for confidentiality reasons, we cannot reveal exact numbers and terms of the contract, but we can talk in general about the structure of it. In again our

payments are composed of components, a capacity charge and a fuel charge. The capacity charge includes all the construction costs of the plants, the financing of the plant, the profit for the owners is included in that capacity charge. This capacity charge is fixed. That is, there is a certain dollar amount before each year of the contract that is a fixed charge in the capacity charge we will pay. It's important to note that because we have had people raise the issue of construction overruns, what if this plant experienced enormous construction overruns because of the cost of concrete or steel or whatever. Our contract with Nacogdoches is not subject to construction overruns. If there is a small amount of overruns, they will have to absorb that on their side of the equation and cannot pass it through to us in the capacity charge. The capacity charge is also proportional to the availability. That is the plant has to be available to us a high percentage of the time. And if it is not available for whatever reason below that capacity factor that we have listed in the contract, our capacity charge drops in proportion to that. As an example, if there were to be major equipment problems, and this plant for whatever reason had to be shut down for six months of some year and when they came back online they could not make up the difference, we would only pay half the capacity charge that was due for that year. So we are protected against both construction, cost overruns in the capacity charge and availability problems in the charge. The fuel charge is split also into two components. One is the operation and maintenance, and that's the grease and oil and other activities to maintain and operate the plant as it moves forward. That charge is also fixed with an inflation factor attached to it. And then finally, there is the fuel charge. And the fuel charge is variable. It can rise and it can fall. And I might note that this is the same with all of our fuel. And for every utility, the gas and coal and nuclear, uranium fuels are all at the mercy of the marketplace. In our gas operations we're able to hedge some of our fuel costs for a few years out. We have a small portion of our coal fuel under contract for limited number of years, and the same with uranium. But in general we and all utilities are at the mercy of the marketplace for fuel charges. And we, like other utilities, pass along to the customers 100% of the fuel charge. On your monthly bills. So the fuel can rise and fall, but what we can put into this contract, which is not the case in most fuel contracts, are incentives to lower the price. That is, we have created a ban by which this fuel charge can rise or fall, but if it rises too much the Nacogdoches does not have the right to pass through 100% of that increase to Austin. They have to absorb part of that increase, which is a tremendous incentive to keep the price down. Conversely, if they are able to lower the fuel charge, have a large enough decrease in the fuel charge, they don't have to pass along 100% of the benefits to us, which is another incentive to push the fuel charge down. So we do have incentives to lower the price of the fuel, but the fuel is variable and can move up and down. Lastly, we have an option to supply our own fuel. If we ever think that we can get it cheaper and better than the contractor, then at no cost to us we have the option to step in and supply that fuel. And finally, I want to note that there is a total cap on the contract. The RCA in front of you says not to exceed \$2.3 billion. So even though the fuel charge can vary and rise, and again the capacity charge is fixed, the O and M is fixed with inflation, the fuel charge can vary within it, the total cap on the contract cannot vary. So if fuel were to rise dramatically, what it means is that we may -- the contract is either for 20 or \$3 billion, whichever is reached first. And at that point if Council decided they wanted to extend the fuel, they could decide to do so at that time, otherwise our financial obligation ends at \$2.3 billion. There are questions that have been asked from the public before, are there any investment guarantees, loan guarantees, bonds, certificates of obligations or other financial commitments from Austin before the energy becomes available to us? And the answer is no. We have



no financial obligation whatsoever until the energy is available for delivery to austin. Who owns the renewable credits and any carbon reducing benefits? And the answer to that is austin. Some of the benefits flow through to the price and other benefits flow directly to the city if and when they become available in the future, but any carbon reducing benefits, even ones that have not been passed yet, will flow through to the city of austin. What will be the impact on the fuel charge? I mentioned before a two and a half to five percent starting in 2012 and then there is also the green choice option. As you know, green choice, we have taken various purchase power agreements from wind contracts primarily, and offered them to our public as a green choice option. If this is sold as a green choice option, then it will not affect the fuel charges of the rest of the city to the extent that it is sold as a green choice option. If it sells out all of our green choice options have sold out so far, then only the people who choose green choice will be affected by this power plant and this purchase power agreement. Other ratepayers in the city will see no change in their fuel charge as a result. We've been asked then what the biggest risk is to austin energy in this contract. In our opinion there is not much risk in the contract itself. We think for all the reasons I've stated that we've adequately taken care of the risks that might result from construction cost overruns or fuel variability and so forth. The real risk to us is if the plant doesn't come online at the time it's supposed to come online, then we have to replace the power somewhere else. We will have to go to the market to buy 100 megawatts or we will have to scramble to build a gas turbine plant to replace that 100 megawatts. And this is the same risk we take with any energy decision, whether we're going to build our own plant or buy our power someone else. We have certainly had wind contracts in the past that have fallen through and not arrived when they expected to. And we have to make it up. So that's the risk that we face and it's a risk that we and the rest of the industry are used to taking on. Is this expensive power? A lot of people have come before the town hall meeting and you and said gosh, this sounds awfully expensive. And the answer is yes. In comparison to our current rates, it is expensive. I might also add, though, that in comparison to our current rates, all of our future options are more expensive than our current rates. I really don't know of any fuel source or fuel technology out there that is going to be cheaper than what we're getting now from a somewhat mature coal technology plant and the other resources we have online. The point is the value of this being a base load renewable energy plant we believe is well worth the expense involved. And also the diversity. We've also been asked why is this not in the fuel charge and not in the base rates. And is this just an opportunity to avoid a further discussion and decision by putting this in the fuel charge. And the answer is all of our purchase power agreements over the years have gone through to the fuel charge, whether it's been wind contracts, natural gas purchase power agreements, which we currently have online as part of our plan to replace the energy from holly. All of them have gone into the fuel charge along with ERCOT fees and some other aspects of the fuel charge. A base rate case could take years to complete because of the nature of a rate case. You have to have a test year of data, you have to have numerous hearings and decisions, and the base rate cases are appealable from the city council by residents outside of austin to the public utility commission. I looked the other day and tried to figure out how many rate cases we would have had to have in the last several years if we had put purchase power agreements through a base rate rather than the fuel charge. And when you look at the cash going into base rates, it seems to me that we would have had to have eight rate cases within the last seven years by pushing the purchase power agreements into base rates. We also could not have a green choice program if we put purchase power agreements into the rate case. The way our green choice program works is that we

enter into a purchase of power agreement with a green source of power. We turn around and offer that rate as a constitution for the fuel charge -- as a substitution for the fuel charge on people's electric bills. That's how the green choice works. If you put it into the base rate, then everyone in the city shares that increase whether they want to or not. There would need not be any choice at that point. By setting up the purchase power agreement in a green choice mode you give our citizens the opportunity to choose this instead of their regular fuel charge. So for all these reasons, we think that this was the proper way to proceed. There were several environmental questions that have been raised to address them quickly. One of them is will trees be cut to fuel this plant specifically? The answer is no. Our understanding is that the current logging activities in east Texas will not be changed at all in relation to this plant. Currently you have logging activities where trees are being what they call destubbed and worked on large processes where the limbs and such are stripped from the base trunk. That is the primary source of fuel for this plant. It is not what is left behind on the ground. And we require in this contract that all sustainable forest practices be included. There is a best management practices from the Texas forestry service that we require in this contract be maintained at all times. And we also have had the question of whether forest litter, which is necessary for soil nutrition, burned. And when you finish in the area you have a lot of litter on the ground, including stumps and small twigs and so forth. I think there has been a misconception that people will be going out and gathering that up and burning in this plant, and no, that is not the case. In fact, part of the Texas forestry best management practices is not to do that and that will not be part of the fuel source for this power plant. This power plant meets all the tceq permit requirements for air emissions. It uses the best available control technology that has been designed for bio mass plants. It is considered a co 2 neutral emission control by the national renewable energy labs. And we feel that it is the best available emission controls for a bio mass plant that there is in existence. And finally, we've had several questions about process. Why the rush? Why did this come up at the last minute and why does it have to be acted on within a short amount of time? I wish we could have handled this differently. I wish that we could have brought this to you several months ago and had a long discussion. The truth is there was not a fixed price on this contract until the middle of July. And equipment costs are escalating and there's a phenomenon called production slotting in the industry today. The energy industry is under such tremendous stress to build new pier plants and such, and there is such a limited number of equipment manufacturers for these big power plants that in essence you have assembly lines where things like steam turbine generators and boilers are moving along that assembly line and people reserve boilers and pieces of equipment on that assembly line. And it's not free. They have to pay a price to reserve a slot for that particular piece of equipment. And if they do not reserve it, then they lose their slot. What we are facing here is that the equipment for this particular type of generation is -- has at least two pieces of equipment within it that are subject to production slotting. And there is a danger of losing the slot and not only increasing the costs, but essence delaying the plant for a period of time if you're not able to get equipment in there. We've experienced this with other projects within austin energy. In fact, one of our own power plants we joined with a partner in the past, primarily because they had a gas turbine and a production slot that met our timetable to get the plant online. Why are we just now hearing about this? We have been in talks with this company for over a year, year and a half. Again, there was no firm deal to bring forth to the council with a price tag until the last month. It was not competitively bid. We are not required to bid under the state law. None of the utilities are. Just because we're not required to bid doesn't mean we shouldn't bid

it. And we tried to bid projects whenever we can. Our experience in this industry is that the prices are moving so fast that several of our projects simply cannot go through the bidding process. We have had in fact four contracts, two wind contracts and two conventional fuel contracts, that we've gone through the bidding process by the end of the bidding process the bids were no longer valid. And we lost the deals because from the time of the start to the time of the end, they could not hold their prices on the equipment that they had bid upon. We know that of two or three operations in the area that are looking at bio mass. There's another plant in Lufkin that is moving forward with bio mass. We are familiar with them. This was the only plant that we knew of that was ready to pull the trigger that, had all the permits, had its site, had gone through what it needed to do in terms of securing equipment, securing fuel supply and is ready to go. And again, we had a limited window to deal with that and that is why we brought it forward to council. Those are the questions that we had. We had many more questions, but these are the main ones that we're addressing. And now we're available for further questions from council or from the public.

Mayor Wynn: Thank you, Mr. Duncan. Council, I do know that a number of us have a number of questions, and/or requests as we contemplate moving forward. But we do have a handful of citizens who would like to give us testimony, so without objection I would like to get that testimony before we open it up for council dialogue. Thank you again Mr. Duncan. And be also besides being the first speaker to sign up, protocol would suggest that we recognize the honorable Joe English, who is the county judge from Nacogdoches county. Welcome. We appreciate you being here. We limit testimony to three minutes and then you will be followed by Stan Cisco. Welcome.

Thank you. I thank y'all for allowing me the opportunity to come and speak a little bit about in that case be doaches. We've been hearing a lot in our newspaper. We have a Cox newspaper just like y'all do, and certainly we've made the news as much as y'all have. I don't know if any of y'all have been to Nacogdoches before. I would certainly encourage you to come if you haven't. Our population is about 60,000. 30,000 Live inside the city limits and 30,000 live outside the city limits. When you drive through our town you will notice the 30,000 that live inside the city limits, you will see those houses and those people because there's not that many trees, but you don't see the 30,000 that live outside the city limits because they live behind the blankets of the woods. And we certainly have a lot of woods, and if there's any questions about whether or not we have en lumber or woods to burn to make energy here I want to rest assure that we do. There's plenty of wood to burn to fuel this company. A little bit about the economic development or about the ag industry. Nacogdoches county's number one industry is agriculture. The biggest, largest part of that is the poultry industry. The second largest is the beef industry. And then the third is the logging industry. And so there is a lot of logging industry that does happen in that case be Nacogdoches. So not only can we furnish the citizens of austin poultry and beef, but also tooth picks after the meal. So there's definitely a lot of wood there for that. I would like to tell you a little bit that in the process, this process is happening -- clear I there was not one person in the county that came in opposition to this project. So I think that says a lot as far as the way that the citizens in Nacogdoches feel about this project. As a titon, just as you are, I go out in the community, I spoke to organizations that are from this area that this plant is going to be put in. I think that's important. I would like to tell all of y'all leer today that in the meetings, in the groups that I've attended, there's not been one person that's in opposition to this plant. And I think that's real important for you to know that. I

commend austin for stepping forward and being the beacon and I would like to say that Nacogdoches would like to be a part of that and furnish the industry to make that beacon shine. Thank you.

Mayor Wynn: Thank you, judge. No local opposition sort of takes all the fun out of it. [ Laughter ] Stan Biscoe is our next speaker. Welcome -- Cisco, excuse me. Welcome Mr. Cisco. You will have three minutes, to be followed by Valerie davenport.

Thank you, mayor Wynn, members of the council, for allowing me this brief time to somewhat echo judge English's comments. He this is a volunteer position for me. My profession is a banker and I'm division of the largest bank in dak doaches county. -- Nacogdoches county, but I've enjoyed by position as nedco chairman. We are dedicated to economic development doaches county. It's supported in part by the city of Nacogdoches and Nacogdoches county, but primarily by memberships from 75 other businesses and industries in Nacogdoches county. Ndco has been working with Nacogdoches power llc and bank corp on this project for over four years, and every member of nedco whole with heartedly supports this. And we think it's important that y'all know that the business community in our county is for this project. There's no question that this bio mass plant will benefit Nacogdoches county economically. The millions of dollars in capital improvement obviously add to our property tax values within the county. There will be many jobs provided during the construction phase over the three-year period of construction with over two hundred plus jobs created. A significant of permanent jobs, approximately 38, which is not a big number in austin, but in cycle Texas that's a big number. And perhaps most importantly in we feel it will add to the stability logging industry in east Texas. Having been vosmed with the timber business to some extent and the financing of logging operations, logging is a very volatile industry. It's very cyclical. Sometimes it's too wet, sometimes it's too dry. But having another product to haul from the forest, waste products that can be stockpiled during the dry times and hauled during the wet times and will add in my opinion a great amount of stability to the logging industry, and that's something that east Texas can definitely use. Again werks feel very, very strongly in in that case be doaches that this is -- in in that case be doaches that there is a good project and we will benefit from and we certainly hope that y'all pass this.

As you all know from a letter th bishop sent copies of you too, bishop had submitted a proposal back in the fall of 2005 for a bio mass contract with austin energy. At that time that he submitted his proposal, he was told that the legal department required that bids be taken. His contract. And he readily agreed and encouraged open government to tick those bids. In order to make sure that the citizens of austin had full knowledge of such a contract and all the terms and that the best prices and procedures were used before such a contract was entered into. Bids were then taken where Nacogdoches power was one of the bidders. bishop was told that the procedure or the -- I'm sorry, that the proposal was tabled pending further investigation. He was also told that he would be notified at such time that austin energy decided to renew or had gotten to a point where it was in a position to accept bids. However, according to roger Duncan, talks continued with Nacogdoches power, but not bishop's company, or apparently any of the other bidders. Duncan just told the council, they have been in talks for the last year and a half. So apparently since talks were called off with the other bidders in 2006, they continued with Nacogdoches power. Now, what has resulted is Duncan saying that there was not time to take bids. That there was not time to fully investigate. That there was not time to advise the citizens of as to 3 billion proposal for

what was supposed to be renewable energy, a proposal for the purpose -- for the purchase of renewable energy. mayor, I know this is a subject very close to your hearts, but do you understand that in the last tceq permit it was not 100% renewable energy, it also allowed for natural gas. Why is that? Because Nacogdoches power frankly, we believe, and bishop believes, is that they do not have the ability to get the necessary product to fuel this with renewable be energy and that they will have to go to natural gas. And that if they cannot power the plant with renewable energy that they will -- and that their agreement will allow them to use natural gas. And what is the hope of this council and this city to use renewable energy will be in fact a contract which will bind them to using up to 75% conventional energy sources rather than 100% contract with renewable be energy. But see, we don't know that for certain because we haven't allowed open debate and full disclosure of the terms. We haven't allowed time for full investigation. Although there has been a year and a half or two years of discussions between austin energy and Nacogdoches power, we haven't allowed the public to be aware of those discussions or these considerations and dealings of a back door contract for \$2.3 billion. What are the terms? Can they use natural gas, Mr. mayor? Can they have eventually a contract that is 75% conventional power? And if they can and there's nothing to be done about it because they can't get the bishop's company has tied up a lot of the sledge with his company, and they can't access it without destruction of the timber beyond what is now just byproduct. Then do they have a an emergency chute to use natural gas? Do you know that? Do we know that? Are you buying into a 20-year contract for natural gas? And defeating the 30% goal for renewable energy. Do you know that? Have you had time to look at it? And isn't this a sufficient importance not only to you, mayor, but this council and the citizens of the city of austin to do the due diligence? It's not what you can do under your rules, it is what you should do in something of this size and of this importance. bishop's company just gave a bid to Stephen f. austin for \$80. Per mega kill low watt hour. Versus \$137. That would result in a savings under this contract had this been put through a competitive process. Duncan said we had to rush in order to secure these parts. 'After a year and a half of discussion. Why wasn't that year and a half of negotiation bishop's company. Why wasn't he notified of the town meeting and asked to participate as a speaker to raise knowledgeable questions about the natural gas issue, about the pricing, the 800-million-dollar savings, and the availability of equipment to build such a facility? Is it because we wanted approval by ignorance? Don't let these issues come out. Don't go back to the bidding process that was insisted upon in 2005 and 2006. This council has before it evidence that those bids were required. And then this matter was tabled with a promise to go bishop's company and to the other companies that take bids. But that wasn't done. It wasn't done and instead it was given to Nacogdoches power that is listed here as a minority-owned business, with minorities are women. We see a Bahamian business that they say they see a sister project con tem lated. Show me. Where's the beef? What do we have before? What do we have actually dismun do you want to tie up 3 billion for 20 years on perhaps a 75% natural gas project? Because we're all too busy to take the time to do it right? Because you don't want to answer the hard questions? Because they want to -- you know, through a lot of people who were here at 10 couldn't come back today because they don't want to answer the hard questions. You know, we don't want to take time to answer the hard questions, to do the mats, to look at the permits. You know, isn't this what government is all about? We look at how we spend our money. We're fiscally responsible. And that requires bidding. You know, I went up to roger and said before you do this, meet with mike. Meet with Michael. Have him in here. He said, well, we can't do this on this one. We'll do it on the next one. [ Buzzer sounds ] well,

the next one -- and I'll tell you -- won't save the \$800 million that a bidding process would do here. We lose the 800 million and then say, but next time we'll do it right? Well, I know my time's up, but your time isn't. You can slow this down. You can do it right. You can take a smaller project first and see if it works. And see if they use renewable energy. You don't have to approve this today. And let those hard questions be asked. Let the public hear the answers. And I think that when you do, please let American bio refinery and energy participate. bishop show you some of the harder questions and let his pricing and his bids be considered by the -- by austin energy and see if they will more properly benefit the citizens of austin. Thank you very much.

Mayor Wynn: Thank you, ms. davenport. And by the way, do know the answers to those questions. Contractually they cannot burn natural gas. They can't even burn trees that have been cut down for fuel. So thank you for your testimony.

Have you seen the recent permit, Mr. mayor? Have you seen the recent permit that allows natural gas?

Mayor Wynn: Your time has expired. Our next speaker is Bryan Rogers. Welcome. You will have three minutes, to be followed by skip Cameron.

Thank you all. Good afternoon. My name is Bryan Rogers and I'm a mechanical engineer and a proud green choice customer. And when I travel I always brag to people about Austin's commitment to green energy and the cutting edge work that is done by austin energy and the city council. But I have serious reservations about the wood burning power plant. If the plant comes online in 2012, and our commitment runs to 2032, then that's 24 years into the future. So tech no logically that is a distant future, so how soon will this sector become objects athlete. Let's look backwards 24 years to 1984, long before the internet, cell phones and fiber-optics. And imagine if that council made a decision to bind us to rotary phones until 2008. That's a scary thought. So what if this sin film solar technology revolution brings the cost of solar down to a dollar a square foot. I think we all know that may well happen. So the day is nearing when solar film will cover our buildings, rooftops and bridges at a fraction of the cost of precious wood resources in a world that will soon have untold billions more population. But let me look at it another way. Let's look at it another way. What is Austin's largest export? Is it computers? Is it education? No, it's cash. It's the cash we send out of our 60 billion-dollar imhe so this plan will send \$100 billion a year outside our community. Exporting \$100 million a year to import power when the same 100 million a year could fund a revolution of green collar jobs in austin. And reduce greenhouse gases at the same time. Using that \$100 million per year on projects here would generate far more jobs, far more tax revenue, far more income and wealth effects for a shared prosperity with our lower income workers. Far more entrepreneurship and a better boost for tourism. So I believe we'll all look back in 10 years and say I'm glad we didn't commit to that project. Thank you.

Mayor Wynn: Thank you, Mr. Rogers. Our next speaker is skip Cameron. Welcome back, skip. You will have three minutes to be followed by barney Groton. Be thank you, Mr. mayor. My name is skip Cameron. I'm a ratepayer with austin energy, also president of folk creek foundation, umbrella group to 32 square miles of pristine northwest austin. I passed a handout down for you to read. Don't necessarily have to look at it now. It's a position paper that will be presented by my sesm Groton, a friend of mine

who has extensive credentials in the power industry. I'm going to just talk a little bit about the economics and a couple of other points. I disagree with the gentleman from Nacogdoches. I happen to traverse that way a lot. I grew up in Shreveport. And love Nacogdoches, love the area, love the creek area where this plant site is supposed to be, but I believe the largest industry, at least revenue industry nigg anyway, is natural gas a field that was discovered by my father in the early '70's. So what about this? My comment is, folks, I've never had an ocular migraine before. Do you know what that is? Okay. Maybe you've had it. I had an ocular migraine yesterday. I actually did. But this whole process is a virtual ocular migraine to me. It put a huge fog in front of my vision about what are we with doing here and why. And that ocular migraine is pretty painful, pretty painful as a ratepayer. And with what little we know at this time and what little we've been told at this time because it's so proprietary and I don't understand how that can be an electric utility industry to be so private and proprietary since we have this whole ERCOT thing where everybody shares everything with everybody all the time few minutes. We don't have a ballpark. It's been discussed in a new enough, but not in facts. We do know it's 200 per kilo watt. 1500 To 2500 for wind. Conventional power plants for gas, you know, could be less than a thousand per kilo watt. We don't even know what a bio mass plant costs, but that's kind of important I think if you're going to pay for it over a period of time the investment costs and the interests and all those kinds of things to know what that component is. Roger talked about it, but we still don't know the number and I think the ratepayers of Austin Energy deserve to know the answer to that question before we go forward. He talked about fuel cost adds and all these things that put things in my mind about I don't know where he got his minus something, plus something possibility for me the ratepayer to pay, but I can tell you what, I don't think it's even close to what the possibility is if all these things come true on the wrong side of that equation and you ought to be very careful to know all those answers before you vote on anything here today. [ Buzzer sounds ] another thing learned quickly is there are other people in this industry who are actually physically on the ground in east Texas. You just heard from a lady who I met in the lobby here today and got to talking with her. I think you are seriously leaving off the table important competitors who can deliver energy at a much lower cost and keep the money in Texas rather than sending it to New Hampshire and the Bahamas. Let's do that, think about it. Don't do this today.

Mayor Wynn: Thank you, Mr. Cameron. The next speaker is Barney Groton, who also will have three minutes, to be followed by Trevor Lavelle.

Thank you. My name is Barney Groton, and I wanted to -- I had a series of questions and issues to discuss. We brought them up two days ago with Austin Energy and Nacogdoches power when they gave a presentation what we got back from them at that meeting two days ago was that virtually everything asked was proprietary information. Now, I've been in the energy business for a long time. I've seen more of those energy contracts than I ever want to see again, and what I know is that technology can be proprietary. It's acceptable. And utility issues between ratepayers, utility commissions and the companies in those businesses, virtually everything should be transparent and there was no transparency. Duncan got a little bit more transparent, but I still do not know what this plant is going to cost to build. We did not have a number of dollars per kilo watt. And we certainly don't have a number of kilo watt hours delivered to Austin. The issue was also raised as to whether the ratepayers will be hung for this plant no matter what happens. And that was another previously unsettled issue. Now apparently it will be an optional thing under the green option. Things have changed. The other issue that was

raised a couple of days ago and really had a red flag on it, I didn't hear anything about it today. And that was Austin Energy's obligations to take or pay. For those of us who have been around in the late 1980's and saw what a mess was caused by take or pay contracts that were written willy-nilly the previous couple of decades, we're very leery take or pay commitments. The previous two speakers, one mentioned the fact that technology changes at a phenomenal rate and that includes all the current generation technologies. Solar is coming down by the day wind power is becoming cheaper. Nuclear can be gotten for \$2,000 a kilowatt now and is undergoing a renaissance. We tie ourselves into a take or pay deal now for the next 20 years. We're going to wind up paying a lot more for energy than we have to pay down the road. We don't know what's coming down the road except costs will get less. Fuel costs may increase. The generation fleet, particularly, particularly, the renewable ones, solar and wind. It was mentioned and it's something that has not been mentioned again that for the same price we're paying for this plant we can buy six and a half times the amount of solar energy. And either in a distributed mode around the Austin area or even from a solar farm out somewhere in the plains -- [ buzzer sounds ] -- and bring it in. Solar makes a lot more sense at that ratio of six and a half to one.

Mayor Wynn: Please conclude. Your time has expired.

And let me close by saying the whole process has been very disappointing one to me in the sense that there was not anywhere near enough time for people who are knowledgeable in the industry to examine the deal. Still isn't. We still don't know what the deal is. And offer constructive comments. Thank you.

Mayor Wynn: Thank you. Our next speaker is Trevor Lavelle. Council, without objection I would like to give Robbins an additional three minutes which he waived at citizen communication earlier today. Robbins you will have up to six minutes. You will be followed by Jim (indiscernible).

Mayor, council, citizens of Austin. I'm Paul Robbins. Come September I will have been an activist supporting renewable energy for 31 years. So it may surprise people to that know me that I oppose this project as it is currently proposed. My opposition is based on the premise that most people in the public view money as a non-renewable resource. I regret to be put in position of opposing a viable renewable energy process, but the public has charged us not only with being good stewards of the environment, but also with being good stewards of their money. Maybe given the state of technology, renewable energy may cost more than some conventional sources of power, but we need to do everything possible to be as low cost as possible. This project so far has not met a high standard of due diligence. The cost of the electricity is probably double or more than double the cost of current power. It is a no-bid contract. The assumptions on its economics have not been made public the most part. The public assessment that has been shown does not evaluate a lower cost if the city actually owned it since we have low interest bond money, we might actually own it and come out better. No public information -- no public information benchmarking the cost of the project to other similar projects has been released. The fuel costs are not locked in, so the price can rise higher than what is currently in the contract. Very little public discussion has actually occurred on this project. The one public meeting that has been held, in it the overwhelming sentiments were skepticism or opposition. Do these comments amount to anything? It represents 10% -- over 10% of the utility's budget. For this fiscal year. I might also add that I've suggested three other alternative sources of energy that I believe would be lower in cost at various



times. And I will continue to suggest them, but for another day. Another very important thing is that I am quite gratified that the council has strong support for clean energy, it wasn't always this good. 20 Years ago fiscal conservatives on the city council had no use for these programs and quite nearly did away with them. I personally spent considerable time defending them. It was quite costly. So I have an historical memory that prompts me that if voters don't like how clean energy advocates handle their money, they can remove our influence. So pardon the poetry, but I will not own this decision. When fiscal conservatives accuse tree huggers of raising their bill, I'll tell them two things. First, that the people who raised their bill were actually tree burners. And secondly, that I publicly questioned this expense. Thank you.

