

## Closed Caption Log, Council Meeting, 8/28/08

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please rise for the inhave commission.

First of all, let me say thank for you the opportunity to do this. Shall we pray. Our heavenly father we thank you this morning that we have graciously watched over our lives and have provided direction in critical moments as well as in times of abundance. And we sincerely ask of you this morning that you grant your wisdom and a sense of direction to those who serve on this council and give them competent leadership as they discuss and review and determine the course of action needed to make this city a community of responsible citizenship. Guide their thoughts and their actions, because we make this prayer in the name of the one who came to save and to serve. Amen.

Thank you, major carter for all of the salvation army does. There being a quorum present, at this time I will call to order this meeting of the austin city council. It is thursday, august 28th, 2008, APPROXIMATELY , we are here in the council chambers in the city hall building at 301 west second street. Council, before I go through a handful of changes and corrections to this week's posted agenda and we will walk through what I perceive to be the -- the scheduling today, we try to take this opportunity to ask and/or announce if there are any potential upcoming items from council or issues that likely will be before the council here over the next meeting or two. Councilmember morrison?

Morrison: let's see. Good morning, I wanted to mention along with councilmember leffingwell we plan to work in the coming weeks on some issues around historic preservation. As you will recall, a couple of weeks ago, we had some citizens come in and talk about the need for a much more proactive program in the city if we really want to do a good job preserving our historic assets and communities and so I'm looking forward to working with councilmember leffingwell and the community to try to get that started.

Mayor Wynn: Mayor pro tem?

Yeah. In the coming item from council, there will be a motion to adjourn the meeting at 7:00 p.m.  
[Laughter]

Mayor Wynn: Okay. I anticipate that, yes. Further upcoming items from council? Then hearing none, I will read into the record our changes and corrections to this week's posted agenda. They are -- to note

that 5 comes recommended by the water and wastewater commission and the water conservation implementation task force. As we should note that items 7 and 9 have been withdrawn. That will be part of our consent agenda. 13, we should strike the phrase a total of \$3 million -- \$3,116 and insert the -- 3 million \$116, and insert the phrase not to exceed. On 65 councilmember shade is an additional co-sponsor and 67 councilmember morrison is an additional co-sponsor. 69, we should note that this -- that this waiver is regarding the event to be held september 21st, 2008, NOT SEPTEMBER 28th. [indiscernible], insert the planning commission recommendation, to grant multi-family resident moderate high density historic landmark neighborhood plan or mf 4 h-np combining district zoning. 104, we should strike the phrase conduct a public hearing and, and instead insert the phrase "approve second and third readings of an ordinance amending chapter 25-2 of the austin city code. " We should also strike the notation of the planning commission recommendation which had read "to grant vertical mixed use building, the district and to exclude certain tracts from the vertical mixed use overlay " and we should instead insert the notation that first reading was approved january 18th, 2008, WITH A VOTE OF 7-0. Going back a little bit, we should also note on item no. 66, An item from council, that councilmember cole is an additional co-sponsor. For our schedule today, here after we approve the consent agenda in a few minutes, we are likely to have a discussion item or two, the hope is that we will take 4 I anticipate will be pulled off the consent agenda, that is austin energy's proposed purchase power agreement regarding a biomass electric generating plant in east texas, we will take up that discussion item immediately after our consent agenda is approved, so here in the next 15 to 30 minutes probably. We then perhaps if we have a -- a measurable executive session agenda, we may go into executive session late in the morning, then come back at noon for our general citizen communication. This afternoon at some 00 , we are going to have discussion and possible action regarding bond sales. And sometime probably immediately after 3:00 p.m. We will technically adjourn the city council meeting and call to order the austin housing finance corporation board of directors meeting and take up that ahfc agenda, very limited agenda. 00, we will be reconvening the austin city council and take up all of our zoning matters. 30 We have our weekly break for live music and proclamations. Our musicians today are blues mafia, stay tuned for them. Then beginning shortly after music and proclamations we will take up a handful of potential public hearings. As mayor pro tem pointed out, we are all aware that a lot of folks, including colleagues and staff would like to -- to watch the democratic national convention, which happens to be scheduled tonight. And so we anticipate that the council frankly ending relatively early this evening. Certainly by our standards. Normally folks don't do that. Luckily the republican national convention is scheduled at a time when we won't have city council meetings, so there's no potential sort of -- of government, intergovernmental conflict there. But again we do anticipate there being relatively limited zoning cases and public hearings tonight. My understanding is most of the zoning cases that we will be taking up potentially will be those that have little, if any, contention and need for public hearings and discussion. So we anticipate being out of here early in the evening. So far, council, just a handful of items have been pulled off the consent agenda. 4, austin energy's purchase power agreement was pulled. 63, which regards a -- an issue with the -- with the pedernales electric co-op or peck, -- or pec, we will take that off, we do have executive session legal discussions about that item to be had first. And then similarly, I think 65, sponsored by also pulled by among others councilmember martinez, will be taken -- we will be taking that off the consent agenda as we will have that legal discussion in closed session as well. That's regarding the issue of campaign finance enforcement of our campaign finance

laws here in the city. So far council only items 4, 63, 65 have been pulled off the consent agenda. Any other items to be removed before I propose a consent agenda this morning? Hearing none, then, our consent agenda numerically will be to approve item 1, our minutes from last thursday's meeting. From austin energy we will be approving items 2 and 3. From our austin water utility, we will be approving items 5, per changes and correction. From our contract and land management department, approving items 6, we will be noting that item 7 is withdrawn. We will be approving item 8. And also noting that item 9 has been withdrawn. We will be approving items 10, 11, 12, 13 per changes and correction, 14, 15, 16, 17, 18, and 19. From our economic growth and redevelopment services department, approving items 20, 21, and 22. From our management services department, approving item 23, which -- which is changing modestly our city council meeting schedule. So we will be -- as parts of that, we will be canceling the -- the regularly scheduled meeting that was going to be held thursday, OCTOBER 9th, 2008, AND Essentially moving that back one week and conducting that same council meeting on THURSDAY, OCTOBER 16th, 2008. From our parks and recreation department, .. we will be approving items 24. From our police department, we will be approving item 25. From our public works department, approving item 26. And the number of items from our purchasing office as part of this consent agenda will be approving items 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, and 62. And if my daughter was at , she would say ready or not, here I come. She better be in school. [Laughter] as part of the consent agenda, we will also be approving item 64, which are our board and commission appointments. I will read into the record, they are to the austin community education consortium, bruce barrick is my nomination. To the austin music commission, councilmember martinez's nominated rich garza and councilmember shade has nominated brad stein. And to our mexican american cultural center advisory board, councilmember cole has nominated maria ramirez. That's our board and economics appointments board and commission nominations for appointments on item no. 65. Continuing on with our consent agenda, we will be approving item 66, per changes and correction. Item 67 per changes and correction. Item 68, 69, per changes and correction, 70, 71. We will be setting the public hearings by approving item 72, 73, 74, 75, 76, and 77. Council, that's our proposed consent agenda this morning. Motion made by councilmember martinez, seconded by councilmember leffingwell to approve the consent agenda as proposed. Before I ask for council comments, I think that we have a -- at least one citizen that would like to give us testimony on an item that is on our consent agenda. 13, is a construction contract that we're set to approve, but -- but before we vote on our consent agenda, I want to give john locamp a janse to give us testimony. Is mr. locamp here? Come forward, sir.

I in name is john locamp, thomas industrial coating, the apparent low bidder for east austin reservoir rebidding project opened on JULY 10th, DEBATE. I'm going to have to shorten this because I had nine minutes worth of stuff. We submitted a bid of \$2,124,483, and the second lowest bidder, currently being recommended for award of the contract by the austin water authority offered to complete the identical work for a bid of 2,727,378. Which is 602,895 more, higher than our bid. And -- and we were told by the -- by the office of contract and land management that we -- that our bid was nonresponsive due to information that we provided regarding our past experience. We did notify them immediately, went through the protest and were denied the right for a right or denied a hearing for this. Before I go into the reasons why the council should reconsider even awarding that today. I want to say what thomas is, it's

a large industrial painting contractor. We have completed 22, we have completed water storage tanks in 22 different states throughout the united states. We have [indiscernible] rated [indiscernible] according to news and review magazine. We have completed -- we have actually completed four separate reservoirs for our city since 2001. I personally managed each of these projected completed here in austin, received numerous praises from your staff at the austin water utility and their consultants due to our crew's workmanship and efficiency. We have proven ourselves to the city basically. My point is that we are qualified to do the recoating of the east austin reservoir. The following reasons are why -- first off spending \$600,000 more on this project to a very minor technical issue that is unclear at best does not make sense in today's economy. We should think about what \$600,000 could do for this community. Second it is our opinion that thomas industrial coatings did meet the four criteria items of the specifications. I would like to read those four criteria items to you right now. I'm going to shorten that and read the one that they denied, they said that we did not meet. Specifically, two -- this is the required for the specification. We had to submit two of the three projects to be submitted, must have been ground storage reservoirs at least five million gallons or larger. And it's very important that's all it says. Our denial letter basically came back to us and said two of the three projects must have been greater than five million gallons with lead abatement. Those three words were added for the denial letter that we were sent to. That was not in the specification. Further we were said it was non-responsive. Another sentence required that subcontractors must meet the same obligations post bid. I know for a fact that the second bidder there -- their [indiscernible] contractor as well as their welding contractor did not meet the obligations. However the office of contract and land management chose not to -- [buzzer sounding] or chose to ignore that or consider that okay. In closing by awarding this project to the second bidder the city council is stating that you are a willing to spend \$600,000 more for the exact same results on this project. We made no deviations or exclusions from the specifications and have provided the service for the city in the past. Second, you are willing to spend \$600,000 for a contractor without experience with austin water authority. Again, I remind you we completed four separate reservoirs including your 34 million-gallon reservoir at martin hill on the north side of town that one that looks like a domed stadium. Finally you are willing to overlook the possibility of interpretation from the specification by the low bidder, us in denying us a chance for a hearing. Simply put, \$600,000 is a great deal of money. If you trusted us enough to complete the 34 million-gallon tank for the martin dale reservoir, I'm not sure that I understand why they won't trust us with the 11 million-gallon east austin reservoir project. I have further backup for this. Again, I want to emphasize the fact that -- that the specification required two of the three projects to be submitted must have been ground storage reservoirs of at least five million gallons or larger. It does not say with lead abatement. We did submit two projects. We submitted an 11 million-gallon tank from pennsylvania and a 34 million-gallon tank here in east austin. Thank you.

Mayor Wynn: Thank you, locamp, obviously council we see behind mr. Locamp in addition to assistant city manager garza, our department director and representatives that look like from the law department. So I guess that I would like to hear perhaps a staff interpretation or -- or discussion about some of the fact mr. locamp brought up.

Good morning, mayor and councilmember, I'm mike trimble, office for contract and land management. The solicitation that was referred to we did take several steps and follow our process with respect to the bid award and consideration. And I'm just going to go through quickly some of the highlights that kind of

our processes went through this. We did receive a bid from thomas industrial. We did review the project experience requirements that were included that were received from our sponsor department or client department austin water utility. That project experience required experience -- the project experience required completion of two projects including two ground storage tanks, of 5 million gallons or more of potable storage water tanks. Through our analysis, it was not clear in the project experience that was submitted in section 400 that thomas industrial had this experience on both projects. It was clearly identified in one of the projects, but not a second project. We actually sent a letter to thomas industrial asking for clarification on which of the other two projects had the experience required. And they submitted additional information but they submitted information with regards to other projects. Not a clarification of the projects that were included with their bid project experience. And as you know, we cannot consider any additional project experience. We can only ask for the clarification of what was included in the bid submittal. Any other information would be considered an augmentation to the bid submittal package. That being said, we went back and reviewed the project experience. We had our consultant on the project. [Indiscernible] do a review of their project experience. They found through their opinion they did not have the project experience noted that the two projects of five million gallons or more. We also had our internal engineer in charge of quality assurance that works in the program management office do another review of it and they also found that they did not meet the project experience requirements as submitted in the bid. So again we felt like we took several steps to consider all of the project experience. Based on all of that review, we were left with no choice but to fine -- to find them nonresponsive, we had no choice but to find no grounds for the protest hearing. Let me say that the recommendation that you have in front of you is the lowest compliant responsive bid that we received for this project.

Mayor Wynn: I think you also talked about the -- about the issue of -- of subcontractors or I guess, you know, the rest of the team and I don't remember exactly the -- the issue that he raised. But -- but I guess perhaps comparing the subcontractors that might be utilized by his group compared to the ones by the -  
- by now what you call to be the -- the lowest compliant bid. Can you discuss that issue?

Well, it may need some assistance from -- from my head of contracts procurement to talk the details. But we did review the -- the compliant lowest bid and they were compliant with all of their requirements that we had in our bid submittal. Again through our process we went back and looked at not only the -- the bid that thomas industrial submitted by all of our other bids as well. They were compliant with all of their requirements as put out in our bid package. Specifically, the issue that was brought up, I might need some assistance to answer that specifically, but it didn't meet all of our requirements.

Then as I -- I thought locamp correctly. But he -- he said or implied that programs the original solicitation did not include this -- this lead abatement issue, but then by the time either, you know, he was protesting then that came to light?

Well, let me clarify that. Because on the project experience all -- I think all of the projects had to include lead abatement, three of the three projects. All of the projects had to include lead abatement. Then we ask for two of these three projects requiring completion of projects that involved ground storage tanks of five million gallons or greater. So the fact that the -- that the included lead abatement made sense

because all of the projects required lead abatement. I think we also were seeking clarifications along those lines as well.

Mayor Wynn: Further questions of staff? Council? Comments? It's always -- it always can be frustrating when -- when it seems as though there's the potential for a -- for a lower responsive bid, but -- but we generally, you know, make our legal -- make our legal advice very important stuff. Further questions or comments regarding item no. 13, Our testimony by mr. Locamp? I don't believe we have other citizens signed up on items -- on the proposed consent agenda. So comments from council? We have a motion and a second on the table to approve consent agenda. Councilmember leffingwell?

Leffingwell: I just wanted to point out, another important improvement in our water conservation program. It doesn't cost us any money. What it does is the annual budget cap for rebates remains the same. Just about two million. But what this does is raise the limit for individual projects from \$40,000 to \$100,000 which is more in line with what austin energy does. They do \$200,000 per project limit. And sets the -- the performance standards based on -- basically it's one dollar rebate per peak day gallon saved. You can save \$40,000 in the present system if you have a cap. So we have a lot of industrial applications and I saw one recently where they have a very expensive system for reusing water in their manufacturing process for chips. They use a lot of water and this will encourage organizations like spanson that have water use in industrial operations to install that infrastructure and save water. I think it's a very important contribution. I thank the water utility for bringing it forward.

Mayor Wynn: Thank you, councilmember. Further comments on the consent agenda. Further comments, councilmember martinez? Mares thanks, mayor, i believe it's item 66. Let me verify. Item 67, I want to thank councilmember shade for co-sponsoring this item for me. This is a resolution asking the city manager and staff to come up with some recommendations as to how we make austin more friendly to the two wheeled folks who use scooters and bicycles and motorcycles. What I found initially what got me looking into this issue was I saw a scooter sitting out here in front of joe's. It was not in a parking space, really not causing any problems, we gave him a \$15 ticket. When I looked into it, they need to park in a meter, take up an entire metered slot, pay money or face a \$15 ticket. I really felt like we could be more receptive to the folks that are first of all being more environmentally consciousness, doing less damage to the roads and improving our traffic situation and suggestion by using scooters, bicycles and motorcycles. I just want the -- want us to try to work on some policies and ordinances that speak to those constituents that we make it more friendly as well as adding a safety component. Educating folks. There are folks out there on two wheeled motorized apparatus that had never, ever driven one. They are doing it. They are being forced into by economics. I really think we should be active in making -- proactive in making sure they understand the dangers and how to maneuver and operator scooters. I'm really looking forward to the final proposal coming forward. My staff is more than happy to work on this. They have done some background research out of the west coast and portland/seattle area. Talked to a lot of the business owners here in town that sell scooters. So I'm really looking forward to getting this in other words in place. -- This ordinance in place. Thanks, mayor.

Mayor Wynn: Thank you, councilmember. Further comments on our consent agenda? Councilmember

morrison?

Just to follow-up on what councilmember martinez just said, I appreciate him bringing that forward. I think that a couple of things. It may also make sense to evaluate those safety improvements and parking improvements for scooters and all in some other areas of town. For instance I'm thinking the drag as well as south congress where we have lots of pedestrians activity. So I -- so I would appreciate if it's possible to add some kind of a valuation with that. Also, I would like to mention that we have a lot of work done over the past year. With the street as a matter task force regarding bicycle safety and I think that this actually was referenced in there, so it would probably make sense to look into some of the more particular recommendations there and i hope that we can move forward more broadly in the near future with those recommendations. Thank you.

Mayor Wynn: Again a motion and a second on the table approving the consent agenda as read. Further comments? Councilmember shade?

One other thing that we are looking at with this that I think is also on the table is the issue of incentives and we do have a very small not very well known incentive program right now. That's another thing that we're looking to enhance so that we can encourage more -- more people to perceive these kinds of alternatives to -- pursue these kinds of alternatives to transportation.

[Indiscernible] I want to add on to those comments because I forget to mention. As councilmember shade suggested, we do have an incentive program for electric scooters through austin energy. But I really think we could look at expanding this through public works for non-electric scooters, because we know that the damage to the roadways is significantly less than if you are riding a two wheeled scooter as opposed to a vehicle. Maybe public works can join in the incentive program as well. Because I think in the end it saves public works. ...

Mayor Wynn: Agreed. Further comments on our consent agenda? Hearing none, all those in favor please say aye.

Aye? Opposed. Motion passes on a vote of thank you all very much. Council, we will let the room clear of folks who -- who likely had an item on the consent agenda. And our discussion -- one and only discussion item this morning will be item 4, this is austin energy's proposed purchase power agreement with nacogdoches power llc, and would appreciate a staff presentation, I see mr. Roger duncan here. As an introduction to roger, those who are following this issue know that we had a -- we had, you know, a good testimony analysis last thursday here publicly. We had, you know, significant amount of -- of appropriate legal and other advice in closed session pursuant to state law. And we then posted a special called meeting of the city council for yesterday, which we conducted. And the -- in addition to some budget presentations, we went into closed session to once again get legal advice and other advice regarding austin energy's plan, including outside legal counsel that the city attorney had -- had graciously provided us. And we conducted and ended that closed session yesterday. And now we're back in open session. So with that I will welcome austin energy's general manager, roger duncan.

Thank you, mayor and council. As you said, we have -- we have negotiated the contract over the last week. The council specifically asked for outside council to join us in looking at that contract and what I would like to do today is first turn it over to the outside council to -- to answer many of the questions that were asked by council in terms of the safeguards that the -- that the city has in mitigating risk of this type of contract and then I will come back and go over some of the specific items that council asked to be included in that contract. So -- so I would like so tim unger, you can give your own qualifications, tim and your report.

Mayor Wynn: Thank you, project, welcome, mr. unger. In add to the council request last thursday that we do bring in some outside legal counsel, council also made additional requests of staff regarding safeguards as roger pointed out, sort of the belt and suspender approach to issues that -- that we already had and some that were brought up by -- by citizen testimony. Welcome, mr. unger.

Good morning, my tim is tim other than. I'm an attorney with a law firm of andrews and kirth. For those of you not familiar, it's a law firm of about 400 lawyers with offices in austin, houston, dallas, washington and new york city. I'm the co-head of the business transaction section of the firm. Among other practice groups, in the business transaction section, is the energy transaction practice group and I'm one of those attorneys. I've been with andrew and kirth for 34 years, working mostly on energy projects. For the last 25 years I have spent most of my time working on power projects. I'm very familiar with power purchase agreements and biomass projects as well. I have been asked to review the contract from a legal standpoint and so first let me take a couple of minutes to -- to summarize the agreement. The agreement is -- is a power purchase agreement for the supply of renewable energy capacity and ancillaries from a biomass fire powered production facility. The seller is nacogdoches power llc, a delaware limited liability company. Pursuant to the agreement austin energy will purchase the electric energy that you produced from renewables fuels, in capacity with renewable energy and all of the renewable energy credits and other environmental credits associated with the facility as well as all ancillary services provided by the -- by the facility. The facility itself is going to be about 100-megawatt bio mass fire plant located in nacogdoches, texas. It will consist a biomass bubbling fed boiler a steam turbine generator and a fuel handling system. The boiler will be quipped with a back house for particulate properly and a catalytic house for nox control. 20 Years from commercial operation or the giving of -- by austin energy of notice of termination following the expenditure of 3 billion under the contract by austin energy. The commercial operation date is scheduled for april of 2012. The fuel will be primarily wood waste, but it -- it excludes any [indiscernible] standing timber or old growth forest woods. The contract price is made up of -- of three charges, the first is a monthly capacity charge, which is equal to the capacity of the facility, multiplied by a fixed dollar amount per kilowatt month, which will be escalated at an agreed upon percentage each year. This payment will be adjustmented to take into account the availability of the facility. So if the facility isn't as available as expected, the charge will be reduced. In addition there's a monthly energy charge, which is designed to cover variable operation and maintenance expenses and a monthly fuel charge, which is equal to the cost of the fuel used by the facility. The agreement itself is in a customary legal form for transactions of this type and it has been designed specifically to deal with a number of risks that are associated with projects of this type. So let me just take another couple of minutes and run through those risks in the contractual mitigations that were put into the contract to deal with them. The first one is of course the facility never gets completed.



If that were to happen, austin energy would make no payments and they would terminate the contract. So -- so there's no completion risk on austin energy. The second is that the facility is late in starting. First case if that were to happen, austin energy won't be paying for the plant until it starts up. Secondly, there's liquidated damages paid to austin energy of a thousand dollars a day for late start-up. And thirdly, if -- if the start-up is delayed for more than 180 days, for non-force majeure reasons austin can terminate the contract. If a force majeure which means events beyond the contractor -- [indiscernible] the facility once it's up and running, if it doesn't have the availability expected, if that's the case then the capacity payments are reduced, so that austin energy does not suffer that risk. A fifth risk is that the facility will be inefficient. The contract provides that nacogdoches has agreed to a set efficiency for the facility and if the facility is inefficient and burns more fuel than guaranteed, austin energy doesn't pay for that fuel and nacogdoches bears that cost. The next risk is since this is a -- this contract provides for a pass through of fuel costs, there's not a profit in -- in that, but austin energy was still concerned about the possible escalation of fuel costs. So they negotiated a provision that provides that there will be a -- a benchmark collar in the agreement. And if the price of the fuel exceeds that collar, then they don't have to reimburse 100% of the costs. They reimburse 88% in nacogdoches -- and nacogdoches will suffer the 12% loss on recovery of -- of the cost of fuel in that event. If the price falls below the benchmark price, then austin energy shares in the savings, 88% of the savings. In addition, austin energy to protect themselves further, required that -- that they have the option to -- to assist with fuel procurement in the event that -- that they are not satisfied with the job that nacogdoches is doing. Next, in extreme cases, where the -- where the -- the wood price spikes way up, austin energy has the right not to schedule the plant, in which case they won't be paying for the fuel. Of course, they will still have to pay the -- the capacity payment. But they would be able to make an economic decision that it -- that made sense not to run the plant and just pay the capacity payment in that case. Finally, the contract provides that -- that austin energy can terminate the contract if the total amount paid under the contract gets to \$2.3 million. Another concern is that the electricity produced by the facility will not qualify for renewable energy credits. Nacogdoches has agreed that they will only use fuel that under current law qualifies for -- for renewable energy credits that if -- that if the renewable energy credit is -- is standard is loosened, they will continue to comply with the stricter standard existing today. However, if the -- if the law is changed, such that the facility as is then currently operating can't comply with -- with the renewable energy credit requirements, austin -- I'm sorry, nacogdoches has agreed to -- to use their good faith efforts to -- to try to adjust the operation of the facility to take that into account. Another concern that -- that was that -- that there might be mismanagement of the timber resources in connecticut with the plant, so -- so the contract provides that nacogdoches will -- will agree to comply with texas forest service best management practices and will provide reports describing their compliance with those practices. In addition, the -- the fuel supply has been limited to -- to largely wood waste and as I said earlier, expressly forbids the use of -- of merchantable standing wood and old growth timber. Finally, with general -- the austin energy wanted to be sure that the plant was environmentally compliant so the contract provides that -- that nacogdoches will construct, operate and maintain the project in accordance with environmental laws and they agree to provide environmental reports to austin energy and in addition austin energy has the right to -- to monitor and inspect the plant to be sure that the compliant with -- that they are compliant with environmental laws.

Mayor Wynn: unger, remind me, austin energy has the right to make those reports public?

Yes, correct.

Thank you, mr. unger. Further questions? Of -- of our outside counsel? Councilmember cole?

We really appreciate you doing this work and coming on board in the process. Looking at this from an outside perspective. How long did you say that you had been in the energy business?

In power, 25 years.

Cole: Okay.

So I have looked at a lot of power contracts.

Cole: Good. Because I'm about to ask you about it. One concern that we've heard over and over again is this big number being thrown around, \$2.3 billion. I need you to -- to explain to me why that is not truly an up front commitment.

