

Closed Caption Log, Council Meeting, 10/16/08

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Mayor Wynn: Good morning. I'm austin mayor will wynn. It is my privilege to welcome minister patricia cannon from the new hope missionary baptist church who will lead us in the invocation. Please rise.

Shall we pray. O lord our god, how excellent is thy name in all the earth. We come this morning, heavenly father, thank you you for this day for we know this is a day that you have made and we will rejoice and be glad in it. We come before this city council, heavenly father, asking your blessings upon them, that you would be in their midst as they make decisions and plans this day. We ask that you would just be with them in our midst, have your way today. Heavenly father, as we make decisions concerning this city, this county, this state, this nation. O god, we pray that you would just take your place in this city council meeting. Have your way, bless them with the blessings that they stand in need of in the mighty name of jesus we do pray, amen.

Mayor Wynn: Thank you, minister cannon. There being a quorum present, at this time I'll call to order the meeting of the austin city council. It is thursday, october 16, 2008, approximately 10:17 a.m. We're here in the city council chambers of the city hall building, 301 west second street. Council, before I walk us through our changes and corrections to this week's posted agenda and go through our schedule, with we try to take this opportunity to announce if we are aware of any likely upcoming items from council or other future business of the council. And hearing none, with that I'll read into the record the changes and corrections to this week's posted agenda. They are on item number 7, we need to correct the dollar figure slightly by 10 cents, and so the correct amount is \$233,201.54. For a total contract not too exceed \$260,000. We should note that item number 26 comes recommended by the water and wastewater commission. On item number 40, councilmember shade will be shown as an additional co-sponsor. Item number 44, which is a potential executive session discussion item has been withdrawn. We will not take up that item on our executive session agenda. On item number 67, we should note that the staff recommendations for this historic zoning case is deny town home and condominium resident historic landmark neighborhood conservation combining district -- combining district zoning. Again, staff recommendation is to deny. So scheduled for today here after we take up our consent agenda, I think we're likely going to have one brief discussion item this morning. We'll probably go into closed session for the remainder of the more than. At noon we take up general citizen communication. We have three posted afternoon briefings, one involves the nbg. The second briefing is from our families and children's task force. And then finally an up an update onthe national economy and impact on us as local

government. 00 we'll recess the meeting of the city council and take up our tax increment financing board zone number 15, which is the tax increment financing zone here that surround the city hall area. 00 we take up zoning matters. 30 Like usual we break for live music and proclamations. Our musician is john burkman. And sometime shortly after 00 we take up our public hearing. So council, so far I have pulled item number 13 regarding the homestead preservation district, just frankly so we could have a brief staff presentation and perhaps a little dialogue. And I think we have a speaker or two signed up for that. And item 39 has been pulled off the consent agenda since it relates to an executive session discussion that we'll have later so we'll take up item 39 likely sometime in the early to mid-afternoon. So any additional items to be pulled off the consent agenda? Hearing none, then I will read into the record our proposed consent agenda numerically. Our consent agenda this morning will be -- or proposed will be to approve item number 1, which the minutes to our last meeting as well as a couple of the august city council meetings. From austin energy we'll be approving items 2 and 3. From our water utility approving item 4. From our city clerk's office we'll be approving item 5. From our contract and land management department we'll be approving items 6, 7, per changes and correction, 8 and 9. From our convention center department we'll be approving item 10. From our health and human services department approving item 11. department we'll be approving item 12. From our neighborhood housing and community development department approving item 14. From our office of emergency management approving item 15. From our purchasing office we'll be approving items 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, per changes and corrections, 27, 28, and 29. From our solid waste services department we'll be approving item 30. From our telecommunications and regulatory affairs office approving item 31. Item 32 are our nominations for our board and commission appointments. They are to our animal advisory commission councilmember shade has nominated sara palmer neehouse. I hope I pronounced that right, sara. And to our downtown austin community court advisory committee, mayor pro tem mccracken has nominated celeste villarreal. And also to the austin employees retirement system we'll be approving a resolution that appoints me to the austin employee retirement system board. Filling that vacancy for a council appointment. And then to our capital area council of governments general assembly, melanie mcafee. Those are our board and commission nominees, item 32 on our consent agenda. We'll also be approving items 33, 34, 35, 36, 37, 38, 40, per changes and corrections, and item 41. I'll entertain a motion to approve the consent agenda as proposed. Motion by councilmember martinez, seconded by councilmember leffingwell to approve the consent agenda as proposed. Before I take up council comments, we do have a couple of citizens who wanted to give us, I think, some testimony. Looks like just one. Mary arnold has signed up to give us testimony on item 37, a resolution regarding the brackenridge tract. I saw mary somewhere earlier. Welcome, ms. arnold. You will have three minutes. Welcome.