Mayor Wynn: Thank you, Mr. Robbins.

Any questions?

Mayor Wynn: Questions for Mr. Robbins, council? Thank you, Paul. Our next speaker is Jim von waski.

Can you hear me?

Mayor Wynn: We can. You will be followed by bill bunch.

My credential are that I'm a graduate mechanical engineering in a master's degree and registered professional engineer. I've been in the energy business all my life. I worked for Westinghouse putting in turbines and generators. I put -- worked for an air pollution company. I worked for the public utility commission. I worked the last 20 years at the university of Texas in the energy -- I was the energy engineer, mostly in the con assumption, but the design and the utilities. I'm not against burning trees and I'm not against burning garbage. What I think that -- when I think that the goal of 30% was arbitrary and set too high and too optimistic, rushing into something that needs to be vetted more thoroughly. We're not talking about \$100 million. We're not talking about 200 million. We're not talking about 300 million. We're talking about \$2,300,000,000. That is an awful lot of money. What I would like to see you do is take \$23,000 have this examined by some people at the university of Texas, the premier university in the whole country, if not the world. That represents 10 cents out of \$10,000. And if I was going to go spend \$10,000 on a used car, I would be glad to spend 10 cents to have someone look at it this car worthwhile. They talk about you can't get the -- you can't get this equipment. You know, there's a concept of production slot options, and we did that at Westinghouse all the time when we had customers interested in buying power systems. [One moment, please, for change in captioners] I just passed out to council, I received this report from Michael Weber with ut center for international energy and environmental policy, their support of the project. And we'll certainly make this available publicly as well. Our next speaker is bill bunch. Welcome, Mr. bunch. You too will have three minutes.

Thank you, mayor, members of council. Bill bunch, citizen rate payer, environmentist. I would love to be here cheering this along, and if the due diligence had been done, that a commitment of two-plus billion dollars in 20 years calls for, then perhaps I would be able to do that. But, basically, we're here being told to trust us, and the us here is the word of your staff and the word, more importantly, of obviously

financially-interested power seller in eastern Texas. There should have been a competitive bidding. I don't see any legitimate excuse for not having that there should have been reames of independent study I from folks out in east Texas looking at what this really means for the air, water, wild life, forests, and forest soils and ecology over the long-term. And so that we would really know is this environmentally sound for the people and ecosystems of east Texas, or is it not. And if it is not, what terms could get it in that direction. Some arguments for having no time to do that, you know, if this was started a year ago, those studies could have been committed a year ago and been done. As far as the argument about we have to be in line for boilers, you know, assembly line. You can buy that stuff and if you end up not needing it, the market is going up so you sell it and you make a profit. There's really no argument really here that holds water against, you know, if you have to pay Nacogdoches power a million bucks or whatever the figure is for another four to six months of time to do the due diligence that should have been done here. This is really at the point of a pig in a poke, and you know, we all love and respect roger dunk en, but this is not a decision that you can delegate to roger. We elected out to make these kind of critical decisions with real information in hand, and .. you know, on routine matters, a few tens much thousands of -- tens of thousands of dollars here and there, or even a hundred thousand, staff said it is good, you take their word for it and move on, but not on something like this. You really have an obligation to the community to require the information in a format where you can verify it and the community can check it out on both the environment and financial side. Thank you. thank you, Mr. bunch. Mike Lucas. Welcome, Mr. Lucas. You will have three minutes to be followed by Robert king.

Thank you, mayor, council members. I'm mike Lucas. I was born in Nacogdoches. I'm either 41 or I was born in 1941, I can't ever remember which one it is, but my family has been in the county over 100 years, and I've seen some property that we own in my .. Growing cotton, raising cattle, sugarcane, and now we've got pine plantations and thank the good lord we've got some Christmas trees on them now that are producing gas. But we have a recreational lake about three miles from where this plant will be located, my family and a number of families do. We're very active in that area. I have been in the utility business and teak tceq does a good job of taking care of our air quality out fill so I have no problem with a permitted plant being right outside where my children and grandchildren are going to recreate for the rest of their lives, probably. I really feel like austin energy has done a pretty good job, an excellent job, actually, of negotiating this contract. It seems like they've gotten real creative. Having been in the utility business, it looks to me like they've covered all the corners that I would be concerned with you have knowledge of the contracts. I assume you all have given it a pretty close perusal since the dollars were so large. Competitive bidding, I think you would be hard put to find somebody with a permitted plant, property, to bid against this particular situation. I don't know how many people, since enron is gone, I don't know how many people build speculative power plants now, so I would suggest to go with the contract. I do have a house here, and it kind of intrigues me to be burning my trees in east Texas to be cooling my house in austin so I'm for the plant. Thank you.

Thank you, Mr. Lucas. Our final speaker is Robert king, who I saw earlier. Welcome, Mr. king. You, too, will have three minutes.

Thank you, mayor. Council members. My name is bob king. Those of you know me, know itch' been in the -- no I've been in the renewable energy business or associated with it a long time. I'm president of

good company associates which is a consulting and advocacy company focused on efficiency and renewals. I started the Texas society in '82 and started the Texas renewable energy association. I was employed by the governor's energy advisory council. In '77, rotary port called attention to the energy sources, including bio mass. I think one of the points I wanted to make today is folks coming forward saying, you know, we haven't talked about this, but in my mind we've talked about this all my adult life, or I know I've talked about it all my adult life and my friends are tired of hearing about it so I'm happy we're moving ahead. I still see austin as a leader in terms of energy and environmental leadership. I think this is another opportunity to do that. And I haven't always been right, I'll admit, but I think I know enough about this to share a few things with you. One is, I hear roger saying that the fuel risk associated with this, we are sharing some of it. .. you know, one of the threats is, maybe the federal tax exemption for wind and bio mass doesn't get extended, but I can tell you those of us in the business can tell you, it's pretty much a done thing when we have a new congress, a new president, a federal production tax credit will be extended. There may even be a federal rps. There will surely probably not in two years but maybe two or three, four years there will be carbon-related laws that will impact the price of other alternatives. Wood is actually a very good alternative fuel to have in a portfolio. I would like, as an austin citizen, to have a broader renewable energy portfolio of fuels to match up with the conventional fossile fuel, so I would certainly support this. I also have to say that the company that you're considering today is one of our clients. I do not get paid to represent them to the city or lobby for this contract and I don't know the details of it any more than the rest of the folks reading about it in the paper or watching tv, but I can say that they haven't been keeping this quiet. It has been my job to drag them around and introduce them to anybody that would hear about it and we've been talking about the east Texas bio mass plant for the last two years and we've talked about it in the legislature and a lot of people, surprisingly that came and complained about this project testified with us for some of the bills we were testifying for in the legislature. So my time is up further comments have any question, I would be glad to answer them, but I think knowing what I know about the industry, this is a very reasonable choice to make and I support it and I think you've got a good general energy roger and he has a great staff. thank you, Mr. king. Questions for bob, council? Thank you all. Council that concludes our citizen testimony in this item number two. We have a number of sort of questions and discussion topics among us. Duncan or some staff could come forward, I would like to tee up a few things. We did have an extensive legal briefing in executive session, very appropriately and a number of items were touched upon. We've heard, you know, questions about a couple specific question about the whole concept of will this, in fact, be renewable, powered with renewable energy. Does this qualify as a renewable energy source. I know that in Texas we have renewable energy credits, or RECs, AND IT DEFINES WHAT IS Ultimately renewable. My understanding, for instance, that definition is refined so much so that wood waste is listed as a rec, a renewable energy credit, but some trees cut down for fuels is not. So one, there is already an existing state standard, and I've been told, saying this publicly, our contract clearly identifies that rec standard. Obviously, natural gas can't be used but nor can trees be cut down to be burned. This is truly wood waste stream designed product. But I guess what I would like to get comfortable with, it would be if the state were to somehow weaken that rec definition, that is, if for whatever reason, you could cut down trees to become renewable fuel, or, you know, somehow that standard is weakened that our contract, you know, can in some form or fashion set the standard today. No less protective than what the current standard is, and then presuming that in theory, over time, if that

gets strengthened, if you will, that rec standard .. will acknowledge that. And again, my understanding is the contract is fully prepared for it but I really want to make sure and be told that the operation of the plant meets all the eligibility requirements for all the renewable energy financial credits. King pointed out, there's nobody in the industry that is suggesting that the federal renewable energy tax credits that expire end of '08 won't be renewed by congress. The thought actually is now is because they've been on this whole on again, off again, they expire every two years, I think, is a concept that both presidential candidates are acknowledging is you've got to figure out how to extend that for a much longer period than two years so there is real infrastructure investment in this country with renewable energy and the discussion of the potential of even increasing what those credits end up being. So it seems to me, the contract needs to be sure that operationally whatever is done, is always in compliance with those financial credits. Because I think from a public standpoint it is appropriate that your total number that has been wanted around, the 3 billion over 20 years, I characterize that as the worse-case scenario in the .. There is no account no credit what so ever, for federal renewable energy tax credits. There is the whole concept of in Texas the legislature has, you know, wood waste legislation that hasn't been appropriate rated, -- hasn't been appropriated but there is state credit that could be cornered by this project, and in theory, any local financial advantages as well. So I want to make sure the contract with written in such a way that not only from an operational standpoint is Nacogdoches held to those standards, because then, therefore, those financial credits could flow down to us as ultimate consumers of that electricity. And I have a number of other, you know, details that I would like to make sure that you and your attorneys can say that these, in fact, will be met. But ultimately it is about sort of the operations, the definitions of renewable energy. The fail safes to the extent that Nacogdoches would be in breach of contract if it doesn't meet these standards that we have set, and of course, as operationally it as comes to the financial model, but very appropriately, people have talked about the environmental affect in east Texas. I grew up in the big thicket, and the Texas forestry service, as you pointed out earlier, does have best management practices for soil nutrients and soil erosion when they come in and cut or thin some of these forests some of to make sure from a forestry standpoint, the fuel source in these -- in theory, the fuel source are contractors who contract with the logging industry and they end up with this waste that they can offer to sell to this plant that the whole stream, you know, from the forest to the clearing practices to the soil management practices on what's left as the new plantings occur through the definitions and operations of the plant, you know, meet all the standards that we have September so high for ourselves. And then lastly, I've got to believe this is state law anyway and it is probably inevitable when anybody operates power plants in the state but from the whole air quality issue and monitoring issue, my instinct is you can probably go on-line today and get some reasonable reports as to existing power plants in the state. I just want to make sure that this plant at least meets all those public reporting requirements and that is that we as consumers of electricity in Austin, whether it is us as a utility or us as individual residential consumers, could, in fact, monitor what is the atmospheric results of that plant as well. So air quality, sort of monitoring, reporting in a way, a reasonable way for the public to even follow that, then the forest stream practices from the origins of the fuel to and through the operational practices at the plant, and then the whole concept of what I believe to be the strong .. Certainly continuing, but also additional financial credits for renewable energy in this country and state, and that from an operational standpoint this plant is always held to those standards, so the end that those financial benefits flow to us as purchasers and consumers of that electricity. My staff and I have

a number of little details and we will get those to you here shortly, and I .. I've been very comfortable with the presentations that have already been made, legal and otherwise, but really want to go this one step further with some additional assurances that will be written into the contract. And so, for the record, folks, did pass out a couple letters and reports we've gotten and we will make these public. We have a letter here from the environment defense supporting the project, as well as from UTs CENTER FOR INTERNATIONAL Energy and environmental policy. Further questions, comments for Mr. Duncan? .. Council member shade.

Council member shade: Duncan, we had issues raised by miss davenport, I was curious if you could comment on the bidding question that has been raised and the time line for that.

Well, it is true that we went out to a general bid, not for bio mass in particular, but for renewable energy projects back in 2005. We got numerous bids, almost all the bids were rejected. I believe we got a couple wind contracts out of that bid. It is true that Nacogdoches power bid at that time. We did not move forward with the bid at that time, as well as the others. In that interim time this was back in 2005, we had experienced great difficulty in moving it through the bid processes fast now have award contracts in the last few years. And in fact, s are I'm not certain about my memory, it may be in the 2005 bids we accepted that even there we had a wind contract that was not able to get through the process and keep their price firm to reach the end. We've had four contracts that, by the time we reached the end of the process, they had to break the contract bid because they could not hold the price firm. Texas law is very clear that all utilities in the state are not required to do bidding under the Texas purchasing laws. Among other reasons, but for this reason as well. And so we are happy to talk again with bio American refinery. For all the reasons I've stated, we like bio mass as a resource. We would like to get more bio mass as a resource. We're looking for companies that actually have permits, have fuel supplies locked up, have the resources and the equipment get started, and I don't see it as an either/or situation. Take this other bio mass proposal or this one. If there are other bio mass proposals that can meet our standards and meet those requirements, we would like to talk to them and accept those as well.

Thank you. I goes build on that, roger, because this is dispatchable base load, the .. we would love more bio mass, or I would personally.

Yes. I would rather have more bio mass than less, has a dispatchable base load which is very different than wind or solar so I would be fully supportive of austin energy continuing to chase down every bio mass source in the state. I know that our I remember, three, four, five years ago we did it specifically for bio mass and at the time there was make 20-megawatt of real bio mass over the entire state. We tap understood a couple of land fills -- we tapped into a couple land fills and I'm excited now there is the chance for a measurable amount of generation from bio mass and I would be fully supportive of figuring out how do you have more dispatchable base load rather than less.

Absolutely. council member Morrison, then Cole.

Thank you. And I wanted to thank you for, excuse me, hosting the town hall meeting that lasted three

hours. I know it is not enough to fully vet according to some people's standards what needs to be done for a project like this but I appreciate you moving so fast and the involvement of everybody that has participated in this. One thing I clarified today that I think was misunderstood but some people is that is our 3 billion is a cap on the proposed authorization. It is possibility that to get -- it is possible that to get 20 years worth of 100-megawatt of power if fuel spiked higher than your assumptions, the cost of fuel spiked higher than your assumptions it could cost more 3 billion but in that case you would have to come back, austin energy would have to come back to get authorization to spend more money on that fuel or to walk away from it.

That's correct.

So I guess one of the questions I had, clearly this hasn't been a perfect process, and my own mind, when I'm trying to make a decision on how to fall on this issue, you know, I look at the environmental pluses and minus and the experts on both sides, and the finances in .. there was a desire for more transparency, I wonder if going forward into the future two things, first I would like to say it is great that we will be entertaining, you will be entertaining a broad public conversation that it might have been better if this decision would have been part of, but it wasn't, so that is a good thing. My specific question is, in order to make sure that we're really open about this if go forward with this in the future, if we could be sure to include in the contracts some requirements for reports from Nacogdoches that would then be made available to the public through austin energy to address air emissions, waste water discharge, and any other compliance or enforcement issues that have come up. I understand that a lot of that is already required by the permits that they have from tceq. And then, secondly, another kind of report, and that would be, I think possibly above and beyond what would be required by the permits, and that is the reports on the fuel sources, the inputs, what they are, where they're coming from, how much of each. Because I think that would be of great interest to all of us here in austin.

Absolutely.

Thank you. council member Cole. yes, I want to thank roger Duncan and his staff for spending so much time to bring this issue forward and educating us and the independence consultants that have made themselves available to me and my office and I know to other council members to answer questions on this. We haven't done this before and we recognize that as a council, and so we're trying to do our due diligence to make sure that WE DO DOT ALL OUR Is AND CHECK ALL OUR Ts, AND SOMETHING THAT I share with my colleagues that I would like to see happen is that we engage some outside legal council so we make sure that we're not only solid on the technology but that we have the adequate help that we need in the negotiation process. So I would like to go ahead and make motion that we authorize negotiations for now in that we hire outside legal council to assist in the negotiation and we spring this item back before council on august 28 for a final consideration of the contract. motion by couch Cole. -- Council member Cole. So my instinct is opposed to our posting language which probably says negotiation and execution, it is authorized negotiation .. and then repost for THE 28th, NEXT THURSDAY THAT Would include execution. I'll second that, and I would also like to announce and sort of request without objection, council, I would like to work with miss gentry's office and your schedules, schedule a special-called meeting the day BEFORE SO WEDNESDAY THE 27th, The one item on the

agenda would just, the executive session legal review of these additional legal resources to confirm, you know, the negotiation points that have been made, and that in theory gives us a little bit of time should thereby a little, still more nuance to be accomplished before, then, we potentially take action on THURSDAY THE 28th. .. although that was a part of my motion, I just suggested it without objection I would like to do that. We have a motion and second on the table approving this posting, negotiating only, removing the word execution. Council member Leffingwell.

I will say we spent hours discussing the pros and cons, I think the pros so heavily outweigh the cons that the action that we need to take is very clear, and to just boil it down to something really simple, we need this 100-megawatt of power by the year of 2013. It is a choice of either renewable energy or garble gas powered -- natural gas powered energy or coal energy that is the choice and it makes it an easy decision for me.

Mayor Wynn: mayor pro tem.

A lots of this is stuff we do not have any authority to speak about because it relates to contractual provisions, other contracting parties, production schedules, the prices they're paying for steam turbines and things like that. I will tell you that I am too satisfied with the information we have before us. You know, obviously, we've heard from a lot of folks here today about the importance of solar, it is something I share and something that Roger Duncan shares and the entire utility and the entire council. Obviously, the future vision of where we're going in the energy system is a distributed grid that would make it possible to have a lot of locally-produced solar in particular, and a lot of different energy sources in the mix. In addition, Austin Energy has one of the most aggressive solar commitments in the country with its 100-megawatt committed by 2020. But we have to have storage advances. We're not there yet. We're all working on that and we .. Austin is uniquely situated to be the home for developing the next generation of a distributed grid. Until that happens, and we have several hundred megawatt of a power gap that we have to be able to provide to make sure we're fulfilling our fiduciary responsibility that the light switch will turn on in 2013. Here are our options, we can build a new power plant. What do we do, natural gas, coal, nuclear. All those will cost in excess of a billion dollars just in the up-front capital costs, not counting the debt costs or costs of providing the fuel. We're looking at multiple thousands of dollars and we own the plant for 50 years, give or take. The other option is buy 20 years of power from something that has a net carbon ratio, -- net carbon ratio. Both presidential candidates have endorsed this we have 20 years of environmentally superior power that is dispatched, you can count on it being available. And finally, on close, something I heard Howard Fine speak about this past Sunday, to explain why we have to do this now. What Howard Fine said on Sunday Of time should thereby a little, still more nuance to be accomplished before, then, we potentially take action on THURSDAY THE 28th. .. although that was a part of my motion, I just suggested it without objection I would like to do that. We have a motion and second on the table approving this posting, negotiating only, removing the word execution. Council member Leffingwell.

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garble gas powered -- natural gas powered energy or coal energy that is the choice and it makes it an easy decision for me.

Mayor Wynn: mayor pro tem.

A lots of this is stuff we do not have any authority to speak about because it relates to contractual provisions, other contracting parties, production schedules, the prices they're paying for steam turbines and things like that. I will tell you that I am too satisfied with the information we have before us. You know, obviously, we've heard from a lot of folks here today about the importance of solar, it is something I share and something that Roger Duncan shares and the entire utility and the entire council. Obviously, the future vision of where we're going in the energy system is a distributed grid that would make it possible to have a lot of locally-produced solar in particular, and a lot of different energy sources in the mix. In addition, Austin Energy has one of the most aggressive solar commitments in the country with its 100-megawatt committed by 2020. But we have to have storage advances. We're not there yet. We're all working on that and we .. Austin is uniquely situated to be the home for developing the next generation of a distributed grid. Until that happens, and we have several hundred megawatt of a power gap that we have to be able to provide to make sure we're fulfilling our fiduciary responsibility that the light switch will turn on in 2013. Here are our options, we can build a new power plant. What do we do, natural gas, coal, nuclear. All those will cost in excess of a billion dollars just in the up-front capital costs, not counting the debt costs or costs of providing the fuel. We're looking at multiple thousands of dollars and we own the plant for 50 year, give or take. The other option is buy 20 years of power from something that has a net carbon ratio, -- net carbon ratio. Both presidential candidates have endorsed this we have 20 years of environmentally superior power that is dispatched, you can count on it being available. And finally, on close, something I heard Howard Fine speak about this past Sunday, to explain why we have to do this now. What Howard Fine said on Sunday is out in Silicon Valley there is something approaching panic these days and it is not about software or privacy, it is about energy in general and electricity in particular. People are worried we're reaching the limits of our capacity electricity wise, and people don't remember the internet runs on power. They don't think that either presidential candidate so far has articulated an urgent enough message about the energy shortage we face so this city is going to be prepared for the future to make sure we aren't held hostage by an energy shortage and in an environmentally responsible way. We will be well prepared for the future, thanks to this. We have a motion and a second on the table. Negotiate only. Further comments. Reposting next Thursday. Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on a society -- a vote of 7-0. Thank you all very much. So council, we still have our afternoon briefings to conduct. Before we then go into zoning. Obviously we're not going to get to zoning before our 5:30 break. The city managers have been talking with his budget team about the length of the presentation. Actually, city manager, there is a thought that if we, in fact, are going to have this special-called meeting next Wednesday to take this up in closed session, if the seven of us are together we might come out here for 40 minutes and get that budget presentation next Wednesday, but if your team is here and ready and can perhaps get some out of the way in the ..

Today within a half hour so that we have, but I wouldn't recommend going to the 28th because in addition to whatever budget presentations we have, we have three budget-related public hearings as



well so to be able to supplement today with Wednesday as you suggest would probably work. well, then council, without objection let's go to the briefing, the manager's proposed 2008-2009 budget. And here as close to, as soon 30 as possible, we'll break for live music and proclamations. To the extent we don't get through the budget presentation today, we will supplement next Wednesday.

Thank you. Rodney Gonzales, acting director for economic growth and development services office. Today the technology incubator program will present a brief, brief presentation to you on the 2007-2008 accomplishments and initiatives planned for 2008-2009 for ati. The city of austin provides FUNDING FOR SEVERAL OF ATIs Programs and the continuation of funding is proposed for fiscal year straight-2009. Now I would like to bring him forward for his briefing.

Thank you very much, rolledny this will be briefer than rodney hinted it might be. I'm very sensitive to your time. I will try to make this as short as possible and then allow you to ask any kiss have afterwards. I run the austin technology incubator. We have a long-standing partnership with the city of austin. In fact, the city of austin was the founding partner of the austin technology incubator back in 1989 so it gives me great pleasure to come here in front of you and talk about what we've been doing this past year and drop a few hints about what we have planned for next. Although he run a technology incubator, I knew I had to push a button it happens magically. Next slide. So as you know, the austin technology incubator is a program of the university of Texas at austin. We're a not-for-profit, we don't invest, we're not a venture capital firm. We have over the past couple years reconfigured ourselves to align with the emerging technology committees, bioscience, clean energy, wireless and it it. For us, it is silicon and software so I think the only sector we're not supporting is digital media. I would also like to take this opportunity to briefly introduce a few of our new colleagues at ati that you all have not met since we were last here in front of council. Jessica Hanover is standing behind me. AND HAR VAR MATH MAJOR, Ph.D., A buy-side equity analyst and the head of a medical device firm in silicon valley. Rudy, who is, unfortunately, had to step out although she is coming into the room now. She is a serial entrepreneur. Her first company she was the founding ceo, which she grew from two people to 35 people. Her current company is an internet solution for young parents. She is running our operations. You know what we do so I'll skip through this slide very quickly. We have a three-part in addition addition -- number two is to train university of Texas at austin students in entrepreneurship, and number three is to support and categorize the ecosystem in austin more broadly. The information on this slide, I think you're also broadly familiar with and you can ask me question about it afterward if you can. There are two streams, the first is working with early-stage technology companies to make them more successful. We take good technologies and committed entrepreneurs and we wrap business around those technologies and entrepreneurs and we try to help make them fundable. We also support the broader austin technology community through events, conferences, education, and promoting austin both domestically and abroad. The next three slides are going to be talking about the money we take in and the return that the city gets on that money. As you can see from this slide, the city continues to be ati's most important financial partner. Over half of our cash revenue, according to our fiscal year '07- '08 budget came from the city of austin and austin energy. We also receive support from the state and the university of Texas comes to the table with about \$400,000 of in kind services in the form of rent forgetness. So what is the report on investment? We measure that two ways. The first of the impact metrix are about economic development. We look at capital raised, the economic impact to austin, and

I'll talk about that in a little bit, and jobs created. Capital raised. Ati companies, I'm just talking about calendar year of '08 right now, year to date, ati companies were able to raise over \$3 million from the Texas emerging technology fund which is tremendous stayed leverage on the city's money. In fact, I believe that of the eight central Texas companies that have been awarded emerging technology fund grants, six of them have been associated with ati. In addition, ati member companies were able to raise \$25 million from private investors, venture capitalists, angels and others. We worked with an independent economic consultant to try to translate that economic activity into economic impact for austin. The consultant was angelo economics. I can double click on these calculations if you would like me to, the net net is using standard economic development methodologies, the commercial activity 6 ati companies this calendar year was about \$37 million of economic impact to austin. And those companies created about 152 direct and indirect jobs. Those were our economic development metrics. I also want to talk about our community building. In terms of community building, the events, conferences, education seminars, ept that ati supported touched about 6,500 people over this past year. We also try to get our companies into the press because we think it is important for the world see what they're doing and we have 44 major media mentioned over the course of this year. I promised I would go quicker than rodney thought I would and I hope I've chart promise. This is the last -- I hope I've kept that promise. This is the last slide in the presentation. We will be doing a lot of work that is not on this slide but these are areas of special interest in clean energy. We have the clean energy venture summit being held in early December of 2008 that will be focusing, it is actually quite apropos for the conversation we just had about the bio mass plant you, it will be focusing on the impact much price carbon. The first conference of its kind in Texas and it should be a terrific event for austin. Wireless and it. We have the Texas summit which I'm speaking for you because this is your shop because this is the premier wireless conference between the Mississippi and the Rockies. We have the president of nokia and the ceo of AT&T coming to address the conference as well as other notables. This will be happening in austin, hundreds of people there talking about the future of wireless. We're holding the seed stage funding forum in October. In bioscience, Jessica was hired recently but she has got a lot of traction under what she is doing. We have a very exciting, working with bio austin, which is the chambers bio group, we have a very exciting opportunity to potentially bring in a defense-related medical modernization consortium to central Texas. If that happens, we will have a tremendous impact of the bioscience sector in austin. In addition, Jessica has been working to try to build a better clinical trial in austin and that is something that I think the companies we've been working with really need. Lastly, all across ati, we want to make the next fiscal year the year we tie ourselves back into the university of Texas and become aggressive about commercializing technologies out much ut so we're not just incubating countries but working with the research technology transfer to build companies we commit to. That is a very fast presentation. I hope that is appreciated, we can go on talking for a long time because we love what we do. Thank you so much for your support. I'll take any questions.