Well, you don't have to pay the -- the money if the -- if the contractor performed. So if he doesn't perform, in accordance with the contract, you -- you don't have to pay. And of course that's a number, as I understand it, that's -- that would be paid over a period of 20 years. In fact there's other people -- austin energy would know this better than me, I don't think that they expect that the total cost to be lower than that. That's an outside number. If it got to that number, they would consider terminating the contract.

Cole: So this is a purchase power contract.

Correct.

Cole: When we say that we are buying power, we are buying that power off the grid. And if we don't buy that power, we don't have to pay for it. Is that right?

Well, the capacity -- if plant gets up and passes its start-up tests, if -- if it can run, then you have to pay a capacity payment. Austin energy will most likely, because it's got to pay a capacity payment, call for it to be operated. Because the -- the cost of energy is expected, the cost of just energy from biomass fuels is going to be lower than the cost of just energy from fossil fuels. So they would -- they would almost certainly run the plant.

Cole: Okay, I united you to explain the difference -- I need you to explain the difference between the capacity payments and the fuel charge 3 billion means.

Okay. 3 billion is the sum of -- of all of the payments that would be made under the contract. The

capacity charge, the o and m charge, the variable o and m charge and the fuel charge. It's a sum of all three of those over the life of the contract.

Cole: Okay.

So you are not paying 3 billion in the first year, it's going to be paid out over a number of years.

Cole: Okay. You talked about the risk that we may have in the provisions that you put in the contract to guard against safeguards against those risks. One of the things that you talked about is you said that if the contract was not -- if they didn't complete the plant or the plant was untimely, i believe you said that we would get good called liquidated -- get something called liquidated damages. What does that mean?

It's the concern is if the -- if they are building the plant that austin energy's concern is that they will be depending on that plant to be on line by 2012, and so they won't make other arrangements for power and so if the plant is late, there's the risk to austin energy that they might have to pay more for power than they would had the plant been online. So to compensate them for that risk, the -- nacogdoches agreed to pay them a thousand dollars a day.

Cole: Do you see provisions like that typically in contracts?

Yes.

Cole: Okay. You also talked about the pass-through of fuel costs and you used the term called benchmark collar. I need you to explain that and what risks we are in for those pass through costs.

Well, on the one hand you are just paying the costs so there's no profit on it. On the other hand, austin energy was concerned that -- that fuel prices they also wants -- fuel prices go up, they wanted to ensure that nacogdoches had an incentive to -- to get a good price for the fuel. So one of the things they put in the contract that is -- is that there's a band around a benchmark price. So that if the fuel goes above that price, they won't reimburse the full cost of the fuel to -- to nacogdoches. Nacogdoches will -- will not get reimbursed for 12% of the excess. On the other hand, if -- if nacogdoches can get the price down, then austin energy will share in the savings.

Cole: Okay. I have one last question. It's based on your industry experience and the fact -- i want to know if this is like a standard type of contract that you have seen and if you are fairly confident in your professional opinion that the financial implications that we may make under this contract would be in line with what you have seen before.

Well, yeah, my expertise is in legal area, not in the economic area. But I can tell you that the form -- this is -- there's different types of forms of contracts that people use. But this is a -- a customary type of form that are used in long-term contracts where you have capacity payment and a -- and a fuel pass through o and m payment. So there's many contracts that are done this way. As to the -- as to the, you know, the financial analysis, that's really outside of my expertise. But from a legal standpoint, it's a customary

form of contract and austin energy is -- has taken the type -- the kind of legal steps that -- that you would want them to take in protecting the interests of austin energy.

I guess -- I'm sorry. What I should have asked you is if the contract terms provide for financial relief if it is breached in any way that we can rely on?

Oh, yes, yes. Your remedy will be to -- to -- you can terminate the contract if they are in breach of the contract and they don't cure the breach. So -- so that's one of your remedies. The other one is that you would be able to -- to sue them for -- for what people call the cost of coverage. If they weren't performing under the contract, you gave them notice that they weren't performing and they failed to -- to fix that problem, then you could terminate the contract and sue them for your damages. Which would be the difference between what the cost of energy and capacity and ancillary services and [indiscernible] from another source versus why you had agreed to pay under this contract.

Cole: Thank you, I have no further questions, mayor.

Mayor Wynn: Further questions from -- for mr. Unger or -- councilmember shade? yeah, I'm curious, we discussed this a little bit yesterday. But one of the biggest concerns that -- that the public has raised has been the lack of a bidding process and -- and I'm just curious to know if you can clarify how -- how the electric utility's we've heard are not required to use the bidding process. If you could clarify that for me or maybe somebody else. [One moment please for change in captioners] 2001 and 2002 adopted that resolution so in a nutshell 252 simply does not apply to austin energy.

Mayor Wynn: It seems to me also there's the legal issue of whether municipal utility is required by state law to have a competitive bid situation. duncan could also talk to us about the logistic -- logistical challenge that -- that arises if we were to in our experience with that, if we were to, you know, simply do -- even though state law doesn't require us, but if we required a standard competitive bid dynamic for a ppa like this.

Yes, sir. The reason the state legislature made this provision and exempted electric utilities from purchases of electric power and utility decisions is because it is a very fast-moving, volatile industry. Portions of the industry where there are a number of competitors and the equipment is not so fast moving you can issue a bid and go through the full bid process. However, in many cases, and we've already experienced four cases in the last two years where we have gone out to bids and gone through the bid process and were able to do the contracts because the prices that the bidders gave us at the beginning of the process by the end of the process were no longer valid and they couldn't hold them.

Mayor Wynn: These were for renewable energy.

Two were wind and so we've had both type of contracts that could not survive the length of time of the bid process and being able to develop the contract. There are certain types of energy and certain types of technology that are not that volatile that we can go to bid on, but there are other types of agreements

for purchase powers or fuels and technology that are too fast moving for the bid process.

Mayor Wynn: Also, so we under about the legal assurance in the contract that -- the energy that we would purchase is in fact going to be renewable energy. The current definition of the renewable energy credits or recs as most of us talk about, if the state were to relax those standards, nacogdoches agrees to hold themselves contractually to today's standards, it would be proved to be higher. So obviously the reason -- there's two big reasons why we want to be legally assured that we are purchasing renewable energy. One is our operating philosophy and our idea that we want to grow our renewable energy portfolio. I think it's sort of a fundamental, you know, defining characteristic of our sort of consumer-driven approach to this utility. But -- but financially why we want to do that, of course, and there's two elements of this, is that austin energy, in my opinion, is very conservative, worst case scenario assumption regarding the cost of this power over 20 3 billion number over 20 years, in that number you are assuming that there are no investment tax credits at go to renewable energy power generation. Many of us just -- we know that the federal renewable energy tax credits will be renewed beginning early '09, but we didn't make that assumption. We wanted to use the known conservative financial assumption possible. And so when the renewable energy tax credits get renewed and likely get renewed perhaps at a bigger number and certainly at a longer period of time than what has been the on again, off again two-year congress, so when that occurs, of course, that would be very profitable, additional profit, if you will, to the investor-owned taxable utility. In this case nacogdoches power. But in this agreement, when that happens, then that financial advantage flows to us as the ultimate consumer of electricity, correct?

That's correct. And assuming the production tax credits are passed, and i agree with you it's almost a certainty that they will be, just the production tax credits alone would probably lower the price of this contract by around 8%.

Mayor Wynn: And in addition to that there is -- there certainly is the potential of not only additional federal financial relief for those who produce and/or consume renewable energy, noncarbon based energy, there's talk of state financial incentives and even the concept of local. But regardless, if any additional essentially tax credits flow to this privately owned power plant, ultimately that financial advantage flows through us as the utility to our end consumer of this electricity.

That's correct. Specifically, the contract says that the benefits of all renewable energy tax credits, carbon credits, any other applicable clean energy incentives from the state or federal government shall pass directly or indirectly to austin energy.

Mayor Wynn: So I mean there's a very sound financial reason why in this contract we now have a belt and suspenders assuring that the electricity, if we purchase it, is in fact renewable because of the financial benefit that will flow as, in my opinion, more financial incentives are sent towards renewable energy in this country. And then lastly, there is moving elements to this, as we all know, but it is highly likely that there is going to be some type of buzz word in is carbon regime because they hate saying the word "tax," but ultimately carbon based electricity is going to be taxed. In either a cap and trade regime, a straight carbon tax, but this energy would not be subject to the anticipated federal action when it

comes to a carbon regime, correct? Because it's renewable energy.

That's correct. Under any definition we've seen so far of biomass, this would meet that renewable energy credit.

Mayor Wynn: Right. Because as it is now, our base load at austin energy is about two-thirds carbon. About a third of our -- almost a third of our base load is the nuke. So that wouldn't be subject to a carbon tax, but everything else in our base -- virtually everything else would be. That is, the coal and all the natural gas.

Creek.

Mayor Wynn: So to the extent we can have either through green choice or not noncarbon based dispatchable base load that's renewable and not subject to carbon tax, then everybody benefits.

That's correct. And mayor, if you wish, there were a few other items that council had talked to us about that I can verify that are in the contract.

Mayor Wynn: Please do.

I apologize. We had wanted these to be in a full bell let point by the beginning of the presentation. Under presentation is available. It will be publicly available hopefully by the end of this presentation. In addition to perhaps repeat some things but to verify, we were asked that the fuel source and operation of the plant must meet texas renewable energy credit standards. And if those standards are weakened currently at sometime future in the state they must maintain the level of protectiveness at least as strong as today's standards. They cannot lessen their standards even if those standards were lessened in the future. If those standards were made stronger in the future, they have to make best faith efforts to comply with the new standards. To repeat what you said earlier, mayor, the benefits OF RE Cs RENEWABLE CREDITS And carbon credits and other incentives from local, state and federal governments shall pass directly or indirectly in total to the city of austin and austin energy, that's in the contract. Also in the contract, they have to comply with the texas forestry best management practices. They have to submit to an annual implementation and monitoring program that they are meeting those best practices and submit annually to the city of austin and austin energy a report detailing their compliance with the texas forest services VMPs AND WE'LL MAKE THIS Report available to the public electronically. In returns of other reporting, nacogdoches power shall annually provide to the city of austin and austin energy a report detailing plant compliance with all the state, air and water quality permits including their discharge monitoring report, their deviation reports and excess emissions report, their ppds discharge permits and any other compliance or enforcement issues with the texas commission on environmental quality or the related to their wastewater discharge permit and state and federal air permits. So all of these requests from the council were included in the contract.

Mayor Wynn: Thank you, roger. Further questions? We do have a handful of folks that want to give

testimony. Mayor pro tem.

McCracken: Outside counsel --

Mayor Wynn: He was just walking out.

McCracken: That's why i was saying don't leave.

Mayor Wynn: Not so fast, mr. unger.

McCracken: And I just have one question to follow up on councilmember cole's quell. This is a contract to buy power from basically burning sawdust. If this array contract to buy power from burning coal or burning natural gas, would this be a novel or unique purchase power agreement in its legal forms?

No. You know, there wouldn't be RECs ASSOCIATED WITH IT, BUT The form of the power agreement would be -- could be very similar. There's different types of agreement, but it's a very customary one as like this where you have the capacity payment and the fuel pass-through. So I've seen gas contracts and coal fire power plant contracts with the same type of provisions in it.

McCracken: Thanks.

Mayor Wynn: Councilmember morrison.

Morrison: Sorry to hold you up. Just one question. The terms of the contract include one option that i hadn't really heard discussed before and that is that the finances, as you said, are that it goes for the shorter of 20 years or \$2.3 billion. But then there's another 3 before 20 years. Could you walk through that scenario because I think that's a little bit new as an option.

If the contract goes for 20 years, if the amount paid by austin energy gets to 3 billion, then austin energy can give a notice and terminate the contract. If it's that time that likes the contract, it can let it run for the full 20 years.

Morrison: So we have a first option to go beyond 2 abandon 3 billion if we died that's a reasonable thing to do.

Right. Right.

Morrison: Thank you.

Mayor Wynn: Councilmember shade.

Shade: One other question we talked about yesterday and it may be roger's to answer, you referred to it as a gate keeper provision and I'd like for you to explain that as well. That was something that many

people aren't aware of.

The electricity coming off this plant goes into the statewide electric grid and -- that ERCOT controls. In order for it to go into that grid it has to go through what is called a qualifying scheduling entity or QSE. Nacogdoches power is not. So all energy being scheduled into that grid has to come through us. And they build transition up to connector caught and that's it. So even if for any -- if we decided not to accept more energy from the plant, they still could not sell energy from that plant to other entities without going through a QSE, and that's us.

Shade: Thank you.

Mayor Wynn: Further comments or questions for Duncan before we get testimony from citizens. Hearing none, we will go to our citizen speaker list. Let's see, our first speaker signed up is Valerie Davenport. Welcome back, Ms. Davenport. And is Jeffrey Wells here? Jeffrey, well, Davenport, you will have up to six minutes and you will be followed by Cyrus Reed.

Hello again. As I stand before you, I feel a little like Hillary Clinton at the Democratic National Convention without Barack Obama as my presumed candidate. The reason is because Michael Bishop and American Biorefining and Energy, Inc., loves renewable energy. He does not want to blight the face of renewable energy nor does he want to discourage Austin and this Council and Mayor in its very laudible fight to acquire renewable energy sources. However, he also does, and I also support doing the right thing correctly. And that is where there is a significant difference. Obama may share many of Senator Clinton's goals and achievements, the things in this contract which we believe are improper, are -- must require us to contest it and ask again for bids. The reason for bids given by Roger Duncan was about the volatile nature of energy. Well, that may be true in other forms of renewable energy, in wind and even in other areas, but biomass from lumbering slash is a nonproduct. It is studied, it is renewable, it is always maintained. The price is relatively constant and the cost is relatively the same. It is not a volatile industry where that cost of that product would prevent sound bidding and negotiations. And without that sound bidding and negotiations, you end up with the problems that are now before the Council. Yes, American Biorefinery and Energy, Inc., objects to the fact that it was promised to be included in a bidding process and once denied that right to participate in those bids, even if it is accepted by statute, and I would wonder about when he said about the -- or I think it may have been the city attorney, when he talked about the exceptions to the bidding, he gave two instances. One of those is that the -- there are two different things that he said and one I know didn't apply. I'm very concerned about the six-minute time limit and I would ask the Council for a question. I'm a lawyer. Mr. Unger is a lawyer. As he spoke, I had probably 10 questions that I think a lawyer who was knowledgeable about this issue would ask Mr. Unger. None of those questions were voiced by City Council. If I go to those questions, I'll not be able to complete my presentation on behalf of American Biorefinery. And my question is, is this Council concerned with the true merits of this issue and would allow me to go into those matters even if they exceed my six minutes or should I return to representing my client and the presentation that was requested that I make today.

Mayor Wynn: Davenport, you have two minutes and 33 seconds. I'll pause the clock, but we have very



strict council rules.

Okay.

Mayor Wynn: If a councilmember has questions of you, they certainly are welcome to ask questions and oftentimes that dialogue continues past the stated time.

Okay.

Mayor Wynn: But I suggest you try to finish your testimony and of in the next two and a half minutes.

Let me talk what I was going to say and if council is interested in the questions that I would have for legal counsel, I will explain those and then possibly you can ask them yourselves. At that time. As you know, michael bishop and american biorefining and energy submitted a term sheet yesterday with regard to its proposal for the same project. In that term sheet, it showed that there would be over 20 57600 8 hundred million dollars savings to be located more at the sources of the flash. With another facility, the sources are mine and the to my client at the beginning of 2006, this council and austin energy has cost needlessly the -- the citizens of austin up to \$950 million. And also it has not guaranteed that this be renewable energy, based on the comments I've heard, all it's done is saying if we can't give it to you in renewable energy, you don't have to pay for it. Well, that's not the right answer. The right answer is we can give it to you. And unless they can show and have shown that they have the rights to the flash by that mother facility, they have no idea whether they can give it to you. And councilmembers and mayor, I would submit to bishop has secured at least a million acres of flash in order to support this. [Buzzer sounding] and again, if the council -- if any member of the council would like me to discuss the legal issues that I think were raised, I'd be happy to do so.

Mayor Wynn: Thank you, davenport, and you are welcome also to hand us any information you may have which is a common practice here. davenport, council? Additional testimony may inspire more questions so please stand by, ms. davenport. Our next speaker is cyrus reed. Cyrus reed signed up wish to go address us. reed, you will have three minutes to be followed by paul robbins.

Thank you, mayor, council. My name is see reduce reed. I'm here representing sierra club, lone star chapter. I'm conservation director. I have a copy of a letter that was submitted yesterday that's kim kramer who is the correcter as well as myself. I want to start by thanking all of you because I think the contract that's before you today is much improved compared to the contract that was a week ago. And so I think what you see there is the benefits of doing things publicly. In particular, some of the risk factors that were talked about I think are better this week than they were a week ago and in particular the issues that we and others raised in terms of both the input side and the emissions and making sure that there is some reporting requirements from the applicant to austin energy to make sure that if we're getting this power it's being done using best management practices, which is obviously very important to the sierra club and membership in east texas as well as on the emission side making sure they are complying with wastewater and air permits so if we're going to buy this power it's as clean as it can possible be. I would ask austin energy make those reports public on their website so, again, if you do

decided to this contract, the public has some assurance that things are being done correctly in terms of both the inputs and the emissions. That being said, sierra club cannot support this contract in its present form for two reasons. One of which really goes outside of what the city council [inaudible] and that has to do with the way the texas commission on environmental quality does their permitting process. We don't think the emission limit for nox is a particularly good one at .1 pounds for mmbtu, which is higher than some of the coal plants we were all protesting including the city of austin. We think if tceq had done their job properly, we could have had a lower limit, but that's sort of an issue outside city council. But the second issue really has to do with process and the feeling that I think a lot of citizens in austin have which is roger duncan and austin energy has been very public and said we're going to have a public discussion about how to meet our renewable energy goals, which all of us support. And there's a big question whether this particular biomass plant is the best way to get there. There's -- there needs to be discussion about how much base load we need, how much really peak load do we need and how do we get there. And so it's almost a philosophical opposition in that we think there should have been -- including competitive bidding, it should have been a much more public process, and I think you've seen just in one week with the public meeting that laura morrison's office called as well as the extra auditing you've done how much we can improve things using the public process. And so it's really just a hope that -- [buzzer sounding] it's the hope we don't do this in the future. That we have a much more public input on these decisions. If it's your will, you know, to do this contract, we don't really support it and we hope that the future will be done in a much more public way. So it's philosophical, we think we can get clean renewable power and we don't think this plan is the best way to get it.

Mayor Wynn: Welcome. Is karen hayden here? Welcome back. Paul, you have up to six minutes and you will be followed by skip.

I'd like to take my citizens communications time if I can, but I'm paul robbins, I have been a renewable energy advocate for 31 years. A main message I want to convey here is that there are a number of environmentalists in austin opposed to this project for several reasons. These reasons include lack of financial scrutiny given to this project. The lack of public information disseminated, and the deliberate manipulative -- the lack of public process. I'm going to read excerpts from a letter sent to council yesterday from environmentalists. Dear mayor and city we are writing to express our concern about the proposed biomass plant in east texas. We strongly support renewable energy, but the lack of process and poor disclosure of information related to biomass -- to this biomass proposal has led to a public perception that the city council and the electric utility have not done their due diligence in negotiating the price. We ask that you defer the proposal contract and that you open consideration to strategies that might lower the cost of renewable energy. These strategies include solicitation of competitive bids, consideration of other technologies, and consideration of other financing options, including the city's possible ownership of renewable energy production facilities. This was signed by mary arnold, bill bunch of sos alliance, mark and melanie McAFEE, METS.

Reporter: Of environment texas, myself, robin schneider, bridge it shea, former austin city councilmember, mike sloan, bill spellman, a former a city councilmember. And mark isn't ag's a. Sierra club reported on their letter to you. Karen hadden with the texas seed coalition also signed a similar letter and believes solar energy would be better suited to the needs because peak load, which solar

energy deavers, is more expensive to the utility than base load. I've also am going to read a letter, an excerpt from a letter to austin energy by tom smith of public citizen. Quote, after a long and sleepless night, serious questions continue to haunt me and force public citizens to -- not to support the plant. A process like this where the community is given a take it or leave it deal without the time to discuss its merits creates the same kind of suspicion that people dread at a car dealership. A bad deal is looming when your car dealer says that you have to take this deal tonight because the guy on the other side of the curtain is negotiating on the same car. When the dealer tells you that, the best advice is to walk away. Not every environmentalist I've talked to is against this proposal, but the majority i have talked to either oppose it or want more information about it. And when angry ratepayers begin to punish the ones they think are responsible for this poorly thought out proposal, i stress that environmentalists, by and large, are not to blame. We tried to act responsibly and were ignored. Speaking solely for myself, i consider this proposal political plutonium. I will not go near it. I will warn anyone who will listen not to go near it. I am impassioned supporter of solar energy, but this deal is financially irresponsible and a ridiculous excuse for public process. I want to comment on the cost of the biomass plant as well. Some renewable energy sources will be higher than others and they might be justified for such things as greater reliability and environmental protection. But is the cost justified compared to other power plants of its kind. To answer this, I called a federal agency who monitors the cost of renewables in general. I was informed that a biomass plant built in \$2,006 would be 8.1 cents per kilowatt hour. That's a national average. And consumer price index inflation at 3% would mean that in 2012 such a plant would be less than 10 cents per kilowatt hour. The miniscule amount of information we have about this plant is that right now today 6 cents per kilowatt hour. I want to comment that this is a no bid contract for purchase power and assumptions for how it will affect the average austin night's bill are not being made public. The cost of electricity for this plant is roughly 100 to 150% higher than the average cost of electricity in austin. The cost of fuel is not locked in so the costs could be higher. It represents over 10% of the utility's gross budget. [Buzzer sounding] for this fiscal year. To conclude, do what you will, but I will have no part of it. Do not blame me when things go wrong. Do not blame environmentalists when things go wrong.

Mayor Wynn: Thank you, mr. robbins. Our next speaker is skip cameron and james vonwulfski. cameron, you have up to three minutes if you need it.

He's out there raising his hand.

[Inaudible]

Mayor Wynn: I asked because our rules are quite clear you need to be present so I ask when people don't raise their hand or tell me they are present, I'm not going to give the speaker the time so thank you for clarifying that, james. You have up to six minutes if you need it. To be followed by janet giles.

Thank you, mayor, council, and austin energy, thank you for all the work you've done on this. The council is poised today to make a \$2.3 billion mistake. Ae rejected all the bids they took in 2005 and promised to rebid, but they didn't. That it takes too long is really a lame excuse, folks. I don't accept that and I hope you don't. Council, ratepayers and taxpayers still have not seen the critical details. From

what's been disclosed to this minute, np's proposal does not pass the smell test of reasonableness on environmental impact, sustainability and cost. I don't care whether they say they are going to abide by all of these rules of forest management and all that. The truth is you cannot put 100 megawatt plant in east texas and meet those requirements. It will fail. And I'm not the one saying that. It's people who know this industry well and have researched east texas biomass. To respond on the cost side on a couple of things said earlier, whether or not it will be paying a monthly energy charge which is called a capacity payment, as I understood it in their testimony, and o&m charge which is variable with inflation. If things don't go well, they will get a late payment of \$1,000 a day. 100 Gigawatts is \$352,000 a day. I don't think that's a fair late delivery charge. You ought to rethink that seriously. And the other thing is that if they get the rec credits duncan has said, 8%, that 2 cents off 4 cents per kilowatt hour at the plant before transmission costs, before administrative fees. Competitive bidding is at 8 cents, which is -- you have just heard is what the industry cost of operating these plants is. Pay attention to that. This is going to be much like an economic disaster that some of you may remember with the south texas nuke, just on a different shade. Even though -- np's presentation said they can use clean wood chips. I would like to know where these are going to come from. Under a take or pay contract, the generator is available to produce, the buyer must pay even if the buyer chooses not to take all the power. If the generator is unavailable to produce or fails to produce by fault of the producer and through no fault of the buyer, then the buyer would not have to pavement these terms ought to be specifically spelled out in your contract. Do you know what these 57600 buy our cool aid now while the supplies last. For the good of this community, council, you must reject this proposal and open the bid process, do it fast, they can do it quicker, and provide full disclosure to council and the community on the result. Thank you very much. I'll take your questions.

Mayor Wynn: Thank you, mr. cameron. Questions for skip, council?

One of the other speakers was not able to come and I'm going to pass his testimony down.

Mayor Wynn: Our final speaker is janet gilles. Welcome, janet. You will have three minutes.

Hello. It's actually janet gilles.

Mayor Wynn: I'm sorry. I've been very excited living in austin and having a green mayor and a green council and thinking that we're going to help lead the world into the future of renewable and sustainable energy. So I was completely shocked to find that we're going to come up with a wood burning plant because of some artificial deadline. It certainly won't be anything that everyone else can copy because there's not that much extra wood. One of the biggest ways to save energy which has been used in other nations is local agriculture. And I've gotten very involved in local -- local food and local agricultural issues, and our food supply for this country is going to be a big problem. It's based on cheap energy. Oil was \$20 a barrel when bush got into office. It's now five or six times that and heading for more. So it isn't going to really make sense to grow our food in china and south america and even the midwest and ship it here. It's going to have to be grown locally. So I react with horror at the whole idea that mulch is a waste product. Another shortage that we're facing is water. And if you drive around texas, look at the ground, the farmland, it's -- there's no mulch. They tractor it up. They don't put mulch down. It's too

expensive. It certainly should be used -- wood mulch should certainly be used to cover the ground and stop water evaporation because we're facing water shortages. This plant was a rush because of an artificial deadline and we should just sit back, 57600 farmers and we're not going to survive because we're going to have to grow our food locally. The shipping of food is a tiny blip on the screen where it made economic sense because energy was so cheap. And the end is in sight and we should be leading the way, not grabbing up the last of the wood before it's too late. We should be leading if way into a renewable and sustainable future. Thank you.