Mayor wynn and members of the city council, councilmember city manager ott, I just want to say thank you very, very much for bringing this forward. Councilmember leffingwell has pushed this and we're very, very pleased to be in this position at this time. We know it's going to be a long struggle, but we appreciate your support very, very much. And I hope to see some of you ON SUNDAY, OCTOBER 26th, AT S municipal golf course when we make an announcement. Thank you.

Mayor Wynn: Thank you, mary. Council, I believe that's all the citizens who signed up to give us testimony on items on our consent agenda. At this time I'll welcome any council comments.

Councilmember leffingwell.

Leffingwell: I just want to point out there's been one minor change to the resolution, it's published and you have it available, but it is different from the original publication. It's a in addition in the first whereas so that will now read the austin city council recognizes the brackenridge tract as a significant asset to the university of texas and its function as an integral part of the austin community. And that is the purpose of this whereas to make it very clear that we recognize that the tract is the university's asset. We recognize their contribution to the community and we recognize that they need to use their assets for the best interests of the students so well served. So this resolution does not contradict their mission in that way in any respect.

Mayor Wynn: Understood. Mayor pro tem mccracken.

McCracken: I have a question also on item 37, and it's about -- my understanding is that the university is prohibited by state law from accepting less than the assessed value for its property. If you wanted to purchase this through the bond issue. Is that the understanding? I think the answer is yes. Yes. [Inaudible] and as I read the resolution, we're going to get a report at the december 18th council meeting about issues such as what is the assessed value of the property where the golf course is. Is that right?

That's correct, councilmember.

McCracken: You know, if you hear reports that, you know, in the media that the assessed value could be anywhere from, you know, 100 to 225 million dollars. So I think that the fact -- i just do want to make sure we are -- we are investigating things like what is the assessed value and we're not actually saying that we are going to have taxpayers potentially spend \$200 million for a golf course. We're in the information gathering stage right now, right?

That is correct.

McCracken: That's an important distinction. That will help us assess whether this is something particularly in these economic times where we could -- if this is something that the assessed value comes in quite a bit less than what we're seeing public electrically, i think there is one case to be made if the assessed value is coming in at \$200 million, obviously that raises questions whether a bond -- i guess we're going to learn more about that in december. Thanks. And then I had a question on item 40. The posting language states to initiate land development code amendments to prohibit the demolition by neglect of historic properties. And in looking at the actual resolution, it says the city manager is directed to evaluate best practices nationwide and initiate city code and land development code to prohibit the demolition by neglect of historic properties. Obviously we don't have any kind of proposal about what such an ordinance would look like today; is that correct? Maybe that --

Mayor Wynn: Welcome, david.

David Lloyd, assistant city attorney. We have been working on a draft, but that draft is not a draft that's set in concrete or anything like that and we're going to be looking at the best way to draft the -- the code amendments that are being initiated today, and there won't be a draft ready for distribution for -- for a while, until we get to the planning commission.