Mayor Wynn: questions council? Please don't think that because we ended up being three hours late and asked for a more brief presentation we discount in anyway the great work that is happening over at ati. I'm proud of the partnership we've had these years and these numbers, you know, begin to speak for themselves. Council member shades. I was going say thank you. I know huh to specific around longer than you expected and this is a shorter presentation than you expect expected but I appreciate

the pre-briefing I got earlier this week. I know you put together a great team and made changes in the last couple years that will hopefully mean really great things for this community in this area. So thank you. questions, comments? Thank you all very much.

Thank you. Again, appreciate the patients with just a little bit of time before we break, I think we will start with a couple lemes of what was going to be proposed and I think austin energy is prepared to go with a very timely department. Welcome back, Mr. Duncan. I think we might try to squeeze in our transportation fund before our break.

Thank you, mayor and council. And this is our proposed 2008 and 2009 budget and we'll try to move through it as quickly as possible. We are the ninth largest public power utility in the country today. 5 Billion in assets and over a billion dollars annual revenue, 430 square miles in our service territory. We know there is more service area outside the city of limits than inside the city limits now, our service territory. We provide electricity for more than 390,000 customers, 1,716 FTEs. Highlighting revenue is \$1.3 billion for next year. 9% Of that is -- 89% of that is coming from service area sales. We have not had a base rate electric increase since 1994. The cost increases we are experiencing are reflecting higher fuel and commodity prices. Prepare marketly natural gas increases and also increase in the transportation of coal to our Fayette power plant. We're proposing in the budget 37.5 NEW FTEs WHICH I WILL GO Over later in the presentation. Or capital budget is a \$1 billion, five-year plan, 5 million next year, primarily supporting energy delivery, power production and customer service. A big chunk going just upgrading our distribution substations and transmission system. Also, we will be plentying the 100-megawatt generation-peaking plant at the sand hill center, a natural gas plant we hope to come on-line but august of next year, and we will alsoing starting the replacement of our completes customer information system, which is our billing system for the city. Again, our resources for the year base rate has been in place since '94. 2% annual growth in base revenues, and expect increases for rising fuel costs and you see the pie chart of how our revenue breaks down between sale of electricity and other revenue. I'm happy to present this next chart. We have compared ourselves in terms of total bill to all the major Texas cities, Houston, Dallas, corpus Christi and san Antonio. For residential electric bills using 1500-kilowatt hours a month and we're indeed the lowest total bill in the state for residential customers. The average consumption in austin is 1,000-kilowatt hours. We actually have, because of our energy conservation programs, we actually have lower consumption averages than other cities in the state. We ran this same chart for an annual 1,000-kilowatt hour as month in consumption and we are also the lowest in the state. These are our proposed operating requirements for next year. As you see, most of it is fuel, 38%. 37% For nonfuel o&m, debt service is 14%, then the other fund transfers that you see in the requirements. On this next chart, I have shown going back to '92 and '93, the number of customers that we have grown in our system, starting at under 300,000 in '92 and '93, going to expected to exceed 400,000 next year, and that is the blue line on the chart. The red line on the chart is the number of employees that we have in austin energy. And you see back in '93, '94, we had 1,719 employees, and in spite 6 the break growth that we've had in -- great growth we've had in number of customers to serve, we're proposing we still have over 1,717 employees, and we've added entirely new services during this time 6 the 311 call sen tern, the austin climate protection plan, several new services have been added here so we've done a good job of serving our customers with a more efficient use of our workforce. Our budget is proposing an addition of 36 1/2 employees this year.

I'll not go through all the employees individually but base clear out needs break down into three areas, an aging workforce, secondly is the workload increase, and the previous chart showed the number of customers that we've had increase, our distribution center system has increased to about 39%, and yet, it has been 10 year, essentially, since we've added substantial new employments in things like electric service delivery and customer care areas so we're catching up on that some in this budget. And the final aspect is the utility of the future, and we try to be in a progressive utility. We have talked to council before about new initiatives, such as installing automated meter infrastructure throughout the utility. systems to upgrade the smart grid you hear about throughout the utility. Some renewable initiatives that have taken place and we now need to catch up on, for instance the solar program, we have over 600 buildings now with solar in the city. We are now just adding one person to start doing maintenance on a large number of these facilities that the city has owned and so forth. .. I can go into these individually if you wish, but those are the reasons we're adding 36 employees in this proposed budget. The five-year spending plan is broken up this way. The majority is in the service delivery, substation and transformer and such as we keep up with the growth in the system and the rest is power production, the bulk of that meeting the sand hill facility for next year. On the five-year capital spending plan, the big ticket items in this billion-dollar plan, we have to add scrubbers to the Fayette power plant. It is a total cost to us of \$233 million. We have to complete it by 2011 to meet the commitment that we made to the state for retrofitting Fayette with scrubbers. We're finishing up the sand hill 9 million, and I know I've talked about cost escalations a lot recently. When he started I think it was 56 million and it is costs are rising rising that fast in this industry. We're replacing our billing system, our customer information system at a total cost of 19.5 million. Spending 27 million on relocating our energy control center from the west avenue site to the Tokyo electron building this is part of the overall green redevelopment issue. And then we're spending \$70 .. this coming year on the distribution system improvements to try to keep up with the increased growth that we're experiencing. The general trunk fund transfer for this year, for next year is expected to be \$95 million, an increase from \$91 million last year. 1% transfer rate that has been placed since 1999. The challenges we've faced, I mentioned several times. Statewide market that will go into place some time next year. The congestion costs that we're experiencing on the transmission from around the state. Very volatile fuel and energy prices and natural gas and coal transportation. This is a very capital-intensive industry with rising construction costs and commodity prices and the workforce issues we're dealing with in terms of retirement and so forth. Our main strategic initiatives, again, are customer service programs to automate the meter infrastructure throughout our system, replace the customer information system, and we will be coming back to council later in the year with a prepaid strategy to try to hedge and secure supply in our natural gas area and reduce that cost somewhat. Including changes to our price hedging program to reduce the volatility in natural gas prices. The austin climate protection plan continues implementation. We are launching our 2009 public participation program, working to meet our renewable energy goals and our co2 plan and the other initiatives that you see there. I don't go over this slide but these earn the slick plan initiatives -- strategic plan initiatives we've had in place since 2003, if you want to look at that in detail. And to summarize, we want to continue to achieve those strategic goals, maintain strong financial position for the utility, and kick off our large public participation plan in our energy resource planning initiative. Questions? thank you, Mr. Duncan. I have a couple of questions, council so roger, just on your pie chart that shows your .. I get asked this occasionally there is a frequent enough ice storm or hailstorm either here locally or

occasionally we have the reciprocal agreements with other utilities around the state and we see our men and women scrambling and over time and trying to repair down lined everywhere here and elsewhere. Is that kind of expense just sort of part of what we call the nonfuel o&m expense? Somehow we know how to annually budget for those?

Yes, it is. We budget an annual amount, I don't know the exact amount but .. we anticipate an ice storm every year and we have a mutual assistance program with other utilities in the state so when a storm hit as certain area we trade services. ..

No, it is so2 from the plant.

Mayor Wynn: right. Okay. I had one more. I can't think of it now. Further comments or questions for Mr. Duncan. For those watch, we've been submitting dozens of written requests for all these apartments and citizens have been doing the same thing and we get to see everybody's questions and more parentally, staff's answers and austin energy has been a key part of that so thank you, Mr. Duncan.

We have a few minutes throw break for music and we probably have time to get our transportation fund. Maybe not. You think there is probably a little/.

I think we have a few minutes. .. see how fast reasoner can talk.

The primary responsibility of the public work the department, bridge repair, bike and pet infrastructure, traffic signals and marking and traffic calming and I'll drill down a couple of those areas this evening. Operational challenges this department is facing are pretty awesome. Aging infrastructure, we have many parts of our community now that the streets that are 40, 50, 60 and more years old and they need rehabilitation at this point. With a growing inventory, we've added quite a few lane miles from redevelopment but also annexation programs and in the last six years we've added about 930 lane miles to the inventory of this department. One thing we're seeing in our neighborhood as we see increasing congestion is traffic is starting to bleed into our neighborhood so we're having a greater demands for traffic calming in our neighborhoods and that will continue to be an issue this department faces and one we will have to address as we go forward with the mobility plans in the future. Needs are outpacing the revenue and we're struggling to keep our infrastructure maintained in this department and we need to look at long-term plans to address these needs. This is an example of that, the red line shown on here is the expense in the revenue we've been putting into our in-house lane miles, our overlay program. The black line shows how many miles we've been paving. [One moment please for change in captioners]

ending balance with about 30-day operational expense reserve and we are not meeting that with this proposed budget. Just a real quick snapshot of revenue. 7%, a large majority of this department's budget from the transportation user fee. We have also the general fund transfer at about 20%. So that's the majority of our funding comes from the transportation user fee. Street maintenance is 37%, street repair is 24%, so if you want to draw that analogy, almost every dollar we're getting from the transportation user fee is going for street preventive maintenance and street repair in this department.

This highlights what I mentioned earlier about the ending balance. As you can see over the years, historically we've had a healthy ending balance at the end of the fiscal year action and we should be -- at the 30-day we should be at about 8.3%. In '08 we're estimating to be about 5% and with the originally proposed budget we would actually be down to less than a percent on the ending balance, so we need to look at that on a long-term basis to build that back up. As I mentioned earlier I'll drill down in the pavement management program. That's been an issue that we heard about from the community in the last few weeks since the original proposal was unveiled and I want to drill down a little bit and give you some information on that. Public works maintains their streets with three general categories, maintenance, rehabilitation and reconstruction. Maintenance is intended to preserve pavement, make it last as long as we can. Rehabilitation is to restore pavement when it's deteriorated at a point where it needs some work, then we do rehabilitation. The different techniques cost a different amount of fund. Reconstruction, when the streets reach a condition where they're in poor condition or failed, it's really too late to preserve them, obviously now it takes a total reconstruction. Those are the most expensive techniques and can run up to a million dollars a lane mile to totally reconstruct a roadway. Obviously, then, our job in the pavement management program is to make these roads last as long as possible. This is a graph, it's a little busy. I apologize for that, that shows the typical deterioration curve of any -- just like when you buy a car, it's in great condition but over the years it's going to deteriorate and at some point it's going to be at failed condition. Same thing with roadway. Brand-new it's in excellent condition. Over time the scale on the bottom of this graph, over time it will reach a point where it's in failed condition. The art of pavement management is making that last as long as possible. , Similar again to a vehicle, your own vehicle. You can perform preventative maintenance techniques and make that last as long as possible, similar to your car, if you change the oil every three months you can make that engine last a lot longer. Of course you could save money and not change that oil, but in a few years you'll be replacing an engine. So again, similar to a car, it's important for us to do both, provide funds for both mechanisms here, not only on the preventative maintenance side but then the reconstruction when our roadways are in that failed condition. Here's a snapshot of our current street conditions. The blue bars in this chart are 2002 conditions, the maroon bars are reflecting the current conditions. You can see in the bottom of this chart, excellent, good, fair, poor, failed. That's the street condition, so these are the lane miles that are in each one of those categories, and the lane miles again is on the y axis here. In 2002 we had about 1900 lane miles in the community of poor or failed streets, unsatisfactory streets. That was about 29% of our network. Today we have about 1886, again almost 1900, so we've held our own. We haven't lost any ground over the last six years. That's about 25% of our network still is in poor or failed condition. That means if we wanted to maintain that, since 2002 we had about 1900 lane miles of poor and failed streets. Today we have 1900 lane miles. If in ten years we wanted to keep that same level of lane miles, 1900 lane miles of poor or failed condition, not lose ground again, it would take us about \$200 million for the next ten years on the preventative maintenance side to try to keep those streets from calling into that category premake turl. On the reconstruction side of the table it would take us a billion dollars in today's dollars to reconstruct every one of those 1886 lane miles that are currently in poor and failed condition. Obviously that's a big ticket and so we need to figure out some alternative ways to start chipping away at that program and some long-term funding solutions and plans to begin addressing this assets needs. The city manager has asked us to look at these alternatives and put some together for your consideration. I wanted to show you the first scenario. The maroon bar again is

the current condition of lane miles. The yellow is the proposed -- what would happen if this funding pattern is approved for the council in ten years, so that's the ten-year results of these alternatives. This first alternative is one that we would not recommend. This is a flat funding for ten years, which essentially means we are not giving this program any more funds. It's exactly the same not only on the operations side but on the bond side. You can see that in ten years our poor and failed streets go up to 3,000 lane miles, so 35% of our network in ten years would be in poor and failed condition. Obviously something that we're not looking for in our community. So I want to just show you this to emphasize that we do need to address this program on a long-term basis. This is a better alternative that we -- that we want to propose to you. This would actually reduce our poor and failed streets by 1800 -- 800 lane miles, so in ten years, instead of 1900 lane miles we'd have about 1102 lane miles of poor and failed streets. Still too many but at least we're making progress. We're heading in the right direction. At that point that would be 9% of the street network would be in that unsatisfactory condition, still unacceptable but much better than we are today, so this alternative takes us in the right direction. How would we fund that? The flat funding on top gives you a benchmark of what we're providing in the network today, again, and with that funding scenario we'd have 3,000 lane miles of poor and failed streets in ten years. To reduce it by 800 lane miles would require 263 million in ten years from the transportation user fee on that preventative maintenance side again. That would require an increase of 83 cents a month 14 next year on the current residential rate, which is currently \$4.14 a month. And then followed by smaller annual increases in the next ten years. That's how the \$263 million would be achieved. That's in the preventative maintenance side. The required bond funding, which again is the street reconstruction side, that's taking our poor and failed streets and totally reconstructing a portion of those, this alternative would require \$200 million of new bond funds in 2010, and \$265 million of bond funds in 2014. Again, that would be -- at the end of that ten years we'd have about 11 lane miles of poor streets in the city of Austin. I want to drill down a little bit on the sidewalk program. As you know the sidewalk program is an important priority in the city. We need to improve the pedestrian safety and the ADA compliance sidewalk facilities. This is again one of the priorities that I wanted to link with the street plan because many of these street reconstruction programs can also have sidewalk projects linked with them, and on the existing sidewalk funding we have about \$5 million a year in bond and operating budget funds that we've been spending much of that funds -- a majority of that funds comes from our street reconstruction projects, which are exhausted, and this bond program by the end of 2010. So again, on a long-term basis we need to address this problem in our community. The current sidewalk needs, again daunting -- as daunting as the street program, we need about \$120 million to complete the ADA transition plan, which would mean our sidewalks would come into compliance and they'd have access ramps on all -- on all facilities so that our disability challenged community were access all those pedestrian ways. And then on the new sidewalks we estimate, and this is really a very rough estimate, that there would be about \$800 million worth of new facilities that would be required to close those gaps and provide walking networks throughout our community. Again, the city manager asked us to look at some alternatives. Here's an alternative for a 15-year long-term plan. On the bond side we would recommend a \$60 million supplemental program in 2010. It could again be linked with the street reconstruction bond program. 60 Million in 2014 and 70 million in 2018. That would construct about 300 miles of sidewalks in 15 years, and 16,000 curb access ramps. To jump-start that program, if we do wait for a bond program, that's too long. We want to be aggressive in this program and begin that work now. We would suggest

that we would use \$10 million of a potential TxDOT reimbursement that's coming back on some funds from sh 45 that's due for reimbursement to us, back to the city, and we would use those funds and earmark them for the ada transition plan and accelerate that program in anticipation of a future bond program in 2010. So our recommendation finally, mayor, is on the short-term side we really do recommend that we begin an aggressive program on our street reconstruction, pavement management program, and by -- in that fashion we would recommend increasing the transportation user fee by 83 cents a month in this fiscal year and continuing that rate plan, as I mentioned earlier, in the future years, and dedicate \$10 million to the TxDOT reimbursement to fund an ada transition plan for the sidewalks for this fiscal year and the next year. And then on a midterm basis begin to develop the supplemental transportation mobility bond program that could be in 2010. That could include street reconstruction. It could include arterials, intersection improvements and sidewalks. We could fashion it such that it really is a mobility program and transportation focus for the city of austin. And then also we'll continue to explore other long-term funding options as well as grants and other opportunities to leverage our dollars as well. And with that I'd be happy to answer any questions you have, mayor.

Thank you, Mr. good. Well, obviously, I think all of us have witnessed and seen that both street maintenance and the need for sidewalk construction has been recurring theme this summer already, from a budgetary stipulate, and so you-all clearly have heard that, and whether the folks consider this too aggressive or not aggressive enough, this is -- this is an aggressive recommendation and I certainly appreciate, you know, you know, the hard thought put into it. Questions for Mr. good? Council member Leffingwell? I believe I understood from our earlier briefings that preventative maintenance fees for maintaining our roads was the same amount as we had in the budget last year. However, due to the increase in commodities, asphalt and so forth, the percentage of lane miles that we're able to maintain with that same amount of money dropped quite a bit, in fact, I 5% down to 8%. Is that correct?

Yes, sir. so this 83 cents increase in the transportation user fee will close that gap. Is that the proposal? That brings us back to 9.5%?

10%. bring us all the way to 10%, which is sort of the optimum to keep us from dropping off the steep curve that you were talking about. And that is -- that total amount of money that it will raise in addition, I believe you told me earlier that we need \$8 million to get from 8 to 9.5? So about what is the total we're talk being about.

First year it's about 5 million we'll get with the increase but coupled with accelerating the bond program that's how we start helping the network. but we will get back back up to.

10%. 10%, and I guess we're staying on track with that 10% with the additional small increase the following year. Okay. Thanks. further comments, questions? Council member Martinez?

Martinez: thanks, mayor. good, I wanted to ask a process question moving forward. Is this recommendation now going to be coupled into -- as a part of the city manager's budget presentation or is this going to be an action item for council to have to insert into the budget? my insting, council member, if I can jump ahead, from a process standpoint, I mean, the manager has presented, you



know, his proposed budget, and so this information would allow us working with, you know, his office, really just that last week or so prior to our approvals on September 8, 9 and 10, to craft whatever might be the amendments, you know, take some money from here to spend there. So I think this information would allow a council member or two to work together and craft what would be that budget amendment for those three meetings, the 8th, 9th and 10th.

Okay. Thank you. further comments or questions for Mr. good? Robert, we appreciate the hard work and all the information, and your patience today. Well, council, that takes us 30 break for live music and proclamations. Stay tuned for Samantha miller here in a few minutes. While I'm out here conducting the -- in smart a and Samantha and doing proclamations, council will go into closed session pursuant to the open meetings act to continue our discussions on posted item 41, which is legal issues related to the charter amendment elections, specifically the ballot language that will be before the voters November 4, 2008. That relates to action item no. 4. So again, while I'm out here, council will be in closed session back behind the dais. So council is now in closed session but stay tuned for live music and proclamations. Randy randy random eye

mayor Wynn: okay, folks. Thanks for the patience. Welcome to our weekly live music gig here at the Thursday austin city council meeting. Joining us today is Samantha miller. Samantha plays music that blends acoustic mel dis with soul and powerhouse vocals. She incorporates her Hispanic heritage by singing in Spanish and English. She is an award winning singer and songwriter placing in the rock category at the 2006 austin song writers' competition and winning the youth talent competition at the 2w589 old settlers competition here in austin. She performs in austin including mother Egan's down the street. Please join me welcoming Samantha miller.

Thank you. [Applause] [music playing] [ ?? singing ?? ] eeg and [applause]

thank you. playing barefoot, no less. So Samantha, tell us, where -- so besides mother Egan's, where else can we hear you or see you and or -- I trust you have a myspace page or web site.

I have a myspace page, com/Samantha miller music. net or search for Samantha miller in Google and I pop up pretty quick. But I play every month at a coffee shop called blue marble java in Pflugerville, and so that's one of my main gigs. I've kind of slowed down. I'm starting college at ut to focus on school for a while. But I'll be playing there and looking for other opportunities all the time. I also do a lot of benefits. I'm playing for brain tumor research benefit on October 4 up in north austin, and just things like that. So --

mayor Wynn: fabulous. Before you get away, we have the official proclamation that reads, the city of austin is blessed with many creative musicians whose talent extends to virtually every music genre and our music scene thrives because austin audience support muse bik legends and newcomers alike. We're pleased to showcase our local artists, so therefore I, will Wynn, mayor of the live music capital of the world do hereby proclaim today, august 21, twad as Samantha miller day in au call on all citizens to join me in congratulating this fine austin talent. [Applause]

while Samantha breaks down on that side of the room, before we use this podium to start our weekly proclamations, I just want to say a couple words. Many of you all know that Austin's music scene, and really the political scene and culture in general lost a dear friend last night in Danny young. Many folks knew Danny as the owner/operator of texicali grill, retired a couple years ago from the restaurant, oftentimes referred to as the mayor of south austin, fabulous citizen, and musician, he's played at a number of bands, most of us had seen him play wash bored with the cornel hard band. Fabulous guy, we lost him way too early as we have with so many of our friends but our thoughts and prayers are with his mom, who survives him, his wife and a couple really just a community that survives Danny young. Please join me in a couple quick moments of silence and thoughts about Danny young. Thank you all very much. Cornell so the first proclamation I have is g tops day. Chip Rosenthal, the chairman of our commission will say a few words about it. Glad to say ron dell a Hawkins here with us. One of my first duties on the council back in 2000 was to serve on the telecommunications subcommittee, and it was that council then chaired by mayor pro tem Jackie Goodman, who ultimately came up with the concept of g tops or grants specifically pertaining to broadly speaking technology here in austin, to help us with either the digital divide or access to technology for folks with disabilities, and it's been a very rewarding seven years or so now, eight years of us giving these grants to really deserving, creative minds that are making a difference here in austin. So I'll read a quick proclamation about g tops day and then chip will tell us about perhaps some recent winners and/or how we'll celebrate in austin. So the practical maition reads, the city's grant for opportunities, or g tops, provides matching funds for projects connecting austin citizens with information technology, computers and the internet, and whereas ten winning projects have received grants this year for programs that will enable adults with disabilities to get specialized computer work for job training, disadvantaged youth to be introduced to robotics rocket try, aquatic technology and solar energy and non-English speaking families to receive bilingual computer training, just to name a few, and whereas the g tops program was designed by the austin technology and telecommunication to support technology projects that show promise for benefiting our entire community. So now therefore I, will Wynn, mayor of austin, do hereby proclaim austin, 2008 as g tops month here in austin and call on Chad to come say a few words about it. Join me in thanking commissioners who have made this program so successful these eight years. [Applause]

thank you. Thank you. I'm chip Rosenthal. I am chair of the austin community technology and telecommunications commission. With me today are commissioners Williams, commissioner Wendell Ramsey and Sheila hard infrom the city of austin who administers the g tops program. So if we're lining up for credit the line starts actually at that end. Mayor, on behalf of the 60 programs and over 15,000 people that have been served by g tops, thank you for this honor. The grant for technology opportunities program, g tops, creates digital opportunities for people throughout austin. G tops provides matching grant funds to local organizations that work to bridge the digital divide, as well as organizations that use technology in novel ways to benefit the community. In its first six years g tops awarded \$570,000 in grants. In turn, g tops recipients have raised over \$1 million in matching funds. That's an extraordinary return on our investment. In 2008 the city provided \$150,000 for g tops grants. The organizations that received those funds are 4 h capital project, austin groups for the elderly, break through, computers for learning, easter seals, central Texas, elbow, Samaritan, Episcopal mission, nobility and skill point alliance. I believe they're represented today. If you're a g top recipient can you stand up can we thank

you for the good work you're doing for the city? [Applause] I encourage any local organization that provides technology access or training, or uses technology to serve the community to find out more about the g tops program. Visit [www.gtops.org](http://www.gtops.org). Mayor, thank you for supporting gtops. We're really excited about the successes and we're looking for a to great 2009.

Mayor Wynn: great. Thank you. Well done. Thanks, guys. [Applause] suction joining me for my next proclamation is city manager mark ought. That's technically not a proclamation, it's a distinguished service award we'll give to ron peera, 28 years. We're not used to not seeing him in uniform, so here come some uniforms, give us some good photo ops. So I'll read this, present along with mark the distinguished service award and hopefully we'll hear from ron about the -- what I think has been a remarkably distinguished career. So, city of austin distinguished service award after more than 28 years of public service with the city of austin, during which he has demonstrated both excellence to our community, ron parais deserving of public acclaim and recognition. He has helped to built a nationally recognized prehospita provider, known as austin medical services, and most recently as the austin-Travis county emergency medical services. Ron has exemplified the department's mission to preserve life, improve health, promote safety, for many years now. Ron has distinguished himself as a leader and set a department standard to accept nothing less than the best for its patients. Throughout his career he has touched hundreds of lives and saved more than a few. It is with heartfelt gratitude and a keen sense of loss that we recognize ron's many accomplishments with this certificate. We present it with our deepest admiration and appreciation, this 21st day of august, year 2008, signed by me, mayor Wynn, but acknowledged by the entire austin city council, this distinguished service award for Mr. ron pera. [Applause]

thank you. Well, I want to thank everybody for this award. I also would like everybody to remember that I'm not the only paramedic that works out there. There's lots of paramedics that work out there. They risk their lives, they work hard at night. They study hard. They practice hard. They save lives, and they also take lots of risks in their life, driving through heavy traffic, going into crime scenes, weather conditions and all kinds of things. One of the other things I'd like to advise everybody is that our department works very hard to help the people to help promote our education, to promote our skills. They also improve our equipment, and lots of other things. There's a lot of good managers that they work, they help us, they support us, and they also lead us when we make mistakes to show us the right things that we need to do. I also want to thank the city for putting up with me for all this number of years and for all my coworkers putting up with me as well. And I thank you again for this ceremony. Thank you very much. [Applause] for my last proclamation, before I turn the podium over to council member Cole, who has a special proclamation in a few minutes, this is regarding saint David's community health foundation, dental program, celebrating its 10th anniversary, I guess, and realize I've now been around long enough to remember these ten-year programs, remembering g tops starting ten years ago, I definitely remember David's community health program and the late great nee kasurik introduced me to it before I started to run for city council. I'll read the proclamation David's and we'll here from Maxwell or Marsha cook regarding the program. The proclamation reads the David's community health foundation is celebrating the 10th year of its dental program, which brings mobile dental health in Travis, hays counties. Last year they screened 25,000 children and provided treatments to over 5,000 of them. Also served a thousand adult patients and 450 musicians with the health alliance for austin musicians, or

ham. And whereas we join the foundation in recognizing the five dentists, 8 dental assistants and the dentist who staff the program along with 260 dentists who have donated their time to treat students in the mobile advance or provided in-office care for more complex cases. So therefore I, Will Wynn, mayor of the city of Austin, Texas, do hereby proclaim September 9, 2008 as the 10th anniversary of the David's dental program here in Austin. Please join me in thanking all the fine folks at David's before we hear from Earl Maxwell. Earl? [Applause]

Thank you, Mayor, and thank you citizens. My name is Earl Maxwell, and I'm the CEO of the David's Community Health Foundation, and to my left, who I just handed the proclamation to, is executive director of the dental program, Marsha Cook, and I -- before I say a few comments about the program I'd like to recognize members of our dental staff and foundation staff who are here today. Would you please stand and be recognized? [Applause] Mayor Wynn mentioned in his opening remarks the late Neil Kasurik and I'll tell a quick story. Ten years ago he had a vision to provide dental services to Title 1 schools in the Austin Independent School District, and on his way home from work every day he noticed that the city already owned a van, a dental van, but he noticed it was not being used every one of the five days of the week. So knowing Neil, he called then either city manager, Jesus Garza or Mayor Kirk Watson, and got an appropriate introduction to the health department, and before the end of that week, a partnership had been formed between the city of David's Community Health Foundation, and to this day we still co-own that van, and two and a half days -- for all these years has been provided by the city health department dentist, and two and a half days we have taken the van into the public schools in Austin. So it's a classic Neil Kasurik story, but what's amazing about this is that the program has grown, the school-based part of the program has grown from one dentist, who relied heavily on volunteer dentists, and half a van, to now be a program in one school district, AISD. It's grown to five advance, a dental staff at David's Community Health Foundation, of 25 people, including six full-time dentists, and as the proclamation said we have moved from serving a thousand children a year to over 25,000 children a year. And it has also been expanded way beyond AISD to now include six independent school districts in this region. So it's a great story about a partnership, public/private partnership, or maybe a public/nonprofit partnership between the foundation and the city. Now that relationship is being transferred to the Travis County Health Care District, so we look forward to many more years of working in this partnership as we continue to expand the program. Mayor and citizens, thank you very much. Thank you, Earl. Thank you. [Applause] and with that I'll turn the podium over to Council Member Sheryl Cole. For 26 years KACI has been serving the Austin community. It is one of the oldest community-oriented listener supported radio stations. It was created by the late John Warfield, who was the director of the department of African American studies at the University of Texas. It was his vision that the radio station would serve the African American community without commercial support. I am pleased today to say that we have several members and volunteers with the agency here today and that they will be celebrating their summer fest and the city is a supporter of this radio station. And I have a proclamation for you. 7 has been broadcasting since 1982 and is the oldest community station in Austin. It is listener supported and is staffed almost entirely by volunteers committed to serving our citizens, and whereas KACI provides a unique mix of music, talk, community information and independent news and takes particular pride in supporting local artists and national artists on independent labels. The station is -- also broadcasting the Austin City Council meetings live each week. And whereas KACI annual summer

fest is a day-long celebration featuring live music, spoken word, vendors, food, fun and education, for the whole family, being held at the monarch event center in Lincoln village. Now, therefore, mayor will Wynn and the city council of austin, proclaim august 23, 2008 as the 26th annual kazi film fest.