Mayor Wynn: Thank you, Janet. 57600 that is a very critical difference. A take or pay contract is when they are ready to give us full 100 megawatts. The answer is we pay only for what we receive. We don't pay for the full 100 megawatts. Even to the point if they offered no megawatts, we would not pay for any energy whatsoever. These issues were addressed in the contract.

Mayor Wynn: And regarding the transmission issue, the only shut in and practical terms would be because of transmission congestion and our experience and everybody else is that congestion is in west Texas and here's an opportunity for us finally to tap into renewable energy in the eastern part of the state where congestion and transmission has not been the issue. Further questions? Councilmember Cole.

Cole: Mayor, I feel satisfied that we've spent a little extra time to evaluate this project and that we've determined that it is feasible and would be in the best interests of the city to move ahead in light of our renewable goals. So I would like to make a motion that we execute this contract.

Mayor Wynn: Motion by Councilmember Cole. To approve item number 4 as presented and posted including the execution of this purchase power agreement. Seconded by Councilmember Leffingwell. Further comments on the motion? I'll just say I too am quite satisfied and in part because of the competitive nature of our utility, you know, there's both state law and the real reason why we do have some of this discussion in closed session because of the competitive nature of -- the mostly deregulated electric utility industry cluster in Texas. I have been satisfied regarding this PPA. Councilmember Shade.

Shade: I want to applaud all the people who have been working on this and I just want to acknowledge we've gotten a lot of public input over the period. I'm happy that we did delay this a little bit. And I completing agree with Robbins and Reed's point that with more public input we do get a better product. I'm happy to hear that others that are in this industry that are interested in pursuing deals with Austin have an open door to be able to do that. I'm satisfied with the outside counsel's assessment of the risk and mitigation that we need to have more comfort. By separating the letter of intent I think we got a better product. We also did have support from our utility clerk and management commission all of which are made up of other citizens besides those in this room and sitting on this dais.

Mayor Wynn: Motion and second approving item 4. Mayor pro tem.

McCracken: Just to put some of these things into perspective, the Green Choice program when it started in 2000, it was at a time where it was clear that we needed to be looking at some diversification and

also some -- moving toward more environmentally responsible power. At the time green choice was more expensive than co electricity from burning coal and natural gas and nuclear power plants and uranium. 7 cents a kilowatt hour. One of the reasons I know that I was one of the fortunate people who got in green choice in 2000 before the california market meltdown caused the private sector to rush in to buy green choice because right now our conventional electricity, which was cheaper than green choice in 2000, is now 3.6 cents a kilowatt hour. It is more than 100% more expensive than green choice if you got in on it in 2000. If you looked at green choice in 2000, you thought it was an expensive boutique electrical product. You look at it now and it is twice as expensive. Our folks at austin energy are looking at market trends. Just as we saw in 1999 in this city where the markets were going in electricity, we see this now. It's very obvious to everybody who looks at it what's happening to the cost of electricity in this country. And so we are, again, learning the lessons from the airline industry which is diversify your fuel mix and plan for the future. This obviously is not a long-term strategy. Our strategy for clean energy is not from burning sawdust. However, this does have some environmental superiority, particularly as a mid-term solution. The ultimate vision, which a lot of folks in this room recognize and have been advocates and visionaries for, it allows for locally produced solar energy to feed into directed generation system, that requires big advances in energy storage. That is going to come. And austin energy in addition to being planning ahead for the mid-term with the biomass proposal, we need to also be planning ahead and leading the way on distributing generation and solar as a component of that. But we have a mid-term problem to solve. If you build your own power plant, 50 years, we get to buy this electricity for 20 years, it is carbon superior to coal or natural gas, which are our only two other options. So I am too supporting this after looking at all the information. In 20 years I am confident that with austin energy's leadership, we will have a robust and scalable, successful distributed generation system with solar at its core. Until we get to that point, we need to pick the best option in the mid-term and the best option, better than coal, better than nuclear and natural gas is this biomonths proposal as part of our diversified midterm strategy.

Mayor Wynn: Thank you mayor pro tem. Further comments on the motion? Councilmember morrison.

Morrison: This has no doubt been a challenging issue and I want to thank roger duncan and austin energy and all citizens who have been participating on short notice with not much time. Clearly the public process was not ideal. It was far from ideal. And I think it really gives us some guideness a and hindsight on how important the upcoming process is that austin energy is going to engage in and how many people are interested and how many people have things to offer to that discussion. I will be supporting this motion, somewhat lee luck at any timely, but I am contracted to know that we will have the opportunity for additionaout me with the additional reports made available by austin energy and we will look forward to the public's oversight of that. I wanted to thank everybody for all their work on this.

Mayor Wynn: Thank you, councilmember. Motion and second on the table approving item number 4 as presented. 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. That takes us to our noon general citizens communications. I believe we have a full slate of citizens who would like to give three minutes of testimony. Our first speaker is jim arnold. Welcome, sir. You can take either podium. Staff can happen if you have actually mark, if it takes you a few minutes to arnold, it will take him a couple minutes to load

that up for you. I'll call you right back as soon as they are ready to go. Might help your -- be more efficient. Our next speaker nailah sankofa, signed up wish to go give testimony regarding african-american artists in austin. Not with us. How about carol torgrimson. Welcome. arnold's presentation, we'll hear from carol. Welcome. You'll have three minutes perhaps followed by travis hough.

Good afternoon. My name is carol torgrimson, a resident of long canyon which is a limited purpose neighborhood on rm 2222. I'm hear to talk about some development issues that have reached epidemic proportion in our area along 2222. There's been a recent surge in the number of application filed containing patently false information. This can range from specifying the wrong zoning on a subdivision application, even though there was a recent contingent zoning case resulting in rezoning of the property. In another instance, it might be the matter of citing the applicable zoning case of being one which expired without approval or listing a settlement agreement which is not applicable. In the most egregious case it's a -- having an applicant claiming to be an agent of the owner when they are an agent of the prospective developer and unknown to the important on his behalf the application is supposedly filed. In addition, there are cases where engineering letters contain glaring and obvious errors in this representation. All of these result in confusion to the public and extra work for staff who are now called upon to be detectives as well as reviewers. Filing an application is not meant to be a fishing expedition to see how much one can get away with or bamboozle city staff. It's supposed to be serious and gain approval. It's bottom an attempt to gain the system and get undeserved entitlements. During the review process, failure by some applicants to 57600 process we are very concerned that code violations are not getting -- are not getting enforced in a fashion which is a deterrent to others to do filing. We have had code violations filed two years ago which have still not been addressed. [Buzzer sounding] I would like to say in closing that we think your city staff is the best possible staff. We're not -- this is not in any w a criticism of staff it's the amount of workload created by people disregarding the land development code and not taking it seriously and disrespecting everyone involved.

Mayor Wynn: Thank you. Councilmember leffingwell.

Leffingwell: Next month the audit and finance committee will be laying out the work plan for the city auditor for next year. One of the proposed optional items is an audit of code enforcement. I intend to advocate very strongly that there is be one of the primary objectives, an audit of our code enforcement process so we can lay a database to talk about the kind of problems you suggested for next year.

Thank you.

Mayor Wynn: Carol, i think it would help us if you would be kind enough to leave your testimony. I see our department director and assistant city manager is here, law department is here and it might help us sort of to walk through that appropriate list you gave us. I do know that at times we have had elements of this discussion mostly with our city law department. smith can briefly talk about that for some, not all of the issues that you brought up, state law tends to put measurable parameters on local governments in so far as the amount of how much a fee can be, how much a fine can be, you know, what will be the prosecution process should violations occur. smith can talk to that briefly, but we've asked many of these questions before and at times on pieces of this, not all of it certainly, you know, we're constrained

by the state, if i remember that correctly. Mr. smith.

Maybe, I think you have stated that correctly. Just very briefly without knowing more about which specific provisions of the land development code being enforced, it's hard to address what the appropriate action on the part of the city could be. Some things it would just be a denial of the permit. Some things it might constitute some kind of class c misdemeanor. But I think starting two, perhaps three years ago, the city began to listen to voices in the community and beef up code enforcement in general. And I don't know if you are familiar with that, that there was an examination of what code enforcement was being done. It was consolidated from various departments into the solid waste services department. And I have at least one lawyer who is dedicated solely to code enforcement. So --

he must be a very busy person.

She is a very busy person. But I would also be interested in seeing your written testimony so that we can look at it more closely.

I'd be happy to -- I'm afraid no one will be able to read the scribbles, but i would be happy to write this up and e-mail to staff. I have cases, I very hard cases for everything I've said today. I'd be happy to meet with anyone on your staff and present those cases and review them and show them where these errors have occurred and talk about where we see improvements could be made.

Thank you.

Mayor Wynn: Thank you much. Staff, are you ready for mr. arnold's presentation? Welcome back. Appreciate your patience. You have three minutes.

Thank you, mayor and council. I'm jim arnold. I'm the owner of the building that's shown in the photo. I'm going to flub through photos quickly because half the people were not on the dais when I made it a year ago. This has to do with an attack made on that and at the time of austin city limits. If we can go through and I'll tell you what you are looking at. The first is the front door -- we had a man who got drugged up and came over and basically went through the building and did a lot of damage. So I apologize to those who have seen this before. This is the front door and the way it was left afterwards. If we can flip to the next one. That's our front hallway. If you can't tell, it's filled with glass. There's a good deal of blood. In fact, we'll move to the next slide. That's some of the blood that he left there for us. Move to the next slide, that's blood on the elevator. Move to the nextno carrierringconnect 57600 attack was related to the acl event and also it's the truth 57600no carrierringconnect 57600 , which is where we are, pecan grove starts at barton springs and lamar and north and west, it's a small quadrant there. We're hoping one of these roving patrols, and i requested one of those roving patrols be assigned to pecan grove because there is no area more impacted than the pecan grove area. That's the story. Basically the good news is there's progress that's being made. You know, the jury is out as to whether or not we're doing everything that needs to be done in the way of security, but as I said, there is some progress. One of the good things that's come out of this. [Buzzer sounding] -- I've met the person who is going to speak next. marine corps member. Current applicant for the city police force. And he participated in the



apprehension of this fellow who did the damage this past year and he can speak to that. Thank you very much and if there are any questions, I'll be happy to take some.

Mayor Wynn: Thank you and there's good to hear there's some progress. I have frequent enough meetings and interactions with the staff and the team that puts on acl, big deal for the city each year, very big deal for them. I've been impressed with their -- you know, the way they look at the festival. Each year they do a post-mortem and try to figure out what went wrong and what went right. I think they work closely with city staff to make sure logistics work. They got thrown a curve ball this year and cap metro is not going to be able to give them the shuttle service so many of us use going to and from the festival and I think they have a backup plan for that. This kind of testimony is important for us to hear and see as we always have those good conversations with the -- you know, the producing group to make sure it is as enjoyable as it can be not only for the people who listen to the music but just as importantly for all the neighbors. Thank you for your testimony.

Thank you. arnold pointed out, our next speaker is travis hough. Welcome. You will be followed by william schneider.

Anyway, I was there when it happened to help subdue the suspect and it was pretty -- it wasn't really that gruesome but the simple fact it was enough officers that needed to be there to make sure that everything went smoothly. Now, the geographical area arnold's office is at is approach for people leaving and going to the festival. It would be nice to have an officer, either patrol car either walking around making sure everything goes smoothly. This probably could have been precinct, however, the likelihood that it won't be as bad, I couldn't tell you. Anyway, I would like to see -- I'm glad he put more responses to what he needs and the needs also for the city and the further community overall. So it's kind of sad things happened, but I just happen to be on the ride along and happen to help the officers and it's a weird situation, but I don't regret doing it when I did because the suspect was intoxicated and even stated how he was taking acid. So sad thing, but people are going to do recreational drugs, they take them into public and go crazy. That's when, you know, the public really kind of gets, i don't know, it can get pretty bad. I would just like to take into arnold has presented to you all and hopefully everything runs a lot smoother this year versus last year. Another thing, if -- a lot of officers were there so what I'm trying to say if someone had -- I'm not saying terrorists or something like that, if something were to happen, all those officers this would be a really bad time for the officers because a lot of them in that one little area where the action took place. Different areas of town, that would be pretty bad. I think having more officers there would help out this year for the acl festival. Thank you very much for your time and nice talking to you.

Mayor Wynn: Thank you. William schneider signed up to give testimony. Welcome, mr. schneider. You will be have three minutes to be followed by tom egan. Z.

There is a medic alert bracelet. I do a lot of walking since i can't drive. And part of the problem is because people don't trim their trees. There's times that I even have to walk on the sidewalk because some of the trees -- i have to walk on the street because some of the trees are so low. I've even had a police officer stop me and I told him the reason why I was walking on the sidewalk. That's why I've come

to see if you could -- I'm willing to pay additional taxes if you do something about those trees. I've seen a lot of them that need trimming that people don't do. And also people are the sidewalks when I'm walking, there's a bunch of dirt on the sidewalks. When I'm walking in the dirt it's hard to see and sometimes I have to walk on the road to get around them. I need something to do about those two problems. And also I've had problems with vehicles turning right on red lights. I know that's legal, but probably a couple months ago I had one vehicle hit me while I was crossing the road. He was turning right on the red light, but since he was turning right on the red light, he didn't see me. I had to be careful. But still you need to reverse that proposition so people wouldn't turn right on red lights. I had to see a or the peteic about my leg being hurt. I had surgery on it two or three months ago. And another problem I've had was my -- I used to be -- I vote regularly in every voting election, but my voting precinct used to be at westgate lanes bowling alley at 2701 west william cannon at the intersection of westgate and will 81 cannon. They changed it to manchaca road. I haven't voting since they changed my voting precinct and I even called a telephone number in the blue pages asking them whether I could change my precinct, but they wouldn't let me. So that -- that's my main condition. I want someone from you to address. Also about voting, you know, none of you -- I haven't voted since they changed my precinct, I haven't been voting at all, even the president of the united states coming up for election, I can't vote for any propositions or anything. So that's pretty much all I have to say.

Mayor Wynn: Thank you, mr. schneider. Assistant city manager garza just offered to have staff get your information to see how we could help. As part of our proposed budget, there is talk now of significantly upgrading funding for both sidewalk right-of-way maintenance mostly in the streets themselves, but hopefully we can find the dollars to continue to try to improve and/or maintain the rights-of-way. We hear that complaint a lot.

Thank you.

Mayor Wynn: Tom egan is our next speaker. You have three minutes to be followed by gus pena.

Thank you, mayor. I don't know the protocol here, but I have a page that I would like to pass out to council.

Mayor Wynn: I think councilmember leffingwell will gladly take that from you and pass it down.

And I've ran my remarks with a stop watch.

Mayor Wynn: So will we. [Laughter]

mayor wynn, members of the austin city council, I thank you for seeing me these three minutes. I will be brief and stay within that time frame. ON SUNDAY, SEPTEMBER 21st, Next month, the world community will variously honor piece with the annual international day of peace. The international day of peace was established in 1981 by the mains as an annual observance of global nonviolence and ceasefire. Every year people in all parts of the world honor peace in various ways then on SEPTEMBER

21st. In his statement issued to 57600no carrierringconnect 57600 frequently participates.

If you could be kind enough to leave your information with mess gentry, we will be sure to contact you as soon as we get that accomplished.

Thank you, I'm new to austin, relatively. Part of the year.

Welcome.

I'm a retired educator.

Good. Welcome to town. Thank you for the suggestion. Gus pena, welcome back, gus. You, too, will have three minutes to be followed by terry overton.

Good afternoon, mayor, councilmembers, gus pena, native east austin night and I -- I would like to commend the prior speaker on the peace and justice statement, very important. Something that's forgotten by everybody. Sometimes even by myself. Budget. Youth and senior citizens programs keep it fully funded. The summer job programs for the youth fully funded, increase funding for social service agencies that help the needy, the poor and the have-nots. The gap widens between the haves and have-nots. Poverty it's more prevalent out there. It's going to get worse next year. If the library system is to be closed one day, minimize the adverse impact that it will have for the customers, especially for the youth, who use computers for research and home work. They can play games, but that keeps them off the streets and occupied in the libraries. It will have an impact. I don't know. The statement has been made that -- that the -- that the funding that is saved by closing the library, we can hire more security guards. You have some good security guards, outstanding security guards. But you have some people who really abuse the power of being a security guard. When I got out of the marine corps in 74, after putting six years in. I was a security guard, also in the marine corps. I'm on public record. But the issue this, they are not cops. They are not supposed to touch the people unless the people are being violent or unruly. You do not stare at the customers in our culture. Down right disrespectful and inappropriate. assistant city manager, I've talked to assistant city manager and others regarding that inappropriate action that has to stop. You have good security guards over here, they have great interpersonal skills. Maybe they need to learn from these people here. If people will utilize as much energy as it was expended this week, I won't comment on what issue and work on the -- on the poor and needy and havenot issues, to work to bridge the gap between the have's and have nots, this will be a more beautiful city. More prosperous for the poor and havenots. I don't know. Lucio saw that. He was with me. He said dad I can't understand that. How they treat people. Getting together people, work together with each other. There's really no racial divide here. Just differences between some people who want to act like patrons, not good. Last item, mayor, councilmembers. I want to commend shirley and her staff at the city clerk's office, I have been very demanding and respectful at time. I wanted to say that I was not aware of the big workload that you all have. I appreciate all of the city workers, also, because I was a city worker with parks and recreation, also at municipal court as a bailiff. But thank you for you and your fellow employees for the work that you do for the city and us demanding citizens out there. Continue the

march. [Buzzer sounding] and peace again. Thank you very much, have a good day.

Mayor Wynn: Thank you, mr. pena. We see that niella joined us. You, too, will have three minutes and you will be followed by terry. Thank you, greetings to the new councilmembers. Welcome, I can't wait to see what you all do, good luck. I'm here to speak to you all or remind you about an issue that I've come before you before. That is the art happens sans and scholars collective. That's a mouthful. It's a urabl word of people of the black skin. Art zahns and scholars of african descent, we are still in severe need for our collective. We are establishing a collective for art stanes of african descent to have affordable, live work space, preferably in east austin, you all have seen e-mails from me over the last several weeks about this, i have even spoken to some of you. But I am here because i think not only do I need to address you as an entire body, austin community, to know that these artisans and scholars are out here. What we are trying to achieve and what we are not yet reaching our goals or beginning goals, which is to -- to acquire a space. And we are the most under utilized, under supported artists in this community still. And as of two weeks ago we have lost four of most accomplished black artisans in our community. Not lost that they have gone into the ancestral realm, but they have left austin for better, greener pastures, that being deborah roberts, sholanda room ridge, cletus johnson and one of our newest members to the united states, not just to austin was -- was yao isifu from ghana, he just decided he couldn't make it here as an artist. He's phenomenal and he left. He's leaving this weekend. To return. So we're going to continue to loose our black artists. I don't know if you all are aware, but artists of all ethnicities make societies. If it were not for us, we will not have a lot of things in the society that we have and take for granted. In all aspects of our lives. We are the historians, we are the prophets, the ones who are the voices oftentimes. I wanted to address you assist a body again to say help us. [Buzzer sounding] and -- and do your role as city leaders to help us be who we need to be. And give what we need to give to our city. Thank you.

Mayor Wynn: Thank you. Our next speaker is terry overton. To be followed by hope i pronounce this correctly, chioma okoro. Sorry if I'm mispronouncing that. Welcome. You, too, will have three minutes.

Thank you and -- mayor and councilmembers. I'm glad to have this time to express myself. I don't know if it would be okay for me to turn in some of this.

Mayor Wynn: Yes, hands them to councilmember leffingwell, we will pass them down. Thank you.

My name is chioma okoro i have a concern about city of austin staff and its citizens. I have lived in austin since 1996. I have been very involved in this community as a health care provider, child care provider and a volunteer to the homeless. Among other groups. I'm divorced with four young children. My ex-husband physically and mentally abused both me and my children. I received very little in child support from my ex-husband and I am the owner of two [indiscernible] in austin here. 1152, 1154 [Indiscernible] road, 2200 rosewood avenue. I depend on these properties for income. But I have been unable to make any income on these properties in months. Because the electricity has been terminated and I have received [indiscernible] written notice of code enforcement violations. Since january of 2007, i have had increasing difficulty in communication with city of austin staff because of the communication difficulties, electricity -- electricity on my property has been terminated. I have received repeated notice

from the city of austin code enforcement division to clean up my properties, even after i have done that several times. It's not enough for them. I -- I have been -- just trying to express myself to them. I have had people harass me and misuse their title to threaten, to try to intimidate me. I have shown photographs of the properties being cleaned up. My efforts have been ignored. I have received similar treatment from austin energy. I have attempted many times to work out a payment plan only to be told that I have not done enough. Because of the difficulties with austin energy, I have had to jump through many hoops just to get electricity and water in my apartments for my four young children. The bad communication I have really experienced includes prolonged and uncomfortable timing, harassment and misuse of titles and power, oppressive and malicious communication, falsification of information, manipulation and [indiscernible] getting result, deletion of important information. What I am asking this -- [buzzer sounding] -- that -- I'm just asking that the city of austin just treat its citizens with respect. I know that's -- that's communication involves just a couple of things that i found very, very different. Respect, honesty, non-judgmental attitude. I also ask that my electricity be reinstated on these properties that I have please that has been terminated for over a year. Thank you to all of you. Mayor wynn and all of the city members. Thank you.

Mayor Wynn: Thank you, ms. okoro. I appreciate the fact that you put your testimony in writing. That will give us and our staff the ability to have your address and your contact information. I do know that of course staff is here, including austin energy, jeff is identifying himself back there, so -- so I think jeff is prepared to get some more information from you and hopefully -- I know that austin energy and solid waste departments, all of us, you know, always want there to be as good of a city of communications and -- a set of communications and information flow as possible to all of our customers, i hope that they can work with you and find a way to resolve that.

Thank you.

Mayor Wynn: Thank you for your testimony. robbins, welcome back, sorry I had written myself some notes so --

it's okay.

Welcome, you have three minutes.

Council, I usually have a prepared speech. But I moved to -- to be extemporaneous, so you'll forgive me. How many -- council participation quiz. How many of you have ever heard of the sumican building? Sumican building. I see no hands up. Okay. How many of you have ever heard of the avante building maybe -- maybe one hand. Okay. The sumican building, we own these buildings, the city owns them. Sumican has been renamed town lake center, where austin energy resides. The avante building is water creek plaza where the water utility is. The reason I bring this up is because 20, maybe 23 years ago, these were considered very bad business deals. And councilmembers lost their seats over them. How does that go, those who do not learn the mistakes of the past are doomed to repeat it. These business owners, the owners paid a higher price -- the owners paid a higher price than the buildings were estimated. That's when staff began a different method of appraising real estate because the city

wanted to avoid being mistaken again. The city didn't want to be accused of paying more than the building was worth. How many of council show hands again, knows about the two canceled biomass contracts in the 1980 is's? I see no hands. A tragedy. But there were in fact two biomass contracts approved by council and then canceled. All of this happened during the mill lieu of a depression, the bust, the 1980 real estate fallout. Voters were of course angry and needed somebody to blame, blamed the people who voted for those buildings or were perceived to have voted for those buildings. Now, I'm not here to -- to threaten you with the wrath of voters and in fact I would like several of you to be reelected. I'm trying to tell you that -- [buzzer sounding] -- that -- that you need to pay attention. Thank you.

Mayor Wynn: Thank you, mr. robbins. Council, that concludes our citizen testify, today's general citizens communication, there being no more potential discussion items prior to a couple of items being taken up in closed session, then -- later in the afternoon we have some bond sales and ahfc meeting. Without objection, we will now go into closed session, 071 of the open records act to take up legal issues, potentially item 65 regarding -- regarding a posted item which relates to the enforcement of our campaign finance ordinance, 78, which relates 63, that's legal issues regarding -- regarding a franchise for the -- for the pedernales electric cooperative or pec, 79, legal issues concerning the lawsuit, daryl smelling et al versus the city of austin et al. 80, legal issues concerning a -- a -- a cause number also related to a lawsuit, the heir to the estate of kevin brown versus michael olsen. We were posted for but will 114, which I think was on an addendum, a potential discussion regarding austin energy's generation resource plan, that was related to 4, approved earlier, so we will not be taking up that in closed session. We are now in closed session. I anticipate us taking a couple of hours. Really the only potential action items that we have relate to a couple of these items. We then have bond sales and ahfc meeting that I suspect can happen in relative short order, so I don't anticipate the council coming back out of closed session until sometime after shortly after we are now in closed session. Thank you.