[Cheering] [applause]

council member Cole, we'd like to, on behalf of the board of kazi, the volunteers and the staff, we thank you for this proclamation. For over 26 years kazi has strived and has served the austin community and central Texas and beyond, and we look forward to more years of service.

We appreciate everybody's participation, especially the volunteers of kazi, also Steve savage, the station manager, in his absence. Thank you so very much. [Applause]

we have two certificates of appreciation that we're going to be handing out tonight, and we have frank conventist here, he's the president of the united states Hispanic contractors. As you know, a couple weeks ago council member Leffingwell and I we brought forward a resolution asking the city manager to help us adopt an ordinance that speaks to cranes and safety around construction sites. The national trend right now -- I shouldn't say trend, but what's happening across the country, the accidents that are happening are devastating to the communities and to the construction industry, but more specifically to the employees and the workers that are killed, and the innocent bystanders. So we have two gentlemen here, Joe Reyna and Campos who have been making great strides in safety, especially to the outreach of Hispanic construction workers. Hispanic fatalities as a percentage of total u.s. Crane fatalities has more than doubled from 12% to 25%. And we also know that Hispanics account for roughly 60% of all construction workers in Texas, and the incidence of foreign born Hispanics accounted for 66% of Hispanic fatal injuries in the u.s. in 2005. So clearly there's a need for some outreach to a significant portion of our construction worker population, but it has to deal with Hispanic outreach and that's what these gentlemen -- that's where their strengths lie. regna is doing as deputy regional administrator for the Dallas region at osh and and cam post is doing is work that we should applaud and urge others to emulate. I'll read a little bit about each one of them and then read their certificate and present it to them. regna began his career with the department of labor, ocean a, in 1974. Most of his career has been osh program. He was point appointed to area director and served as both the area director of the Houston north and south area offices. In the course of his career he served as port support person, compliance safety and health area, area director and deputy region ad merer. regna has demonstrated a strong commitment to osha's mission. He has served as deputy administrator of the occupational safety and health administration. The Dallas regional office is comprised of ten area offices serving the states of Louisiana, Oklahoma, Arkansas, new Mexico and Texas. regna has a bachelor's degree in business administration with a major in management from the university of Texas at Arlington. The other gentleman we're honoring is Mr. Campos. Juan is from the austin area. Juan, his parents, they are retired and living in south austin in the same how they have lived in for 53 years and will soon celebrate their 60th wedding anniversary. [Applause] definitely. His sisters live in austin, and in bay forth south Carolina, with two understanding he would retired from the police department also residing in austin. They make their home in Peoria, Illinois, with daughter and son, and he maintains his ties to riding and the sport of Boeing. He's been a sports writer and has received awards for his article. He's considered an article on the authority because of his work for the pba, he is an accomplished bowler winning titles

in four cities including some in austin and Texas, and a Texas tournament. He's a big time Texas longhorn fan, including other teams, Dallas, cowboys, san Antonio spurs and Houston astros. He looks forward getting back to austin even if he has to wait till he retires. But we'll welcome him back as soon as he retires. So the certificates of appreciation both read the same, and they both go to Mr. regna and Mr. camp os. I'll read one. The certificate of appreciation, by working to improve on the job safety for Hispanic construction workers has rendered valuable service to the citizens of austin, Hispanics, are a vital component of the Texas construction industry representing 55% of the construction work force. Unfortunately fatal work injuries are at an all-time high among Hispanic workers in general and foreign born in particular. Reyna has contradicted to more Spanish based training to help reduce the loss of life among this segment of our work force. This certificate is issued in recognition thereof this 21st day of august, in the year 2008, signed by mayor will Wynn and the austin city council. So I'd like to present Campos your certificate. Congratulations. [Applause]

well, thank you, I'm both honored and privileged to accept this award. I do want to say that working at osha for the last 34 years it's been a privilege and an honor to make sure that the working men and women of this country are proaked every time they go to work. Osha has a real basic mission and that mission is to assure that every man and woman that goes to work in this country can go home without receiving injury or illness or dying on the job. So I take a lot of pride and pleasure in protecting the working men and women of this country. Thank you very much. [Applause]

and I certainly would like to thank the city Martinez, mayor for this honor on behalf of caterpillar incorporated, our partners, north brook publishing, and when we did a web site for safety, putting it in Spanish was really a no-brainer. We knew that that was an absolute must. Our company has been around for like 80 years, and you don't do that without taking care of your customers, of course. Caterpillar safety starts from the top down. Our ceo Jim Owens, makes sure all our meetings start with a safety briefing. It is our number one priority. And we do have a diverse customer base, which is why we wanted to partner with Hispanic contractors association, and we got in contact with Fuentes, and just the fact it was in austin was a bonus for me, of course, since this is my home town. So I'm sure we're going to try to keep an ongoing relationship going and hopefully start a firm partnership so we can end some of these safety hazards, which kind of his close to home for me because my father was one of the best laborers in austin for many years, and I know that safety was also a big concern because he's naturalized now but he didn't have papers. If he got injured, there was no insurance. He couldn't go to doctors. So it hits close to home, so we're really -- now that I've reached this position at caterpillar I'm certainly going to do my best to try to focus on the safety issue and with the help of the Hispanic contractors association. So thanks for the proclamation. [Applause]

thank you. Thank you to the mayor and to the council for recognizing these individuals. I've always said that one of the best ways to stop this trend of Hispanic fatalities or any fatalities in any industry is by creating awareness, and so when we have recognition such as this, we're in essence doing that. 6 People die a day in our industry. 3.6. That means that those individuals each day won't be coming home. So it is very important that we partner together with owners such as the city of austin. They own projects, with developers and what not, so that we can stop this incredible, horrific trend. So I want to thank council member Martinez. I want to thank the mayor, and of course his colleagues, the council

members, for allowing us to create this awareness. And I certainly want to Campos and Reyna for their great efforts, their leadership, if you will, in their industry, certainly to do the right thing, and that is to save lives. But also before I stop, Martinez, I want to acknowledge Mr. and Mrs. Campos. They're out there in the audience. Thank you so much for being here, and congratulations on your anniversary. [Applause] most definitely. And thank you once again, council members. Test test

we are out of closed session, in executive session. I apologize for the length of the delay, but we finished our discussion item 41, legal issues regarding proposed ballot language on the November 4, 2008 charter amendment election, and we'll get to that action item here in a couple minutes. Before we take up the remaining items on our agenda I'd like to recognize council member Leffingwell. thank you, mayor. I'd like to recognize a group of boy scouts that's here with us tonight, troop 101, troop 505, and troop 446. These guys are from southwest austin, oak hill and dripping springs. [Applause] and I just want to say that I spent a little time, about 30 minutes, upstairs with these guys earlier on, and they actually get a merit badge for listening to me, if you can believe that. [Laughter] and furthermore, if they sit here for a little while and actually observe the process and can relate to others later on how that process occurred, they get another merit badge. So it's a 2 for 1 deal for these guys. Welcome -- thank you very much for coming. I appreciate it.

Get a chance to see good government in action. They deserve more than merit badges to sit through this. Okay. So for those of us trying to plan our evening and the rest of the night and early morning, we still have one action item on our morning agenda. 4 related to the proposed ballot language. I anticipate that lasting about 45 minutes. We're going to take that up in a few minutes before we then hunger down for zoning cases, and of course there's a large crowd here specifically related to the oak hill neighborhood plan and all the moving parts and components to that. Now that it's past 6:00 p.m. We can take up public hearings as well, and there's a couple of announced postponements that we would like to do to get some people to be able to go home, and then we have a couple of public hearings and presentations that have no citizens speakers signed up, so we can knock all those out here in a matter of just minutes, so then we can go to our zoning cases for the evening. So first, without objection, I believe -- I will entertain a motion to postpone public hearing no. 75. Staff was requesting that postponement to September 25, 2008. Motion by council member Martinez, seconded by council member Leffingwell, to postpone public hearing 75 to September 25, 2008. Further comments? Hearing none, all those in favor please say aye.

Aye.

Aye. Opposed? Motion to postpone passes on a vote of 7-0. Also staff is requesting an indefinite postponement of 78 regarding a floodplain variance, and I'll entertain that motion.

Motion by council members Martinez, seconded by council member shade to postpone indefinitely item no. 78. Hearing none, all those in favor say aye.

Aye.

Aye. Opposed? Motion passes on a vote of 7-0. And council, so we have three quick public hearings with no citizen testimony. I'll recognize -- on item 74, this is a public hearing regarding the university neighborhood overlay. Welcome a brief staff presentation.

Good evening, mayor and council. I'm mark Walters with the city of austin neighborhood planning and zoning department. I'm here to offer for second reading only agenda item 74, case c 2007006, amendments to the university neighborhood overlay. On first reading council passed a broad grouping of amendments that came about after several years of being in -- with staff and development community sought to tweak the uno ordinance so it is responsive to the actual real world demands that area of west exhaust actually calls for when building multifamily and mixed use development. Tonight I would just like to request that council consider two changes. The first would be a brief change -- a small change to 252754 use regulations, g -- part g, part 2, and there is a -- the item relates to shielding of existing parking lots, of existing buildings that predate the passage of uno and lower the required fence from minimum height of 8 feet to 6 feet. And the next item is 25-2-760 relating to street scape improvements and basically add provisions to this section that state that all new sidewalks must be flush with the adjacent curb. In west campus there are areas when the roads were built, the sidewalks were put in, you have a retaining wall right on the curb, goes up several feet and then you have the sidewalk. [One moment, please, for ]

Mayor Wynn: Further questions for staff? Comments on item 71, the public hearing regarding the amendments to the uno district?

Also the public hearing is still open.

Mayor Wynn: And will remain open.

It doesn't need to remain open, but I think -- unless -- it's your pleasure to keep it open, but it's still open.

Mayor Wynn: Councilmember Leffingwell.

Leffingwell: All of the amendments that you mentioned that you read out, is that part of the planning commission recommendation or is that an addition?

That is an addition to the planning commission recommendation. It came from stakeholders in the area who --

Leffingwell: That's fine. I'll move to close the public hearing, pass on second reading the planning commission recommendation with the additional recommendations that were just read to us.

Mayor Wynn: Motion by councilmember Leffingwell, seconded by councilmember Martinez to close this public hearing and approve on --



second reading only.

Mayor Wynn: Thank you. These amendments to the university neighborhood overlay district, plus additional comments and amendments read into the record by staff. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of 7-0.

Thank you.

Mayor Wynn: Thank you. Item number 76.

Mayor and council, for item 76, a chapter 26 public hearing; legal fact facing is there is no other feasible and prudent alternative to taking of dedicated park land which includes all plan to go minimize harm to the park.

Mayor Wynn: Questions for staff, council? Comments? We have no citizens signed up to give testimony in this public hearing regarding this authorization. I'll entertain a motion. Motion to close the public hearing and approve this resolution as presented by staff. Further comments? Hearing none, all those in favor say aye. Opposed? Motion passes on a vote of 7-0. Public hearing number 77, subplain variance. Appreciate a brief staff presentation.

Mayor, councilmembers, I'm vigil to present item 77 which is a variance from section 25-7-92-b of the city code to allow construction of a single-family home of about 3,392 square feet at 7406 latta drive in the Williamson creek watershed and they are asking to waive requirements of section 25-7-152 to [inaudible] a drain easement to the limits of a 100-year fully developed flood plain. I wanted to make sure you are informed about the site conditions. This is a vacant lot that was platted in Travis county on October 2, -- October 22, 1975 in the ray brown subdivision which is between William cannon and slaughter lane. As you can see, the lot shown to be entirely located within the 25 and the 100-year flood plain. The 25 is the flood that it has at 4% and the 25 -- 4% occurrence of being inundated by flood waters in any given year and the 100 flood plain it has 1%. You can see here the area that it is, you can see it a little dark blue, that's a 25 and the area light blue is the 100. This is an old plat. The 1975 plat shows the 100-year flood plain that encroaches probably 50% of the lot. At that time the lot was approximately about three acres before mopac right-of-way was built there. Now the lot is a little less, about .88 acres. The city became a member of the national insurance program in 1981 and we have flood plain maps that they are dated 1981, 1982, '85, '87, '97, and then the maps that they were going to be adopted on September 26, 2008. Martinez are currently buying this property from Mrs. Wright. It's our understanding from a letter provided to us that on august 1, 2002 is when they began the process to buy this property. At that time we have the 1997 effective fema maps that they showed that this lot was in the 100-year flood plain. The city also uses the 1991 Williamson creek master plan for fully developed conditions and that one shows that the lot was in the 25 and the 100-year flood plain. There is a challenge here I would like to share with you. They came, the applicants came in the year of 2000, and they -- the city gave them the flood plain elevations that they were from the 1991 Williamson creek master plan, what it showed the property was in the 25 and 100-year flood plain. However, in 2001 they came back to the city and they probably discussed with the city the situation with mopac. So the city

made a determination to use a cross-section that was further downstream than the cross-section in the subject property. Therefore they were told that they were not going to need a variance at that time. So in reality, if they were to have built this between 2001 when they received the letter and 2005 when we have the other master plan that we were use, they would be able to build with no variance. However, in 2005 we have a model that it shows mopac and they are even with mopac they are still within the 25 and 100-year flood plain. So this one you can see this is the lot, the frontage is latta drive. There is no safe access for our responders so they don't have an all weather access. You can see at the back of the property there is a fence and you can see mopac. From the front of the house, you would probably need to walk about 150 feet to go to the -- to mopac and then it's about almost 15 feet from mopac to the ground elevation on that site. And this is also mopac. You can see at the left is the property line and [inaudible] to mopac. So staff needed to look at it if we got all the final facts and they are located in a 25 and the 100. The 25 is in our ordinance also called the floodway. The national flood insurance prohibits the construction of structures in the floodway. There is no safe access. They are going to have an additional property in the flood plain. They are building a little bit more than a foot above the flood plain. So the house won't be flooded inside the property unless we have a storm that exceeds above what it is suspected for the 100-year flood plain. So staff recommends denial of this variance. So we are here to answer any questions that you have.

Mayor Wynn: Thank you. Comments, council? Questions of staff? Thoughts? I see that no citizens have signed up. I guess does that include the martinezs are not here or --

we have the engineer representing the applicant and then his lawyer.

Mayor Wynn: Okay. So comments, council? These are always such difficult cases because clearly people want to have the ability to develop and improve their property, but we have a number of constraints. Councilmember Martinez.

Martinez: Thank you. Gillette a couple of questions and make comments. I've been on this site. I was contacted by the Martinez family to come out there. One of the elements that hasn't been spoken to is we know that mopac is built directly behind the property, but there's a drainage that comes from the center of the mopac bridge and it's a culvert and it literally points out directly into the backyard. So when you are out there even in a heavy rain, what you do get is sheet water running down the lot. But it's literally an inch or two and it's mainly due to the drainage coming off mopac. The other element of this case that I think is compelling is that they were given approval to construct a home by the city of austin in 2001, and because they didn't construct the home at that time for financial reasons or other reasons and now they are ready to build, we're telling them they can't. So, you know, based on having looked at the property, having met with the Martinez family, I'm going to be supportive of the variance request. You know, they are trying to build their final retirement home and this is where they want to build it. And we had already granted them ability to do that. And, you know, I just think if the Martinez home ever gets flooded, we got bigger problems in austin that day because it's going to take a pretty dang significant amount of rain to not only reach the 125-year flood plain level, but as was stated, they are building one foot and three inches above the 100-year flood plain and 25-year flood plain. Is that right?

That's correct. That's correct. They are elevating the structure at least one foot above the flood plain level.

Martinez: Can you expand a little bit on how they got approval and how they were notified that they no longer could construct their home?

Well, if I understand the facts correctly, my clients entered into a contract for deed for this property sometime around 2000. They were diligent and went to the city and through their agents and asked if this was in flood plain. And in your packet that I've given you earlier, there's a ray Windsor who is here tonight that informed them that it was not in the flood plain and no variance was needed. They weren't ready to build at that time because of many different reasons, and when they came back to the city in 2005 and made their permit, the modeling had changed. So they were left in a situation where they thought when they bought the property they could do it without a variance into a situation where now they are required to have a variance. And without the variance being granted, they have the ultimate hardship of a piece of property that they've expended money for to be totally worth less.

Mayor Wynn: Motion by councilmember Martinez to close the public hearing and approve this variance request. Seconded by the mayor pro tem. Further comments? Councilmember Leffingwell.

Leffingwell: Did you want to make a presentation of some kind or --

we certainly can.

Leffingwell: Well, I think we kind of missed that in the discussion somewhere. But now we have a motion on the table so I guess I'll just try to answer -- try to ask some questions of you. So you had a building permit in 2001.

No, we did not have a building permit. There was a request seeking to find out if a variance was needed and they were advised they did not need to have a variance at that time. They did not seek a building permit until 2005, approximately, and the modeling, flood plain modeling had changed, if I understand correctly, which said they would need to get a variance.

Leffingwell: They were told they were not in the flood plain and would not need a variance.

That's correct.

Leffingwell: Is that a matter of record?

I have a copy that's in your packet.

Leffingwell: And the entire property is within the 100-year flood plain?

The entire property now with the new modeling is in the 25 and the 100-year flood plain. There is

access right across the street and in the adjacent property access could be obtained to the property from that way. Also I came up with a rather novel theory also that as far as access goes, and I've talked to councilmember Martinez about this, the reality of this, mopac is 15 feet above the property. In an emergency situation, you could provide machine rescue from mopac because that is a dry area.

Leffingwell: Is there a reason mopac is 15 feet above the property? [Laughter]

I don't have the answer for that.

Leffingwell: That may cut both ways.

But they -- in my opinion, councilman, the modeling shows it right to the property line and part way into latta lane. If you look closely at the map that's in the backup that you have in front of you, it shows that that road is partially not in the flood plain. So emergency vehicle could get there on that road.

Leffingwell: The road is not in the flood plain?

Part of the road is, part of it is not. If I understand the model correctly.

Leffingwell: But access to the house is how many feet of water?

It's somewhere between three and four feet. In the modeling.

Leffingwell: And emergency vehicle accessible 8 feet, they would not approach that house under that Carolina of flood -- that kind of flooding condition. I guess that's -- is that correct? You can just nod. 18 inches. One and a half feet. But the entire property is in the flood plain.

That's correct.

Leffingwell: And you have no use of the property without this variance?

That's correct.

Leffingwell: Okay. Thanks.

Mayor Wynn: Motion and second on the table. Further comments?

Martinez: In extreme flood conditions, the fire department will respond in 10 feet of water. I've done it several times when we've had floods. Obviously that is extreme scenario, but we do it on foot actually. We put on wet suits and walk out on foot and we hand walk a boat so that the folks that we're rescuing can get in the boat and we walk it out or swim it out. There isn't an instance where the fire department will not respond, it's just not going to be in a fire truck if it's over a foot and a half.

Mayor Wynn: Further comments on our motion to approve the variance request? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of 6-0 with councilmember Cole off the dais.

Thank you.

Mayor Wynn: I apologize for our schedule today. We've been hours behind really from the get go this morning. For folks trying to anticipate us getting through this we have a couple more items to take up. One, you know, very important item is an action item from our morning session, item number 4 regarding the ballot language of our charter amendment election in November. I anticipate that taking about 45 minutes because there's 10 or 12 people that would like to give testimony on that and council is going to have good dialogue about the specific wording with the help of our city attorney. We'll take that up shortly. We have a handful of folks here to give us testimony on our city budget process and give us feedback as we continue this month-long process of potentially revising the manager's proposed city budget. With all do respect to the folks from oak hill, I know how long a process this has been for you all already and how long you've been waiting, a handful of our friends here to give us testimony regarding the budget or here from our disabled community and they have public transportation that they have to catch before they -- those buses stop rolling. So I hate to do this to everybody, but as a way to sort of manage everybody's time and be as fair to as many people as we can be, I'd like to take up our public hearing number 72. I anticipate that lasting 35 to 45 minutes. Then we'll take up item 4, our ballot language, and that should be another 45 minutes, then we will begin our zoning cases for the evening. The vast majority of folks signed up to speak is in regards to the oak hill neighborhood plan. Depending on the thought on the dais, some folks might not need to speak if items are postponed. There are other zoning cases that we'll take up today, but most of them are just a few minutes long, 10 to 12 to 15 minutes apiece. Just know I think we're going to be here 35 or 45 minutes with public testimony on our budget, 35 or 45 minutes to talk about ballot language, then we'll start our zoning cases, saving the combined oak hill cases, which is the vast majority of you all, therefore the end so we can spend as much time as we need. You are welcome to stay here and be as comfortable as you can be or get up and get a drink of water or walk around because we're going to be here for a while. Without objection, council, we'll take up item 72 to receive public comment regarding the proposed city budget for fiscal year 2008-2009. Speaker is Felix briones, who I thought I saw earlier. Also signed up -- let's see. Looks like Rudy Williams is signed up. Is Mr. Williams still with us? Felix? You all can use the table over here or the hand-held mics if you prefer.

This will work. My name is Felix briones with adapt of Texas. What I do mostly is go visit nursing homes. And most of the nursing homes that I try to go visit, there's no sidewalks. I actually have to roll with the actual traffic. And what I'd like to do is still visit these nursing homes. I actually don't want to get hit Houston and actually end up being in one myself. So what we really need is the \$5 million to make sure there's sidewalks and curb cuts so I can still go visit these nursing homes that I try to visit all the time. And like I said, most of them are at -- are in places of town that should have sidewalks. But actually I have to roll out in with the traffic to get to these places. Like I said, I actually don't want to end up in one. If you all wouldn't mind coming up with the \$5 million for the sidewalks and curb cuts, I would appreciate

it. Thank you all very much.

Mayor Wynn: Thank you. If you all were here earlier, part of our budget presentation, since the city manager Robert Good gave a presentation that outlines options for council to consider. Some of them aggressive, frankly, financially, but included finding at least -- if I remember correctly, at least \$10 million for these next two years specifically for sidewalks. So staff has come up with alternatives for us already anyone that will be part of this ongoing decision over the next few weeks. Our next speaker is Rudolph Williams. Welcome, Mr. Williams. You have three minutes to be followed by Raul King Brown. Welcome, Mr. Williams.

Good evening, city council. I'm here to talk about property taxes. And I think there's only one person, maybe two here that I have not provided this information to. Everybody else they probably know the topic. And they know my concerns. Now, as far as property taxes go, I've come to you practically every year and told you that there's a serious problem. There's a serious problem in our neighborhood and in neighborhoods across Austin who can't really afford the property taxes and the increase in property taxes. I consider this to be a governmental problem. It's not the problem of the taxpayer who has been paying their taxes for 20, 35, 40, 50 years. It's a problem with the structure. The appraisal structure as well as the assessment on poor families and it's an addiction. It's a property tax addiction. It's an addiction that our government has. You have to first admit that there is a problem. And even though we cannot cure you of this addiction to property taxes, we can at least ask you to do no harm. And when I say do no harm, that means find some way in your property tax structure, you, the county, as well as the school board, that will allow people to have some modicum of assurance that they can stay in their homes. I've told most of you once, twice, three times one way that you can do this is for the city to provide a homestead exemption. It doesn't have to be a lot. But a homestead exemption for a poor person would be more valuable than a homestead exemption on a \$3 million house. So consider that as an option, as part of your conscience, as part of city council and Travis County -- at least Travis County and the school board has a homestead exemption. Now, I understand the argument that y'all have the lowest tax, but still it would be an act of leadership. Another thing that could be done that would help our community, and I'm not just talking about East Austin, I'm talking about our total community, would be that you provide some type of -- instead of a rebate -- [buzzer sounding] can I have a little more time?

Mayor Wynn: We have hours and hours worth of testimony for folks who also want to give us testimony.

May I close?

Mayor Wynn: Please conclude.

There are a variety of solutions that the city, the county and the school board can do to ensure that poor people stay in this town, stay in the core of the city and that renters especially and property owners that provide rent -- provide affordable housing to renters, there's plenty of things that you can do if you have the will and the courage to do so. And I hope you will take this opportunity to have that courage and to find ways of helping poor people stay in the innercity, in the core of the city, in their cultural areas.

Thank you.

Mayor Wynn: Thank you.

Leffingwell: Mayor, could I comment briefly? The city does have a \$51,000 homestead exemption for persons over 65 or persons who are disabled. That's one thing. The second thing is, and I hope there's somebody here FROM THE CFOs OFFICE TO Verify this, but the city is restricted by state law as to how they can offer a general homestead exemption. For example, we are required to offer a homestead exemption based on a percentage of the assessed value of the house, which is similar to what the county does. We would fall under the same restriction. The county offers 20%. That's a vast difference in the amount of money that would be exempted from, say, \$100,000 house to a \$3 million house. So that's the situation we are in and so if we want to try to address this issue, I think the first step is at the state legislature.

Mayor Wynn: I agree. Thank you, councilmember. It looks like raul king brown. I'm not sure if --.

My name is will king brown.

Mayor Wynn: Thank you.

I'm here this evening to express for the mayor's committee for people with disabilities that the committee fully supports any increase in the budgets of the public works department or the sidewalk and curb ramp budget. Historically this department was funded as a consistent level to address the city's a.d.a. transitional plan. The city of Austin's pedestrian and sidewalk master plan clearly shows a substantial unmet need for accessibility improvements throughout the main arterials of austin. The committee recommends and asks the committee's support, city council's support for the restoration of the a.d.a. Sidewalk budget to continue the city's progress toward equal access for mobility and inclusion of citizens with disabilities in the economic and social life of austin. And we appreciate the facts that I'm sure you do, that persons of impairments have very difficult times where there are no sidewalks. And we appreciate your concerns. Thank you, sir.

Mayor Wynn: Thank you, Mr. brown. Our next speaker is Anna -- I'M SORRY, Ann McGonea followed by David witty. Well, you have three minutes.

Good evening, council. MY NAME IS Ann McGonna and I'm here to talk about taxes. I own a small home in east austin and it's a 740 square foot home. It's on a standard lot, and in 2006 my home was valued at \$61,000. In 2007 it was valued at \$91,000. And in 2008 it's valued at \$184,000. Next year I'll probably have to sell my house because I can't afford to pay these exorbitant amount of taxes. Not only that, in my neighborhood there is many poor people that have lived in the neighborhood for longer than I have, 30, 40, 50 years. Many of these poor people in my neighborhood worked hard to obtain their home. Most of them have one home, some may have worked hard to obtain maybe two homes in the area, but they are small homes and now their taxes are so high that they are being forced to sell because they can't afford to pay their taxes. Most of the people I'm referring to have been long-time

austinites and long-time taxpayers with families who have struggled to own their home, to pay their taxes and to keep their families together. These people have been and are still the primary source of the affordable housing that we have in east austin. Most of these people have family members who are sons, daughters, grandchildren that they provide a small house, usually in the back of their home for them to live for various reasons. But the bottom line is that they provide this to them because they are in need of a place to stay. And my question to you is that there must be a plan to help the poor people keep their houses and not be forced out of the -- out of the homes that they've had for 30, 40, 50 years. These people do not want to leave, they do not want to leave and go to some other part of town. So I want to know what's your plan. And I know councilmember Leffingwell said that the first -- the first thing that we would need to do is go to the legislature with this. So I would like to know how do y'all start? When can you do that? [Buzzer sounding] what's the plan for that?

Mayor Wynn: I'll tell you as your time has expired, but we have gone to the -- as councilmember Leffingwell pointed out, our hands are relatively tied financially from a philosophical standpoint when it comes to homestead exemptions, but we have gone to the legislature and I anticipate finally soon us instigating what we characterize as the homestead preservation district whereby it's a fundamentally the same concept, but we have identified a big swath of austin that's mostly east and central east austin whereby there could be legislative tax relief, ad valorem property tax relief to homeowners in a big part of our town that we think need it. It would be a joint city and county effort. And I don't know the latest as to the implementation of that plan, but we have been actively crafting and -- or trying to ultimately instigate the homestead preservation district to try to help folks specifically with this big challenge.

Is there a plan where the community can go online and look at your progress on it?

Mayor Wynn: I suspect somehow either on the website or there are probably some city staffers here who could give you input into that format.

So how often do you, like, meet on this and --

Mayor Wynn: I haven't heard a presentation on it lately. We spent a lot of time and effort the last two years, much of it at the legislature to get that accomplished. And working with colleagues both in the Texas house and at the county. So I would ask help from city staff perhaps who might know an update as to the homestead preservation district, perhaps mcgana and answer her questions.

Thank you.

Mayor Wynn: Mayor pro tem.

McCracken: I want to add there are two basic ways to protect homeowners from the impact of rising tax appraisals. One way is the -- is a -- is like a lower appraisal cap which is another area we've looked at. Texas' limit is 10% increase a year. So there's two ways, a homestead exemption, but if you are in an area where you are having rising tax appraisals such as yourself, then a homestead exemption will not protect you because what's hurting you is the rate of increase in your tax appraisal. So the homestead



preservation act actually targets protecting against increasing tax appraisals. It does not go to a homestead exemption, but limits on the rate of increasing appraisals. In Austin this current year, the fastest areas of tax-the fastest increase of a zip code was 78702. 9% increase in tax appraisals. The second fastest tax appraisal increase zip code was 78704 at 56.7. I think what we're seeing is that there is close-in neighborhoods are getting harmed, particularly middle class neighborhood. And one of the impacts why this city in the past has actually advocated at the legislature for actually looking to slow the rate of tax appraisal increase is it protects homeowners without warming the effective tax rate of the city. A homestead exemption would require a very substantial budget cut because of a quirk in state law. We would have to cut millions of dollars from our budget we couldn't make up. And in a tax appraisal reducing the rate of increasing tax appraisals not have that impact on our city budget while still protecting homeowners from the rate of increase. What you would have is you would have things like the new downtown condos would be carrying a bigger share of the new funding because it's new commercial construction, it would have that impact.

Mayor Wynn: Thank you. And next speaker is David witty. Welcome back, David. You will be followed by Mary steel.

> David witty. I'm with schnabel organization. My name is David witty. With option adapt of Texas. Thank you for your consideration of moving our portion of the public hearing up. I am one of the persons who will be using public transportation when I leave this meeting. And when I get home I'll be spending another quarter mile from the bus stop to my house in part of the street of south congress dodging cars because of the lack of accessible sidewalks in my own neighborhood. There are some sidewalks, they are not accessible. And I just want to say I met good and along with some of my associates and we talked with him about some of the proposals he's had had, and I'm looking at the information that's presented to you as well, and if I squint my eyes really hard, I can almost see in the pie 8% of the budget expenditures proposed for bicycle and infrastructure management. Even smaller portion of that which does appear on the pie chart is for sidewalks. While 24% and 6% are for street repair and minor repair of construction. Over 30% for other repairs and sidewalks are really just not even in the pie chart here. But he does have spelled out the \$10 million of the TxDOT reimbursement to fund a.d.a. Transition plan for sidewalks for fiscal year '09 and '10. We're talking about fiscal year 2008 and '09 and he's talking about snowing the future that's not dependable from TxDOT. My experience is TxDOT has not been very dependable for pedestrian projects at all. They have to give you the money, I'm sure it's a question of when and he admits he is not sure the time line on. That so \$10 million that might come sometime in the future for some sidewalks that don't even get represented on pie chart, I'm really concerned about that. Because of the problems that you'll see later in a presentation, I saw those myself and I was out there when that film was produced and you will see it in a few minutes. I'm really concerned about the safety of myself and the safety of my peers and safety of people I don't know. When I was out there I saw an elderly couple walking on what could be described as a goat path on north Lamar and in a well developed commercial business area. Right next to them was the drainage ditch. If I tried to go down the same path, I would have ended up in the ditch. My best bet was to go in the street and dodge cars in oncoming traffic while they were dodging me. And I don't think any of you would appreciate doing that yourselves. Thank you.

Mayor Wynn: Thank you, David. Mary Steele. Welcome. We use a blessing.

[Inaudible].

May the lord god bless you all with long life and good health and the wisdom to know what to do with it. Amen. Now I want to get into something else. How many of you think that you are worth at least \$5 million? Or your children worth at least \$5 million? Because I kind of figured out that my grandkids alone think I'm worth more than that. But if I go out in one of the streets in austin, that's not what they are going to get because I don't have insurance. So they will get nothing except a funeral. And that kind of upsets me that when I hear that we're going to give everybody else and everything else, even others more than the sidewalks. And all we're asking for is \$5 million a year. And that's not just to save my life, but that's to save everybody's lives who is using the streets in austin and who will. That includes men, women and children. And disabled people too because we have to use it too. But I'm not just concerned with disabled people. I'm concerned with everybody who will use the streets in austin. And I think most of these people if you ask them or their loved ones, they think they are worth more than \$5 million. Please listen to me.

Mayor Wynn: Thank you, ms. Steele. Thank you. Burrell Steele had signed up. Haven't seen Burrell. There he is. Welcome back, Mr. Steele. You too will have three minutes, to be followed by Sara Watkins, followed by Jennifer McFail.

My wife has said a lot, but me, like I'm fortunate because I can stand. And if I have to go to a street which doesn't have a ramp, I just get up and move my wheelchair so I can, you know, fit it where it needs to be. I commend you for they had a ramp and a bench right across, and they improved it. Because at one time I was there and there was only, like, one person in a wheelchair could fit in there. But now they improved it and now there's at least three people in wheelchairs could get over there. And I commend whoever -- you know she somebody is looking down on me. But as I said, it's not a problem for me because I can get up. But for those who can't get up, who struggle even in a wheelchair, it's a great difficulty. Even some of the ramps are like -- are uneven, and I may be tipped over. But I can always get up. But thank you.

Mayor Wynn: Thank you, Mr. Steele. Sara Watkins. Welcome back, Sara. You will be followed by Jennifer.

I'm also with adapt of Texas and I am going to reiterate what has been said about making sure that there is \$5 million in this '08-'09 budget for sidewalks. One of the things that hasn't been brought up in this discussion is not only is this a significant safety issue, not only is this an infrastructure issue, when it compliance, this is also a civil rights issue. The city is supposed to have had accessible sidewalks since 1992. That's 16 years and we're still working on it. So for the city to say, oh, well let's not fund sidewalks this year, you know, let's just kind of put civil rights up on the shelf and leave them there, that's really not acceptable at all. West campus was mentioned earlier in the discussion. I used to live in west campus. Not once in my 10 months of living in west campus did I ever use a sidewalk because they just were not there. And dodging drunk college kids on Friday nights was not really how I wanted to be

spending my evening. And I now live near Burnet and Anderson. It's the same deal, have I to get on the sidewalk and go into oncoming traffic on Burnet and then, you know, go for a couple blocks and get back up on the sidewalks because there's no sidewalks for a large portion of the area where I live. And this doesn't just affect folks with disabilities. I have a co-worker who sometimes comes and speaks to us and a few weeks ago he was riding his bike down the sidewalk and he hit a gap in the sidewalk and flew over the handlebars and totaled his bicycle helmet. And scraped himself up pretty bad. And he doesn't have any disabilities, but he very nearly acquired one. \$5 Million for sidewalks in Austin I think is something that you guys can scrape together for this next budget year. Thank you.

Mayor Wynn: Thank you, Sara. Welcome, Jennifer. You too will have three minutes.

I'm Jennifer McFail with Adapt of Texas. You may be wondering why we are focusing on 5 million -- the \$5 million amount. That's because original public works had asked the city manager to fund a 20-year plan for ADA compliance. With \$5 million every year until the 20 years is up, to reach ADA compliance. I think that it's a very measured, very reasonable plan, and as you said, there's some great ideas for '09 and fiscal year 10, but that doesn't tell us what's happening in '08-'09. It's very unclear when we're going to get money or what money amounts we're going to get or if we're going to get any additional money. So I think that we really, really need to ask them some real questions, some serious questions of the city manager and his staff about what we're going to do while we're waiting for all these great ideas to pan out. Furthermore, we're a little concerned about the possibility of having to work on another bond election. They are very difficult to get buy-in from the electorate and it's a risky proposition. We don't see any real relief from those bond projects until a few months to a year after the bond passes. Because things need -- take time to get generated and going. And infrastructure, you can't wave a magic wand and poof, here comes a sidewalk. There's all sorts of planning and engineering and architectural stuff that has to go through. You have to get approved -- the plans from the state and all kind of stuff that goes into it. So if you want a sidewalk done now, sometimes it's taken up to seven years to get a sidewalk done in the priority list that we've given to public works. There are some of our priorities that have been on that list since 1993, and still haven't been finished, ladies and gentlemen. Still have not been finished. So you may think it's an aggressive plan. With all due respect, you ride a lot in cars. It's a very different perspective when you are out in the road on North Lamar, as I was last Friday.

Mayor Wynn: I agree it is, Jennifer. Councilmember Leffingwell.

Leffingwell: Just to reiterate what you said earlier, the bond package, the proposal as the bond package is talking about 2010. But in the interim I believe what we had proposed today was \$10 million out of the reimbursement from TxDOT to -- which I believe, the last time you were here, it was actually your suggestion, which I relayed for you. We'll just ask Mr. Good.

We're not sure when that money is coming.

Mayor Wynn: Welcome back, Mr. Good.

The proposal, and I'm sorry for the abbreviation, was for fiscal year '08-'09. I called it '09 because the majority of the fiscal here is in the calendar. The proposal was for 5 million in this fiscal year and 5 million for '09, '10.

Mayor Wynn: Mayor pro tem.

McCracken: Robert, I think it would be helpful if we could get an identification of what the targeted sidewalks would be and also coordinate with adapt. The point I've heard from speakers, which I imagine we all agree with, is that we should be targeting the areas of greatest need, and I think adapt is going to have a very keen sense, from personal experience, of what those areas are. I've not seen folks riding wheelchairs in traffic on Lamar, for instance, because there are no sidewalks. We are the nation's 15th biggest city and we should be doing better and I appreciate your innovation in finding those funds. Sounds like you have a great opportunity to start getting those dollars.

We've agreed to do that. The staff has already been working with adapt putting a plan together. We'll continue.

McCracken: Keep us posted also. Thank you very much.

Mayor Wynn: Thank you, Robert. Next speaker is Nelson Pete. Nelson Pete signed up --

he had to leave.

Mayor Wynn: Fair enough. Here he is.

He's here. Sorry.

Mayor Wynn: That's all right. Welcome, Mr. Pete. You have three minutes to be followed by Leslie Parker.

Good evening, council. Imagine you in your chair, it's a wheelchair, in the middle of a busy main street during rush hour traffic, and a running two-ton vehicle with bumpers is right behind you and more vehicles behind them and they are honking their horns and yelling at you to get out of the road. And then one of them passes your own lane. And there are no sidewalks. And if there are, they don't have any curb cuts. What are you going to do? Have you experienced this? Probably not. But I and other citizens in wheelchairs have and do so on a daily basis. Sidewalks are made for wheelchairs. Why not make them more accessible to us and put them on every road and street? That exists. Would you want me in front of you slowing you down, wasting your gas and time? Or would you prefer I be on a nice, smooth sidewalk with curb cuts, safely out of harm's way? We'll need at least \$5 million a year for the next 20 years to bring the sidewalks up to standard. There are already 16 years behind the a.d.a. schedule. Would you want one of your family in that chair? I just ask you -- you are just not up to standards on Burnet Road, North Lamar, Rundberg, Ben White, South Congress, Red River, 7th AND MANY OTHER Roads. I have a Texas tag sticker. Does that qualify me to travel down Ben White on my

way to wal-mart? Would you like to ride with me? You have the power to change these sanctions and make myself and other citizens in wheelchairs and children and older citizens safe and get us out of that road. Please find it in your budget at least \$5 million for this fiscal year '08-'09 to make it safe on the sidewalks. Why waste money on parking space management while I'm in the middle of your roads? Thank you very much.

Mayor Wynn: Thank you, nelson. Next speaker is Leslie parker. Leslie parker wanted to address us, as did Richard Morgan. Welcome, Mr. Morgan. How about Laura bell? Or Stephanie Thomas? Thanks for your patience, Stephanie. Is bob still with us? Bob was going to donate his time to you, Stephanie. Our rules are he be present in order to do so so you will have three minutes. Welcome. To be followed by Freddie Gonzalez.

I would like to show you since many of you don't have the pleasure of rolling in the streets and getting birds-eye view of bumpers ornater Lamar. This is taken in an area where a lot of the affordable housing that is made in town now is located. And this is the kind of -- if you want to start it, this is the kind of trip you get to take around -- while you are riding through austin. Austin that talks about wanting to be a pedestrian friendly city. Austin that talks about being interested in infrastructure. Austin that talks about wanting people to ride public transit. Austin that talks about all these kind of things. But if you will see, this is the kind of welcome that you get. And think about the cars. They are trying to get somewhere. They have to worry about this from their point of view. But this is riding through much of austin, 18 years after the passage of the Americans with disabilities act. This is what you have to do with a baby carriage, a walker. It's not a way to run -- you say the 15th largest city? It's not the way it should be done. We want to have density. That means more cars. More wheelchairs running around in the traffic with the cars. I personally don't think 5 million is enough, but that's what we agreed to say today. So I just think that it has been going on for way too long. There's no way to get your baby carriages around. Your little kids have to get out and help you move them around. This is not a way to run infrastructure, pedestrian access, public transit. These are our goals and this is what we're getting there on. I think we can do better. Thank you.

Mayor Wynn: Thank you, ms. Thomas. And for the visuals. And Freddie Gonzalez is our last speaker signed up. Thank you. He did have to leave. Council, that's all of our public testimony regarding comments on our proposed '09 -- '08-'09 fiscal year budget. Thank you all very much. So I'll entertain -- again, we also have the same public hearing opportunity at our NEXT MEETING, THE 28th, Before we then meet SEPTEMBER 8th, 9th AND 10Th to approve a budget for the fiscal year beginning October 1. Council, I'll entertain a motion to close this public hearing. Motion by councilmember Leffingwell, seconded by councilmember shade to close the public hearing. All those in favor please say aye. Opposed? Motion passes on a vote of 6-0 with councilmember Martinez off the dais. That takes us back to item number 4, which was our posted action item regarding the calling for the chart he amendment election November 4, 2008, and agreeing to the ballot language. We had a related executive session, item number 41, where our city attorney and his election lawyers gave us some good legal advice. And with that I think I'll turn this over to city attorney David smith.

Thank you, mayor. After the discussion and deliberations in closed session, where obviously no action

was taken, I and a couple of lawyers from the law department sat and argued with each other and drafted up some language and I do now have recommended ballot language. So councilmember making a motion to approve the draft ordinance for item number 4 would modify that draft ordinance on the language for proposition 2, considering this is my recommendation for the language on proposition 2. Shall the city charter be amended to prohibit the city from entering into future agreements to provide financial incentives and to stop the city from providing financial incentives under certain existing agreements in connection with the development or redevelopment of property that includes one or more retail uses. Again, that is my recommended ballot language for council's debate. And I thank you.

Mayor Wynn: Thank you. If we could put that up on the screen, perhaps a little larger. That might be hard for folks to read. And those of you all who think it's a luxury to have a city demographer, it's really a luxury to have city election attorneys on staff. We appreciate the work of our city legal department. Council, my recommendation is before we start our dialogue up here, there were a number of folks that signed up wish to go give us testimony on this item. To perhaps before we -- so perhaps before we start our dialogue, it might behoove us to get some feedback or comment from folks who are interested. And also, I don't know if we could very hard copies available to even hand out as well. Might be of assistance. So our first speaker signed up to give us testimony is Brian Rogers. Is Mr. Rogers still here? I appreciate everybody's patience. Roger, it looks like a couple of folks wanted to donate time to you. Is Katherine due month. O here? Welcome. And Becky Halpin. Is Becky in the room? I ask because the rules are they need to be present in the chambers in order to donate time. If you could get her in the room, presuming she comes in, Brian, you will have up to nine minutes followed by Bill Bunch.

Actually I should have 15 minutes.

[Inaudible].

The computer was not taking the substitution names. They've been working on it 15 minutes.

Mayor Wynn: Why don't you identify the two folks by name. If they are in the room --

David and Matthew.

Mayor Wynn: So Matthew and David -- sorry. There you are. Just wanted to make sure you are on the list. Rogers, you have up to 15 minutes if you need it and you will be followed by Bill Bunch.

Thank you. Before I launch into this, I've had about 35 seconds, 45 seconds to examine the language. You guys have had -- this has been on the ballot -- it's been approved by the city clerk for the ballot since FEBRUARY 19th. So now I'm being pushed to the last minute to the last day to make a snap decision on something that you guys have had for a long time. So that I think goes in the interest of good democracy and what running a city is about for the benefit its citizens. My name is Brian Rogers with stop domain subsidies. I've been fighting against the city of Austin giving away 65 million for the luxury mall called the Domain. The people of our city are united against tax subsidies for the Domain mall and retail in general and will be voting for proposition 2 in November in the face of the budget crisis.

that's all over the newspaper and radio, the citizens will have a choice in November to either pay millions every year for 20 years to a luxury shopping mall forcing cuts in parks, libraries and other essential city services or pass proposition 2 and keep those services from being cut. The stop domain subsidies charters has the endorsement of republican clubs, democratic clubs, libertarians, green party, independents, labor has endorsed our petition drive. We have the support of 500 local businesses. Only 500 because we stopped asking. It could easily be a thousand. Your favorite local business supports the stop domain subsidies proposition 2. From master plan brides gun, precision camera, bark and purr, territories, the sleep shop, by Georgia, matt and Katie have been in business 29 years in austin paying 100% of their sales tax, and I should recognize them as an iconic business. For those of you who keep saying a deal is a deal and that we should pay 65 million for a luxury shopping mall, let's set the record straight t domain deal was illegal in the first place. A with our proof settingsment states it clearly, the city of austin don't have to pay one red cent to the shopping mall owner t city is not obligated legally ureotelic I. The developer didn't honor promises. They told the cities the average wage of the mall would be \$27,000 per year and they went down the street and told the county it was 35,000 a year. Which is the truth and which is the misrepresentation? Or are they both faulty? City records obtained through open records show that annual wage income for restaurant workers, of which there's 644 at the domain, \$17,563. Most of the bulk of the remaining jobs are clothing and clothing accessories and from the city's open records 21,000. They promised you guys 27, they promised the county 35. They didn't deliver. We shouldn't have to pay them the money. And the good news is we don't have to. Is it new job creation when a developer moves j crew out of the highland mall to domain? Borders moving from the arboretum. Is it new job creation when you move other stores and both banana republics to the domain? These stores paid 100% of their city sales tax to the city, but now the city gets to keep only 20%. And must send the remaining 80% back to Simon moss, a \$49 billion company for the first time years and 50% for the next 15. Now the value of highland mall has dropped \$18 million since the domain opened. Now, the developer said that the project needed public help. Their own words say that it was -- the cost was \$130 million t cost is one thing, but the valuation is another. And the city records show that the value was 158 million. Right here, project value comparison, domain urban village, 158 million. You do 158 million minus 130 million, the project was \$28 million in the black before these incentives. Now, they promised four acres of open space. And they didn't deliver. You count -- if you count the sidewalks, yes, you may get there, but according to the city's own records, there are 4 acres of public area at the domain excluding sidewalks. Okay, so they didn't deliver on their open space. They -- the list goes on and on. Let me jump to the one that is the most galling. The projections given to the city were \$37 million. That was the compensation expected by the developer but that was based on a retail sales per square foot of less than a wal-mart of \$326 a foot. So when you impute -- plug in the number that the arboretum was getting at the same time in 2003 of 590 a foot, competence mushrooms to -- in thigh opinion they kept two sets of books, one they used to con the city, the other they used when they were advertise to go Neiman-Marcus. They didn't tell them 326 bucks a foot, come on down. They used a much higher number. But they -- they sandbagged their compensation in order to get this deal done. There are plenty of misrepresentations. Now, the city based its -- based its tax -- sales tax refuse of revenue projections on a 100% capture rate. That means the city expected 100% new shoppers were going to shop at the domain. They were supposed to appear and not take business from our locally owned businesses. That didn't happen. The domain has cannibalized business such as the people who

own by George, their sales are down. Reed's supper club was shut down out at the gateway center. They were open, Reed Clemons called me a week before Christmas and said I'm a poster child for the des moines. He said the domain opened and my business suffered and I closed my doors. Were your sales dropping in he said I was in the same location for 10 years, every year my sales were going up. First quarter of 2006 was -- first quarter of 2007 was up over 2006. The domain opened and my clientele left. I had a corporate clientele. When the boss comes in, they would take their employees out to dinner. They don't know because now it's closed. It has had real impact. The department stores have gone from -- they did predatory hiring around town. They hired away full-time employees from the -- our beloved businesses, the one that the city seems to, you know, pay respect to. Blackmail said she lost her two full-time employees. They don't mind competition, but when competition is brought in by tax dollars, it real is irksome to local retailers. They say who created those jobs. Well, it wasn't the domain because math and Katy will tell you we're the ones who put the help wanted signs on our door when the retailers hired away our employees. This language, I'm supposed to stand here and make a decision on it right now. Frankly it's not my decision because seems like you guys are there. I can't stand here and analyze and tell you what I think about it because you added a number of words. So i-i do think the whole process was hostile. Waiting till the last minute. I think that's probably what we'll just have to go with. I appeal to mayor pro tem McCracken, and we spoke in your office and our thoughts were you went be messing with the language. I would like to see the language put forth -- the language that came out of the city attorney's office we liked. I mean it came out the stuff that appeared on the ballot, on agenda item 4, we all approved. We didn't originate it. It came from city staff. We had people write in say we like that language. And for some reason now it's being changed. Like I said, you know, we've had over six months to deal with it and now it's the last hour and I guess I'm supposed to accept that. I would prefer if you went back to the language as it was prepared by city staff because that's what we prefer. And I suppose that's probably all have I to say. Thank you.

Mayor Wynn: Thank you, Mr. Rogers. [Applause]

Mayor Wynn: The next speaker is bill bunch. Earlier today the city attorney characterized the language that was in our backup as generic. I think he used the word placeholing language. You made very specific that wasn't your recommended language. In fact, that was staff placeholder language in a draft resolution. As opposed to what you have recommended now.

That's correct, mayor. I asked my staff to come up with the simplest language possible simply to hold the place.

Mayor Wynn: Thank you. Welcome back, bill. You have three minutes.

Thank you, mayor, city manager, councilmembers. Just to pick up on that last point, city attorney made that statement at, what, like 2:00 this afternoon? The language had been circulating with the agenda since last Friday. And it was fully understood by everybody that there is was the language that the city was recommending and that it was agreeable. So it's totally inappropriate to be springing this entirely new language on folks at, you 00 this afternoon. If you look at the language, the first phrase is a false statement. prohibit the city from entering into future agreements to provide financial incentives. It does



not do that. It prohibits certain kinds. But this is saying it prohibits all kinds. That is the normal reading of that sentence. So I think it's highly misleading. I think it's highly inappropriate. Rogers has made it crystal clear to your staff and the entire city council that he wanted to work with you. He had the understanding that there was agreed language that was clear, that was reflective and accurate to the charter amendment. And then this comes up. From where? I mean we had what the city staff attorneys wrote. Who wrote this? That's a real question. It's not a rhetorical question. It would be really nice to know who wrote this. We've seen this game before. It's really unfortunate. Extremely hostile to citizens who are trying to make this community a better place whether you agree with them or not. Two words about the deal is a deal that haven't been approached or broached much. The original deal violated the constitution of the state of Texas because the council is binding future councils to make cash payments, and they had no authority to do that. A deal that is invalid under the state constitution is not a deal. You don't have to honor that deal. In fact, you are prohibited from honoring that deal. You were sued on it, you settled in a way that made it clear that those future payments were optional. And that's all that this does. And that's what the community needs to know. So to the extent people keep repeating a deal is a deal, no, an unconstitutional deal is not a deal. This was a horrible deal. It needs to not happen again, but you need to be fair to the citizens and go back to the language that your own staff attorneys drafted that had been vetted with the community in which the community had accepted and agreed to. Thank you. [Applause]

Mayor Wynn: Thank you. [Inaudible].