For legal matters, item 65, which is also a potential action item, item 78 which relates to item 63, an action item, council took up legal items 79 and 80, where he did not and will not take up the addendum posted executive session item 114 related to austin energy. Council, if you remember in executive session we did take up item 78 regarding a -- a potential municipal franchise issue for the pedernales electric cooperative or pec. We are posted for a related 63, I want to welcome a brief staff deborah thomas.

Thank you, mayor, council, I'm deborah thomas with the city of austin law department, council, this 63 is the approval of a franchise agreement with the pedernales electric co-op. The franchise has expired and we have been in negotiations with the co-op to renew the -- the -- to renew the franchise, the terms generally the terms are -- are the franchise fee will be 2% of the gross revenues as was in the prior franchise, some of the standard terms include indemnification and -- if there's any problem in the right-of-way as a result of pec activities, they have agreed to relocate their facilities at their sole cost if there is reconstruction or relocation of right-of-way, they will, of course, be complying with city regulations regarding street cut and that sort of a thing. The term will be from 2006 when the prior ordinance expired until 2018. There's also a right to purchase provision. The city would be able to purchase the facilities at 5 times the appraised value within the last five years of the -- of the ordinance effective --

effective period. What we're asking today is if you would approve the franchise ordinance on first reading. The charter requires that the council consider this as three separate regular meetings. If council does consider it and approve it today on first reading, we will be back on september 25th and then october 16th with second and third readings. I'm available for any questions that you may have.

Mayor Wynn: Thank you, thomas, questions for staff, council? Comments? We had good legal advice in closed session. I will entertain a motion on item no. 63. Motion by councilmember leffingwell, seconded by councilmember martinez to 63 as posted, first reading only. Further comments? Hearing none, all those in favor please say aye.

Aye.

Wynn: Opposed? Motion passes on a vote of 7-0. Also, council, in closed session we took up legal -- legal issues regarding item 65, this is broadly described as enforcement issues regarding city campaign finance law. I would appreciate a brief staff presentation. Or perhaps not. So -- so -- so well, we have as part of our backup, we have -- we have -- we have proposed revisions posted. We've had good legal discussions about those. It's a -- you know, it's a relatively complicated matter. A bunch of good legal advice. I will -- I'll welcome any introductory comments by the councilmembers or questions of staff. Or a motion -- councilmember leffingwell?

Mayor, this -- the backup ordinance is -- is marked up. That's the document that we are going to talk about today. But the -- the whole purpose of these amendments is to -- to enforce the city of austin's campaign laws. To address some items that allow for ways around the city's campaign laws and finally to provide for a definite enforcement mechanism. I was shocked some months ago to learn that we couldn't enforce our own campaign laws. And so we're at the point now where we have to make these amendments to make those things effective. That -- that's the purpose of the amendments and -- and I'm ready to make a motion. If there's no one signed up to speak. I will make a motion to approve the ordinance amendments as in the backup on first and second reading.

Mayor Wynn: Motion by councilmember leffingwell, seconded by councilmember martinez to approve item no. 65 As posted on first and second reading only. Councilmember shade? Shade,.

I just -- I just wanted to reiterate the importance of doing this coming straight off of the campaign cycle. Not too far from a new one. We need to work quickly so that candidate packets can be ready when we start the next cycle. This is something discussed over time and I'm just really glad to be working with my colleagues to get this thing done.

Mayor?

Mayor Wynn: Yes, councilmember?

I am be brief. Obviously i, too, was very concerned not only that we couldn't enforce our campaign finance laws. That quite frankly during the last election cycle some folks just thumbed their noses at

them. Clearly we're in violation but we have no ability to enforce any of it. That's what we're trying to do is make sure not only that we have campaign finance ordinance that -- that speaks to the values of austin, and the -- cleans up the loophole language but at the same time gives the city attorney the ability to enforce that ordinance. And I just want to thank the council for the dialogue that took place. [Alarm sounding] it's time to leave the building.

Leffingwell: I call the question.

Mayor Wynn: We have a motion and a second on the table. Further comments? Hearing none, all those in favor please say aye.

Aye.

Wynn: Opposed? Motion passes on a vote of -- item 65 passes on a first and second reading on a vote of 7-0. At this time we will recess this meeting of the austin city council. [Alarm sounding] shades, shades, shade,.

Shade:, There being a quorum present, at this time I call back to order this austin city council meeting. 05 , we have been in recess about 10 minutes because of our smoke and fire alarms. I will point out that we have not quite successfully concluded our negotiations with the fire union, firefighters union. [Laughter] see we have just -- council, remember we had just approved posted items 63 and 65. 00 possible action on bond sales. Our -- I see our bond staff is here with us. And would appreciate a -- a financial presentation on our posted items 81, 82 and 83. Welcome.

Good afternoon, mayor and council. My name is chris allen, I'm with public financial management. I'm here to discuss items number 81, 82, 83 and record into the record the bids for the sale of these three debt issuances. You should have in front of you a presentation or flip chart that we put together outlining the particulars about the bonds. Page 2 is a listing of all three issues, we went into the market, we went into the market with 76,045,000 public improvement bond, which is your voter authorized bond. 10,700,000 Of the certificates of obligation 7 million public property contractual obligations. Page 3 is a listing of all of the players on these bond transactions. You will see in the audience jeff leshell your bond ATTORNEY with McCal.. And of course the city, we did do a competitive sale dictated by your financial policies. I will point out that we did go to the rating agencies as we normally do and we did get your ratings affirmed, so congratulations on that. Page 4 is a market update. Basically what this market tells you is that it was very quiet in the market today. The -- the rates were -- were flat to slightly higher. But on page -- on page 5, excuse me, you'll see a chart of rates that -- that indicate that we have actually seen declining rates over the last several weeks, this was a real good time to enter the market. Page 6 is a listing of some of the issues that were in the market. Alongside you there was quite a bit of texas issuance this week with a lot of school districts. had given their subsidy approval and a lot of school districts came to market this week. Page 7 is the actual good results. You will notice there the maturity schedule to these three issues. But at the bottom of those you will notice that each of these received a very, very good interest rate. You will notice that the public improvement bonds received a tick of 4.57%. The -- the certificates of obligation received a tick of 4.40%. And the -- the contractual



obligations 3.02%. This was right on top of or through the tip people a scale that was on -- triple a scale that was on page 5. Again, just to kind of point out, we've got page 8 is the last page there shows the results of the competitive sales. You will notice there that you received 9, 8 and 10 bid on each of these respectively. That -- that shows that the city of austin has been real well received as always in the market. With that I would like to -- to recommend approval.

Mayor Wynn: Thank you, chris, questions for mr. Allen? Council? Comments? I will just say with -- although these numbers are always large and there's such little debate ultimately announced about this, it's because we have such stringent financial parameters and -- and policies and then -- so before these potential sales even begin to materialize, they all meet those policies and they come forward of course as we see from our consultants how well they -- they do. So hearing no comments or questions on this posted bond sale items 81, 82, and 83, I will entertain a motion. Motion by councilmember cole.

Second.

Seconded by the mayor pro tem to approve all three items as presented. Further comments?

Mayor, I just note that all of -- although they are big numbers, they are not as big as the numbers we have already dealt with today. [Laughter]

thank you.

Mayor Wynn: By the way, just almost lost in that quick translation earlier was the fact that the city of austin's -- bond rating remains triple a rated.

Yes, sir.

I believe to be the only major city in texas that continues to have triple a bond rating.

You are one of few.

Mayor Wynn: That's right. newman would like to speak to that.

Could I speak to that, mayor?

Mayor Wynn: Yes, mr. Newman.

When chris talked earlier about the ratings presentations, leslie, tammie, jeff, greg canale all participated in those presentations. It takes a lot to prepare for them. They ask us a lot of questions. Economic times are very hard right now. A lot of these come under scrutiny. These folks did an excellent job for you. The fact that this council has put into place those financial policies mayor that you mentioned earlier and you abide by those and stick to those is a main stay for these ratings. Particularly the fact that you maintain reserve funds and 0 fund emergency fund to keep you up and propped up, if

you would. That's a big plus. Cash is king with those people. So you have just done an excellent job. It's also in your sale, if you notice those good numbers, when you look at a triple a rated insured bond, versus double a or triple pure a, you sell better than they do. You sell better than triple a insured by 20 to 22 basis points. It's that good credit that does it for you. Congratulations on a good sale.

Mayor Wynn: Thank you, mr. newman. Again we have a motion and a second on the table with these three posted bond sales, 81, 82, 83. 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. Congratulations. Council, just for information purposes, because of the fire alarm going off earlier, I'm told that when they reset that station it may briefly trigger the alarm again. The worst news is that they have to turn the air handling system off and so we will be without air conditioning for some period of time while they re-- sort of reboot the system. .. you might want to make yourself your comfortable. Okay. So at this time, I will recess this meeting of the austin city council and call to order this meeting of the of the austin housing finance corporation board of directors meeting. We have a relatively brief agenda for that. Welcome, ms. margaret shaw.

Good afternoon, my name is margaret shaw, the treasurer of the austin housing finance corps. It's a pleasure to be here today. Three items, the first two i would like to offer on consent. The first one being approval of our board meeting minutes FROM AUGUST 7th, 2008. The second item is an administrative item appointing anthony snipes as the director of the board of three non-profits, which are the non-profit general partner owners of three housing tax credit programs that the austin housing finance corporation owns. So with that I would like to offer these two items on consent.

We should quickly approve snipes knows that we are doing it. [Laughter] so motion by the board member cole, seconded by board member morrison to approve the --

mayor, you actually have speakers on those two items, just once each.

Mayor Wynn: Thank you very much. Again, we have a motion and a second on the table approving the consent agenda. But before we vote we would like to take citizen testimony of course. Find that on my system. Let's see, our first speaker 1, technically approval of the previous board meeting. Niala signed up wishing to give us testimony. Her stance was noted as neutral. Niala sancofa actually addressed us during citizens communication, wanted to give us testimony on item 1 and -- and pat johnson has signed up to give us testimony on afhc item no. 2. Welcome mr. johnson.

Board, a couple of months ago I spoke to this board about the issues that we were having with the management level employees of austin housing finance corporation. These people work for you. shaw, before that was paul hilgers again I'm not going to bring up any city employees names because I'm afraid they will get fired, but they do talk to me with issues -- about issues we have in city government.

The first thing that I'm going to show y'all here, okay. One of the main issues that we are having over at the frontera is handicap ramps remain under water. People [indiscernible] their equipment. Handicap ramps under water. The contractor was requested to repair these. Those just ignore them because we don't have any leadership over there in that office to force them to do anything. Next issue, here it is, perfect example, quality workmanship. Holding water in the center of the cul de sac. That's the highest point of the road. Again, contractor negligence, staff not being -- making them repair it. They are trying to stick it to us the taxpayer to fix their shoddy work. Next issue the storm water facility. Now, councilmember -- councilmember leffingwell, you know all too well about environmental issues. They put the wrong size rock in the pond, the punch out sheet said they had to replace it and put the right size rock in the pond and they refused to do that. All of this sediment going out from the drain because of faulty workmanship by the developers. Here's a problem that's been for a good five months, but you don't see them again, the management team of the austin housing finance corporation, this is their development that the taxpayers bought this land. Expect people to walk and break a leg at night right there. Here's another section, a private example. This is on -- on vela [indiscernible], again because the substructure was not put in correctly because the contractor at the time, keystone contractors, put so much water on that base it did not pull density scores. You all probably don't understand that language. But because there was a lack of inspection and lack of oversight, because click smart housing, expedited inspections, just as well may not be any inspections. This is the drainage ditch by the pond. That's the bridge right there where montana goes over it, all of that sediment [buzzer sounding] on top of that concrete floor is there because the contractor again did not follow the rules and put the right type of rock at the entrance of the bridge. Here's another prime example. Structure cracks all the way down the street. Riverside meadows, a centex development, a smart housing development. Again staff cannot get the developer to make repairs. And because of that issue, the previous councils, we got have a higher bond up there because -- like the bond right now is maybe 5% on a project that's 5 million. So what happens they got such a low bond we cannot make the repairs and come out ahead because of the bond money. So we need to make at least a 10% bond on the total structure price and require two year warranty on the infrastructure whereas now we have one.

Mayor Wynn: Please conclude, mr. johnson.

Again, this is structure cracks, over in [indiscernible] all right. Now, this is a good one here. We talk about the McMANSIONS ORDINANCE. shaw and them, how did you all get AROUND the McMansions ordinance of building a house larger than the property. There's a whole bunch of little two story houses over there. I don't know how that's handicapped accessible. All right, so the issue here is real simple. It's lack of responsibility. To the board and to the taxpayers. And to those home property owners that live out here in these developments. The smart housing incentive benefits the developers and taxpayers -- loyalty to taxpayers. [Indiscernible] margaret shaw is no different than paul hilgers when it comes to loyalty to taxpayers and disabled. I ask what is anthony snipes going to bring --

Mayor Wynn: Your time is over, please conclude.

I will. snipes is going to be appointed to this board, what positive efforts is he going to bring here that hasn't been brought here in the past. We have got to this leadership, these issues have got to be

corrected.

Mayor Wynn: Thank you, mr. johnson, I'm sure mr. Snipes gladly meet with you and would appreciate your input.

[Indiscernible]

Mayor Wynn: He would recognize that. He would -- I'm since sheer sheer -- I'm sincere when i say that he would appreciate your comments. A motion and a second on the table approving the ahfc consent agenda, items one and two. Further comments? Hearing none, all those in favor please say aye.

Aye.

Wynn: Opposed? Motion passes on a vote of 7-0. [One moment please for change in captioners] developers voluntarily to participate and incorporate affordability through mixed use, transit oriented developments, that are proposed and on the way. Today we're going to seek board approval on a new program to buy down rents using our local resources. Some of the key traits that i want to highlight for folks is where it does not differ from the existing programs that we have. Which is the application -- the review of applications would be first done by staff. They would also be seen by the housing bond review committee who can always make a recommendation to approve, oppose or be neutral. Then it would come toward to this board and seek citizen approval. The financing that would be provided as well as the performance would be secured through a deferred forgivable loan which matures at the end of the 40 years. The affordable housing would be incorporated into that structure for a 40-year term. The requirements are also ensured through a restrictive covenant so it gives us a land use requirement as well. The new features for the market rate apartments are to limit our buy-down program to just 10% of total units and to the best ability we would mirror the unit mix in the development. For instance, we wouldn't believe the affordable units to only be the studios, we would mix studios, one bread room, two bedroom, whatever was available in that project. We would buy down from 80% of median family income to 50%. Our target income for a single person is less than \$40,000. And for a four-person family, that translates into about 35,550. Another item is we would recommend that we have a per application per project limit of no more than \$2 million and we would not subsidize more than \$60,000 per unit. Cdc had a slightly lower amount for that of \$1 million and 40,000 per unit. And last but not least, we would limit these applications only to high opportunity areas. As you know, many in the community are concerned about being able to disburse our affordability throughout the city. The commission has come forward with a terrific solution which is an opportunity map, and we have a map here I would like to show you all. A group out of ohio state university does this for metropolitan areas around the country and they map where there are the best opportunities for employment, education, health care, transportation and a variety of different factors. Where our buy-down program would be used is in the very high opportunity areas. So in those core areas of austin that you see here shaded brown where it's very difficult for us and our affordable housing partners to develop a fully affordable project due to land cost and other cost associated. We would limit this program location-wise to high opportunity areas. Last but not least, going back to our slide is affordable housing, as y'all have heard me say on many occasions, like market rate real estate development depends on opportunity, timing and the availability

of the financing. This tool is one more tool in our toolbox so we can take advantage of students as they come along and we're prepared to partner with our private sector developers in order to incorporate and integrate affordability throughout our community. This program is not intended to be a primary creation tool for affordable housing. We have many partners, for profit and nonprofit that do that and provide 100% affordable built in award winning projects throughout the city. This is a terrific tool that we would like to offer to the board as a way for us to react to opportunities and other issues that come up as they come along. With that, I'd open for questions.

Mayor Wynn: Thank you, Margaret. Questions for Ms. Shaw? Board? Vice President McCracken.

McCracken: Margaret, thanks for giving -- this is helpful to get some formalization of policy. I actually think you are doing a great job myself.

Thank you very much.

McCracken: We're used to getting that kind of treatment that we seek it out ourselves. I had a question about the use of a forgivable loan as the tool to create the affordability over 40 years. Can you speak to the thinking behind using that financial tool as opposed to an outright purchase with a restrictive covenant, for instance?

I have Clark here to answer some of the legal questions on that. It's the standard instrument in affordable housing and also real estate tools that we use across the country. The reason we do it as a deferred forgivable loan is it provides us as the organization the ability to secure both the financing and performance over that term. So the deferred forgivable, for instance, if we put a million dollars into a deal, that million dollars sits on the title for the full 40 years and then it's forgiven at the end. In many cases it acts as a grant in that they have the money up front. They would only have to pay it back if they did not meet the performance standards over that term.

McCracken: Okay. In the -- in the enforceability of it would be also backed up with restrictive covenant?

Correct. We do both. We secure both the performance, so what the median family income, for instance, that we want to secure on that property is done through that restrictive covenant. The deed of trust and the tool of the deed of trust and why we support it is because we -- it means we do not have to go to court to enforce it. That it's a solution that we can reach outside of going to court.

McCracken: Okay. And then there's a project limit of \$2 million and a per unit cap of \$60,000. I understand I think the \$60,000 cap makes sense. Is that index for inflation going forward?

We usually look at our guidelines on an annual basis and react to it on whatever the market conditions are, but this is slightly more generous. This is the same term that we use for our nonprofit partners, and given the construction costs in some of these central areas, we figured this was a reasonable limit.

McCracken: But it's something that like ten years from now, \$60,000 worth less than it is today.

Correct.

McCracken: Sounds like an ongoing process in place to have these sync up with inflation over time.

Correct. And we do look at the present value calculations of that.

McCracken: And there may be some instance where an opportunity might arise to secure affordability on a broad number of units and they say a new apartment complex enters financial distress, for instance, where for a fraction of the cost of developing that number of units ourselves we could instead buy down increment at a great savings to taxpayers. I could see scenarios that might happen. Is the \$2 million cap waivable if a situation arises where there's, for instance, consensus?

Absolutely. These are guidelines so we would come back to the board for approval on waiving that. Obviously we have a finite amount of resources and I actually already have developers who have come in asking for \$8 million for one project. So we like to set a standard at least of per project and look for that leveraging in other sources of funding.

My final question, when you talk about the opportunity zone, does that mean that the strategy is to focus on buy-downs and high and very high opportunity areas?

Actually the very high areas, the darkest areas that you have before you. Which tend to be in the central area of Austin. So again, this is a tool where we're trying to be as innovative as possible in reaching the hard to develop areas. So that west of Lamar, west of Congress where we have a difficult time with our affordable housing partners being able to develop properties. So this is a way that we feel this tool could be used for those projects.

McCracken: And again I look at this, I can see some areas that are identified as high opportunity areas that are areas we really might want to -- because of proximity look at creating more affordability. For instance I know as a council we have a recommendation from Roma for having a light rail system that would go to the airport, that would run through some areas that are high opportunity and maybe even moderate opportunity that could be served by rail access which would make them a highly desirable location for folks to save money on housing and transportation. So is there a way to, again -- vice president, we can waive guidelines. We would bring that back to the board. This map was created last year and I don't know when it will be updated, but, again, it looks at that snapshot of today where the best opportunities to connect to transit, transportation and employment. But again, if we find a deal that is attractive and of interest we would certainly bring that forward.

McCracken: Thank you. This is really good work. Appreciate it.

Mayor Wynn: Board member Morrison.

Morrison: I have a couple of questions and I haven't followed this -- I wasn't aware of this so I apologize if this is just catch-up that I'm having to do. Could you talk a little about -- I see the cdc had different numbers, the 1 million and 40,000 cap versus 2 million and 60,000. I wonder if you could talk about their rationale for the lower cost and your rationale for a different value.

Certainly. It stems from in our affordable programs we have the million dollar cap is tied to a private sector developer. So a for-profit developer can only apply for \$1 million and \$40,000 per unit of subsidy. So the community development commission when considering considering the buy-down program want our buy-down program to limit it to that lower level. The staff's recommendation is at the higher level, which is what we support nonprofits at because these are highly desirable areas of town for us the reach affordable housing. So it was just another incentive to put into the box that gives us more flexibility to consider more applications. And again, it still goes through the review process. If the housing bond review committee does not subpoena that, you all would hear about it there too.

Morrison: Are these going to be bond --

they need to be local resources so not our federal resources. So it could be housing trust fund dollars, so general fund moneys or general obligation bonds are the two sources.

Morrison: So it could come out of you are 55.

Yes, ma'am.

Morrison: Okay. Great. Will you be -- I think it's great to be able to have a tool to start trying to get some affordability in different areas. Will you be doing any monitoring of these unfold to maybe weigh them in such a way as when you evaluate them to make sure that we're getting some geographic dispersion of these?

That's the role of the community -- obviously our trust fund as well as your 2006 bond oversight committee looks at the end of the year at that snapshot and what the production has been and whether that's getting us the geographic dispersion, the affordability levels. We have often talked about how we would structure that. We're obviously in the first year of our bond program. So we want to set forward a pass that gets us that disbursement. I would say that yes, through the cdc and the bond oversight committee we do get feedback on our production to date.

Morrison: And then just one last question. In terms of actually administering the apartments when they are in a larger complex, have you all worked out how that's going to happen? I know that was a challenge when developers were coming in in my own neighborhood and saying we would like to do a certain percentage of affordable housing way back, but we don't know how we would make that work.

Yes, we've had a number of conversation with developers and it's an industry for us and it's not for them. I actually have high hopes that this is a way that we can support some of our affordable housing nonprofits, that we could help them partner with the for-profit developers so they can actually set up an

agreement, for instance, with a nonprofit that would help keep those units filled, do the certification, handle all that front-end administration for the for-profit owners so they don't have to worry about that. Set up kind of an affordable leasing arrangement that i think would help them and their property management company meet the standards. Obviously hfc has a strong monitoring department that comes through to verify that those incomes have been met and that it is in good standing, the property is in good standing.

Morrison: Thank you.

You're welcome.

Mayor Wynn: Board member shade, then martinez.

[Inaudible].

Actually it's seeking board approval or any questions you would have on the guidelines. The guidelines are administratively done so the purpose of the briefing is to see if you had questions for comments where the staff was coming. It's not actually official action but feedback for our guidelines.

Mayor Wynn: Board member martinez.

Martinez: Thanks, mr. president. I wanted to ask margaret, when we talk about -- I appreciate the opportunity map that's presented and I wholeheartedly agree that these are areas we need to try to focus on. Are we putting some limitation on the investments that we're going to make in multi-family and condominium-type development, or is this just going to -- until the 55 million runs out, we're just going to keep bringing them back? One or two at a time projects?

There's a variety of -- if I understand the question correctly, there's a variety of different controls. As I said earlier, real estate depends on timing and opportunity. So in the discussions we've had with the community development commission and even the bond oversight, we don't want to restrict our buckets, per se, too much. As y'all recall, we have a council priority bucket, a competitive bucket and a rapid acquisition. So folks can move quickly. So by those different categories as well as the caps we've put here on amount of money and the location, we feel like we can control those applications as they come in. And as I just explained to board member morrison, we have a variety of different oversights. The way I see this playing out is if, for instance, we're seeing by the end, middle of next year we're getting far more buy-down applications than we are deep affordability, that would certainly trigger to me that something is amiss. And we need to structure that and I could certainly see coming forward recommendation from the housing bond review committee as well as staff saying while this is a strong application, we would not support it because we would want our funds to be used for x that reaches deeper affordability. So it will be part of that conversation.

Martinez: So can you tell me that we have a target or a goal that says of the \$55 million, 75% of it is



targeted for single-family housing in these -- within the areas of the opportunity map?

We haven't targeted that specifically. What we've targeted is between rental and ownership. And that's one of the policy issues we brought back to the cdc is we're not seeing but for habitat of humanity we're not seeing as much aggressive use of ownership dollars as we would like.

Martinez: But we're also not partnering with main developers like centex homes, main street homes, and I think if we -- first of all, I want to say I think we should create some type of goal that lets the citizens know what we're going to do with the money they entrusted us with. I really think if they had been told that, you know, a large portion of this 55 million could go to buy-downs on condominiums and multi-family housing complexes, I think we would have had a different out come. The ballot language, the campaign was about affordable housing and I think, you know, the image that was created in their minds was single-family housing. And so I really want us to -- I really want us to make a commitment that we are going to try to do urban infill single-family housing and do it in a creative way, in as many creative ways as possible, even if it means the main street homes, the centex homes, looking at vacant property. I asked the city manager for a list of all the property we own in the urban roadway boundary that's undeveloped and not planned for developed and we have significant amount of property that could be used if we're not planning it for development. So does aisd, so does acc. There's so many opportunities for this 55 million and i would hate to see it picked apart a mill here, a mill there and it's all gone and all we have is condos and apartments.

That's a point well taken. We would not oppose that. As you recall from our last board meeting, we did support a guadalupe development acquisition that will be for at least 28 new homes on east side. So we are -- but it is a concern, a policy concern as we're not seeing as much ownership opportunities and that's directly related to both the land costs and now the credit issues that we're having nationwide.

Mayor Wynn: Board member leffingwell, then shade.