I'm going to have a prop to show so I don't need the language up there, if you don't mind. My name is Wes Benedict and I live in south austin. I'm the executive director of the live tearian party of Texas. Libertarians stand for free markets and civil liberties. I testified against this subsidy five years ago when the city council used to meet at the lcra building. I knew it was wrong then. I don't care if you try to trick the voters by messing with the ballot long on prop 2, we're going to pass it anyway. Everyone knows there's something wrong when you keep jacking up taxes on small businesses and even strip malls where poor people shop and then hand out a \$65 million subsidy to the domain luxury mall owned by one of the biggest mall developers in the world. Now, I visited the domain mall once to do some -- to take some demographic counts. When I was inside neiman Marcus, I saw this \$46 pair of underwear. And I decided I just got to have it. [Laughter] and I tell you what, these underwear are very comfortable. They are way better than the \$2 kind you get at wal-mart. And I'm talking about \$46 for one pair per pack. I think it's outrageous to be subsidizing people who buy \$46 pair of underwear. Last week there was a piece in the austin chronicle about corruption theory, talking about how people don't realize the return on investment they will see by putting money into politics. How much is it worth to a company to spend on lobbying the austin city council or austin city staff to get a \$65 million subsidy. I look forward to sending a message to Simon development and every other mega corporation around the world that if you come here to screw austin taxpayers, austin taxpayers will rise up and screw you right back. No decent smart, honest person could support this deal. I think some of y'all are smart, but you are trying to pretend you are just a bunch of stubborn fools by sticking with this fool. But I'm not buying it and I don't think others are either. Tonight when you go home, I want each one of you on the council to look in the mirror and ask yourself, are you smart and corrupt? Or are you just stupid? Thank you.

Mayor Wynn: The next speaker is Mike Ford. You will have three minutes to be followed by Johnny Barnett. Mike Ford signed up wishing to speak. How about Johnny Barnett. How about Roy Whaley. Roy, welcome back. You'll have three minutes to be followed by Debbie Russell. Actually not. You are our last speaker.

Howdy, y'all, I'm Roy Whaley speaking as an individual this evening. And I don't approve of the ballot language. Apparently whether it comes to ballot language, a deal is not a deal. I think that it should be stated in a way that people can clearly understand that this is specifically about retail. Clear language is important. There are a lot of people that do not see their subprime mortgage that was poorly explained to them as a deal is a deal. There are going to be people that look at this and say we're giving away my tax dollars to subsidize the second largest or the largest mall builder in America. And the language didn't really make it clear to me that it's not about just retail; that we could be using these tax dollars to bring businesses downtown, employers downtown so that our downtown density that will help us reduce, we hope, sprawl, if we bring employers downtown with this kind of incentive, then we have more of a real market downtown and not a lifestyle market. Which changes. Lifestyles change. We used to wear \$2 underwear. [Laughter] so make the ballot language clear. Let us know what we're voting for. A deal is a deal. That's great, but not a rotten deal. Everyone walks out of a rotten deal and there is a way to do that. Thank you very much for your time. [Applause]

Mayor Wynn: Thank you, Roy. Council, that's all the -- that's all the folks who signed up wish to go give testimony a number of folks signed up not wish to go speak, folks signing up for -- some of the similar testimony we've heard before, we'll note those names for the record. Councilmember Shade.

Shade: We added the word "retail" because that wasn't in the vague language that was provided as the placeholder. Secondly this language that's in front of you now is much closer to the language that was actually suggested by BRIAN ROGERS ON AUGUST 4th. And I am somebody who is equally frustrated with the fact this is last minute. I just want you to understand that I did not think -- and we got lots of comments too suggesting that the vagueness of the placeholder was in fact not giving voters the idea what they should be voting for. I'm somebody that actually said let's look at Brian's language, let's use the word "retail," let's just use the word " " and if you look at this language, which I realize you didn't have much time to look at, nor did we, however, it's taken directly from the charted amendment that people are voting on. And I think that's what they should know what they are voting for. If it's vague, they don't know what they are voting for. That's what we tried to achieve and I share your frustration with this being last minute and if you will look at this, you will see most of the comments he just made are reflected in what's being suggested. I was told it has to be in a question form, but otherwise it's very much like what Brian suggested in a letter to us.

Mayor Wynn: If I could build on that, our city attorney in closed session, the legal advice was from his election law attorneys. The attorneys that we had giving us this recommendation specifically are trained and have the experience in specific Texas election law. Further comments, questions? Motions? Technically item number 4 -- city attorney, is that -- this is coming from our city clerk's department because it has two items on it. We've been focusing on this language because it's unique and it's a citizens petition, but ultimately item number 4 would include our city auditor amendment as well.

Correct?

That's correct, mayor. And the -- the language for proposition 1 relating to the city auditor was actually language approved by council back in may. So if a councilmember wants to move on item 4 based on my recommendation on the language for proposition 2, that motion would be something like this: I move to approve the ordinance ordering the NOVEMBER 4th, 2008 ELECTION, With an amendment to part 2 of the draft ordinance to substitute the city attorney's recommended ballot language for the draft placeholder language for proposition 2. And it would be understood that the attorney's recommended ballot language is what I read into the record. If a councilmember wants to make motion of that language they can change that language accordingly.

Mayor Wynn: Can we put it back on the screen, please? Further comments, questions? If not, I'll entertain a proposed motion. Motion by the mayor pro tem, seconded by councilmember shade to approve the motion as offered by the city attorney. Further comment? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of 7-0. Thank you all very much for your patience. Council, that now takes us to our zoning cases for the evening. I believe. Welcome, Mr. Guernsey.

Thank you, mayor and council. Greg Guernsey, director of neighborhood planning and zoning. At this time I would like to 00 -- like to 00 zoning items. These are items where the public hearings have been closed. The first item I'd like to offer --

Mayor Wynn: againsty --

at least over here talking, wanted to find out from the oak hill residents about their preference about should we try to go forward with the contested cases this evening or perhaps instead have a specially called meeting or a postponed meeting. You all have already been here and wanted to ask guidance on how you prefer to do it tonight. There's a lot of people and if it was consensus they wanted to go to a specially called meeting in the future or not good tonight, we could send them home now if they wanted to do it. We could walk through it too.

Mayor Wynn: Well, I don't know how many, obviously a good number have -- how many folks have stayed with us, excuse me. We originally had up to about 63 people signing up wish to go speak on the largest of the three posted items. And my thought was we're probably going to call all three up at one time. Should everybody give us testimony, that's 200 minutes. Right? Of testimony. Again, some of these folks might be speaking generically about the land use map, some about the neighborhood plan, but a number of them sure about very specific contested zoning tracts.

McCracken: Mayor, maybe the suggestion is while Greg is reading the zoning docket and the folks from oak hill could confer among themselves and give us their preferred course at the time once we read through the consent agenda, maybe give them time to talk right now.

Mayor and council, they may be able to do it by a show of hand. Three questions, do you want to go,

special meeting or perhaps postpone.

Mayor Wynn: Just to really confuse everybody, occasionally when we have neighborhood plans that, you know, just geographically probably the majority of tracts for whatever reason aren't contested, at times we have taken neighborhood plans whereby we essentially get a presentation, approve the neighborhood plan and approve all the noncontested tracts, the zoning cases within that plan. And then -- you know, so that way folks that did want to see the plan happen didn't have problems with it have that assurance and they get to go home. And then we end up postponing the contested case -- cases, and then ultimately that then allows staff and councilmembers and everybody else to try to start working out some of those differences. And then we have a second meeting, you know, oftentimes a couple of weeks later whereby we then just take up each of those zoning cases and sort of slug it out with a motion sheet. If there are a bunch of folks who essentially support the plan -- haven't really talked to councilmembers about this -- support the plan in general and perhaps are a property owner who are not contesting that -- that zoning designation, then one opportunity is we approve that and those noncontested cases, postpone all the contested cases and then set an agenda for another meeting to slug those out. Or we could try to start working our way through the contested cases tonight too. But it will be wee hours tonight. It will still be a lengthy meeting whenever we do it, but, you know, we have a fighting chance perhaps of 00, 00 on some of those contested cases. Councilmember Leffingwell.

Leffingwell: Could I just say I would endorse that course of actionment that's what we've done many times in the past is go ahead and deal with the uncontested cases and handle the contested once and kind of narrow the field and give people a chance to focus on what those contested cases are. And let me just say that I personally would be opposed to a special called meeting just for this purpose.

Mayor Wynn: Councilmember Morrison.

Morrison: There are several contested cases. Are you saying we would put all of them off or-

Mayor Wynn: Either way. I think the most common practice we've had is we postpone contested cases. We try to approve as much consensus as there is on the table at the time. Guernsey, I guess that has included in the past we have approved the vast majority of an f lum, but didn't approve a few individual tracts within that flum because even the land use designation was contested as well. Has that been the case? [One moment, please, for change in captioners]

the flum, future land use map associated with the plan. Then there's a very short, probably four or five of the contested tracks that were both zoning and flum, and then finally the contested zoning, which I think there's only about seven of those or so. Then we would ask, if there was anyone else here that was not present at the last meeting, or that has been recently introduced to this process that could come forward, if they had any other contested tracks, then we could go through the Tem? if -- I guess it would be helpful to get guys from staff -- if we're not going to do a special called meeting or we are to do one, we probably need to know before we make that decision what kind of time we're looking at. I mean, if we're looking at four or five hours, which I'm gathering we probably are, my personal sense is we should both out of respect for everybody that's been involved in the oak hill planning effort as well as the other

zoning cases might be on a future docket, that we carve this out as a specially called meeting. If it were two hours we can do it at a future council meeting. I guess we need guidance from staff about what time of time commitment we're looking at here.

You have to put on your crystal ball, because we are here for you too, Greg. [Laughter]

Thank you. One thing I might suggest, you could delay this one week, and then -- wait, wait, let me finish -- delay this one week, and if you wanted to think about having a special meeting you could announce it next week, and that would give you some flexibility of time, if you wanted to do that. Understand that we probably would not be able to take action on this next week because council, I know, wants to adjourn early, but it would give everyone time for tomorrow and -- to think about a day that if you -- if council desired to call a special-called meeting to deal with this.

Greg, let me stop you. So if we were to take that approach, if I understand you, we would postpone for a week but tell everybody here this evening, this is not going to come up next week, but give us guidance over the next seven days of what date certain is the will of the -- the consensus of the folks involved in the planning effort.

We could try to take a survey poll of those stake stakeholders involved in the contested cases. I know that way you could probably get a better idea of your own schedules, granted that you have budget coming up the second week in September. Maybe the week after that. But before the 25th or something like that.

Greg, if you don't mind I'd like to hear from Sandy Baldrige, just to hear from one of the representatives of Oak Hill. Folks have stayed a long time this evening and we really apologize for the fact that you had to stay this long this evening and all the business that's gone on.

Mayor, prior meeting, council members, I'd like to offer that there are a number of people here that are on specifically two cases, that being the Jackie Waters Loma Vista case and 4808 William Canon. I think if you would deal with those two cases, then we could come back as a group and deal with the entire Oak Hill flume and the rest of the cases, because I think that there are members here that have been really frustrated by the process and this would help get this resolved. Sandy, is it your recommendation that we move forward on just those two cases this evening?

Just those two cases. I see Duane and David.

May we approach, your honors? We were running that discussion. Because the rationale was a lot of these folks have already showed up and maybe get their cases done, but I was just talking to some of the folks, particularly from the Loma Vista, Jackie Waters case, and they were indicating they would prefer a postponement. I think some of the folks on 4808 have indicated they would rather take it up tonight. From the straw poll perspective I think that's the guidance we got.

Is this a --

in other words I think that some of the folks from 4808, what are you-all thinking?

They can stay. They can stay. I'm sorry. What is -- what is 48 -- what does 4808 prefer to do? But anyway, the idea -- I also think there's strong preference for a specially called meeting if something is done in the future. Thank you all. mayor and council the agent for 4808, Jeff hour, is indicating he's submitting a request for postponement this evening. He would also ask that any action taken on the future land use map involving that tract also be delayed. This would be his first request. He is here to speak to that if you'd like to speak with him. I think we have the guidance, and so what I -- as we take this up, I will personally recommend that we follow Guernsey's recommendation of postponing this for a week, technically, with the guidance -- with the acknowledgment that we will decide over the next seven days the date certain, whether that be a special carved meeting or a carved out period in a future meeting. Is that -- and then take a presentation tonight. yes, mayor pro tem, that was my suggestion. However, I would need to probably read the contested items into the record, so those that are here know that those are the items that would not be taken action upon this evening, and I'm prepared to go through that if you'd like. welcome, Mickey.

Mayor Wynn, mayor pro tem, members of council and city manager. H.r. Mickey Bentley. I was sick last week when they were making the presentation for the oak hill plan. I'm starting to feel bad myself now. [Laughter]

mayor Wynn: other.

But I have -- I had two min --

mayor Wynn: sorry.

But I had two minutes of a presentation that I would like to add to that presentation tonight for the oak hill plan, if I could have your indulgence please. it sounds like I think we're talking about having the staff presentation, having a presentation of the answers to questions presenting the plan, and so I think there will be the ability for a little bit of sort of, you know, testimony and input about the plan, but we'll be announcing that we're postponing -- or is the proposal all action or just action on contested cases? if you want something quick, it would be easier to delay all action. It will take me a while to go through the alphabet soup here of each parcel by tract and number. do we want to hear the presentation, though? Do we have to have the presentation, let everybody hear it who wants to sit through it, and we could -- we could then bring this back next week and be clear what we believe are the items that could be taken that are not contested, because we have gone -- staff has gone through trouble, and look through only those contested, so we're bringing you that. We could tell you what's left maybe easier than we could tell -- well, we'll figure that out. But it would be easier right now to delay all action on all three items and bring this back. We could work out the particular date, and we could certainly make sure that this list is on the internet so everybody can , you know,, you know, what cases are contested, so when I read them in next week and say tract e, people will know what tract e is because it's already been written

down and out on the internet for a week. That might be easier. well, then why don't we begin with your Guernsey, because I know we have the legal requirements of reading stuff into the record and making sure we do something today because everything is noticed and --

mayor and council, do you want me to read oak hill first and then you can take -- well, I guess since we're going to have to have a staff report, let me go to the consent agenda like we normally do, take those consent items and clear that and then we can go on the remainder of the agenda.

Mayor Wynn: thank you. with that, let 00 zoning ordinance and restricted covenants. The first item for consent 46, case c14 2008-0082 for the property located at 1403 Morgan lane. This is approved second and third reading of that property, from its existing zoning of family residence or sf three limited zoning or lo district zoning to neighborhood office mixed use conditional overlay or no mu-co, combined district zoning for tract one and general office conditional overlay or go-co combined district zoning for tract 2. This is ready for consent, approval on second and third readings. 48 are related item. These a 01, known as oak meadows. This is an amendment to the Dawson neighborhood plan an element of the austin tomorrow plan. To change the land use deciding that nation for the property located at 3715 south first street from siskt to mixed use -- excuse me, from civic to mixed use and multifamily use. The related zoning item is case c14 2008-0105, oak meadows again, the same property at 3715 south first street, to dhaing the zoning from family residence neighborhood plan or sf-3 mp combined district zoning to general office vertical mixed use building conditional overlay or govco combined district zoning. I'll note, council, that staff would like to add the np combining district to this one, when we did this on first reading staff neglected, I neglected to tell you that there was a neighborhood planning combining district on this, so we changed it to god co-np for this one. We were informed that we did not notify an individual property owner, and I understand that property owner's agent is here this evening. It's a ma alani Patel and that she wanted to speak to council, but I think we could let her speak to this item on behalf of 47 and 48 -- actually leave it on the consent agenda but make sure that she was on the record, having the ability to speak to this item. And I'm not sure if she is in the audience right now given the late hour. But we could leave that as a consent item with her testimony being put in the record so you could hear it.

Mayor Wynn: yes. Thank you. 49, case c14-2007-0144 for the property at 800 west avenue. This is a rezoning change request for 800 west avenue from general office or go district zoning to -- and limited zoning or lo district zoning to downtown or dmu-co combined district zoning. I'll note that there is a valid petition that currently stands on this property at 25.75%. I understand that council may have desire to only consider this on second reading this evening. There is not a private restrictive covenant executed with regard to this property. That was discussed, I believe, at first reading. With that staff would offer this as second reading only as a consent item, for or second and third, but we do not have a private agreement that's been executed among the different parties. I think the will -- I have heard people talking about second reading only on this case.

Very good. Let me continue. 49 would only be for second reading only. 50 is case c14-2008-0034. This is a university hills neighborhood planning area, vertical mixed use building, zoning opt-in/opt-out process to approve second and third reading of what you did on first reading, so this is ready for second

and third reading for the university hills neighborhood, vertical mixed use. 51, this is case c-14-2008-0088, the Allendale neighborhood planning area, vertical mixed use building, so approve second and third reading on this. This would be what you approved on first reading. I'll note that there's a related item that this would not include tra 5 locate located at 6318 and 6546, at 29, 17, 25 Anderson lane west or 7847, 7949 shoal creek boulevard and tract 15 at 7800 and -- shoal creek boulevard. That is not part of this item. That will be a later item. I'll discuss it as item 52. 51 could be offered for consent for second and third reading on the consent agenda, and that concludes the items I could offer as consent at this time. thank you, Mr. Guernsey. So council, our proposed consent agenda on these cases where we have already conducted -- closed the public hearing would be to approve items 46, 47 and 48 on second and third reading, with some additional testimony here for the record on items 47 and 48, to approve on second reading only item 49 and to approve second and third reading for both items 50 and 51. I'll entertain that motion before then taking comment. lamani patel here to speak to item 47 and 48. we have a motion by council member Martinez approving the consent agenda as proposed. Seconded by council member Cole. Council member Leffingwell? I understood that there was a potential amendment to the Allendale. Is that taken care of, to leave it on consent with the pension potential amendment?

I think the -- I think it got put into the record by the clerk.

Council members, I believe the one you're interested in is item no. 52, And there is some additional language I'll read in the record when we get to that item. This is also Allendale, but the one that I think there is an agreement on is the one where there's a public hearing still open. So I'll get to that in a moment.

Mayor Wynn: okay. So again, I think there was an agent or interested party who wanted to give us additional testimony for the record for item 47 and 48, I think malini patel. Is she with us? then we will just note her interest for the record. Council member Morrison? on two of the items on the consent agenda, 48 -- or 47 and 48 combined, it appears that there has been some confusion among some parties about what the -- this is the vmu case in Dawson, about what the affordability level was, and there were some neighbors that thought that it was at 60%, but, in fact, when it was formally voted it was 80%. So it really raised the issue of when a new piece of property -- when a piece of property is becoming vmu in a neighborhood that already has a recommendation on the affordability level that's been adopted by council, what should that affordability level be? And I wanted to raise that as an issue that I think that we as a council need to discuss and bring back to give direction. Perhaps it will need an ordinance change or maybe it can just be talking with the folks in the community, figuring it out and make a resolution. But that's an open item, and clearly some people were assuming that when a new piece of property became vmu, that that piece of property would automatically go with the neighborhood level, but that didn't happen in this case so we need to straighten that out. And then I want to comment 49, that that's the case at 800 west that we're considering on second reading right now, and I'm going to speak up for my colleague, council member shade, who is off the dais right now, but I know that she was very interested in ensuring that the parties come together and see if there's some way that this can be a bit of a more compatible -- I hope I'm not putting words into her mouth -- a more compatible development for the neighborhood, and on that I wanted to show myself as voting no on item no. 49.



Thank you. thank you again. Further comments on our proposed consent agenda? If not, all in favor please say aye.

Aye.

Mayor Wynn: aye. Opposed? Motion passes on a vote of 6-0 with council member shade off the dais noting council member Morrison's nay vote on item 49, second reading only. Council member Martinez? item 49 had a valid petition and shade is off the dais.

> It's second reading only. We anticipate a number of changes prior to third reading.

Martinez: thank you.

Mayor Wynn: thank you. thank you, mayor and council. 00 zoning. These are open and there's possible action this evening. 52, case c14-2008-0088, part -- this is the other Allendale part, for the Allendale neighborhood planning area, vmu building opt-in/opt-out process. This is to consider second and third reading on properties located at 6318 to 6546 road known as tract 5 for the property located at 2917 to 3817 west lane and 7847, 7849 shoal creek boulevard known as tract 14, and for the property located at 7800 to 7858 shoal creek boulevard known as tract 15. This is to approve second and third readings. There is some language that I understand the neighbors and the property owner have agreed to regarding tract 5 b. On your dais there should be a yellow version of an ordinance. In regards to that ordinance, page 3 of 4, under part 5, perhaps b, it would note that vehicular access for vertical mixed use building, vmu in parentheses, project on 5 b, is prohibited from or through an adjacent residential property along anesco drive, twin oaks drive and white horse trail as currently configured, less intensively than csv, emergency vehicle access is allowed for fire or safety purposes. And with that understanding of this new paragraph that would be added to this ordinance, I understand that there is agreement with the neighbors in Allendale and the property owner -- with the property owners john denisi. I don't hear any opposition from the audience with that change, so we could offer this change this evening for second and third reading on item no. 52. 53 is case c14-2008-0044.001. This is the Windsor park neighborhood planning area, vertical mixed use building, for the property located at 5701 Cameron road and 1200 ridgehaven drive. The planning commission will review this on September 23, 2008, so staff is recommending a postponement of this item to your October 2 agenda. 53 for postponement. Item no. 54. This 01 white/ih ba, bioretention/extended detention pond. This is an amendment to the southeast combined neighborhood plan for the property at 5405 1/2 south ih-35 service road northbound to change the use map from commercial to civic for this property. The council did recommend the civic designate in relate the zoning case 54 is related to 55, and this is case c14-2008-0102 for the same property at 5405 ih service road northbound, to change the zoning from community commercial, conditional overlay, neighborhood plan or gr-co mp combined district zoning to public conditional overlay neighborhood plan or p-co-mp combined district zoning. The planning commission's recommendation was to grant the p-comp combined district zoning and both 54 and 55 are ready for consent approval on all three readings. 30 56 is case c14-2008-0114 for the property located at 2105 and 2107 west slaughter lane. This is to zone the property from single-family standard lot or sf-2 district zoning to neighborhood commercial or lor district zoning. Zoning and planning

commission recommendation was to grant limited off lo-co combined district zoning. This is ready for consent approval on all three readings. 57 is case c14-2008-0118, the professional center located at 4701 Westgate boulevard, to zone from limited office and go district zoning to neighborhood commercial conditional overlay, or lo-co combined district zoning. The zoning and platting recommendation was to grant the lr-co combined district zoning and this is ready for consent approval on all three readings. 58 is case c14-2008-0135. Known as the frate barker nursing center at 2101 frate barker road. This is to zone the property from interim residence or i-rr district zoning to general office or go district zoning. The zoning and platting recommendation was to grant li.ed off or lo-co zoning. This is ready for consent approval on all three readings. 59 is case c14 h-2008-0018, that is the continental club, historic zoning case for the property at 1315 south congress avenue. This is to zone the property for commercial liquor sales, vertical mixed use building, conditional overlay, neighborhood conservation combining district, neighborhood plan or cs-1 bcomp, combined district zoning to commercial liquor sales, historic landmark, vertical mixed use conditional overlay, neighborhood conservation combining neighborhood plan chnccmp combined district zoning. The planning recommendation was to grant the mccdm combined district zoning. This is ready for consent approval on all three readings. 60, case c14-2008-0052, known as the tjg property located at 9609 Swanson ranch road, the planning commission considered this item -- the zoning and platting commission considered this earlier this week and recommended gco zoning on this property. Applicant however has requested a postponement of this item. The first request before council, to your September 25 agenda. 60, applicant request for postpone September 25. 61, this is case c14-2008-0100, for the property located at 8008 south congress avenue. This is a discussion item that will not be offered as consent. 62, this is case c14-2008-0115, known as the William canyon property at 4808 west William canon drive. You may recall earlier, mayor, that Jeff Howard representing the property owner has requested a one-week postponement of this item to discuss new information with the neighborhood. Howard would like to come forward and speak to the postponement of this item. In light of your earlier discussions I'm not sure what his exact position would be, but he is requesting a one-week postponement of item 62. 63, this is case c14-2008-0020, known as the sundberg tract at 8219 Burleson road. The applicant has requested a postponement to September 25 agenda. He's still working out some conditions I think related to the restrictive covenant. So it's a postponement 63 to your September 25 agenda. Item 64, case c14-2008, sh/sol property, at 1129 and 1133 altum street, change from sf-4 and combining district zoning to sf-3-np combining district zoning. The planning commission recommendation was to grant the sf-3-np combining district zoning and this is ready for consent approval on all three readings. 66 are related. This 02, for the property located at 1600, 1602, 1604 and 1604 east martin Luther king. This is to the upper boggy creek, related zoni c14-2008-0099. Both of these are discussions. Applicant would like to speak to those two items. 67, this is case 01, the govalle/johnston terrace planning area vertical mixed use planning area opt-in/opt-out. Related zoning items, 68, case c14-2007-0259, johns do valley Johnston terrace combined neighborhood planning area, vertical mixed use opt-in/opt-out. These are both discussion items and then item 69, 70 and 71, which are related to the oak hill plan and the oak hill rezonings. Case npa 025. This is the oak hill combined neighborhood plan, case c14-2008-0125, the west oak hill impinged neighborhood planning area rezonings, case c14-2008-0129, he's oak hill combined neighborhood plan planning. Those -- in order to allow staff to make a presentation on these items, 69, 70 and 71. That concludes the items I can offer for consent regarding this portion of your zoning agenda. thank you, Mr.

Guernsey. So council, our proposed consent agenda on these cases where we have yet to close and/or conduct a public hearing would be to close the public hearing and approve on second and third 52, with additional comments for the record. and mayor, I need to amend what I had said. I guess both parties have looked at the language and they would like to delete two words from the ordinance. as long as they're in agreement.

Let me read that paragraph b one more time. 52 regarding the c14-2008-0088 part, the Allendale neighborhood planning, vertical mixed use building. Approved second and third reading. The amendment to paragraph b would delete the words "in adjacent from lot 18 of that, so the language of that paragraph would read, vehicular access for the vertical mixed use building, or vmu parentheses, project for tract 5 b is prohibited from or through the adjacent residential property located along the drive, twin oaks drive or white horse trail currently as configured, as well as from or through, and then deleting and adjacent, so deleting those words, property zoned less intensively than csf, emergency vehicular access is allowed for fire or safety purposes. So noting that one change, and I apologize, on that item 52, that language, it could still go on for second and third reading. thank you Mr. Guernsey. So continuing on the proposed consent agenda would be to postpone 53 to October 2, 2008, to close the public hearing and approve on all three readings cases 54, 55, 56, 57, 58 and 59, to postpone item 60 to September 25, 2008, postpone item 62 to august 28, 2008, postpone item 63, again, to September 25, 2008, and to close the public hearing and approve on all three readings case 64. I'll entertain that motion. motion made by the mayor pro tem, seconded by council member Cole to approve the consent agenda as proposed. Further comments? And did we need to get some comment from -- was there agent or somebody, Guernsey, on -- I think that was on your earlier item, on the first portion. Jeff Howard did indicate earlier that he wanted to request a postponement, but I think you're granting it and that was -- well, here's Mr. Howard. He can speak on behalf of item no. 62.