Leffingwell: I basically wanted to support councilmember martinez's comment. I think we need to establish some kind of policy to ensure that we're building affordable single-family homes as well as condominiums and so forth because I think that's what most of us, at least I do, that's what I hear about most. And I just heard you say that you are engaged in a program to build, what was it, 238 single-family homes on the east side. I think I know where you are talking about. You are actually competing with american youth works affordable housing out there. And I wonder if that might be an opportunity for a joint venture, public-private partnership, because they not only provide affordable housing, but that affordable housing also happens to be affordable to live there in terms of utility bills because they are all five star green buildings. But that's kind of an aside, but I do want to support councilmember martinez's comment. I think we need to have a policy to set a goal for single-family.

No objection. Thank you.

Shade: I was going to reiterate that too, that I -- I just know the economics are very different when we're talking about the single-family home versus these units you are talking about, that we absolutely have to

make that the priority, in my opinion. I just echo that as well and that means being more creative and I'm not sure I'm sensing that's the direction we're going based on the presentation I've seen so far, you know, today. I just want to make sure that this is what we hear about the most often. It's -- you know, critical to make it affordable for families who want to live in houses, not just singles.

Absolutely. And I certainly want to -- do not want to leave the board with the impression we are not doing single-family infill ownership. We are. And we're doing it with terrific partners like habitat, guadalupe. We have not received an application yet that I know of from american youth works, but they are a frequent flyer program, a part of in our programs. It is difficult and what I do need to help the board to understand is the economics of it are extraordinarily difficult now that lot prices are 80 to 100,000. We are doing that and i certainly don't want to discourage you all. It's one of the policy issues that after looking at production after six months recognize as a challenge and we need to do more. This is just one tool, a very limited tool to perhaps get rental housing dispersed more on the west side of town but it is not at all and that was the purpose of my comments, it's not intended to be a major tool for us, it's just there in case the opportunity presents itself.

Shade: I think a tool here, a tool there, each tool costs money and slowly we start chipping away and when you really need the power to do what I think is the community's largest priority, we don't have it. So that's -- I think that's -- I don't want to speak for my colleagues, but I think that's really what's driving my concern.

Mayor Wynn: Further comments for, direction to ms. shaw, board? Board member cole.

Cole: shaw, your opportunity map really struck me in what -- and I think that this is very, very fine, fine work, but one thing that i noticed, and I just want to make sure I'm thinking about this correctly, is the lack of opportunity, housing on the east side, and I'm assuming that's because there is already so much rental property on the east side, or can you explain to me the criteria that were used to list the categories for what was high opportunity versus low opportunity.

And again I know it in general. So what this map produced for austin and other metropolitan communities are the locations where folks have the highest opportunity to reach employment, have good schools, access to grocery stores and other retail support systems, health care and other areas. So if you see on the map on the east side, it's the high opportunity areas stretch all the way over to 183 airport. But once you go east of the airport, they do start to trickle off. So what we're saying is just a part of this program is it can still be used in central east austin, south, on the way to the airport, you are right, not all the way out to the airport but in key locations that are on transit lines and access to public transportation. Does that answer your question?

That does answer my question and I see the dilemma that it automatically posts is that we want to encourage people to live where already are jobs and grocery stores and rail lines and otherwise good transit systems, but the flip side of that is the land costs are probably actually cheaper where those things don't exist and we still have not created affordable housing for some of those people that need it

the most live.

And let me further clarify. For the purposes of the program, the buy-down program that we're talking about today, the applications would only be considered in the very high. What the community development commission recommended and we're adopting for the overall policies is it would be a point structure. So you would get more points if you were building deep affordability in high opportunity areas but you would not lose points for not developing there. So the funds are still available all across the city city-wide. W limiting the buy-down program to being in those high opportunity areas. Coal cole is this part of sort of a national recommendation on dispersing affordable housing throughout the city? Is this a mechanism done in a lot of other cities to try to make sure we get affordable housing not just in certain locations?

All cities struggle with how to disperse their affordable housing. In many communities it's somewhat taken care of because of inclusionary zoning and other man dates that mean automatically if you are building new, you automatically include affordability. This was a terrific tool that had just come to austin through the leadership of some of our nonprofit leaders and community stakeholders so they had the tier 1 institute at ohio state university actually map our city for this. So we actually do have now a resource and that's what the cdc is recommending we use to help rank. There is a strong debate on what is geographic dispersion and how do we get it and this is a terrific tool we started use to go help us sort those applications and rank them.

Cole: Thank you.

Mayor Wynn: vice president.

McCracken: As we look at the strategy and try to balance single-family versus multi-family and condos, i think we need to remain mindful that one of the major reasons why we are looking at multi-family and condos is that's the land use strategy envision central texas which is overwhelmingly embrace understand c, d, which focused on higher density, rail mass transit. I think if we're going to follow the land use will of this community in our vision, we need to remain mindful that scenario a was the suburban stall area and that was build subdivisions out as far as the eye can see and take over raw land so there's a balance that, mark receipt, you are dead on correct, there are two major challenges about having a single focus on single-family housing, one of which is that if you try to do much of it, you are going to be funding stall. And one of the problems with funding sprawl development also is you are building housing where people have massive personal transportation costs associated with it too. So we would be -- we would not be mindful of the transportation costs of sub i subsidizing suburban sprawl. Infill housing is a lot more expensive and that's the counter. If we're going to do it cost comparable to buy-downs then we are funding sprawl and shifting transportation costs. If we're focusing inward, we're getting a lot less housing on infill basis just because there's not as much land available. So it's a challenge and i agree with my colleagues we need to be doing single-family house, but there are important reasons why we have a strong focus on also multi-family and condos. Over 50% of austin residents are renters. We need to be mindful from a land use perspective of our citizens' housing choices, the transportation costs, and for those reasons that there is a mix that has a big component of

multi-family and condos as well.

Mayor Wynn: Further comments, directions for staff? Thank you, margaret.

Thank you. That's all the business before the board today. [Laughter]

Mayor Wynn: Thank you. There being no more business before this board meeting of the austin housing finance corporation, we now stand adjourned. Technically we are still in recess as austin city council. We have no more business to 00 time certain posting for zoning matters so we shall remain in recess for the next 10 minutes. And reconvene at 4:00 p.m.

Mayor Wynn: At this time I'll call back to order this meeting of the austin city council. We've been in recess now for about 15 minutes. Time enough to take us to our 4:00 zoning cases. greg guernsey.

Thank you, mayor and council. Greg guernsey. These are the items that have been closed. And I will speak to you items number 84 through item number 95. I understand that council would like an opportunity to review these items and I'll read them into the record, but there's I understand possibly a postponement from the dais to postpone these to OCTOBER 23rd. Let me just read them into the record first. Item 84, case c14-2008-0029, this is the plaza saltillo station area plan. The second item is item number 85, this npa-2008-0001.01. This is related to the plaza saltillo station. Item number 01, the holly neighborhood plan amendment. This one is also related to the plaza saltillo station air plan. Item 01, the east cesar chavez neighborhood plan amendment. This is also related to the saltillo station area plan. Item number 88 is case c14-2008-0031, known as the boulevard station air plan. Item number 01, chestnut neighborhood plan amendment. This is related to the mlk jr. Boulevard station air plan. 01, the rosewood neighborhood plan amendment. This item is related to the boulevard station air plan. Item number 01, the upper boggy creek neighborhood plan amendment. This is related to the mlk jr. Station air plan. Item number 01, the east mlk combined neighborhood plan amendment. This related to the mlk junior boulevard station air plan. Item 93, case c14-2008-0030, this is the lamar/justin lane station air plan. Item 01, the crestview sloosh wooten neighborhood plan amendment related to the lamar/justin land plan. And item 01, the brentwood high land neighborhood plan amendment. This is also related to lamar boulevard/justin lane station area plan. These items 84 through 95 i understand there a desire to postpone these to your october 23 meeting.

Mayor Wynn: Comments on that understanding? Councilmember cole.

Cole: Mayor, we have been doing quite a bit with affordable housing and I had requested that we actually engage an expert to look at the financial feasibility of many of our goals and a report was written that we just received shortly, and we really need to come to that report and see how some of the recommendations applied in it can be applied to our station area plans. So I move to postpone this so that we can try to make sure that we look at affordability and density and give these our due consideration, and it has absolutely nothing to do with the convention tonight. [Laughter] so I move that we postpone items 84 through 95.

Mayor Wynn: Motion by councilmember cole, seconded by councilmember morrison to postpone these items where we have conducted and closed the public hearing, those being items 84 through 95 to our thursday, october 23, 2008 city council meeting. Comments on the motion to postpone. Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of 7-0.

Thank you, mayor and council. Let me continue with your 00 zoning and neighborhood plan amendments. These are public hearings open and possible action. The first item for consent 02, macmore road. This is an amendment to the north austin civic association neighborhood plan, an element of the austin comprehensive plan to change principle number 7 of the plan as it relates to macmora drive. Planning commission recommendation was grant the request and this is ready for consent approval on all three readings. Item number 97, case c14-2008-0139, the archive lounge located at 6406 north ih-35 service road southbound, sweet 1600 to rezone from general commercial services to commercial liquor sales, conditional overlay. The planning commission recommendation was grant commercial liquor sales and this is ready for consent approval on all three readings. Item number 98, case c 14-2007-0231 for the property located at 320 east rundberg lane. This is to zone the property from community commercial or gr district zoning and multi-family low density or mf-2 district zoning to community commercial mixed use combining district zoning. The planning commission recommendation was grant the gr-mu-co and this is ready for consent approval on all three readings. Item number 99, case c 14-2007-0232, the rundberg business park for the property located at 320 east rundberg lane, this zoning change request was from multi-family medium density zoning, limited office zoning, and community commercial zoning for tract 1 and multi-family residential, medium density district zoning, limited office zoning and community commercial district zoning for tract 2. All to general commercial services cs district zoning. The planning commission's recommendation was to grant warehouse limited office, conditional overlay or w/lo-co combined district zoning for tract 1 with conditions and general commercial services conditional -- conditional overlay or cs-co for tract 2. There are some additional conditions that the neighborhood and the applicant have agreed to and that would be to in addition to the planning commission's recommendation which was -- i just read into the record, both neighborhood and applicant have agreed in addition to prohibit on tract 2 adult oriented businesses and commercial blood plasma centers. In addition that there be a condition that would apply to the property that there is no extension of least long spur boulevard or downing drive into the subject property. With those additional conditions I've read into the record and the planning commission's recommendation, staff could offer this for first reading on consent today. Item number 100, case c 814-2008-0016, the dell judiciary community center, 7300 hart lane, we have a postponement request from the neig OCTOBER 23rd. The applicant agent is present and the agent and the applicant degree with the postponement date -- disdisagree with the postponement date. They don't disagree with the postponement, just the date. That will be a discussion postponement item. Item number 101, case c14-2008-0025, this is the circle oaks business park at 3107, 3109 and 3111 west slaughter lane. We have a postponement request by the staff on this item. Both the applicant and the opposition to this request both agree with the postponement request and this WOULD BE TO SEPTEMBER 25th. Item 102, c14-2008-0115, william cannon property, mayor and council, I would like to skip this one for now and talk about it in context with the oak hill items which I'll bring up in just a moment. Item number 103, case c 14 h-2008-0019, the blonde pharr house at 801 high land avenue. We have an applicant request for

postponement -- actually property owner request for postpone SEPTEMBER 25th. The commission just took action on this case and the applicant is still working with staff on what the results of that action would be and what the possible effect of the historic zoning would be on the property. We have an applicant postponement of this item -- or property owner postponement of this item september 25th agenda. Item 104, c14-2008-32, zoning opt in, opt out process. There is a correction noted earlier today and I'll read that, second and third reading of an ordinance amending chapter 25-2 of the austin city code applying the vertical mixed building to certain tracts within the north shore creek neighborhood planning area. The council approved this item on first reading on consent on JUNE 18th, 2008. So we would offer this for second and third reading approval. The public hearing item -- or the public hearing on this item has already been previously closed and we offer this for consent approval on second and third readings. Item number 105, c14-2008-0060, this is the zilker neighborhood planning area vertical mixed use building zoning opt in, opt out process. We have a valid petition that we recently learned of and this would be a discussion item. Mayor and council, I would like to hold the oak hill items for a moment and come back to those, including item 102. We will offer those on consent, but I want to give you a little explanation before we walk through that. And then also that leaves item number 100, mayor and council, which we could leave on consent if after you hear from both sides regarding the postponement request, the neighborhood asking to 10-23 and the applicant opposed to 10-23 date but in agreement to postpone.

Mayor Wynn: Fair enough. Thank you, mr. guernsey. Council, why don't we conduct a little discussion, dialogue on the postponement request of item number 100. We know that the neighborhood request is for the post OCTOBER 23rd, PERHAPS IF There is a neighborhood representative, they could talk to the length of that he request and then we'll hear from the other side.

Hi, I'm chair of the zoning committee for the northwest austin civic association. We requested 60 days on -- partly on the advice of our attorney who advised she thought it would take 90 days to work out the one remaining issue we have on the case. We're this close, folks. Work up language to make sure language had the language was good, that every party knew what the interpretations meant. We were particularly concerned about the traffic issue because the neighborhood association has tentatively agreed to a cap of 9,000 trips. And regardless of whether you guys end up supporting restrictive covenants between the neighborhood association and the jay, we wanted to make sure that there is p.u.d. Language was good, that the traffic path was enforceable and we thought we needed to meet with staff and the attorneys for if party and we thought that would take 60 days to do, have time for the board to reinstate and we've agreed to even hasten that and put it to a vote of our membership. I've confident we are going to get there on this case, it's been a long haul and I frankly didn't think we would get there. But I think the jay has done an admirable job of working with us and I think the neighborhood association has done an equally good job of trying to work with them as well.

Mayor Wynn: Thank you. Questions for ann before we hear a different perspective on the length of request for postponement.

We did pick that date also trying to avoid the high holy days for the jewish community. I think we were unaware of personal circumstances for you, but we were trying to avoid the holidays. That was the day

that gave us the adequately time to do this in a proposal manner, and understand the last time this zoning case happened, we were sent in the back room and things we thought agreed to were left out. I think there were things that the applicant's agent thought were left out. It was the hash you get when you have parties in the back room trying to come up with a complex negotiation. Zap from the day of last week was trying to work on the traffic cap and we were really trying to avoid the circumstance where we had hash and everyone ended up hating what we had. That again is also part of the reason we asked for the additional time.

Mayor Wynn: Thank you.

Thank you.

Mayor Wynn: Mr. subtle. Apparently agreement postponement is in order. The length of the postponement is our debate now.

Mayor, members of council, richard subtle and this is a another one of those deals, we're prepared to be heard tonight. We would prefer not to have any postponement, but we understand the policy of the council to grant the first time request and that's what's before you tonight. Normally these requests would go to the next council meeting, which normally would be only two weeks and in this case we're looking at a month because of the budget process. There's a little background I'd like you to know that while we would rather go today, the 25th is important to us, this thing was on the planning commission agenda for four different times. This case started in early of 2007. We mild it in may of 2007. It's been changed several times, been delayed several times at the planning commission and we would just beg you to not delay it any more and put us on your next council meeting, and if that's THE 25th, THAT'S WHAT WE Would like to have.

Mayor Wynn: Thank you. Questions for the agent, council? Comments? And our decision before i propose a consent agenda is the length of a postponement, subtle or somebody pointed out, our long-standing practice is to agree to a postponement first request from either applicant or agent or property owner and/or opposition. So it's -- I would certainly suggest that we maintain that long-standing practice and acknowledge the postponement request of the neighbors. The question now is to what length. And knowing that, of course, council always reserves the right to a continuance of a postponement. That is, if we set a date, in we postpone to a certain date, we can always at that meeting postpone again. Councilmember shade.

Shade: [Inaudible] for the reason he just mentioned and because of what ann said about the momentum now to get this thing done. I'd like to move that we postpone to 9-25.

Second.

Mayor Wynn: So there's a motion and second on the table to postpone item 100 to SEPTEMBER 25th, 2008. Further comments on that motion? Councilmember cole.

Cole: Mayor, I recognize that we have a long-standing policy of granting the first postponement and I think granting the first postponement to september 25th doesn't run us afoul of that policy.

Mayor Wynn: Agreed. Further comments on the motion to postpone to SEPTEMBER 25th? Hearing none, all those in favor please say aye. Opposed? So item number 100 is POSTPONED TO SEPTEMBER 25th, 2008 On a vote of 7-0. Council, our proposed consent agenda will be, in addition -- we've taken care of item 100, proposed consent agenda would be to close the public hearing and approval on all three readings cases 96, 97 and 98. To close the public hearing and approve on first reading only with additional items as read into the record by mr. guernsey item 99. To postpone item 103 and 101, ALSO TO SEPTEMBER 25th, 2008. And to close -- I believe we've already closed the public hearing, but to approve on second and third readings item 104. I'll entertain a motion on that proposed consent agenda. Motion made by councilmember leffingwell, seconded by councilmember martinez to approve the consent agenda as proposed. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion pas vote of 7-0. Thank you.

Let me talk about oak hill. Items related to oak hill are items 102, c14-2008-0115, this is a zoning change request. Item number 106, case npa-2008-0025, this is the oak hill combined neighborhood plan. Item number 107, c14-2008-0125, this is the west o&m hill combined neighborhood planning area rezonings. Item 108, c14-2008-01 9, the east oak hill combined neighborhood planning area rezonings. As you may recall last week when we had this item before you, there was consensus to postpone these oak hill related items to this agenda that this evening that we would consider approving the plan, which would be the text and the noncontested future land use map areas and the noncontested zoning items. Those items that would be contested that people disagree with the land use shown on the future land use map or the related zonings, that would be deferred to another day. I'm going to invite maureen to come forward and let her walk through a proposed motion sheet. We have on the web -- also we have outside in the foyer area and we have a map exhibits that maureen will walk through of what those tracts that we believe are contested that action would not take place today on these contested tracts, both the future land use map and zonings and deferred to another date. I have been told by some of your council aidings a date might possibly be OCTOBER 23rd. There was some discussion about a special called meeting, but as I understand there might be a consensus among you to defer action on the contested items to october 23rd but that can come up with the motion actually arrives. So at this point I'll introduce maureen and she can walk through what we believe today are the contested from tracts and the contested zoning tracts that we understand you will postpone today to another date. We have received I know today at least three parcels from an agent representing property owners that would like to add that to the contested list and one that we've chaired through the week is also be contested and I'll let maureen go through that. Thank you very much.

Mayor Wynn: Welcome, maureen.

Good afternoon. This motion sheet will refer to this map we have on the overhead. The first motion is for agenda item 106 ph to approve the oak hill combined neighborhood plan and the future land use map with exception of tracts a through z, tracts aa through ah, tract ak, tract al, tract an through ap, tract ar, tract as, and the tract that has the legal description of part of lot 17-a of the resubdivision of lots 16



through 19 west oaks, section 2, said part being more particularly described by metes and bounds in the exhibit b as described from the deed records provided by the property owners' agent. [One moment, please, for change in captioners] as shown on the map in green and orange colors. These motions address the uncontested tracts for property owners who would like to contest any tract that is not shown on the map, council could consider hearing these property owners at this time. questions for staff, council? Comments? Motions? Motion sheet in front of us. Let's walk through.

Mayor, city understand if there are additional contested tracts that owners could appear before before you now to add them to the list? I think that was the staff's suggestion, yes, sir. Welcome.

Thank you. My name is richard subtle and i talked with staff today so there is a more adequate description of what these tracts are but the flum is already contested on tract six, which is a little track on the end of 1826 and we ask that the zoning case tract, the flum discussion on that one, so it would be tract six. Then call it tract four, .. I don't know how to describe it to you but it is farther out where they're pointing there, it is a sliver out behind another tract on 290. That is owned by the same people that owned the frontage of that one and we will like that flum and zoning case to track that on the frontage on 290. So the staff is aware of which one that is and we would like the flum and the zoning to be contested on that to track the adjacent tract. Across 290 from that we have a tract that all we know how to call it is 93-acres and it is not in the city. It is outside the city so in is not a zoning issue but we would like to have more conversation on the flum on that one. And those are the three we would like to register at contested.

If staff could help us by making note of these potential additions before we entertain a motion. If be, when we crafted the postponement motion for contested cases, you could help us make sure that we identify these tracts.

Mayor and council. Greg guernsey, neighborhood planning and zoning. We have been handed a list this afternoon that has been, we believe, presented to us by sos. clark or a representative of sos is present. It is a list of 23 pages of contested items. May recommendation to you is move forward on first reading this evening of these items then we can categorize them prior to bringing this back for second and third and suggest that clark or some representative from sos actually come forward to speak to these items at a later date. Because we're, frankly, surprised to receive this so late in our process.

Mayor. council member martinez. last week we had 40 contested tracts last thursday. That's what we're looking at.

Right. those are the ones that I would presume we would be pulling out of the neighborhood plan and adopting the rest of it and moving forward. I guess not the plan, the flum. Taking those 40 tracts out. That is what was contested last week when we decided to move forward with this plan that we're on now with taking the contested items up at a later date. And that's what I assume we would be doing this week. So I would still like to see that happen because that's what we told the folks at oak hill we would do.

That is what staff is recommending, you move forward with first reading today. We will go back and compare this list. There is a very good chance of some of these tracts are already part of your parcels shown and what maureen has already gone over, but I just can't tell you because it was presented to us today and I don't know the reason why it was given to us so late. But it could still give them an opportunity and staff an opportunity to identify where they are and they could speak to the reasons, perhaps, when we could bring back for second and third reading on clarifying why these particular tracts are denoted. And I think maureen has one other epees okay. Richard who has just spoken, maureen has a legal swim of those parcels we can read into the record and there is a man who approached us last week and we clarified ownership of the parcels and we have a legal description of that that could be offered as being contested and we could pull out. The only other items is item 102, I believe, I mentioned earlier that is the william cannon property so when we speak to the postponement, going through these items and going through the oak hill items we come back to 102 to postpone that to the same date we postpone the rest of the items.

I would like to read into the record the property descriptions of the three tracts that richard suttle added. The first one is the rear west portion beginning at 700 feet from highway 290 of abs 538, sur-619. 30.98-Acres behind tract as. The second is only the rear east portion beginning at 500 feet of abs, 583, survey 619, 30.98-acres behind tract as. And to contest abs 538, survey 619, maston-p, abstract 454, survey 648, johansson, 93.096-acres. 1-D-1 located along highway u.s. 92 West and south view road.

Mayor wynn: thanks, maureen. I noticed that decision to richard suttle signing up on 106, david richard it is also signed up to give us testimony. I'm sure if david would like to do that this would be your time. David. Welcome. You will have three minutes. 57600. .. First of all, let me introduce myself, david richardson, chairman of the contract planning team and I believe there is a group in oak hill that has put together a list of contested tracts and I want to state for the record that the neighborhood planning contact team has endorsed that group that is speaking to that issue. To speak for the neighborhood planning contact team. But I'll let, I think it is sandy bulridge, to speak for those issues. I just wanted to, for the record, state that we support what sandy has put together.

Mayor wynn: thank you, david. Sandy did sign up wishing to speak if we had questions. You're welcome to come shed some light on some of this. Welcome back.

Sandy baldridge, I am a resident in oak hill, have been for about 20 years. This process has been going on for almost three years now, and there are a lot of us that would like to at least have some ground rules to move forward and the longer this gets postponed, the more muddy the water gets, as council member martinez noted. There was a task force put together of about 15 people from the three major groups in oak hill, ohan and the neighborhood association and the contact team members, and we went through the plan with our identification of what we thought the neighborhood should look like and under the guidelines of neighborhood planning. That's what we submitted to you and to maureen back in april, so I don't think we have any more contested tracts than what we gave you a week ago. We don't have a problem with the suttle has submitted today and we would like you to move forward as soon as possible. Thank you. any questions for mr. baldridge. Thank you, sandy. Well, so, council, we have a motion sheet in front of us that ... mr. bently, welcome. You can give us testimony? mayor and council, i

think that there is a 23-acre tract I think that by the methodist church and I would like to have that pulled for a contested tract, please. and perhaps if you baldridge identify that tract.

Mayor, council members, it is tract aa on the map. It's already there.

Mayor wynn: great. Thank you.

Mayor. yes, council member.

I will move to close the public hearing and approve the future land use map on first reading only, except for the tract the listed in the proposed action and the additional tracts read into the record by staff. we have a motion by council member leffingwell, a second by council member martinez on what we call motion number one. That is agenda item 106 that is the future land use map. Further comments on the motion? Council member morrison? this has been a bit complicated figuring out how to move forward in a positive manner and I want to thank everyone for working together to do that and I agree we need to move forward with what we have now. The larger list, if it can be discussed and worked with with staff and see what the status of all of that is but I do believe we need to move forward as we have planned so I will be supporting that. be just for the record, I believe the motion was to close the public hearing but essentially on monday vested cases leaving the public hearing open --

that is only on the uncontested cases.

Mayor wynn: right. Thank you. Further comments on motion number one on our motion sheet? Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on first reading only on a vote of 7-0. I think maureen is going to help us revisit potential motion number two.

Mayor, was that on all of those motions or was that only on the first of the four? I'll ask for clarification. Council member leffingwell, what .. I may have misstated your original motion.

my motion was to address the motion number one, but I will accept a friendly amendment to expand it to include all --

the remaining two, three and four.

Council member leffingwell: Two, three and four, yes. I felt like I had on number one specific language read in by staff and I made note of that.

And item twos and three speak to zoning in oak hill east and zoning in oak hill west that are not contested. And then, finally, item number four is to postpone the contested flum tracts, the contested flum and zoning tracts, and the contested zoning tracts and I understand you would like to postpone those items to your october 23 meeting, and that would be on item number 4.

Mayor, I have a question.

Mayor wynn: council member.

Council member memberleffingwell you can do consider that a proper clarification to your original motion.

Council member leffingwell: Yes. Item number four, we're leaving the public hearing open. on all contested cases.

Not just the contested items .. all the contested items on number four. council member martinez, do you consider that a proper clarification? Council member cole. We have a restated motion and second on the table. Council member cole. let me ask you, what is the total number of contested cases?

I might ask maureen to come back up and she can speak to the number of parcels.

It is 41, but we have not added sos's list.

I will note on the sos, your motion would approve the sos ones on first reading, and then we would come back with a clarification of what the 23-page list of that was presented by sos of items they would like to contest, understanding that one on first reading but provide a clarification of where these tracts are and what they are so you can consider them with your second and third reading. my motion was to approve the future land use map for all of the tracts, except the ones listed on this page for proposed action and the ones read into the record by staff. .. on first reading.

Right. And staff did not read in the 23 pages of contested addresses that sos presented today. Leg so those are not included.

Those are not included but staff will provide a clarification when we bring oak hill back of all 23 pages of those tracts, where they are and what the contested items are. and council always reserves the right to reopen any public hearing. Restated motion and second on the stable.

I have another question for guernsey, I know this may be very gift for you and maureen but you all have been dealing with for a thong time. But 41 contested cases ends on the 23rd for one night sounds like a lot to me.

I think in the past, council has gotten through more than 23 on a neighborhood plan. We had only about three hours of testimony at a previous meeting had signed up. I don't really expect to have a lot more than that, and there will probably be many duplicate comment, particularly on many two or three persons. no [laughter] that doesn't happen.

So with the respect of council and the citizens and property owners that live out in oak hill, you may be

able to get through that with not too much trouble. I think you could certainly do this in one night.

Council member cole: okay.

Mayor wynn: excuse me shade. what's the downside of dividing it into two meetings, the 40.

The only downside is when you prothrong there are additional people that will come out and think about it and more that will come out and say maybe i can get something a little bit more than maybe what was in the plan, people will rejeciate items. Time has a way of --

clearly, this postponement results in a 23-page document, i guess that. But for the 41 that we're ..

I don't think the opinions in general will change all that much on those tracts. People are actually opposed or in favor on some of those tracts, and those, probably those opinions have been founded over the last two years of discussion. again, we have a motion and second on the table, combined motions one through four. First reading only. Closing the public hearing on noncontested zoning and land use designations, leaving the contested public hearing open. First reading only.

A real quick question.

What is your estimate of the time commitment that residents should be expecting to make for the 40-plus contested case hearings we're set to postpone.

When he we had this item up about two meetings ago there was about three hours of testimony. What staff would do to try to ease your concerns about the length of that meeting, we will do our best to try to keep the meeting of a 23rd light and try to make sure, maybe we can move some items up to your 16th agenda and so in consideration, when have you this item come back or these items come back on the 23rd we will try keep it to a minimum or try to get as many consent items we can so this will reduce the amount of discussion items. We can also put this item first 00 discussion items and maybe that would also help.

Yeah, I think absent some extraordinary circumstances, we should be informing other zoning cases that might find themselves on the agenda on october 23 that they should expect to be postponed because we need to be prepared to devote a full, you .. to all the contested cases and let everybody in oak hill know with absolute assurance that we'll 00 and we won't stop until we're done and nothing else will get in the way so i think it is a good idea, greg, and I think you all can inform other zoning cases of our intention not to hear other zoning cases absent, except for consent cases.

Mayor pro tem, then I will work with the clerk's office in placing the oak hill items first on the public hearing agenda items so the plan and the .. or excuse me, it 00 and staff will work to take those other contested items that may come up because we do have enough time for the september 16 meeting to try to move them from the 23rd to the 16th meeting and that WAY, WHEN YOU GET TO THE 16th, It will only be an oak hill night. I guess the stationary plan discussion that will be it. We'll do our best to

keep that.

Mayor, I had another question, it would be great. What about contemplating the idea of setting the oak hill hearings for a time certain earlier in the day, say 2:00.

We could. A lot of times we keep our 00 because a lot of people work during the day and they like the opportunity to come down later in the day so their day is not as disrupted. Certainly, if the oak hill residents and property owners would like to have it moved up, I don't think there is a problem doing that, as long as we're postponing it now to a time certain so we would not have to provide any special notice for it.

I'm thinking the flip side of 00, you're not , you're here at 12:00 p.m. I wanted to think about that our hear your comments on that option.

If we have a full three hours of sign-in testimony that occurred two meetings ago and we started these items, let's say, 30, we would still end by 8:00 in a perfect world.

Council member leffingwell. i believe the motion was to postpone to october 23 and i believe the neighborhood representative wants to weigh in on that.

Sandy baldridge from oak hill. I don't have a problem necessarily with postpone until october 23. My fear at the moment is the 23 pages submitted by sos includes every tract in oak hill. If that's the case, you're postponing the entire flum and all of the tracts in it.

Mayor wynn: no, ma'am. I think the motion is only those tracts that staff has read into the record.

And the 23 pages, is that not true?

No, that is not correct, no.

The 23 page, I understand the motion on the table, they're acting on a first reading today and staff would bring back an explanation of where those tracts are as they would reflect in the flum so when council comes back on second and third readings of that portion of the oak hill plan and the zoning, we can identify where they are and find out exactly where those parcels, or what the request is. Many of these on the 23 pages may already be contested tracts, it's just that staff has not had the time in the last hour or two to figure out where they are all are.

I understand that but we've been working for three years and they come in on the last day, it's not quite fair at this point.

The short answer is the even tracts that were postponed are the ones listed on this sheet, plus the three that were read into the record.

And I accept that and I think the neighborhood would accept that. thank you, mrs. baldridge. Further comments on the combined motion and second to approve the uncontested cases on first reading only? First call? Only -- further comments? Hearing none, all those in favor, please say aye. Opposed? Motion passes on first reading only on a vote of 7-0.

Thank you, mayor and council. Let me come back to item 102. As you may recall this is a case that is also located in oak hill. It is on the contested flum map that you just postponed to october 23, so staff would request that you postpone item number 102 this is case c14-2008-0115 william cannon 4808 west william cannon drive to postpone this case to your october 23 meeting like the other oak hill cases. I will entertain that motion.

Mayor, I move to double postpone item 102 to october 23 [laughter]

second. motion and second on the table to postpone item 102 to october 23, 2008. Further comments? Hearing none, all those in favor, please say aye. Opposed? Motion passes on a vote of 7-0.

Mayor and council that brings us to our last zoning case for this evening, it is item number 105. This is case number c14-2008-0060 zilker neighborhood planning area vertical mixed use building, zoning opt-inopt-out. They will be presenting this case. welcome back, mr. adams.

Thank you, mayor and council. George adams, neighborhood planning and zoning department. Item 105 is case number c14-2008-0060 zilker neighborhood planning area vertical mixed use building, zoning opt-inopt-out. Process. The boundaries of the zilker neighborhood planning area is shown on the map, lady bird lake on the north, robert e lee on the west, martin sky way on the south and the union pacific railroad and south lamar boulevard on the east. They have two core transit corridors and those are south lamar boulevard and barton springs road. Along these roadways there is approximately 124-acres within the vmu overlay district and that is divided into 57 tracts. The zilker neighborhood association evaluated the properties within the overlay district and recommended the following: Applying all vertical mixed use building standards, which include the dimensional standards, parking reduction and additional uses in office districts to tracts four, 9, 11-17, 19 and 20, 22-25, 28 and 49, with the total of approximately 45-acres. They also recommended applying only the dimensional standards in the additional uses in office districts, but not the parking reduction to tracts 29, 31, 37, 41, 43 and 44, 46, 48, 50 and 51 for a total of approximately 28-acres. The neighborhood association also recommended excluding tracts 1-3, 5-8, 10, 18, 21, 26 and 27, 30, 32-36, 38-40, 42, 45, 47 and 52-57, excluding those tracts from the vmu overlay district and this totals approximately 51-acres. Finally, the neighborhood recommended an affordability level of 60% of median family income for affordable rental units in vmu buildings. The planning commission recommendation mirrored the neighborhood recommendation with two small changes, and those are, the first of which, is to apply the parking reduction to tract 29 in addition to the dimensional standards and the additional office uses, and also to split tract 31 into tracts 31-a and 31-b and exclude tract 31-b from the vmu overlay district. And this was done at the owner's request. It's my understanding that the neighborhood is agreeable to those two changes or those two variations in the planning commission recommendation. One final note, we have received a valid petition from the owner of tract 33, which is located at 2001 lacosa drive. This is a lot on the corner of la

cosa and south lamar, it is toward the southern end of the planning area. The owner is opposing the neighborhood recommendation, and the planning commission recommendation to exclude it from the vmu overlay. This case is r first reading. Thank you. thank you, mr. adams. Questions for staff before we tame some citizen testimony? Comments? If not, we do have a couple of folks that would like to give us testimony. Jeff jack is our first citizen to sign up. Welcome back, mr. jack. I see lorraine atherton here who wanted to donate time to jack, so you will have up to six minutes if you need it. Apartment, I'm going to step off the dais briefly but we can hear and see the testimony when we're off dais. Thank you.

Mayor, is this on? I think yolanda wanted to donate herime to me as well. Earlier in the day we got a message from staff to go on consent so some of the troops were sent home and we found out there was a valid petition on some tracts so we're not all here because of that. My presentation was really much longer than the time available now but I did want to say that i can go through the presentation, if that's your wish, or if the planning commission's recommendation which we fully support is agreeable to you, we can focus on the one valid petition tract and discuss it. I don't know if you have a Tracts 1-3, 5-8, 10, 18, 21, 26 and 27, 30, 32-36, 38-40, 42, 45, 47 and 52-57, excluding those tracts from the vmu overlay district and this totals approximately 51-acres. Finally, the neighborhood recommended an affordability level of 60% of median family income for affordable rental units in vmu buildings. The planning commission recommendation mirrored the neighborhood recommendation with two small changes, and those are, the first of which, is to apply the parking reduction to tract 29 in addition to the dimensional standards and the additional office uses, and also to split tract 31 into tracts 31-a and 31-b and exclude tract 31-b from the vmu overlay district. And this was done at the owner's request. It's my understanding that the neighborhood is agreeable to those two changes or those two veryiations in the planning commission recommendation. One final note, we have received a valid petition from the owner of tract 33, which is located at 2001 lacosa drive. This is a lot on the corner of la cosa and south lamar, it is toward the southern end of the planning area. The owner is opposing the neighborhood recommendation, and the planning commission recommendation to exclude it from the vmu overlay. This case is first reading. Thank you. thank you, mr. adams. Questions for staff before we tame some citizen testimony? Comments? If not, we do have a couple of folks that would like to give us testimony. Jeff jack is our first citizen to sign up. Welcome back, mr. jack. I see lorraine atherton here who wanted to donate time to jack, so you will have up to six minutes if you need it. Apartment, I'm going to step off the dais briefly but we can hear and see the testimony when we're off dais. Thank you.

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residential house, in this picture to your right, it really means that this lot can't really be used for vmu which is the point of our recommendation with regard to many small commercial lots that are on south lamar that are on the recommendation from the planning commission as well. So we would recommend that you uphold the planning commission's recommendation on this valid petition and opt this property out. thank you, mr. jack. Questions for jeff, council? Comments? Thank you, mr. jack. So our next speaker is elaanor. Welcome.

Good afternoon, mayor, members of city council. I am a resident of the zilker neighborhood association and just want to commend the executive committee and everyone for doing an amazing planning process going parcel by parcel, looking at the east parcel with certain criteria that were established and basically providing a model for other understoods and what they can do in opt-in/opt-out process. I was going to donate my time to jeff but he didn't really need but they did a great job all the way around and I hope include support the planning commission recommendation. Thank you.

Mayor wynn: thank you. Council, that concludes all of our citizen testimony on this item, 105. Council member shade. I just jack, .. your recommendation is to vote against the valid petition. [Laughter]

walk faster.

You betcha!

Council member shade: got it. breaking all campaign promises [laughter] just joking. Further questions, comments?

Second. motion by mayor pro tem, seconded by council member morrison to close the public hearing and approve --

sorry mayor, I just wanted to point out we don't have an ordinance drafted yet so we would recommend first reading. approve the planning commission recommendation first reading only. Further comments?

I want to echo commissioner mccinney's comments, this is a very thoughtable good work from planning and the zilker neighborhood association on a really fine effort and appreciate it.

Mayor wynn: agreed. Motion and second on the stable. First reading only. Further comments? Hearing none, all those in favor, please say aye. Opposed? Motion passes on first reading only on a vote of 7-0. Thank you all very much. Thank you, mr. guernsey. We may have just broken a record for having all the zoning cases done before the music. Because of that, we can't take up our public hearing until , due to our posting, and so with that, we need to recess this meeting of the austin city council. The council will remain in recess while I introduce our musicians in a few minutes, and conduct a couple of proclamations, maybe joined by a council member or two as part of that, then we will reconvene as a council to take up our four or five public hearings as shortly as possible some of we're now recess for approximately one hour. Thank you.

mayor wynn: okay, folks. Welcome back to our thursday weekly live music gig here at the austin city council meeting. Joining us today on behalf of blastbeat, youth education program, is the austin-based band blues mafia. Blastbeat is an international award winning music business and social entrepreneur program for high school students. Blues mafia is the winner of the southern region battle of the bands in the blast fest usa finals. As a result of their victory blues mafia will be competing in the blastbeat world finals in dublin, ireland later this year against other winning bands from across three continents. The band has performed at various venues around austin, including emos, who vita's and and tone. They've been featured on nationally twisted show tv. Please welcome join me in welcoming blues mafia. [Music playing] [ ?? singing ?? ] and tones and toan antone [music playing] [ ?? singing ?? ] [applause] first and foremost, what are your guys' names?

I am max frost. This is patrick murtins and chris copy copelands.

How long have you been in austin playing together?

About two years. and so the blastbeat contest, when was that held and where did you-all compete to win the u.s. finals?

It was held earlier this summer at emo's is, which is pretty close to here. We competed with a bunch of other bands. I guess that was the second one we competed in and had the luck of winning that, and so we're getting ready to go to ireland this december for the world finals. that's fabulous. In the meantime before you head off, where can we hear you next, where and how often are you gigging?

We are playing a gig tomorrow, actually, at jovita's, which I believe is 30, so if you want to come out to that, that would be good, which is actually sunday. And we have a myspace blues com/blues mafia music and you can check out our shows and listen to stuff there. blues mafia music. Okay. Great. Before you get away I have the official proclamation for you that reads, the local music community makes many contributions towards the development of austin's social, economic and cultural diversity and whereas the dedicated efforts of our artists further austin's status as the live music capital of the world, so now therefore, i, will wynn, mayor of the great city of austin, texas, do hereby proclaim today, thursday, august 28, 2008, as blues mafia day in austin and call on all citizens to join me in congratulating this fine young talent.

Thank you very much. [Applause] hold on, guys. So while the band breaks down over on that side of the room, we're going to use this podium over here to do our weekly proclamations. We try to take advantage of each city council meeting to use proclamations to sort of raise awareness about a cause -- to raise awareness about a cause, to say congratulations to people or something sometimes or good-bye. I have a couple before i turn it over council member morrison. Prostate health exawrness month is first. Joined by the lance armstrong foundation. Abel and I have been doing this for several years.

Several years.

That's always good and encouraging to say with us. We're still working, of course, on a cure and ultimately trying to raise awareness for men to be aware of the screening, how often it should be done, when it should start being getting done, and ultimately helping us defeat this disease. So I'll read the proclamation and label will probably say a few words about our efforts here locally. We're so blessed to have the lance armstrong foundation headquartered here in austin. We're talking about a monument and sort of a statue and commemorative piece of sculpture in one of our parks. So the proclamation reads: Excuse me, texas ranks fourth in the nation in the occurrence of prostate cancer, which is the second leading cause of cancer death in men, and which can be a silent event killer because early stages of the disease have no symptoms, and whereas the disease can be eliminated if found early. So we encourage the men of austin to become informed about prostate cancer, to get screened for the disease, especially if they are over 50, and to take the necessary steps to protect their health. And whereas austin will soon become home to the cancer survivors park, a positive place of natural beauty representing survivorship and hope, which survivors of all kinds of cancer and families can enjoy. Therefore i, will wynn, mayor of austin, do hereby proclaim september 2008 as prostate health awareness month here in austin and ask our friend label harlik to say a few words about our efforts here locally. So please join me in welcoming back label.

Thank you. Thank you, honorable mayor and citizens of austin. It's actually an honor to be in front of you, and it's another honor for me especially to be with the mayor. He and I -- this is probably my fifth or sixth proclamation I've received each year for prostate cancer awareness month, which is proclaimed by the president of the united states and the governor of texas, as well as our wonderful mayor here in austin, will wynn. Prostate cancer is -- has become a very serious disease. It's what we call the silent killer. I was given the diagnosis in 2002, july the 19th, and given six months to live. I've had six bonus years. I've had every major treatment, but it keeps coming back. But you know what? God has a special purpose for me, and that is to say to the citizens of texas and the citizens of austin, and do yearly screenings with my wonderful city and people that work with me. I would like to take a moment and introduce a friend of mine, ron colonic, we met at a special place. I was just finishing my radiation treatment. He was just beginning and getting ready to finish his, and we became a special partner in working together for a dream that I had. You've heard that story, i had a dream. Well, I've had a dream and i feel like god has me here to accomplish that dream. I'll let ron colonic of the lance armstrong foundation tell you a little bit about our dream.

Thank you, label.

Thank you. I'll make this real short. First I would like to thank the honorable mayor and the city of austin for this proclamation. It is certainly an affirmation of the recently passed proc 15 and the great state of texas and their position on cancer. Cancer is just not prostate. It is across the board, and we at the armstrong foundation stand for more than just cancer. One of the items mentioned in the proclamation was about a cancer survivor's park, a dream of label's for over five years, a dream of mine for now two years but four years as a prostate cancer survivor. The -- once you're diagnosed with a life-threatening disease, whether it be heart disease, whether it be diabetes, whether it be cancer, the only thing you want is hope. Hope, and more hope. The availability and ability to have, as lance armstrong would say, an unprecedented chance to show our support to the millions of individuals affected by this disease in

the state of texas and americans, while at the same time beautifying our city, the city of austin, is golden. We have to seize that opportunity. I collaboratively look forward to the support of the community, to the support of the city to make label's dream and this passage of hope on a significant reality. Thank you.

Thank you. [Applause] thank you, gentlemen. We look forward to the survivors park. for my final proclamation I've joined by donna eferson, regarding national payroll week and for thof of us who are lucky enough to be gainfully employed we greatly appreciate either the check in the mail or in many cases now luckily direct electronic deposits into our account. I joke about it but it's really important stuff, and particularly when you have a big organization like the city of austin or other major employers, just the scale of that workload and how important it is not to make mistakes and to treat everybody's finances confident confidently and professionally. Each year we join a number of organizations regarding national payroll week. I'll read the proclamation and donna will probably say a few words about the profession. Payroll professionals support our workorses, by reporting worker earnings and paying taxes in compliance with all federal and state law, and payroll professionals also play a key role in maintaining austin's economic health, providing information for child enforcement, and withholding and depositing tax payments. And whereas it's appropriate to recognize the members of the sintex chapter of the american payroll association during the special week for their work on behalf of our citizens. So now therefore i, will wynn, mayor of austin, do hereby proclaim the week of september 1 through 5, 2008 as national payroll week, also here in austin, and please join me as we welcome donna in saying thank you to a bunch of very professional employees who help us all each week. Donna, thank you. [Applause]

thank you, mayor wynn. As he was saying, everybody likes to receive a paycheck, and when I pass mine out as work, everybody likes me that day especially. Payroll professionals actually calculate and pay 156 million american workers every pay period, and we will, as the proclamation says, we will collect and report and deposit 7 trillion, or 64% of the annual revenue for the u.s. treasury. So we do a pretty good job for them. And so as payroll professionals in austin and as members of the sintex chapter we appreciate this proclamation.

Thank you. [Applause] and for the next proclamation, I'm going to turn the podium over to council member morrison. We have otis latin and sara heartily, members of our office of emergency management to talk about national preparedness month, quickly, as the hurricane approaches. As smf some of you know council member morrison is an emergency preparedness professional herself, and so with that I'll turn the podium over to laura. thanks, it's really my honor and pleasure to get to introduce these folks, otis and sara, and I'm sorry, I don't know your name.

Paul.

Paul. And to present this proclamation. The city's department of homeland security and emergency management is a small department, actually. It's the kind of department, out of sight, out of mind for most of the citizens i think. Most of us don't even know about the work that they're doing a lot of the time. But boy, when we need them, we really do need them. So I think everybody really appreciates the

work that they do. And I know that you-all worked in tandem with police, fire, ems, and not only that but with, for instance, public health and all the departments in the city, because we all need to be able to be prepared to respond, as well as the school districts, businesses and all that. So there's a lot going on in that department, and I'm delighted to be able to read this proclamation to you. It says, be it known that whereas central texas weather can be fickle and stream, ranging from severe storms with flash floods to droughts with wildfires, and our city should be ready for all natural and man-made disasters, and whereas local emergency management agencies, fire, ems employees are working together as leaders of our nationally recognized storm-ready community to plan for disasters and respond quickly when they happen, and whereas the city of austin office of homeland security and emergency management wants every household to be well-prepared and resilient in the event of a disaster, they urge citizens to make a plan, get a kit, be informed and get involved. Now, therefore, i, will wynn, i, laura morrison for him, mayor of the city of the austin, declare september 2008 as national preparedness month. Congratulations. [Applause]

thank you.

Thank you, council member. Each september we recognize national preparedness month to remind people how important it is to be prepared and ready for all hazards. As you can see by the example of the tropical storm that's coming this way and will be a hurricane later in -- next week that could possibly be in the gulf of mexico, it is important that we be prepared and our citizens be prepared. We want the city of austin to be ready and to be the most resilient community in the state. In order for the city to be resilient, our citizens must be -- have a plan, they must get a kit that will have supplies necessary for them during emergencies, and they must stay informed, and also they must get involved. And the city -- the city's office of homeland security and emergency management is here to help our citizens to do all of those things, to tell you a little bit more about -- I was getting -- about getting our citizens prepared, we will have our community preparedness manager, sara hartley to come forward and talk to you.

Thank you and we really appreciate being here and we appreciate that one of our volunteer members, council member morrison was able to do that proclamation for us. Austin is such a giving city, and we've seen that in hurricane katrina and rita. People pour out to assist their neighbors, but what we need to make sure of is that we're helping ourselves to be ready, and also to be resilient in the face of disaster. As you heard in the proclamation and with otis, we can't stress enough those four points of making a plan, getting a kit, staying informed and getting involved when you can. One of the ways that you can get involved is our community emergency response team. We're so proud of them and we're so glad to have one of our leaders of that volunteer group, paul mot ts who is on our advisory board. We also have someone in the audit yen, jennifer macphail, and lawyer owe murson has taken a class. So we have citizens of all types that are getting involved and assisting right here in our own community. A couple things that we have going on this month to assist the citizens to get prepared, one is a neighborhood safety and preparedness program that we are so proud of our members for actually designing and delivering themselves and they are willing to go out to neighborhood associations, churches, groups of any type to deliver this one-hour very informative basic preparedness preparation. They've done a fantastic job with it, and I really couldn't be more proud. We wanted to be more volunteers here tonight but they're actually training for advanced first aid tonight, so they're still busy as always. We will have

one memorial september 11 here at city hall. We'll be delivering that one hour presentation over in the boards and commission's room and you can contact the austin emergency management to sign up for that. We also will have an insert in the austin american-statesman next week that will have so much more information than what we've touched on tonight. It will talk about the home safe calendar which is available for free. A kids activity kit coming out in september that is available for free, and we have a calendar of events throughout the month that you'll be able to join in and get involved. So we thank you very much and we encourage you, again, one more time, make a plan, get a kit, stay informed and get involved. Thank you. [Applause]

alpha kappa alpha sorority is america's first greek letter organization founded in 1908 for african-american college women. The sorority's membership has made a commitment to serve all through a nucleus of more than 200,000 women in over 975 chapters in the united states, the caribbean, canada, germany, korea, japan and in the continent of africa. The austin graduate chapter has made significant contributions to the austin community through programs of service, scholarships and volunteerism. Approximately 35,000 members of the sorority celebrated 100 years of sisterhood and public service to all mankind in washington, d.c. So I now would like to read the proclamation. Gail, do you have it? Alpha kappa alpha sorority is the nation's oldest african-american sorority founded as a social and service organization on the campus of howard university in 1908, and whereas the sorority members have made a commitment to serve all mankind through its nucleus of more than 200,000 women, whereas the austin graduate chapter has completed more than 60,000 volunteer hours and contributed more than 200,000 to nonprofit and community organizations and to youth scholarships. We appreciate aka's past and continuing contributions to our community. Now, therefore, i, will wynn, mayor of the city of austin and the city council of austin, do hereby proclaim the year 2008 as the alpha kappa alpha sorority's 100th anniversary. Yes. [Applause]

that is for you.