I hadn't requested a postponement to the 28th but you-all know there's some desire on the part of council to keep that meeting short. I was okay with September 25 but I think if you include 62, which is William canyon with you do for oak hill because that's tied in to oak hill flum. I would suggest you postpone it to whatever you're going to do with oak hill.

Mayor Wynn: thank you. We have a motion and second on the table approving the consent agenda as proposed. Further comments? Hearing none, all those in favor please say aye.

Aye.

Mayor Wynn: aye. Opposed? Motion passes on a vote of 7-0. thank you, mayor and council. I can continue on in the order of the agenda -- well, my instinct we should, out of respect for so many people being here and the effort that's already been given, we should go ahead -- if we're going to have discussion items we should send as many people home sooner rather than later by taking up the oak hill items first, unless there's objection. I know there's a handful of other discussion cases and I'm sorry for that, but more people get home sooner if we take up the combined presentation, again, noting that we're not going to be taking action that we take at the presentation on oak -- that we take up the

presentation on oak hill, item 69, 70 and 71.

Let me introduce those 69 is case mpa 2008-0025, known as the oak hill combined neighborhood plan. This would be amending the austin tomorrow comprehensive plan for the oak hill combined neighborhood plan, generally bounded by southwest parkway to the north, Barton creek greenbelt to the east, fm 1826, Davis lane, Claremont drive, Abilene and convict hill, Thomas springs, circle drive and west view road to the west. The zoning-related items are 70, case c14-2008-0125 known as the west oak hill combined neighborhood planning rezoning areas, and item no. 71, Case c14-2008-0129, and that is the east oak hill combined neighborhood planning rezonings. Mayor and council, I want to remind you, I, Greg guernseyam the director of the planning department. I am a ready and property owner of oak hill -- resident and property owner. I have not participated in the substance of the discussions on the plan presented to you, nor the plan recommendations or the zoning recommendses related directly to this plan, so I will not be participating in the majority of the discussions this evening. I might speak to the procedural items but not to the substance of the zoning recommendses or the plan. And with that I will turn it over to Maureen Reynolds and she is here to make the presentation along with other staff from our watershed protection redevelopment department and will walk through the summary of the plan of the items that took place last week, and the questions that you had from last week. -- Or two weeks ago. Thank you.

Can I make my two-minute presentation? why don't we get -- why don't we get the summary from Maureen, Mickey, first, unless you think -- I think it sets the Meredith gives the summary presentation.

Heck of a lot prettier.

Mayor Wynn: she is. Welcome, ms. Meredith.

Hello. Good evening, mayor and council. My name is Maureen Meredith, I'll be making the presentation regarding the oak hill neighborhood plan. This case number is np-2008-0025, c14-2008-0125 and c14-2008-0129. From the august 7, 2008 public hearing city council directed staff to explore five areas. The first one is being presented by neighborhood planning staff, myself. Is that me? It was to identify corridors along highways that could mimic strip center development, identify ways to mitigate, and get ideas on what should be reflected on the land use map for those areas. The second directive was to analyze the potential build-out of the proposed flum according to the maximum zoning based district allowed within the various land use categories. We were not to include ch commercial highway as a base zoning district and to account for development regulations such as impervious cover. The third directive was to investigate the use of the hill country roadway ordinance for the oak hill and fm 1826 with special emphasis for signage, height, trees, vegetation, curb cuts and the preservation of the natural beauty of the environment. And also to evaluate how the hill country roadway ordinance might achieve the goals of the neighborhood plan. The fourth directive was to explore the possibility of dedicating mitigation fees resulting from the redevelopment of properties in oak hill to purchase open space within the area neighborhoods. The fifth was to provide a map that layers various maps within the plan, such as parks, transportation, recommendations and the future land use map. And the directive was that these should be gis layers to make them more useful and easily accessible. So with the first

directive I will just go through the existing development that is along the corridors of highway 290, highway 290, the state highway 71. This is the aerial photo of oak hill area. I thought I would go ahead and provide the oak hill land use goals. Provide opportunities for high quality new development, redevelopment, balanced development and environmental protection by maintaining a vibrant residential and commercial community that demonstrates carried stewardship of the environment. And the fourth one is particularly relevant to the presentation. It is to create a mix of uses in existing corridors of commercial development that will provide a diversity of local services, convenient to neighborhoods and to establish commercial nodes which are concentrated activity areas at strategic locations. This is the -- the planning commission approved flum, we'll be looking at these three corridors. Let me get my pointer. This first corridor will be from loop 1 to west creek. This is the existing zoning map, which has the aerial photos underneath. The existing zoning along this corridor is predominantly cs, go, gr, some single-family and dr. The single-family is being rezoned to gr. The future land use recommendations along this corridor are commercial, neighborhood commercial, mixed use, civic and neighborhood mixed use. And I was going to quickly go through the slides starting with the north side, to show to council the existing development along highway 290. This is the north side. And this is moving toward the y. Now we're going to look at the south side moving toward loop 1. This is the school, and commercial. You can see the majority of properties are developed, and now we're at the loop where the target is. Next we'll look at west creek drive to William canon drive on the north side. The existing zoning in this area is community retail, single-family and dr. The dr is being proposed to be rezoned to gr, and commercial services and mobile home. The flum recommendations along this corridor is neighborhood commercial, neighborhood mixed use, civic and open space. And this is just moving toward the y that was an undeveloped tract. This is existing commercial. Existing commercial. Historic building, nursery. And then William canon. South side, commercial, shopping center. This tract was right away taken for the highway 290 expansion, undeveloped, to more commercial. This is the ball field, church, commercial. This is the mobile home park on highway 290, bank, more commercial. Now we'll look at William canon to the y. The existing zoning in this corridor is p for public, neighborhood commercial, single-family, gr, commercial services and dr. The flum recommendations along this corridor is industry, mixed use, major plan development, neighborhood commercial and commercial. The industry is this right here, which is freescale, hold on. Freescale, which is this area here. So we're looking at more commercial. And now at the y, the aerial photo shows some tracts that are currently undeveloped. This property here is zoned gr -- I'm sorry, go. This is the planned development. Most of those zoning along this corridor, we have a couple tracts that are gr. These are gr. This is proposed to be gr. On the south side there is civic -- I'm sorry, this is go where seton is, seton hospital. Cs, and along the corridor are some office and multifamily. The future land use recommendations, this is major planned development. This is civic for seton, commercial, some office and multifamily. From the y to fm 1826, the current zoning map shows the -- I can't -- the go, some gr. Again, the pud development and cs. This is some of the -- sorry. I can't go any faster. sorry, Maureen.

I just discussed with the mayor, I want to be clear because I know a lot of you are still here. It's my understanding, and the mayor has confirmed, that the intention this evening so to go through and address the council questions, action on the plan, and the affected rezonings will be delayed one week, be postponed to next week. That includes all the contested items. Basically everything that's on the

agenda. Next week council will consider the uncontested items and will defer action to some point in the future of all the contested flum, the contested flum and zoning, and the contested zoning tracts to another meeting, which may be a date certain or a special-called meeting as council deems appropriate. And the mayor is nodding and I see a couple other council members nodding. So those that are here this evening, if you'd like to hear the rest of this presentation and addressing council questions, please stay, but if you feel that you must leave because of -- whatever, go ahead by all means because no action will be taken this evening on any particular tract.

[Inaudible]

mayor Wynn: yes, ma'am.

Perhaps you can come to the podium if you're going to ask a question.

For the record, mayor and council, Nancy haquist, and I'm representing shadow ridge crossing neighborhood, and I just have one question. You're not going to take any action on these contested items, but is the public hearing closed or will there be public hearings? we will not close the public hearing tonight. The question is whether we even open the public hearing. We'll hear the presentation from staff and hear their answers to our questions. I'm not sure if the will of the council is to -- my instinct is we'll wait to do public testimony when we're going to take some action. We'll take no action tonight. The idea is to only take action next Thursday on non-contested cases, and then we'll be by then announcing the, you know, day and time certain for when we'll postpone action on all contested cases. But we won't be closing the public hearing until all those -- ultimately all those cases are settled. The question, I guess, might be whether we are planning on taking public testimony tonight. I don't think that was the plan. I think it makes sense for us to take public testimony and have the public hearing when we will be taking action, which will be next Thursday -- next Thursday we'll only take action on non-contested cases, and frankly that gives some people who might have a contested case that's relatively close, you know, a week to see if they could, you know, work something out to get on the agenda for next Thursday and get their case done, and -- so we'll have a public hearing next Thursday and take action, but only on non-contested cases. And so frankly that probably won't be that much public testimony other than just about the merits of the plan, that kind of stuff, since cases won't be contested. The lengthy public hearings will actually be when we muscle through, you know, a zoning vote on contested cases, where we'll be having the true public hearing with the people in favor and people in opposition, rebuttals and that kind of thing. But so people are more than welcome to give public testimony next Thursday when we take action on a non-contested parts of the plan, but my instinct is most people want to speak because there is something they're passionate about a likely contested tract.

I just wanted to clarify that there wouldn't be any public testimony on contested items this evening.

Mayor Wynn: no, ma'am.

Okay.

Mayor Wynn: thank you.

Thank you. further clarification, the future land use map I guess is somewhat contested. Are we going to deal with that next week? well, I think the concept is to only deal with things that are not contested next week. so we could not deal with the future land use map if it's still contested? unless Guernsey thinks staff is okay with the concept of approving, you know, two-thirds of a flum and leaving some holes in it. it would not be the first time that we have done that.

Mayor Wynn: right. you could take action on -- I don't think there's a lot of dispute on the majority, probably of the existing single-family areas, remaining single-family.

Mayor Wynn: right. Thank you, Mr. Guernsey. Meredith, for interrupting.

Let's see, where was I? Reorient myself again. Okay. So we're at the y and we're moving toward fm 1826. The flum recommendations on the north side is the major plan development. On the south side is commercial, multifamily, office and neighborhood mixed use. In many cases as I go through the presentation, I should make it clear that the future land use map quite often is recommending a lower land use intensity than what it is currently zoned. I think this next area along highway 290 is a good example of that. So as -- moving toward highway 290 and 1826, we have h.e.b., albert son's. We've moving up 290 on the north side, undeveloped tract, acc, undeveloped, south side is undeveloped, and 1826 we have the gas station that is proposed to be rezoned to gr. The next segment is from fm 1826 to the general area of scenic brook. On the north side we have some grca -- commercial services, rural residential, some office and undeveloped tract, which we're proposing to rezone to lr, and it is this tract right here. The future land use map is primarily recommending neighborhood mixed use along the north corridor. On the south side is in county, so there's no existing zoning, but the future land use map is recommending large lot rural residential and mixed residential. This slide shows a view from scenic brook to fm 1826. You can see that part of the property is in the county where there's no zoning. Again, looking west from scenic brook, part of the property -- part of the planning area is in the county, and now we are going toward the y on highway 290. Okay. The next section we will look at west sh 71 moving north and for simplicity purposes I will call north and south of highway 71. Future land use map -- I'm sorry, the existing zoning along this area is gr, commercial services, some rural residential, general office, neighborhood commercial, multifamily, development reserve, and neighborhood office. The future land use map is primarily recommending neighborhood commercial along this corridor because the majority of the properties, as you can see, are within the critical water quality zone and water quality transition zone. So moving up highway 290, which I call the north side, you see the existing commercial development, undeveloped tract, commercial, undeveloped, some more commer office. This is the mobile home park at fletcher. So the next section is going from fletcher to old bee caves road. The existing zoning along this corridor is neighborhood commercial, a planned development district, general commercial, agriculture, multifamily, some rural residential and commercial services. The future land use map is recommending primarily lower land use intensity of mixed -- neighborhood mixed use along this corridor. On the south side some neighborhood mixed use at the corner of old bee caves road, sh

71, from rural residential along the south side where there is a critical water quality feature, and mixed use office. This is moving down the highway, going toward the y. This is covered bridge, we're moving toward the y from covered bridge. You can see on the north side of -- rather the south side of state 71 seems to have large lot developments and setbacks from the highway, and perhaps some potential -- now we're moving toward the y, and we have more commercial. This is state highway 71 and 290, the intersection. Based on the directive to identify corridors, and you see from the pictures that highway 290 and sh 71 are mostly developed with existing commercial. There are some undeveloped tracts. Some of the undeveloped tracts are within the critical water quality zone and water quality transition zones. To identify method to mitigate that, one possible option would be to down zone properties along the highway from commercial retail, which there is -- there is quite a bit of gr, lr and cs, to office zoning, neighborhood office, limited office or general office. However, if that were to happen that would create the legal nonconforming uses. The third item would be to gather ideas on what land uses should be on the flum. The ideas that we had received from the stakeholders, we have noted on the motion sheets. This map shows the existing properties that are undeveloped. You can see them in green. Blue shows the developed. And these are just tracts that have some frontage along the highways. You can see along highway 71 seems the most promising, as far as having undeveloped tracts. And some along the north and south side of highway 290 from the y going west. For the most part u.s. Highway 290 from the y to the loop seems to have fewer vacant tracts and more extensively developed tracts. The next staff directive was to analyze the potential build-out of the future land use map and matt Holland is here to make that presentation. and in their youthful zeal councilman Morrison and shade seconds that we wave council rules to go past 10:00 p.m. All in favor please say aye.

Aye.

Mayor Wynn: opposed? Motion passes on a vote of 7-0. Thank you. Mr. Holland?

Good evening, I'm matt Holland with watershed protection and development review and I'll walk you through the next series of slides to answer the questions about the potential build-out using -- currently and with the flum and I'll start out almost with an apology. Due to the limited time we've had to look at this our analysis is very rudimentary, and so we're essentially trying to contrast the information you were given from one of the citizens at the last meeting to try to get a reasonable ballpark as to where we're going with this, with the proposals. So I'll start out with the impervious cover information, which is probably the harder information we've got as far as more accurate. I'm going to show you guys a bar chart that shows four bars. The first is basically a theoretical maximum build-out, call this a 1492 scenario predevelopment. If the sos ordinance had been in place with no prior grandfather development, that's the oak hill area with all its steep slopes and creek setbacks and what have you would come in, and the various impervious cover limits would come in around 16% impervious cover. That's to bracket things. On the other end to bracket things further, just to give a contrast, if all development had continued to use the early ate he's, 1981, 1982 ordinance, Barton creek ordinance, Williamson creek ordinance, et cetera, which actually had had the first impervious cover limits that austin imposed, would come in at around 38% for this planning area, as a whole. And so those are kind of the -- just trying to give some perspective here. The second -- second bullet -- the second bar there shows the approximate current existing impervious cover estimate that we came up with. Might be



slightly higher if you add in a few missing sidewalks or what have you, but that's a pretty accurate number. We've got these things digitized in our gis systems so we've got about 17% impervious cover in the oak hill area at this point and that includes a lot of development that went in presos. Then if you project out what the absolute maximum appears to be for this area, it looks like we're going to come in around 25% impervious cover, and that actually included, to tell you the truth, everybody with a single-family home that isn't quite up to whatever the maximum is, would rush out and build a deck or a shed or something and get up to that. So that's actually probably not a very realistic number. It's probably more like in our estimation around 23% for the final, you know -- as a realistic number. So we're going from 17 to about 23, or at most 25, and so a jump of 36 to 56 impervious cover from where we are today at 17% impervious cover. So again, a third to half more impervious cover potentially to be built out in this area. Okay. I'm not going to read this whole slide, but rest assured that this -- the next -- the next analyses are incomplete and they are -- it was a best shot to kind of just cut things down and try to figure out where we are. Our -- our estimations do not include the full panoply of the considerations you normally have to be on a tract by tract basis to try to figure out what is a development actually able to build, we -- here is the first slide. It shows -- I'm almost going to ask you to ignore the first few bars. Those are theoretical maximums. We absolutely think that is almost physically impossible for somebody to put that in, that would be the most extreme. We're not looking at height limits. This is the residential build-out. Right now there's about 20,000 residential units in the entire 11,000-acre neighborhood planning area. And so we don't think it's going to go up to 19,000, but that's the -- if you just absolutely went crazy and said let's just go for the -- at maximum possible, we're not going to look at height restrictions, we won't look at zoning compatibility issues, et cetera, that's what you'd come up with. So again, I think that's something we're -- we knew that you wanted us to see if it was -- you know, what is the absolute top we could come up with, and that's what we're showing. I think that's -- that's not something that the -- we're seeing on the ground in today's markets or whatever, and we don't think that's going to occur. The next two bars show kind of bracket -- bracket more or less what we might expect in terms of new residential units based on the flum -- the base talks about what -- that refers to what the existing zoning would yield, and of course over time if there were no flum, if there were no plan, you guys, and future councils would continue to make land use and zoning changes, so it won't be static like this. I'm not exactly sure if that's a good number in and of itself as well, but that shows a low bracket. And then we're showing 11,000 units. Again, that's ignoring some really basic things, again with compatibility setback and height issues that are not considered in there, and to tell you the truth, we used -- because we didn't have the time to kind of zoom in on the actual oak hill scene, we used numbers city-wide for about 24 units per acre, we're seeing citywide, kind of at the last minute today before we ever actually get this into the slide show, we figured out that we're looking at more like 14 units per acre in oak hill, not 24. So that number 11 is too high. So profuse apologies all through this. You see the big disclaimer at the bottom, no height restrictions, no parking -- this is our attempt at a commercial build-out --

mayor Wynn: hang on. A question from council member Morrison.

Do you mind going back one slide? I'm not clear what base versus --

I'll try to -- is that what's --

that's on the ground now that's not -- I'll look over to -- yeah, let me -- Paul frank of the neighborhood planning and zoning will speak to that. He did the majority of these analyses.

Thank you, council. The -- we are asked to look at tracts that we think could possibly be rezoned, and I -  
- we're asked to be generous in this analysis, and the 9,000 are tracts that I've identified that I think have a chance to be rezoned. So if you look at those tracts, what would the current zoning yield, what is the absolute maximum? I think what matt is trying to get across is that that's an unrealistic assumption, but we've been asked to provide that information for anecdotal evidence. yeah, I'm just trying to understand exactly what that is. That's based on current zoning, base maximum units is based on current zoning?

Right, but if you maximized the acres -- and there's another slide after this, but on developments that we've seen throughout the city we rarely hit those maximums. Sometimes we do, but what matt just said, it's 14 units per acre, is the typical yield for multifamily, and I've applied 24 units per acre for these numbers in those later bars. and so is this -- does this 9,390 -- is that number of residents -- people -- units.

Morrison: living units.

I would concentrate on the last two bars. so we'll go to the last two bars. I'm just trying to understand the numbers. I understand these have to be qualified left and right and up and down.

And remember, we were asked to provide those first two bars. right, we wanted to see a maximum build-out.

We wouldn't -- we wouldn't recommend providing that information because that is unattainable, but we were asked to give that. I understand and I appreciate you giving that. I just want to understand what I'm looking at, and that is -- so we're looking at number of households that you might --

no, ma'am, you're looking at number of units. number of living units.

Residential units. residential units.

But I think if you let matt go through the rest of the slides we'll have information there that will build on what you're asking. and the difference between the maximum and the expected is the expected you feel is much more realistic assessment and the maximum.

That's more realistic but again there's information to go that I think will give you some --

Morrison: got it. All right. Thank you.

Alrighty, so we'll move to the commercial slide, and in this case they are both theoretical maximums and I think both of these are probably high and even way high, and so in this case the difference in the bars is solely attributable to the fact that we are making assumptions that the mixed use is going to have some residential component, some commercial component, and so the commercial would probably go down as a result. So that's the difference. We don't have -- we don't have a yardstick of comparison yet for the commercial. We don't have an estimate of what is on the ground now in oak hill. I'd like to -- that would be very useful to actually bracket that. On this one -- residential we do. We've got 20,000 units on the ground now, and if you kind of -- probably going the wrong way here, but we've got -- again we've got a delta between 17 and 25% impervious cover development. I know some of that could be -- go vertical, but we don't have a lot of additional capacity on the ground, and with height restrictions, compatibility, et cetera, et cetera, you have to start looking at what is feasible. If you've got 20,000 on the ground now, how much more can you actually shoe horn in into that -- in that difference of 8%. Okay. And again, this one -- this scenario we don't even -- we haven't even yet been able to account -- we're just showing the total maximum you could do, and so we're saying, hey, you're going to park under the building. Most parking -- in oak hill there's very little structured parking so that's not a very realistic assumption and a lot of the tracts are pretty small so we won't see that. This is probably too high as well. But in the case of the residential units, the gentleman that submitted information at the last council meeting was talking in terms of potentially 40,000 units, 42,000 units under sos. We're thinking that at most it's going to be, you know, maybe a quarter of that, and that's probably too high. And on the commercial side he was mentioning that maybe we'd have as much as 40 million square feet of retail. That's probably a 10th of that in reality, or less. It just depends on the numbers. And we really need more time to show that the actual on the site -- the site limitations. Paul's summary, the average existing units per family -- multifamily in oak hill is 14 units per acre, not the 24 that we used in the bar charts. Again, that's going to be lower. Let's see. You know, so again, we're going to have much less than 11,000 units of new -- new residential units. And so just for comparison's sake, -- Paul, I'm not sure, do you want to -- on the -- I apologize, on this --

I just wanted to show that. Again, going back to you're not going to get maximum yields on developments, in general. Look at water street lofts, that's an area where a flum was passed, and you have 44 units per acre and where the possibility, according to the maximum zoning, is 54 units per acre. So that's why that's up there. I don't know what else you want to go through.

That's good. That's good. Sorry about that. And so in short we've got a scenario which is not going to reach the level that we've been presented in the past, but we would love to have a little bit more time to refine this, and frankly, the two -- I don't know if we're going to have the tools to get, you know, an exact number. That's just probably not possible, but I think we're trying to get you in the ballpark. I'm going to -- since I'm already up here I'm going to 4 and before we 3, there was -- one of the questions that council had last -- last -- two weeks ago was asking about mitigation, the possible use of mitigation fees, use of the Barton springs zone redevelopment ordinance mitigation fees. Back last year, in November of last year, council passed a redevelopment ordinance that essentially allowed older developments that were prior -- that were built prior to the sos ordinance being passed, they allowed those folks to redevelop,

keep their existing impervious cover so long as they provided funds or actual land to buy such land -- land such that the overall project, both the more intensive project itself plus the undeveloped land that would be purchased off-site would add up to approximately 20% impervious cover. And so we -- the council established a \$15,000 an acre amount for the land to pay for the money -- excuse me, to pay for the land to produce that mitigation. Unfortunately, the \$15,000 an acre figure was based on real data that we have for lots and lots of purchases that we do all over the Barton springs zone, over the last number of years, where we're purchasing not only fee simple, as in buying the land outright, but we're buying conservation easements. If you wanted to buy all the land you'd probably pay more than 15,000 an acre. If you wanted to buy easements it would probably be less. The oak hill area is closer to Austin, has water and wastewater service generally, it's more of a critical mass kind of deal going for it, such that the land there, you could probably ask the residents there, you're not going to go out and buy land for \$15,000 an acre. It's going to cost probably at least ten times that amount. So the money that you would get from any projects -- and we have -- you know, it's not -- it's only been a few months since we -- since that ordinance was passed, and we've had some folks talking about using the ordinance. We don't have any money in that fund yet because nobody has built a project using it yet, but if we were to use that money and we used that money in oak hill, we would not have enough funds to buy very much land. So you would effectively not achieve the 20% target the ordinance had established, so you'd end up with a lot less. So I think the summary of this is that this is not the right tool to buy land in oak hill with -- for this purpose. It's obviously -- we certainly support the purchase of parkland, purchase of green belts, but this is probably not the right source of revenue. It would not meet the ordinance. Do you have any questions over the last two items? council member Leffingwell? so this goes back quite a few slides, but I think one of the points that your slide show made was that the flume, whatever it is, really has no effect on impervious cover.

That's correct. That's point. Due to the -- due to the ordinance restrictions on impervious cover, most developments, whether they're single-family or multifamily or commercial or civic, what have you, essentially go up to or almost -- you know, up to that maximum impervious cover, and so the decisions you as a council make in these projects as far as impervious cover are concerned are not going to have a very strong bearing on the -- on the oak hill area's impervious covers. There may be discussion of answer later development somewhere down or upstream in the watershed but as far as oak hill goes it won't make a big impact. That's what I expected. But then on your number of units, residential and commercial, again, a few slides back, did you factor land development code restraints into that calculation also?

We did. I mean, you talk about number of units per acre,.

Yes.

Leffingwell: for example. And so did you take into account the impervious cover restrictions when you calculated the number of units per acre?

On -- where you could, yes, we did, and that would be on commercial tracts that are zoned that have the potential to be up zoned to mu. And so those tracts, yes, those impervious cover limits were added

based on information that matt gave me. But on single-family and multifamily, for that matter, you have to look at the gross site area, so that's what I did as well. But limiting those numbers with the critical water quality zone, steep slopes and that information. you say you did or --

well, we included -- well, yeah. The reason we brought up the whole 24 versus 14 units per acre is because that bar chart did not account for those impervious cover limits. So we really would need to reduce that down somewhat. We just -- you know, we did not have the time to actually show the full impact but the sos ordinance would have pushed that down even further. what I thought, it was kind of surprising to me, what I thought you said was under the proposed flum, the commercial, the square feet of commercial actually went down as opposed to what's there now, without a flum; is that correct?

That's right, because you're taking all these commercial tracts, office tracts, retail tracts, and you're changing those to you know, if -- you know, if that happened anyways, but that's why that's going on.

Leffingwell: okay. I think this is a very helpful analysis, and although a lot of people didn't think you could do it in one week, you did. I appreciate it. [Applause]

you're welcome.

Mayor Wynn: thank you. council members Morrison? I wanted to thank you also for -- all of you for that. I know it was hard, and maybe you want to refine it some more, I'm not sure, but I think it would be interesting for this to be available to us and to everybody. I don't know if there would be a way to get it posted on the web site or --

sure, it's public information so we could get it out.

Great. Thank you. further comments, questions? Mayor ms. Meredith?

I'm George zack, watershed protection development and review development and I'm here to speak briefly about the hill country roadways. The question we were asked to address is to investigate the use of hill country roadways ordinance, in oak hill, highway 71, 290 and 1826. The hill country roadway requirements apply to five roadways in the city of austin currently. One of those is in the oak hill area, southwest parkway. The other four are loop 360, 620, 2222 and 2244. The hill country corridor regulations establish a corridor along each road where a special development regulations apply that are more restrictive than the base zoning, and those developments -- those regulations include site development limitations and environmental protection features. The site development limitations basically establish intensity zones, either low, moderate or high density for all the frontage along each road and within those zones they set forth height limitations for area ratios that are limited for each slope category of the topography and build setbacks that exceed the normal setback requirements. The environmental protection features include an undisturbed vegetative buffer along the roadway, varying from 50 to 100 feet wide, depending on the roadway. They require that 40% of the site remain in its natural state, undisturbed, and that native trees be planted and visual screening be provided. There are also additional limitations on construction on steep slope that exceed the city's normal requirements.