Thank you, council member council member cole. We are so excited to celebrate 100 years but most important excited to celebrate 70 years in austin, texas. That's historical within itself. Many people look at greek organizations as organizations that are only here for the purpose of social and social interaction, but we want it made very clear that the alpha kappa alpha sorority, particularly in austin, texas is very committed to the social needs of our community, through education and health awareness. We are very excited to receive this today, which is for us a very historical day. It's the day in which the first african-american man is going to accept a nomination for president. It is the day in which we celebrate the anniversary of the I have a dream speech, and for us members of alpha kappa alpha, it's the day we celebrate 70 years of african-american women in austin, texas, who have made a difference in segregation, civil rights, health awareness and just for the betterment of the austin community. So it's in their honor that we stand here today to say thank you to the council, thank you to the city of austin for your acknowledgment and thank you very much for your continued support of our organization. [Applause]

heart disease, stroke, cancer, diabetes, aids, hiv and lack of immunization against diseases are major causes of health disparity. In austin-travis county african-americans rank 1 in 10 in the 15 leading

causes of death. Prevention, early detection of disease and prompt referral to health care are essential steps to reducing these and other health disparities. This is the reason we are declaring this, take a loved one for a checkup day. Now I'll read the proclamation. Be it known that whereas a serious health gap exists between racial and ethnic minority populations and the general public, showing that they are more apt to suffer from such problems as heart disease, stroke, cancer, diabetes, infant mortality, hiv and aids, and whereas early detection of disease, prompt referral to quality health care resources and immunization against disease are essential steps to reducing such health disparities, and whereas the national closing the health gap campaign is aimed at encouraging individuals, especially those most in need, to live healthier lives and to visit a health care professional. With that I'd like to present the proclamation to our very own shannon jones, and let him say a few words. [Applause]

well, thank you so very much, council member cole. We'd like to thank mayor, council and particularly council member cole for acknowledging the work that this group does. Let me start off by briefly telling you a little bit about take your loved one for a checkup date. Take a loved one for a checkup day is the third tuesday of each september and has been celebrated for the last several years. The key element of the campaign is to get individuals to acknowledge and to recognize the importance of taking yourself and loves ones to the doctor. One of the things we see particularly with disparities is that a lot of individuals, particularly those of color, are -- either do not have access to a physician or or if they do are not utilizing it. So this national campaign is an effort to make awareness of the importance of doing that. Most of the disease that killed most of our citizens are preventable, and if we are able to get them early, we're able to be successful. So this campaign which we've been doing here in austin for the last three years is an effort locally to acknowledge the hard work and the importance of health care in our community. But not only the city of austin is part of that, we have several partners that joined with us in going in the community and advocating this message, and I'd like to acknowledge some of those partners who are joining us today in the receipt of this proclamation. locations are part of them. Those on north lamar and springdale. Aetna insurance company, seton health care network, amerigroup community care, who is here with us. Amerigroup? Raise your hand. Epicon health care, care improvement plus that is here also. Physicians health choice, texas community care, texas department of insurance, the smile center, and the austin association of critical care nurses. All of these are partners in our efforts as we reach out to the entire community, but particularly to those communities of collar that have the greatest burden of disease and death as mentioned by council member cole. We'd like to thank you, council member cole, for acknowledging the hard work the community does in this effort and we'd like to that all of our partners in the efforts we do in making a difference in our community. Once again, thank you so much. [Applause]

there being a quorum present at this time I'll call back to order this meeting of the austin city council. We've been in recess now for approximately on hour. Having kentuckyed all of our earlier business. 00 public hearings. We have five of them posted on the agenda but most folks are here to give us testimony on public hearing 109, that being receiving public comments regarding the proposed fiscal year '08-09 budget, so without objection we'll now go to that citizen testimony. We'll take these, I guess, in the order that they were signed up outside, or at least the way that the computer reads it in here. Our first speaker is rachel johnston. Rachel johnston signed up wishing to speak. Welcome, ms. johnston.

You'll have three minutes to be followed by jennifer macphail.

Good evening. I am rachel johnston. I am one of the parent advisers for eastside story, and I have been given the privilege to represent the parents so that your room will not be full of us. I hope you enjoy that.

Mayor wynn: thank you.

My first thing is I want to cover three items that I'm going to be very clear. The first item I want to discuss is the proposed budget. Based on my allocation, looking at the numbers on the internet, and it showed an \$86,000 reallocation, or it went out of the budget for eastside story, and i can't tell from the budget where that money has gone. So that's one. The next one that we discussed in our parent meeting was the direct impact to that \$86,000 being removed from the budget as far as student services, and I'll talk more about that. And the third item is the future of east side story as program under adp -- under apd. So the first I want to discuss is that currently we had a meeting on the 19th with -- we asked for the chief of police to attend, and we actually had a couple officers showed up that new very little about the budget cuts, where the money was going, really couldn't give us any direction. So they told us that in order to get our answers we had to come to city hall. So that's why I'm here. So I'm still asking the question, where did the \$86,000 go? Because that \$86,000 is being removed from the budget, the current eastside story program cares for children that would be considered latchkey children that parents work and the kids, after program, they're -- they either stay home by themselves or we provide a program like eastside story. Now, with the \$86,000 being removed, there will be no summer program, the children will potentially, like i said, be running the streets because there's no one caring for them. So I really, really -- we had our meeting, and we're really, really concerned about this. In addition to that we're really concerned that the budget shows a proposal of two new programs that are focused on athletics and not academics. The eastside story program, one of the valleys is that it focuses on academics. Our children, making sure their homework is done, that they have a hot meal after school. And I think that's more important than learning boxing, but that's my personal opinion. But academics is very important and the eastside story read. We look at the stores that are occurring on the tac and we know if we don't save our children they won't finish high school. So eastside story does that for them. In addition to that I looked at the proposal for the goal for the new atd for 2009, and it's saying that it wants to provide educational athletic programs, but the groups they're focusing on is 13 to 20-year-olds that are interested in being in the police department services. The other program we have -- am I done? your time is up but why don't you just take a minute and conclude, please.

And basically what we're asking for is that if we could have a meeting with the chief of police so that we can discuss our concerns, understand the budget, so that we don't come in here and complain that we don't know what was happening to us. We really, really need that. And sending new police officers to us to talk to us is not helping. We need that support. So that's why I'm asking before the budget is approved that we understand where the money is going and the impact to the program and how everything is going to align. thank you, rachel. And it may very well be that a budget officer might actually be able to answer questions in depth better than the chief might himself.



Okay. Well, anyone that's smarter than I am.

Mayor wynn: all right. Thank you.

Okay. let's see, our next -- council member cole, excuse me.

Excuse me, rachel. Can I ask you a quick question? Have you met with anybody on staff other than the police officers?

We attempt to. We actually have an advisory board. We invited all the parents to attend on the 19th and we asked that someone come, and they didn't show up. Can we talk about that later? Can you give -- I'll get with you,.

Because I don't want to complain but I think it's important.

Okay. thank you, ms. johnson. Next speaker is jennifer macphail. Welcome back. You'll have three minutes to be followed by mary steel. With adapt texas and we want to emphasize again that it's very important to us that you-all find sidewalk accessibility improvement projects at at least \$5 million for this fiscal year. It's not in the budget yet and robert has made a commitment to you at the last public hearing that once we received money from txdot, we should be getting 5 million this year and 5 million next, as i understand it, and once we get that money, that money is going to go to sidewalk improvement projects to provide access for people with mobility impairment, which is great, but the problem is I didn't realize until last week on the 21st, that the money isn't available to you yet. So we can't let txdot say something like the check is in the mail and wait for six months to a year for that money to come in because work stoppage is almost as bad as not funding the project at all, because infrastructure projects take a lot of time to put together, and it takes a lot of effort. It's not just wave the magic wand and there are some sidewalks. So we just want to hit on that point again. We're going to emphasize that, but also that we believe the transition plan needs to be supported by this body and to make sure that there's actually a contingency every year, so that we don't have to keep coming back and saying, but wait, there needs to be money in the budget for sidewalks. It should be as important to you as any enterprise fund. We're still asking for less than you're being asked to allocate for the golf enterprise fund. That funding is \$5.3 million. I think our lives are just as important as 18 holes of golf. Now, you may feel differently, but you do represent us on that board and you do have to understand that this is a very serious subject we're talking about. It may not be the sexiest that you deal on but it is incredibly important. And third, I just wanted to touch on once again that we're not that thrilled at the prospect of our civil rights contingent upon an upcoming bond election in two future bonds. The problem is that we're being told wait. And because this is the anniversary of the I have a dream speech, I'll remind king's letter from a birmingham jail he said the problem with wait is it almost always means never. It may be too late if we wait until 2014 to see anything substantive. There was a woman who was -- this past new year's eve was led to other death on on 183. In her motorized wheelchair she was hit by a truck and dragged for a half a block to her death. Too late for her. Let's not wait until someone else gets killed before we do something meaningful. Because I've been hit by a car. I can tell you it's a miracle that I'm here. thank you, jennifer, and technically the budget doesn't get amended at all until beginning on the morning of september 8, so

even though there might be full agreement about potential amendments, the budget is what it is and we're not supposed to be able to take action but we start amending the morning of september 8, and I believe that is monies will be amended for, regarding the timing of the funding with txdot, this council -- previous councils certainly have -- frequently we do reimbursement resolutions where we do take some exposure, spend some money up front with the assurance that we get reimbursed by other entities, txdot being a frequent partner in that. And finally, our golf enterprise fund doesn't get a single penny from us, never has. The golf enterprise fund spends # million a year but it's also all they generate. It's a stand-alone deal. No tax dollars go to our golf operations. No profit from golf comes to our general fund. We make them support themselves. So you might see a \$5 million number, but that's internal operations of greens fees and other rentals and things. So we're not giving the golf fund \$5 million and not spending money on sidewalks. The proposal that I think we will vote on amending the budget will be new monies, new \$5 million for this coming fiscal year, and we certainly have the track record of spending money in anticipation of reimbursement.

Okay. Great.

Mayor wynn: thank you.

And I'll just add, in 2003, I know this is a tight budget year, but in 2003 the sum of money that we spent on sidewalk access was 11 million, so just to give you some perspective.

Mayor wynn: thank you. Our next speaker is mary steel. Welcome back, mary. You'll be followed by barel steel. And we welcome our blessing.

That's what's coming, but first I want to explain to you why I cross you, it's because my bible tells me that I'm to pray for those in authority over me and since you are the city council I believe you do have authority, which is why I'm going to pray over you, because I want you to make the right decisions over me and everyone else involved. And also the blessing. May the lord grant you everything you ever thought you might have wanted. Amen.

Mayor wynn: amen.

And the young lady that was speaking about the children, they're going to be turned loose, I'm a retired teacher. Please don't turn those children loose, because believe me, your backyard is where they will come to play. So don't -- please -- don't take that money from them. Take it from anybody or anything else but don't take it from those children, because they are your worst nightmare. Now I want to talk about the bond, and I'm kind of wondering, am I confused about a bond? I thought that a bond was the people vote on it and then it's so much money that they bought what you can have or not have. The only problem with voting for a bond over things that you really need now, is the most intelligent people have a habit of not voting. It's all those people who want to make sure that you don't get what you want that usually vote, which means if we vote -- if we're planning on my bond, the bond is coming, and the wrong people vote for it, we may never see it. So where bonds are good, can we also think of some other way just in case they don't pass the bond? Because we need sidewalks and streets whether they

pass the bond or not. And that's my soapbox for the day. Thank you. thank you, mary. Barel steel. Welcome. You too will have three minutes to be followed by albert metz.

Hello my name is barel steel. 5 Million for sidewalks. thank you, barel, a brilliant effort to try to curry favor with the council. [Laughter] albert metz. You too will have -- you too will have three minutes to be followed by eileen walks and jennifer may help us. Thank you, jennifer.

He's got little thing but the technology doesn't work. I'll do backup for him.

My name is spunky. \$5 Million for a sidewalk and curb cuts, for an issue ran next year. thank you, sparky. Very impressive. [Applause] eileen walsh. Welcome, ms. walsh. You too will have three minutes to be followed by -- sorry, I'm having trouble reading this, the reverend joseph tomei. Sorry if I mispronounce that.

Thank you, mayor. Eileen walsh, I'm president of the austin softball association and I'm here to basically ask for money for our program. We've been told that the fee for the registrations is going to go up, or it will go from 300 to 325 and approximately two years ago we had fought to bring it down from 400 to 300. And we basically have been told two stories for the increase. One is for umpires, which we do understand. The second is for the increase in maintenance and, you know, cost of gasoline since it's gone up. The deficit that we've been told is roughly \$50,000 between last year's maintenance and this year's projected maintenance, and when we proposed this last time, we asked that the general fund cover the maintenance. Well, in our mind we thought, well, it would fluctuate from year to year, but instead it was put as a solid number of something like 182, \$187,000 per year, and we would like to see that be a fluctuating amount to cover maintenance so that they don't have to increase our fees just because maintenance goes up. So that's what we're here, you know, to ask you to consider, is not increase our fees and take care of the maintenance out of the general fund. Thank you. thank you, ms. walsh. Reverend, welcome. Sorry if I butchered the pronunciation. You'll be followed by jacqueline psychs.

Marissa I'm father joseph tomei. Pastor, a member of austin interfaith and vice chair of capital idea. I would like to thank you for the support that you've given to capital idea and many issues of austin interfaith. For the past 18 months austin interfaith leaders have held conversations with over 3,000 people across the city focusing on one what are the pressures on your family? And we have found that people are hurting, and they share a lot of common concerns, like jobs, health care, education, and above all, a sense of economic instability. Now, the majority of our congregations have seen a rather huge increase in the food in demand for food in the food pant ris. It has been difficult to keep up with the need. Austin is growing economy. It is among one of the top five cities in the country with income and equality. Even our poverty rate and child poverty rate is above the national average and the middle class is shrinking. Back on april the 20th our congregation hosted over 800 austin interfaith leaders in an accountability session. Of the candidates for city council, and our agenda, which is signed by 5,000 people was saying aimed at the root causes of these problems. The goal, which is I think is the goal of many people, is to move people from poverty to self-sufficiency, and to keep them from slipping out to the middle class. We believe that people can pick up themselves if we invest in them. From economic

perspectives, we cannot afford to do otherwise. From a faith perspective it is what we are called to do. We commend all the city council members who attended the city council session, we commend you for committing to our action agenda, which was first to fund capital idea, a proven long-term strategy for living wage 3 million, an increase of 100,000 over last year. 2, To increase funding for a short-term work force program by a total of 100,000. 3, To increase city funding for esl to 156,000, which is an increase of 50,000 to add two new sites. 4, To support a council resolution causing on the health care district to increase clinic funding by at least 5%. And 5, and not -- last and not least, voting to place a traffic light at the corner of hollow, the site of numerous traffic accidents over the past few years. 1200 Signatures just from his own signatures, to support this light. So my friends, based on these commitments and our subsequent meetings with all the council members and the mayor, we believe that there is a strong desire for leadership in the areas of human development and social service initiatives. Attacks pairs and citizens, we believe in investing in the people for proven things such as capital idea is money well spent. Following through on these commitments will be a step toward assuring that austin will continue to be a city which gives all families a chance to succeed. Thank you. thank you, father tomei. [Applause]

I am followed by other people who will speak further. well, actually -- father's three minutes have expired but we have other people who have signed up to speak. I don't know if these folks are all with you, father, or not. Let's see, so is jacqueline sinks. Jacqueline, you will have three minutes to be followed by brian hennington. [Applause]

my name is jacqueline sinks, and I'm a student at austin community college in the associate degree nursing program. I've been sponsored by capital idea, and I'm here tonight because I believe that my story is one that ought to be heard by everyone in this room who believes in second chances. It's hard to share the intimate details of one's personal life in front of a room full of strangers, but if a faith needs to be put to the good that capital idea is doing in this community, then I'm here tonight to be that face. I came to capital idea in the summer of 2006 at one of the toughest moments that i had faced in my then 24 years of life. I had recently fled an abusive marriage and was living in the domestic violence shelter safe place with my two young children when I first applied to become a participant. I desperately wanted to go back to school, to rebuild my life and acquire an education that would lead to my economic self-sufficiency. In spite of my circumstances I knew that I could make it if I were just given the chance. I knew I would never be able to help my severely automatics child to develop language. If I were working three jobs just to be able to pay the bills and put them in subpar child care, and realistically that's where i was in life. I had no money, no skills, and no support system. I wanted and needed then and now to be and do more for myself and for them. But with so many barriers my hopes and dreams for a better future seemed out of reach and that's when i heard about capital idea. I learned they were assisting families like mine with education-related expenses, primarily child which was my number one barrier and honestly they didn't make it easy to get in. I went through interview after test after interview, and at the end of it i wasn't sure that I would be accepted, but I was, and the day that I was accepted was one of the most joyful and hopeful days that I have known. That day marks the beginning of the rest of my life. A little over t years later I have stable housing, a violence-free home and happy and thriving children. I have only one year left before I will earn my associate's degree in nursing, and I'm at the top of my class with a 4.0 gpa. [Applause] my career counselor has become like a second mother to me, and my quality of life has improved in ways that I can't put into words. I came to this organization as a

victim, and with capital idea by my side every step of the way have emerged a champion, a champion for my children, a champion for my dreams and a champion for every other person who believes in second chances. I urge you tonight to again invest in capital idea so that they may continue to connect people like me, even more of them out there in the community that need it with their futures. Thank you for your time.

Mayor wynn: thank you. [Applause] thank you for sharing that story. Brian hennington is next. Welcome, brian.

Good evening, welcome. My name is brian hennington, and I was a capital idea student from 2003 to 2006. During that time I was a single father of three children and worked full-time during that time frame and even attended school as much as 6 days a week at the same time. I graduated with an associate's degree in network certifications and information technology and for the last two years or more I've worked installing updated health information technology at the seton hospital where I'm currently employed. You may recall I spoke here a couple years back, and I want to thank you again for making this new life possible for me and my family. I also want to thank you for giving me a chance to make it possible for me to give back to the community some of the time and energy and faith you've invested in me. All the capital idea graduates commit to giving back, and that's what I'm here for. For me, this has meant so many things over the years. It means being a part of a new effort to reach out to men in need of the same kind of opportunity that I was given. Capital idea has been a part of the community discussions about the troubling situations of men, particularly men of color. Just doing the same old outreach as in pasttimes was not reaching them. After a series of discussions involving alumni such as myself, with capital idea staff pastors and leaders of austin interfaith, business leaders and others, it was called the ambassador's evident, to reach out personally to men young men of color to help them see new possibilities for themselves through education. We don't wait for them to come to us, but we actually reach out this to them. I am one of the many faces of this ambassador effort and I'm excited to be a part of it to get my hands involved in helping someone else as I was helped. We don't just give them a flower, but we go to them personally and have orientations and actually talk to them and give witness of my own personal experiences. And they're responding. We've seen twice as many men get interested in education and want to have new opportunities and make a difference in their life. I'm I'm not stopping there. I'm as committed and everyone behind me to share in this effort to encourage them about being a father, a bread winner, a success story in their own children's and family's lives. I want them to have the same professional opportunities I had to show my skills and my talents, and I thank you for making it possible, not just for me but for so many others. Thank you. [Applause]

my name is rebecca and if I could -- my name is rebecca hernandez. If I could defer my time to our last speaker, ophelia zapata,. yes, although I don't see that name on my sheet here, but --

rebecca hernandez. yes, I have you down, rebecca. So --

I want give my time to her. we appreciate you-all sharing these stories with us. They're beautiful.

hernandez says I will be the last speaker for the group. zapata, and with austin interfaith. I'm here to talk about a few other issues. In our communities across the city we have -- we have a need to increase

access to english as a second language classes. The growth of our local economy depends on an educated work force. We have adults in our communities ready and willing to improve their skills in order to become active citizens and productive members of our work force. We call on the city council to increase funding for english as second language classes by \$50,000, which would add another east austin side and a south austin side and also allow increased hours for supervisors so sites in other parts of town can expand. At one of our local congregations on the north side there are over 40 nash a little represented. As our economy becomes more global we need to ensure that we are meeting our work force demands. Also, expanding access to health care is critical. 25% Of travis county residents are uninsured and over 30% of children are uninsured. In a city with our wealth we cannot accept this. We call on the council to pass the resolution calling on the health care district to increase clinic funding by at least 5%. This is one step towards a problem we must work together on to resolve. Finally, on behalf of the pa albert, who witnessed accidents coming to and from their place of worship, we need a traffic light in front of that church. There is support from 1,200 parishioners, the neighborhood association and local businesses. This is an incredibly busy street with an acc campus a block away. It would take council action to do this. Thank you for your time. Thank you for your time tonight. We have laid out our issues. We believe that change happens one step at a time. We believe after meeting with you, mayor and council members, that there is a strong support for health development in addition nsh i initiatives. There are strong steps we can take to make austin a better place for all families. Thank you.

Mayor wynn: thank you. [Applause] thank you father joseph and everybody. Let's see, a few more speakers. Council, our next speaker signed up is nala san copa, who if you remember addressed us at our citizen communication at noon. Niala san copa, to be ed by nelson pete. Welcome, welcome also, mr. pete.

Mr. pete nelson? Nelson? You're up, mr. pete. pete will be our next speaker with three minutes, to be followed by colin clark. Welcome, nelson, you'll have three minutes.

Hello. Thank you, council members. I appreciate all you did to help with getting the sidewalks, and it's really nice to be able to travel down sidewalks and not have to be out in the middle of the road where you have traffic congestion behind you and you turn around and you look you're looking at a small bumper, a little chrome bumper and you're a sitting duck. And then I turn around and surprise, it's an 18-wheeler. I see a great big dummy on that bumper. So anything that you can do to help me -- to get more sidewalks on those terribly busy streets and all the other streets, I would personally like to come up and shake your hands. We need at least \$5 million in the budget for sidewalks in the fiscal year '08-09, and hopefully at least \$5 million a year for the next 20 years to get the sidewalks back up to the standards to make traffic safe for you-all and for everybody else. Being in a wheelchair i suppose I'm a pedestrian, and we have the regular street lanes for cars, and we have bicycle lanes, and we have sidewalks for pedestrians and people like myself in wheelchairs. So I really do appreciate you-all. Good job, and let's go ahead with the sidewalks. You-all have a good evening. Thank you very much.

Mayor wynn: thank you. You too, nelson. Let's see, colin clark, welcome. You'll have three minutes to be followed by debbie russell.

Good evening, mayor and council. Colin Clark here with Save Our Springs. Council meeting. Before I talk about the budget I apologize for not being here on the Oak Hill item regarding the list we sent in. I want to mention briefly that that list is commercial properties that could benefit from limits on height and intensity to prevent some extreme scenarios like commercial highway zoning and MS zoning in excess of MF-3. But more on that later. Regarding the budget, I want to bring to you-all's attention the large amount in the water utility budget for debt service and for capital CIP, capital improvement projects, specifically water treatment plant 4. On the water rate issue I'll present some slides showing how by reducing our per capita use to San Antonio's level, we don't need the treatment plant for a very, very long time. But as regards the budget that you'll be considering over the next few weeks, please take a look at how much in the water utility is for water treatment plant 4 and think about how much longer we could delay that. Our conservation measures are working, perhaps better than we even anticipated. I do want to point out that in the energy utility budget, 4% is dedicated to conservation. In the water utility, from what I could gather, it's 3%. So you might want to consider seeing those matched, bumping up water conservation to match the amount the energy utilities in terms of percentage of their budget is putting into that. Speaking as a private citizen, I would like to support the report that the ACLU local chapter recently put out regarding APB, and I would request that the council direct Chief Osivedo to implement the site and release option for misdemeanor offenses. I think Debbie Russell will go over how much money the city and the department can save by citing and releasing people for low level non-violent offenses rather than arresting them. So cite and release rather than arrest and oppress, because as you know, a disproportionate number of the people hogtied arrested for these misdemeanors are people with color. It's a shocking disproportion compared to the population. Again, you have the authority to do that. How it fits into the budget, Debbie will show you the numbers, but millions and millions of dollars are wasted with officers arresting people and processing them through the county jail when they could have a ticket and be sent home and keep that cop on the street. So I'll leave it at that. Thank you. Thank you, Mr. Clark. And Debbie Russell is our next speaker. Let's see, is Steve Beers still with us? Hello, Steve, welcome. So Debbie, you'll have up to 6 minutes if you need it, to be followed by Steven Craiger.