The overall effect of these restrictions is less intensive development close to the road and more intensive development farther back. The ordinance also contains certain design features, requires that building materials be compatible with the hill country environment. It emphasizes stone, wood and natural materials and prohibits mirrored glass. It also contains incentives for other special design elements, such as preservation of scenic vistas, incorporation of energy and water conservation features and use of pitched roofs. The ordinance also contains some more stringent access limitations, limiting the number of driveways per se, encouraging access to intersecting roadways and requiring joint access to be shared by two or more parcels. The ordinance also requires that any site plans within the hill country corridor be approved by the land use commission, which provides an opportunity for more public scrutiny and public input.

With -- in applying these requirements to the oak hill area, it appears that many of the objectives of the neighborhood plan could be implemented through the hill country requirements, such as the use of native materials, many of the design features spelled out in the plan. They -- the requirements would be more restrictive than the current zoning, but there are a number of challenges and limitations to using -- or designating the hill country roadways. First of all the ordinance applies only within the city limits, and as the slide you saw earlier indicates, most of the properties along 71, 290 and 1826 are already developed, and the undeveloped parcels, many of those are in the county. There are also many small parcels that would be affected by the regulations, and there might be some difficulty in implementing some of these restrictions on some of the smaller parcels. There are also existing floodplains and critical water quality zones that follow significant portions of highway 71 and 290, and these natural features would tend to serve as a limitation on intensity and setbacks, even if you did not adopt the hill country roadway standards. There was a question about sign restrictions. There are no special sign restrictions in the hill country ordinance itself. The hill country roadways are designated as scenic arterials, and so they would follow the requirements of the scenic arterial ordinance, which does limit the size and placement of the signs, and the scenic arterial designation can be as well as in the city limits. In terms of access restrictions, access to highway 71, 290 and 1826, it's regulated by TxDOT as well as the city of austin. At the time of the hill country ordinance was originally adopted, the state's restrictions were very minimal and the city's were much more stringent, but today TxDOT has adopted more stringent standards, and so they're fairly close to what the hill country ordinance provides. In addition, there are significant portions of highway 290 and 71 that are scheduled to be upgraded to toll facilities with frontage roads. These are funded projects that are scheduled for construction in 2010 and 2011, although the design work is not completed yet. [One moment, please, for ]

just a quick question, George. If that option were pursued to expand the scope of the hill country roadway ordinance, that wouldn't effect the plan. Future land use map or the zoning.

That's correct. Overlay.

That would be applied basically at the site plan stage.

That's correct.

Okay.

The last item was directed to staff to consolidate the maps. And this is the map that we submitted with the council back up. We can add it to the plan at the council's discretion. So that essentially concludes my presentation and council can entertain a motion with how to move forward with the plan.

Thank you. Questions for staff, council? Comments you have two minutes [laughter] welcome. mayor, mayor pro tem, council. .. have the flash so I'll start. I talk about the impervious cover credits. First of all oak hill is the most unique neighborhood plan that you've had some far coming into the city.

A kind way to put it.

What?

That is a kind way to put it [laughter]

okay. The second deal is that we have 3902-acres undeveloped land, which is all the other neighborhoods that have come into the city have been almost fully developed. So the impervious cover exchange would work this way. The draw backs of oak hill is that they have to comply 100% with the sos rules. .. they have been neglected by the city of austin. And the consequences are at the blithe are quite evident, as Mr. Chairman Leffingwell, council member Leffingwell tried to work out in his plan. The impervious cover exchange, the oak hill planning contact proposal, could improve oak hill's assets. For example, if a developer has 100-acres of developed land with a 15% impervious cover limitation, the developer could request increase the impervious cover to 30%. This could be accomplished by buying 100-acres in the oak hill area and pay a fee in the oak hill trust fund which would equate to 28-cent as area foot or \$1,089,000. Or buy 100-acres of land in hays county and pay a fee towards the oak hill trust fund and equate to \$1 per square foot [beeping] the impervious cover exchange proposal could improve oak hill's assets, additional land purchases would be deed restricted to no other impervious cover. The money would be paid into a trust fund for exclusive use of oak hill. Example, trails, parks and community recreation. And the board of trustees would be made up of two members of the city of austin, the county commissioner would appoint one, the oak hill ledge lay legislature would point one. Guernsey have worked very hard in this oak hill plan and this kind of tie it is all together and thing would improve the city of austin, improve oak hill, and would help getridy of the blight. Thank you so much.

Mayor Wynn: thank you, micky. Further questions of staff, council? Comments? So I guess we need a motion .. I guess I'll entertain a motion to postpone action to our next meeting that being Thursday, august 28, 2008. I guess declaring that the intent of council is to take up only those noncontested elements of the plan and zoning cases next Thursday. And by Thursday, being able to announce a date and time certain for us to take up all those contested cases. And flum designations. And public hearing in fact we have been open I guess, or let's keep it open formally. So motion by council member Leffingwell, seconded by council member Martinez. Comments on the, sort of the schedule now to work our way through the plan. I greatly appreciate everybody's patience and sorry for folks who sat so long

and ultimately haven't given us testimony yet.

The neighborhood planning and zone willing post the list of contested tracts and the map on our web site so people will be able to look at them and make sure the tract they have a concern about will be the same one when they show up in the future and we'll try to hold those so they won't change through time. motion and second on the table postponing all action for next week and next week's action being only on noncontested cases. Further comments? Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on a vote of 6-0 with council member shade off the dais. Back to our discussion items. Item 61.

Yes, mayor and council, item number 61 is case number c-14- c-14-0100. South congress avenue. This is a 6.7-acre tract. Located along south congress avenue your zoning and planning recommendation was to approve the staff recommendation of cf-co, combined district zoning work a list of prohibited uses being auto repair, auto rental, auto sales, auto washing, vehicle storage, convenience storage, commercial blood plasma center, adult-oriented uses, pawnshops, also providing a 50-foot landscape buffer and 100-foot building buffer to the west and a 2,000 vehicle trip per day limit. The property itself as I mentioned before is located along south congress to the north of the site is property that is currently zoned dr, that would be to the right of the exhibit as you're looking at it and used for auto salvage. To the south there are some tracts that are globed li-co and ls-co which consists of three single family residences in the vehicle impound yard. To the east this would be across south congress avenue, there are some auto salvage capital area food bank and the large undeveloped tract of land. To west are tracts that are zoned dr and sf-4-aco with single family residences, detention ponds, and that is in the peaceful hills subdivision which is towards the top of the picture you can see on your screen. The applicant would like to discuss with council removing three of the uses from the prohibited use list that the zoning and planning commission recommended. These three uses that the applicant would like to add back in would include automobile washing of any type, convenience storage and vehicle storage. Currently on the property, there is a mina storage facility of approximately 40,000 square feet and there is approximately 195 spaces that are used for recreational vehicle and boat storage. At this point, I'll pause, mayor, and let the representative for mark come forward and to make a presentation regarding this request. thank you, Mr. Guernsey. I guess you're Mr. web.

Good evening, my name is Brian web, I'm representing the owner. Actually he stated it pretty clearly, there's just three of the prohibitive uses he would like to see if it could be removed. I believe when the adjacent property was brought before new June, -- before you in June, those same three were removed from the prohibited uses. The vehicle storage on convenience storage are what it is being used for it, is really the auto washing. The plan for the property is to improve the curb appeal, put commercial buildings up on the south congress side which today has vehicle storage, but did he want to have the option of being able to evaluate auto washing in the future.

Mayor Wynn: thank you. Questions for Mr. web, council? Comments? Guernsey or rusthoven might happen to remember that case. I do remember vaguely the zoning case apparently next door where we did talk about these lifting a few prohibited uses, recognizing that that little area was auto related.



If you look at your case histories, under the first case c14-2008-0050, Clark side 13, that is the property that is immediately to the south. The council approved cs-co zoning except removing convenient storage, vehicle storage uses from the prohibited list and that was done earlier this year and had similar conditions that were placed by the commission. and that is the adjacent property.

It is the property immediately to the south. If you look at the zoning map, exhibit a that is in your back-up material that would adjoin the property along its southern boundary.

And does staff have a recommendation on the request?

The staff recommendation was for cs-co, prohibiting adult-oriented businesses, pawnshops, establishing that 50-foot landscape buffer and 100-foot building buffer from the tracts to the west and the 2,000 trip limit but we did not address the prohibited uses that the zoning and planning commission added. questions of staff or Mr. web, council? I do remember that adjacent zoning case, and I believe I was supportive of that series of limited number of prohibited uses being removed from the conditional overlay. I feel somewhat obliged on this case, being the adjacent property and with those three prohibited uses removed, it still meets the original staff recommendation regarding buffering and use and zoning.

I have a question. council member Cole. I want to understand the three uses you don't want prohibited. How do they impact new do you have automotive washing now?

The property is used now for vehicle storage and convenient storage and it has been for about 15 or 20 years. I guess the auto washing is the only one he is trying to have the -- trying to have the flexibility in the future of. further questions, comments? We have no other citizens signed up on this item, just Mr. web.

Now, at this time we do not have an ordinance prepared for this item so many we can offer to for first reading and if there are some changes we can go forward and prepare that and bring back at another time. motion by mayor pro tem to close the public hearing and approve on first reading only zoning and platting recommendation less the three ... allowing the additional three uses. I'll second. seconded by council member Cole. Mr. Guernsey.

I want to clarify the three uses as I understand as parts of your motion that would be added back or would not be prohibited would be including auto washing of any time and convenience storage and vehicle storage. These would now be permitted uses. but the remainder of the conditions stay that is the buffering and the set back ...

The remainder of the zoning and platting commission recommendation remains in tact, except the three I just mentioned that would be prohibited.

Mayor Wynn: correct. Motion and second on the table, first reading only. Further comments? Hearing none, all those in favor, please say aye. Aye. Opposed? Motions passes on a vote of 6-0, first reading

with council member shade off the dais.

Be careful, she is pregnant [laughter]

thank you.

Thank you.

Mayor and council, on item number 65 and 66 this is case mpa-2007-1201 and number 66 is a related zoning case, we don't believe the applicant or the neighborhood that is opposed are present. Is anyone here for item 66 or 65? that are be the 1600 block of east mlk.

East martin Luther king boulevard. two folks signed up not wishing to speak, both in opposition.

With that, staff would recommend that you postpone this item to your September 25th meeting. Give then a your 28th meeting seem the rather taken up at the moment.

I'll entertain that motion. Motion made by mayor pro tem, seconded by council member Morrison to postpone item 65 and 66 to September 25, 2008. Further comments? Hearing none, all those in favor, please say aye. Aye. Opposed? Motion to postpone passes on a vote of 6-0 with council member shade off the dais.

At this time, I'll introduce George Adams that will present item number 67.

Welcome back, Mr. Adams.

Thank you. Mayor, council members, George Adams, neighborhood planning and zoning department. I'm here on item 67 and 68, which are related. Item 67 is mph-2008-1601, combined neighborhood planning area, neighborhood plan amendment. Item 68 is zoning case c14-2007-0259, combines neighborhood planning area, vertical mixed use, zoning opt in, opt out. The boundaries of the terrace neighborhood planning area are oak springs drive, airport boulevard and the northwest railroad on the north, plane valley and Webberville roads on the west, the volatility -- the Colorado river on the south and highway 183 on the east. East 7th street which roughly buy sects the planning area is classified as a core transit corridor up to pleasant valley road and is classified as a future core transit corridor from pleasant valley road to airport boulevard. So the vmu overlay district is in effect along east 7th 65-acres on 18 tracts. Regarding vmu, question recommend all tracts. The planning commission recommended to exclude tracts one, 2-a, 2-b, 6-a, 6-b, 7 and 8. And these combined are approximately 14.3-acres. The second planning commission recommendation was to apply the vmu parking reductions and additional uses in office zoning districts to tracts 3, 4, 5, 9, 10, 11, 13, 13-a, 14-b and 15, consisting of a total of 22.3-acres. Also, as a result of these two .. excuse me, the planning commission also recommended an affordability level of 60% of median family income for affordable rental units in the vmu buildings, and as a result of these recommendations, the planning commission recommended a future land use map change from commercial to mixed use for tracts 3, 4, 9, 10, 11, 13, 14-a, 14-b and

15 and a future land use map change from office to mixed use office for tract five. And these were the future land use map changes are related to item 67. We have received a valid petition from tracts three, a portion of tract 6-d and tract 15 in opposition to the neighborhood recommendations. The councils were to adopt our planning commission recommendations. The only valid petition that would be in effect would be that related to a portion of tract 6-b and the council would need six votes on that tract to adopt the planning commission as is. That concludes my presentation. I would be glad to answer any questions. Adams, so that ... I think I read that to mean that the planning commission with some neighbors didn't want properties opted in, but the planning commission voted to opt in all except for 6-b.

That's correct. and since the owner of 6-b has a valid ..

Right. I believe we have a couple of speakers also, mayor.

Mayor Wynn: we do. So for this combined public hearing, 67 and 68, we have the same three speakers, I believe, signed up. Jorge Gera. We saw him earlier. Welcome back. Patience is a virtue. You have three minutes, to be followed by Marie.

Thank you, members of the council. City attorney. I know the planning exhibition recommended that the property -- planning commission recommended that the property I own on what is indicated 2-b to be excluded from the vmu, this is an old situation that the city would like to have those properties shown vertical mixed use, but maybe most of you are not aware that we are not compatible yet to go high rise because the 2500 block and the 2600 block of east 7th got residential homes right behind the commercial service lots that we have facing EAST 7th, ON THE NORTH SIDE OF 7th. In fact, that triangle is kind of a large triangle that at the end, some of the buildings go from one side to the other from 7th to Gonzales, and maybe those that go from 7th to Gonzales might be able to go vmu whenever they're able to financially afford going vertical. Because of the residential situation that we have there, not only on Gonzales but also within 200 feet across 7th on the south side on Dias street, it is all residential on both sides of the streets. In the beginning, when I first got the invitation to participate, it is stated that it had to be compatible and I .. we should go high rise, you know in a situation like that. The only reservation that I have is it still doesn't look too good on east 7th on both sides of the street. Also, the noble idea of the .. which I people got \$6 million put away, dedicated I believe around \$2 million, to beautify those particular blocks right there. The city spend \$300,000 and we spent three years meeting each month, the business owners and property owners, we came up with the people from Houston that charged \$200,000 and everybody was okay with it, it was beautiful. Then the city took one year to say that they didn't like to, so they proposed another company to come in and we wasted another year and we don't know what's going to happen to that. And that has delayed us from improving our own properties and making it better. Then, the other situation that I see here is that from commercial to vmu mixed use, from commercial, so you taking away commercial. You want to say commercial or cs-vmu. Mu. Maybe I will go for it, even if we cannot afford and forget about the compatibility. So we need to talk about it, but first of all remember that this is still \$6 million sitting somewhere and we don't know what you want to do. What is first. What is first, rental street, make the sidewalks compatible with ada work pedestrians, or to begin building vmu and forget about the rest of it. So I'm confused. So I hope that you people can go over there and try to walk the city anybody, around the block over there and see if we

can come up with an idea that would be compatible and that something can be done sooner than later to make that area look like the public wanted to make it look in 2001.

Mayor Wynn: agreed.

That's what I like to say and thank you for the time. yes, thank you system Marie here? Marie, welcome. Council member Martinez? I wanted to ask him a couple questions. Your particular tract, is that tract three?

I'm on 2-b. It's three lots, lot 20 and 21 and 22 is which I have my kitchen and the dining room. And behind lot 22 on Gonzales, I have an empty lot which there is nothing in it because I use it for parking. The city require that I have two empty lots in order for me to function commercially. are you asking to be opted out of the planning commission's recommendations?

Especially because from here, from commercial too, you're doing away with commercial. You were to say cs-vmu, mixed use, okay, if I have to wait or somebody comes to buy me out and wants to go high rise, but right now I can go up to 60 feet. But I'm not going to do that or think about it until you people come in and fix what you have to fix.

Council member Martinez: okay.

Thank you.

Council member Martinez: Guernsey, on this tract, do we have a valid petition on 2-b?

I have a copy of the recommendation from the planning commission with me which they recommended to leave it out. thank you.

Of course, I had no chance to talk to you about what might be done. I understand. George, can you clear this up for us?

Yes, the tracts that we received valid petitions on are tract 3, a portion of tract 6-b and tract 15, so those are the ones we have the valid petitions on couragely. And the -- currently. And just clarify, the planning commission, the neighborhood recommended excluding all tracts from the overlay district and be regarding tract 2-b, the planning commission concurred with that recommendation. to opt out.

Correct.

But the planning commission said to opt in all the others?

Yes. The planning commission was recommending to leave tracts 3, 4, 5, 9, 10, 11, 13, 14-a, 14-b and 15 within the overlay district.

Mayor. can you list those again, please.

Sure. The tracts that the planning commission recommended to keep within the overlay district are 3, 4, 5, 9, 10, 11, 13, 14-a, 14-b and 15. council member Morrison. can you explain the different shading on the map?

It is to graphically differentiate the tracts, there is no other significance to it.

I want to make a comment, he makes a really good point that, you know, we did allocate some federal funding to improve and beautify 7th street, and I really think we should get staff to kind of couple this in with what we're doing. If we're going to start creating some vertical mixed use, I think, you know, we need to coordinate what is happening on east 7th street with what might happen in terms of construction because there could be funding that actually spurs some potential redevelopment or beautify indication along EAST -- 7th STREET IF FOLKS Are aware of what is coming down the pipe. I want to coordinate this and let property owners know what is coming not only in their zoning category but any potential improvements to east 7th street.

I have a question. What is tract a, because that was a very large tract that is eligible. I can't tell what it is.

Council member, there is a ... I believe there is a variety of land uses on tract 8. Starting at spring dale. I believe at spring dale, some .. there is a lumberyard in that vicinity. As you move further east, I'm drawing a blank as you get to the point where the tract eight kind of expands to the north. The only site I'm familiar with is right there close to the intersection.

While we have or next speakers, I'll look at Google maps.

That tract, I'm familiar with that particular tract. From spring dale moving east, you have right there at the intersection of spring dale and 7th street, you have a used car lot, then you have produce, then you have like an rv repair facility and a bus repair facility. So those are the uses that I'm aware of between spring dale and, I guess, is that shady lane? Yes. Then on the south side, tract 11 is a very large tract of land and that is long horn international, a big truck facility that sells and does retail sales and repairs, large diesel trucks.

Mayor Wynn: Marie, welcome. Thank you for being patient. You will have three minute, followed by Susannah.

Hi, my name is Marie. .. good afternoon mayor and city council and city manager. We own the props in east 7th and we want to opt in. I think the city planning commission recommended that we opt in number three and number ... we own 3, 15 and 6-b, partial 6-b. I sent you a little map. Do you all have that? No, I'll send it to Melissa, Melissa was supposed to forward it to you all so you could be aware of this piece of property that I was going to be talking about. We own partial number 3, 15 and 6-b. And the planning commission decided to go ahead and opt in 3, 15, but 6-b they decided to opt out so I wanted

to, as a property owner torque opt it in as to have the option to have a vmu overlay on it.

So that's what I wanted to do if it was possible.

Mayor Wynn: thank you. Questions for Marie. Council member Leffingwell.

Council member Leffingwell: You want three and 15 opted in for vmu.

Yes, I think the planning commission voted on that and I agree that. And 6-b, we only partial of 6-b.

Council member Leffingwell: And 6-b you want opted in also. and they have a valid petition against being opted out of 6-b as the owner.

Right.

That's correct. questions for miss sardania? Thank you, Marie.

Um-hum. our final speaker is Susannah who signed ip wishing to speak. Council that's all of our testimony on this combined public hearing. Actually, Richard Morgan had signed up wishing to speak as well. He may have left. Council member Martinez. I think if we were done with public testimony, I would like to take a shot at a motion. Moving forward, I move to I guess close the public hearing and are we ready for all three readings or just first reading? we have a proposed motion sheet if that will help you. I don't have that.

We're ready for all three readings, with one exception, if 6-b it is going to require a neighborhood plan amendment to we would need to bring that back separately so I guess the upshot of that is at this point I would recommend first reading. let's give it a shot some of we have, is it three motions and then neighborhood plan amendment?

Yes, that's correct. so I'll move to close the public hearing and on motion one, planning commission recommendation and add tract 6-b, but it lacks like it is in there based on this motion sheet.

Yes, that's to exclude tract 6-b some of if you're looking to include 6-b in the overlay district, you would want to move it down to that next motion. to the staff comments or the proposed action. Amended boundaries of the vmu overlay district and not exclude tract 6-b?

Yes that first motion is to amend the boundaries to exclude .. if you your interest is to take 6-b out of that list --

we'll go to motion two and add 6-b in there.

Right.

Okay. Thank you. so motion by council member Martinez to close the public hearing and approve ... you still suggesting first reading only, Mr. Adams?

Yes, mayor. Primarily because of the future land use map amendment that would be required for 6-b.

Thank you Wynn first reading only, seconded by the mayor pro tem. Further comments? Council member Morrison. I understand the neighborhood wanted to opt out of all the properties to work with the developers one by one and they know that this neighborhood planning team has in fact, been very successful in getting some really good projects going that fit the neighborhood, so I'm a little uncomfortable going forward with so much of it opted in, so I'm going to have to not approve, not support this motion.

Mayor Wynn: fair enough. A motion and a second on the table. First reading only, including the motion, planning commission recommendation with the addition of tract 6-b being opted in.

Council member Martinez: Mayor, to add to councilmember Morrison's comments this is only first reading. I'm certainly open to talk to the neighbors but I've not heard from them through whole process the whole time, so I'm comfortable on first read and if there are concerns they'll come forward on seco and third.

Mayor Wynn: understood. Comments on the mn, first reading only. Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on a vote of 6-1, first reading only, council member Morrison voting no.

Thank you. thank you, Mr. Adams. So I think that actually just leeches with us our final public hearing, item number 73. Technically the public hearing on the proposed property tax ad valorem tax rate. Fiscal year '08/ '09 it actually happened they gave us testimony earlier on a similar related public hearing that being the proposed budget. .. am I supposed to follow this state-mandated script and I don't be as opinion ated about why we, the legislature thinks we should do this since they refuse to. We've done it every vote for decades anyway. Okay, so council we can now take up agenda item 73 to conduct the first of two public hearings for property tax for fiscal year '08/ '09. The second public hearing will , august 28, 2008, at this city hall in austin, Texas. On august 7, 2008, the city council adopted a resolution to consider a proposed maximum not 12 centss per \$100 of valuation. Council will vote on the property tax rate for the fiscal year '08- '09 to be held in the annual budget hearings held in this city hall, beginning at on Monday September 8, Tuesday, September 9, and if needed, Wednesday, September 10. If council adopt as tax rate on Monday, September 8, action to adopt a tax rate will be concluded and the tax rate will not be considered at the meetings for Tuesday, September 9, or Wednesday, September 10. We had two folks signed up wishing to give us testimony on this maximum, not to exceed tax rate, Rudy and ann. Who again, gave us testimony earlier at a public hearing. Is Ann or Rudy still in the room? Are there any other citizens that would like to give us testimony on this public hearing? Hearing none, let's see, again, as stated before, the council will vote to adopt the property tax rate for fiscal year 2008/2009 in the annual budget meeting to be held in these council chambers Monday, September 8, Tuesday, September 9, and if needed, Wednesday, September 10. I have to repeat myself according to state law.

If council adopts the maximum tax rate on Monday, September 8, we will not consider the tax rate on September 9 or Wednesday, September 10. I'll entertain a motion to close these public hearings. Motion by council member.

Council member memberleffingwell. Seconded by the mayor pro tem. We have a motion to close the public hearing and second from the mayor pro tem. All those in favor, please say aye. Aye. Opposed? Motion to close the public hearing passes on a vote of 7-0. The first public hearing on the property tax rate is adjourned. So council, before announce our adjournment of this meeting, I think council member shade moves to reconsider item number 4.

4, Yes. Which I voted in favor of. seconded by council member Morrison, so we'll now take a vote on whether or not to reconsider our earlier action on item number 4. All in favor of the notion reconsider. Please say aye. Aye. Opposed? Motion to reconsider passes on a vote of 7-0. Council member shade.

I wanted to bring this back up. This is the proposition two charter amendment language because I believe that in the hurry that there might have been a way to improve this and I talked with the citizens involved with the charter amendment and I want to make sure this is clear, voters know what they're vote, for and the big issue was the modifier isn't as clear, it is describing both issues, so this impacts retail .. you know, certain existing as well as future, and the way it was worded could have been made. Basically the substance is the same as what was approved before but I'm propose that lackrage that have you right in front of you and it is going to go up on the overhead. And like I said, I did this by taking the feet back and input and this is supported by Brian Rogers and bill bunch, both of whom spoke earlier on this topic so I think it is really important the voters have clarity and I'm hoping that this proposed change improves the clarity. and so, just for the record --

I'll read it out some of would the maker of the motion, till was you, I don't know who it was. we've now reconsidered.

This is a friendly amendment to replace what we did.

Mayor pro tem made the original motion.

So in a friendly amendment to the replacing the proposition two ballot language with the following: Shall the city charter be prohibited to enter into agreements to provide financial incentives to the property that includes one or more retail uses and to stop the city from providing financial incentives under certain existing agreements in connection with the development or redevelopment of the property that includes one or more retail uses. I guess the question is, is that a friendly amendment to the maker of the motion. It is. I can't remember who did the second.

Council member shade did the second.

Yeah, it is friendly, I take it.



So I move to amend the mayor pro tem's motion to replace the language with the following: Trade again?

The maker of the original motion consider it is a friendly amendment.

So we have an amended motion and a second on the table. I'll just say obviously I voted for, I was comfortable with the earlier language. I see how repeating the modifier could, you know, be seen as that much more clear, I'm supportive and I appreciate the fact that folks who have invested a lot of time in this also consider this to be an improvement. Further comments on the amended motion? And second on the table regarding item number 4. Council member Leffingwell.

You could tell us specifically what the changes are? Because I don't have my old one with me?

Yeah, here is the old one if you want to look at it. What? S you can put the old one up there if you like so you can see them side-by-side. .. Did give you the new one and the old one. What it changes is the modifiers listed twice because in the original version, we have "shall the city be prohibited to provide financial incentives and to stop the city from providing financial incentives under the connection of development or redevelopment. So the consider is if you have the in connection with development or redevelopment with the property that includes one or more retail use it is looks as if it is only applying to the existing agreement and not to future agreements and this is to do both. So by repeating it twice, it adds some clarity and it only adds one sentence to the shrink it can still fit on the single screen on the voting machine, which is also important. a motion and second on the table. Further comments? Hearing none, all those in favor, please say aye. Aye. Opposed? Amended motion passes on a vote of 7-0. There being no more items before the city council, we stand adjourned. It is 11:19 p.m.

**End of Council Session Closed Caption Log**