Hi. Debbie Russell with the Central Texas chapter of American Civil Liberties Union and I also represent a coalition group that put this together, the Citation Not Taxation Austin that's called Austin Public Safety Solutions, and I'm going to learn how to use this thing here. The gist of this report in context with the budget right now is that we don't need to hire new officers. We don't need to buy new cars. If you crunch the numbers it comes down to exactly this. If you implemented the citation option, 50% of its potential, if you put only half the people in jail that we're putting in jail now that we have an option not to, we wouldn't need the additional officers, we wouldn't need the additional cars, and it would also buy a lot of time for officers to actually be patrolling the neighborhoods, protecting people and property instead of downtown for three hours at a time booking people in on class C misdemeanors, which we've been doing to the tune of 10,000 a year. So I want to just flip through this report and show you the overview. We have in the past couple years been arresting way too many people that we have had the option to do so before this new law last year that expanded the citation option from class C misdemeanors to certain A's and B's that are now included. We've been taking almost 10,000 people a year to jail unnecessarily. As it stands right now -- as it stands right now the -- well over a third of the people that

are in our jail don't need to be there. That is very costly proposition, and as colin pointed out, I'll get to it in a minute, very disproportionate amount of the people that are being taken down there are of color in relation to when you compare on the same exact charges they're taking down 3 to 3 1/2 times more people of color than white folks. So the numbers right there are for you. We've been taking, again, almost 10,000 people a year to jail unnecessarily, and now we have this new law that's been in place for almost a year come september 1, and the chief has said he's philosophically been on board but yet we've yet to implement it. What this does and here is the profiling numbers, just so you can see the disproportion -- the extreme disproportionate nature of who they are choosing to take downtown versus give a ticket in our city, three to three 1/2 times and on three and a half times that actually represents the marijuana possession charges. I think that's highly ironic considering the nature and the background and the history of our town and what it used to once be known as as a hippy haven, and we're taking a lot more people to jail, and a lot of you probably don't know, but blacks and whites use marijuana and drugs in general at the same rate, nationwide studies have shown. So this -- actually what this is doing is making austin less safe. We are -- we are putting ourselves at risk by not having enough officers on the streets patrolling. We're putting ourselves at risk. Also I should mention, because the immigrant community sees officers as targeting them as well. People that see officers targeting them tend to not report crime. That makes the whole community less safe. I should go back. The crux of the matter here is we're solving less than half of our violent crime. What we need to be doing is focusing on the high-level violent crime that actually impacts public safety instead of taking people to jail on low-level crimes that actually has no bearing on other people's lives and safety. What this also does -- the problem with taking people to jail time and again on low-level misdemeanors, it adds up on their records. When you guys get pulled over, you get a ticket, but when other people get pulled over, a lot of the times they end up in jail, and later they try to get a job or an apartment or a house, and they're locked out of it because the application asks them if they've ever been arrested. People don't care anymore what for and they don't care anymore if you've been convicted. This is really taking a toll on austinites, very broadly, on a lot of spectrums. And as you can see in our report, we are questioning whether or not apd violated the texas' racial profiling laws by not keeping the profiling figures for the class c misdemeanors. We had to pay to get that. We feel that arrests are the wrong measure of success, and it's not just we. That is nationwide. There's studies after studies show that using arrest numbers as a gauge in which to build your case for more money to build into more public safety is wrong-headed. It's upside down. It's the wrong direction to go. These performance measures are being driven by federal grant dollars that the chief is aggressively going after, and when you add all that up it adds up to very little. Certainly doesn't add up to 70% of our general fund, yet it is driving our policy. The council and the community has very little say on how we approach public safety because these federal grant monies are driving that. So we need to stop -- did i get three more minutes from --

mayor wynn: you are now. Sue ann campbell is giving you three more minutes.

Thanks. We need to stop moving in the direction and we're moving more and more in the direction of targeting low-level criminals. We're moving away from solving violent crimes and spending the time on investigating them. We -- what it comes down to on the budget again, like i said, we don't need 24 more officers, we don't need 61 more cars. The cars we have now could be on the streets a lot more hours than they are right now because they're sitting at the jail unnecessarily and we really need to get rid of



this. Let me just show you the numbers real quick, because -- there's three different formulas for arriving at how much money we're wasting. It depends on which one you use. You can use the \$80 million per year, the white house ondcop method or let's go conservative just for argument's sake and use what we got from you guys, the numbers from our open records request that actually leave out one -- oh, dear, leave out one very important piece, which is incarceration costs, which are very hard to calculate how much we reimburse the county on. But if you add up everything else you'll see that we're 4 million a year by taking people to jail unnecessarily. And if you look at the numbers there, you could fund 200 new officers with that money, you know, or -- I'm sorry, 54 new officers with that money -- I'm using that conservative figure, and we are proposing now to hire 24 instead, and yet we have not implemented the option. There is only a verbal commitment to do so. What the chief says he's waiting on doesn't actually make a lot of common sense because he says he's waiting on other counties, surrounding counties, that impede austin to be on board. Well -- because he doesn't want to have two or possibly three different policies. Right now we have two policies. We have one in travis county because the sheriff has embraced this. In fact, he lobbied to make sure that this bill went through the last legislative session to expand the citation option, and right now when -- if you're approached by travis county deputy, you -- you will find a lot better treatment, i think, if you are being charged with a low-level crime. So we're asking not only the chief to implement the citation option as soon as possible. We're asking council to take this into consideration when they approve the budget on september 8, and I'm being told, unfortunately, that it's too late, that it's too late to really weigh in and to convince you guys that we don't need to add more officers and more cars, and that's unfortunate, because this is the first chance I've gotten to speak on the public safety budget, and we definitely need to visit process in the next coming year about how this happens. So stop targeting panhandlers and homeless people and getting us higher on the list. We don't need more officers. We need to reprioritize. Thank you. . thank you, ms. russell.

Martinez mayor? council member martinez. this is something we've been talking about for quite some time and we discussed it at the public safety task force. You know we chose, I guess not to put it as an agenda item to take action because we actually got a commitment from the chief that he does support this proposal and that he was working on it. I was wondering if he could come down and speak to it briefly and let us know where we are and maybe speak to some of the issues that ms. russell brought up. welcome, chief.

Good evening. Council member, mayor, we have a meeting set up for september 4. What we said from day one, i am philosophically in agreement with debbie in terms of cite and release for some of the lower offenses, but our policy challenge is we want to have one policy for one department and one city, and as you know we have three different counties that we are in, and september 4 we have 30 different members of the criminal justice system, including city attorneys, district attorneys and judges, but we are going to discuss this and my commitment is if we have to proceed and maybe do some things as an organization, we will do that, but I think we owe it to our sister counties to at least have that discussion, let them weigh in so then we can make our final decision. In terms of the figures of this, I haven't really reviewed it in depth, but i think this council knows and this community knows that this is a department that is being managed in a manner that tries to maximize efficiency and effectiveness. We've turned back over \$2 million of money this current fiscal year. We've made some cuts for next year and we are

committed to continue to stretch that budget dollar because we have to. The last thing I want to say is because debbie russell continues to harp on this issue of ice and the fear of the immigrant community. I'll be frank with you. I think her discussion constantly, that many times the facts you're putting out are not factual. They're not accurate, are creating some fear and some challenges for us that don't need to be there, and that's something I will address separately later on with the aclu. But we will have that meeting september 4. We will let our partners weigh in on the issue, and we will implement this because we are in favor of it.

Thank you, chief. thank you, chief. Our next speaker, steven craiger. Welcome, steven. You too will have three minutes, to be followed by bryson smith.

Well, on a lighter note, my name is steven craiger and I'm the acting vice president of the metro austin softball association, which means that I do what eileen tells me. So a little story. About this time in 2006 i spoke with five of you, two new people are here, or your aides, about lowering the fee for a standard 8 game softball season from 400 to 300. And the \$400 fee for eight games was the highest in the state of the 25 to 29 cities that we polled, and we did not include private complexes. This is just city-operated programs, and the \$400 was the highest in the state. So we asked to get that dropped to 300, and due to you folks as a council and your staff, we were able to get that done. The participation over the last couple of years has increased. I'm not going to say it was because of that, but I think that was a factor, and the softball players are very happy about that. Now what is coming up is that pard has proposed for that standard eight-game session and it's prorated for the other shorter session, a \$25 increase, going from 300 to 325. And the softball association, of course, is against that. Pard made this recommendation without coming to us, and we are the advisory board for the softball. We found out about it by accident on the softball field, and we didn't have the opportunity even to discuss possible options to keep that fee from being increased. So we are asking in essence, for you folks, council, to not allow that increase to occur and keep it at \$300. I would like -- and we talked about this at the board meeting. We didn't have a vote or anything, but to keep it at \$300 for two more years. That will give it the fee reduction before any fee creep, as I call it, occurs. That would give us that fee for four years, and given how long austin was at the top of the list I don't think that is unreasonable. I see that I don't have much time left. I want to just switch over and ask that you give pard as -- now I'm going a different direction -- give pard as much money as possible. I'm a pard supporter. I would like them to not be at the end of the budget line but maybe move up a little bit, and I'm also a library supporter, and I'd like the libraries to move up the budget line too. Thank you. thank you, mr. craiger. Let's see, our final speaker is bryson smith. Bryson smith signed up wishing to give us testimony. So council, that concludes all of our citizen testimony on this public hearing 109 regarding public comment on our proposed city of austin fiscal year '08-09 budget. I'll -- that being said, I'll entertain a motion to close this public hearing. Motion made by council member martinez, seconded by council member shade, to closing the public hearing. All in favor please say aye.

Aye.

Mayor wynn: opposed? Motion passes on a vote of 7-0. Council, on item -- we have a couple more public hearings that have one or two speakers, so we'll go to those quickly. Public hearing item 110 is

conduct a public hearing on the proposed property or ad valorem tax rate for fiscal year '09 on august 7, 2008 the city council adopted resolution to consider a proposed maximum not to exceed property tax rate of 12 cents per \$100 in valuation. The council will vote on the fiscal year '08-09 annual budget, and therefore the appropriate property tax rate, monday september 8, 2008, tuesday the 9th and if needed wednesday the 10th, here in these chambers. We will now conduct the public hearing and our first rudolph williams. Saw mr. williams earlier. Welcome back, mr. williams. You will have three minutes, to be followed by antoinette magana.

It's tough name. My name is rudolph williams and I'm a member of ocean, the organization of central east austin neighborhoods and the president of black neighborhood associations. And I came to you last week talking about taxes, and I'm coming to you today, this time I decided I was going to give you that piece of paper that I've been passing out to you for the past two years. And on it I'm going to go over some of these things. I believe there is solutions that the city, the county and the school board can take to ensure that poor people and middle income people can stay in the urban core. I just think that we, the city council, the school board, the travis county, and the community has to work together to come up with these solutions. Some of the things that i think that you can do is adopt a fixed or percentage cap on homestead appraisals. I think that people over 65 should get a higher exempt value on their homestead. Homestead exemptions used to be at the value of the home. Now they're a fraction of the value of the home, and the appraisals on the homes are so high that even people over 65 on limited incomes have to pay taxes where they didn't have to before. So I want you to look at that and see what we can do for people over 65. One thing that I suggested to the candidates for city council was that we also look at providing some type of tax subsidy or abatement or credit for people who have held on to their homes for 25 years or more. It seems to me that those people that have contributed to the community have, have paid into the system should not be forced out of their communities just because of taxes. And I think this is a viable option that you should also think about. Another thing evening that you should do, and we've already talked about this and I think you-all pledged not to do it, is privatize the tax collection system, and that's for a variety of reasons. Another thing that I think you can do that would be very useful is because minorities have high rental rates and poor people have high rental rates, I believe 30% of all blacks and hispanics over in east austin rent, one thing that you could do is provide a tax subsidy or incentive to property owners who provide affordable housing. There should be some way that property owners who provide affordable housing, which is the primary mechanism of affordable housing, you're not going to be able to build as much affordable housing as we already have. So the only thing that you can do is protect affordable housing that currently exists. And I think my time is up. But I would like for you to look at these solutions. Come up with your own solutions. Talk to the community and let's find a way to ensure that poor people can stay in their homes. Thank you.

Mayor wynn: thank you, , and our final speaker, antoinette, welcome back. You too will have three minutes.

Good evening, council. I'm here to talk about item no. 110. Last year when we were talking about small lot amendments, at that time we offered recommendations for protecting our home steads homesteads and communities and i believe we were told that we did not have a comprehensive solution, so I'd like to know what your comprehensive solution is, and we would really like to see it. And then I believe last

week when I was here, council member leffingwell stated that a homestead exemption would cost millions, but you have not offered one idea or taken one step to help our communities. Do you not care about the families and the citizens who don't know what to do about this property tax problem? The ones who are afraid to speak to authorities, the sick, the elderly, the struggling middle class and the poor? Mayor wynn, you acknowledged last week that the homestead preservation district was a possible solution. This proposal was approved and passed by the county last year, but you, city council, have yet to meet or work on its implementation. Mayor pro tem, it appears that you clearly understand the problem of property taxes. However, the homestead preservation district is not going to fix this problem. If you are really serious and willing, then making the new condo dwellers pay more in property taxes and taxing large businesses at the fair market value of their property would go a long way towards helping the average homeowner. Since city council has done nothing in the past year, we would expect this to be speedily done. The community has offered many times solutions, proposals and suggestions that maybe could work. However, the city, county and the school board has not even held a meeting or made this a topic of discussion or met with its community leaders. The time is now for you to work with aid and the county to fix this property tax problem. We believe you need to meet on a regular basis with the community and work towards some type of real and tangible property tax relief outcome. Instead of you agreeing with us or telling us what you can't do and sending us on our way. One of our nonprofit organizations has a rental that they lease for \$375 a month to a single mom with four sons. They rent it to her for \$375 a month, which is 40% of the mfi, medium family income. This rental house was appraised this year at \$271,000, even with the city housing development organization exception, the monthly taxes on this house is about \$330 a month, so they make about \$45 a month on this house. Your tax system is undermining our affordable housing programs, and again, what is your plan to work with the county and the school board. We urge you not to -- we urge you to vote against this proposal in september. Thank you very much. thank you, ms. magana. Council, that's all of the citizens we have signed up to give us testimony on this public hearing item 110. Again, as I noted, our budget hearings and action are posted for monday, september 8, tuesday the 9th, wednesday the 10th. If the council adopts a tax rate on monday september 8, the action to adopt will be concluded and tax rate will not be considered at the meeting scheduled for tuesday, september 9 or wednesday september 10. Council, that being all the citizens who have signed up to give us testimony, I'll entertain a motion to close this public hearing. motion made by council member shade, seconded by council member morrison to close this public hearing. All in favor please say aye.

Aye.

Mayor wynn: opposed? Motion to close the public hearing passes on a vote of 6-0 with council member martinez temporarily off the dais. That takes us to public hearing item 111, considering an appeal by frank bomar of the director's denial of a request for variance from a right-of-way dedication requirement. Appreciate a presentation from george zap lack.

I'm george zap lack, d and review department. The proposal before you is a site plan which is proposing to demolish an existing building and construct a bank with drive through lanes at 5615 burnet road. This is located on the east side of burnet road opposite the intersection of north land drive and a few hundred feet south of the intersection of koenig lane. The right-of-way flares out and widens just north of the site

but in this particular location it is only 60 feet wide and is constructed as a four lane undivided road. The application is before you because the developer is requesting a waiver of the requirement to dedicate additional right-of-way for burnet road. The city's austin metropolitan area transportation plan for 2025 calls for a upgrading burnet to a four lane divided road at this location. The additional right-of-way would be used to accommodate four travel lanes, either a center left turn lane or a raised median, a wide outside turn lanes for bicycles and wider sidewalks. Normally this design would require 27 additional feet of right-of-way, but the staff did work with the public works department to come up with an alternative design that would accommodate these improvements with only 20 feet of additional right-of-way. Looking at the site plan, the orange line on the plan shows the effect of the proposed right-of-way. If the waiver is granted, then the building would be constructed partially within the area that would be needed for the right-of-way. This site does have a number of constraints. It's fairly small, 6/10 of an acre, and it does have single-family residences located to the rear, so there is a required 25-foot setback at the rear of the property. However, staff does feel that the site could be redesigned to accommodate the additional right-of-way. The plan shows more parking spaces than are required by the city code, so there could be a reduction in parking to accommodate some of the additional right-of-way. The staff also granted several waivers to the driveway standards to help accommodate this use on the property. However, we did not grant the waiver to the right-of-way dedication and the application is before you on appeal. City council may grant the applicant's request after determining that the right-of-way dedication would place an undue heart ship on the property owner because of special circumstances applicable to the property or render the property unsuitable for an economically feasible use. Be glad to answer any questions at this time. thank you, mr. seflack. Questions of staff? Council member shade? is the burnet proposal that you're talking about already funded for 2025? He.

No. there's no plans for that?

No, it is not funded at this time. and does anybody else on the block have the same kind of setback at the moment, I mean, in that area? What we have doesn't seem to show that it does.

Not in this particular block. There have not been any recent development proposals in this area so there has not been any dedication required. further questions for mr. seflak? I don't see any citizens signed up wishing to give us testimony. Council member leffingwell? just looking at this map here that we got, do you have any guess as to how many properties would be affected by a right-of-way expansion of burnet road? It looks like just about all of them.

Yes, all of the properties along that immediate area, until you get farther north, closer to koenig lane, most of the properties in this area would be affected if the road were widened. further questions for staff, council? We have no citizens signed up wishing to give us testimony. -- well, I don't have it on my -- on my system, but welcome, mr. bentley. You will have three minutes. mayor, mayor pro tem and members of the council, the stallback group is here tonight representing the washington mutual people and thomas megle is with the engineering company that will show you the reasons why it needs to come up a certain way. So at this time I'd like to meegle come up and explain this to you. We also passed out to you a brochure showing other properties in this area that -- first of all, this property gave 15 feet to the city -- to the city when this property was redeveloped about 15, 20 years ago, and so you can see if you

go through your brochure that's on your oh on the dais right now, you can see the caravel company is sitting 8 1/2 feet away from burnet road right now, the curb, another one is 14 feet. I'll turn this thing over to tom meegle right now. actually before that, are we having trouble with our sign-up system? We show no -- you gentleman actually went out and signed up -- for the record we need to have who you are, who you represent. This is how I'm able to run the public hearing based on people signing up, asking to speak. That's how I manage the public hearings, how i manage the time, and this shows nobody wanting to give us any testimony on this item. Well, our next speaker will have up to three minutes if you need it. Welcome. Please state your name for the record, who you represent.

Thomas meegle, civil engineer, cloth associates. I represent washington mutual, proposed bank location. Run through this pretty quick here. This exhibit right here is basically demonstrating that the caravel shoes is only 8 1/2 feet away from burnet road in its existing condition. This is the existing site, the building that's -- that's -- the existing building site. What we have done is listened to some of the recommendations with -- with the city of austin staff, and we have done a right lane turnout, and the southern driveway is a two-way turn way in. We're going to keep those as existing, and the building is complying with commercial design standards as proposed. As you can see, the existing existing building is not suitable, or does not meet those design standards. Go ahead. Go ahead to the next slide. You can see -- the right-of-way shot is right here, just demonstrates that the building is to the south or -- buildings to the south are fairly close to the existing roadway, and to the north. That's all I have. questions for the agent, council? Comments? Are there any other citizens that would like to give us testimony in this public hearing, item 111, in the appeal by frank bomar of the director's denial of a variance from right-of-way dedication requirement?

I have a question. mayor pro tem? this is probably for george zaflak. How long is this section of burnet road way -- burnet road -- how long has it been in the amatp to be four-lane divided?

It's -- it's been in the plan since at least 1980.

And I mean, I know that this area -- this area really well. Everybody who has a kid under the age of 7 years old know it's amy's ice cream, icehouse real well. It's a nice area. It doesn't have bad traffic. But where is -- so there are no other properties in this stretch of four-lane undivided that have given up the right-of-way?

Not to my knowledge. Most of the development there has been there for a number of years, and i should say that the right-of-way requirement has been increased since 1980. Our design standards did change over the years, and it has not always been the same width, but it's always been a four lane divided roadway. We increased our right-of-way requirements to accommodate bicycle lanes and other amenities. So it is wider now than it used to be but it has been, I believe at the present configuration since about 2001, at least.

What is the total right-of-way that is loaded into our plan for this stretch -- total width of right-of-way?

The plan calls for 114 feet, but as i mentioned, we did explore alternatives with the public works

department, and we were able to reduce that to 100 feet and still accommodate the improvements. how much of that is curb to curb? I know some of this is sidewalk but some is curb to curb.

It's about 40 feet curb to curb right now.

But how much is the curb to curb -- are the curb to curb requirements under the ama -- under the amatp projected configuration?

It would be approximately 60 feet.

Mccracken: okay.

55 To 60 feet, depending on whether it was a raised median or a two-way left turn lane. and then how deep are the lots? These are fairly shallow lots along this stretch of burnet. What would the typical depth of lots be?

These lots are angled, so it's a bit difficult to say, but let me put this back on the overhead. This particular lot is about 120 feet deep at the south end and 220 feet deep at the north end.

Mccracken: thanks. council member martinez? just based on some of the information provided and the fact that many of the other surrounding properties aren't at this setback point and even some of the newer developments like amy's ice cream, I don't know if they complied with the plan setback for the future, but I will move that we support the appeal and grant the variance to the right-of-way setback. motion by council member martinez, seconded by the mayor pro tem to support the appeal of the director's denial. Further comments?

Mayor, I just want to add -- I think in genera we -- doing the right thing about having to apply our standards. I do believe we're going to need -- on a broader basis, to be looking at our roadway standards, which are -- have been around for several decades now and reflected a much more suburban development vision than we have moved toward in the city since then. For instance, you know, i think our official planning still envisions south lamar being eight lanes wide, and that's obviously never going to happen. But in the meantime what you have is you get a scatter shot or some properties as they're redeveloped are setback to accommodate the vision of an 8 lane wide south lamar. So we're missing an opportunity for pedestrian oriented development and trying to turn more of our local roadways, parmer or other wide suburban roadways when we should be moving the opposite direction. As a policy matter I think this thing highlights that we need to be looking at rethinking some of our roadway standards and go to campo, because some of these are really out of date. motion and a second on the table supporting the appeal. Further comments? Hearing none, all those in favor please say aye.

Mayor wynn: opposed? Motion passes on a vote of 7-0. 112, we have no citizens signed up wishing to speak. This is a public hearing to receive public comment on the proposed rate and fee changes to solid waste services department as part of this coming year's proposed budget. Seeing how there are no

citizens signed up wishing to give us testimony, council, we all have the fee schedule here in front of us. I'm pleased to see solid waste has satisfied all of our citizens. Council member martinez moves to close the public hearing seconded by councilman shade council member shade. Are there any citizens that would like to give us testimony on this item 112 regarding the proposed rate and fee changes to our solid services waste department. Motion and second on the table to close the public hearing. All in favor please say aye.

Aye.

Mayor wynn: aye. Opposed in motion to close the public hearing passes on a vote of 7-0. Final public hearing, item 113 is to receive public comment on a proposed rate and fee changes for the austin water utility as part of next year's fiscal year proposed budget. We have one citizen signed up wishing to give us testimony, mr. colin clark. Welcome back, colin.

Good evening, mayor, and council, colin clark with save our springs, and we would ask that you guys not approve the proposed rate increase for three reasons. One, the cost of service study is -- for the utility is currently under way, and I think that the water conservation implementation task force will get that in december, and council is expected to make decisions, I think, april of next year. So it seems premature to increase rates across the board starting in september, october, before the cost of service study is done. Another concern we have is the way the fee increases -- the rate increases are proposed, for residential the first thousand gallons is critical for bathing, cleaning, washing. You got to use those. That category is going up 9.6%. That's going to hit people with limited incomes. And instead of increasing 9 to 10% across the residential spectrum, we would recommend you jack up the highest most wasteful users who are using water for excessive lawn watering, not critical water to supply their families with drinking water, jack that highest class up significantly, 50%, 80%, and that will discourage some of the excessive lawn watering while at the same time bringing in more revenue. I have a quick slide show, don't know how much time i have left. But I just want to have you-all ask -- do I have a clicker? I'll tell -- okay. If we match san antonio in a peak day per capita water consumption we could add 326,000 new customers to our utility system before hitting our three-day drought trigger. I just want to show you some stats. Peak use per capita in gallons per day, austin and san antonio, you can see we've dropped some since '88, but san antonio has dropped a lot more. Peak day use per capita, there you go, current stats. Some people say what about san antonio, they don't use as much industrial water. So non-industrial use per capita gallons per day. They're still way below us. Unbilled water, where we have a lot more unbilled water per capita than san antonio. So if we matched san antonio at 221 gallons per person per day on our hot summer days, we're at about 295. In our three-day drought trigger is 260 million gallons per day, we wouldn't hit our drought trigger until we had 1,100,000 -- let me see that over. So that's 326,000 new customers that could be brought on to our system before we would hit our current three-day drought trigger if we can reduce our peak day use to san antonio's. All of these figures came from the allen plumber report, which was in '06. Fortunately this summer our peak day has been far lower than our historic peak, and I will credit the water conservation measures that aren't even fully implemented, but it appears that what we've already done is having an impact. And so we can reduce our use even more, we can shave more off the peak than anticipated, and we don't need to raise rates for the lowest use and we don't need to build a water treatment plant for it. Thank you and good



night. thank you mr. clark for your patience. Are there any other citizens that would like to give us testimony in this public hearing item 113 regarding public comment on the proposed rate and fee changes to our austin water utility? Motion made by council member martinez, seconded by council member leffingwell to close the public hearing. All in favor.

Aye.

Mayor wynn: opposed? Motion to close the public hearing passes on a vote of 7-0. There being no more business before this austin city council, meeting we stand adjourned. It is 7:27 p.m. Thank you very much.

## **End of Council Session Closed Caption Log**