McCracken: There are different ways that a code amendment could go, and not seeing a draft today, here's my discomfort. There's one way it could be that someone is getting the historic tax credit and so they are thereby paying less in property taxes and they are neglecting their home while getting the benefit of the historic tax credit. I think that clearly should not be allowed. If someone is getting the benefit of an historic tax credit, they should be living up to the responsibility to maintain the historic character of the home. I do get uncomfortable, though, about what are the standards by which is government decides whether you are keeping up your house nice enough that the government is going to step in and force you to upgrade your house. Particularly if your house is not currently zoned historic. So I mean there's two different scenarios and so I personally would like to see what the staff language is before we start trying to send it off to the planning commission because, you know, you are getting guidance from the dias today on this issue, I would support something that said if you are getting the historic tax credit, you have a responsibility to maintain the historic character of the house because you are getting a benefit from the public and you have a responsibility to in turn live up to your end of the bargain. I'm not in favor of something that says that the government is going to start telling you to upgrade your house based on standards we don't see here today, because we are going to -- we can basically try to force people who may not have the means to do it just to get their house upgraded when it's not currently historic. And so what I would like to see is if the maker and second would consider a friendly amendment to say that we will not initiate the code amendment on the demolition by neglect provision until we first have it brought back to council, the draft language for the council to see that we could at that time make a decision whether to send that off to the planning commission.

Mayor Wynn: So let's see. So technically the maker of the motion for the consent agenda, which is councilmember martinez is the maker and councilmember leffingwell was our second-degree. I believe I have that right. So we have a proposed amendment -- I'm sorry, mayor pro tem, the item number again was?

McCracken: Item number 40.

Mayor Wynn: 40.

McCracken: And it simply states that before we send any code amendments related to historic property, demolition by neglect, that there is proposed language is first [01:36:00] brought back to council and at that point we can see the specific language and authorize the planning commission at that point.

Mayor Wynn: Actually before I get the proposal, thomas, my instinct is we can't change our code -- I mean this action doesn't change the code, correct? Ultimately staff has to draft the language and that clearly comes to council before it's amended. Is that true is this.

That's correct.

McCracken: Mayor, what this says is very, very broad. And so what david said is -- i mean, we have some very different policy implications if this is written one way versus written another way, and the motion is not specific. I mean, it could be -- the way it's written, it could result in the council saying we're authorizing an unknown set of revisions that could include that, you know, that you have to live up to your end of the bargain if you are getting an historic tax credit and keep your house up. Or it could also be broader and say that the government is going to start stepping in and forcing people to get their house upgraded against their will even when they can't afford it using standards that we don't know today. And I don't know the answer which it is. And I think we need to see what that is before we authorize initiating a code amendment.

Mayor pro tem? We could handle that one of two ways. You could either in initiating the amendment make that actually part of the motion, or as you stated, you could initiate the rest of the amendment at this time and we could bring the demolition by neglect provision back.

McCracken: Then I guess i would prefer the second, which is to -- my friendly amendment would be let's take out the initiation of the code amendment today prohibiting the demolition by neglect of historic properties with the instruction to staff to come back with a specific proposal we can take up once we have a proposal to look at. That would be my friendly amendment.

Mayor Wynn: So then i guess from a logistics standpoint, I'll suggest, council, this is an offered friendly amendment to the item as part of the consent agenda, and I believe our maker was councilmember martinez seconded by councilmember leffingwell. So the question is do the makers of the motion on the consent agenda consider that a friendly amendment on item 40.

Mayor, I'm not opposed to it. I just think it's -- it's an unnecessary step. No code can be amended without this body taking final action. And we pass resolutions every week directing staff to initiate code amendments so we go through a public input process and ultimately come back here and vote on it. But if he wants to bring some language back, that's fine. I think we have a copy of it.

Leffingwell: As the second, mayor, I don't accept it. As councilmember martinez pointed out, we on a very consistent basis around here initiate ordinances and send them through the process, and, of course, it would come back to us and we would have an opportunity to address the concerns that councilmember mccracken has at that time. We do, incidentally, have a draft. We're not going to throw a blank slate at the first board and commission. They are going to be presented with a draft, and we have that lloyd can bring that down and distribute it if that's appropriate.

Mayor Wynn: Well, so for the time being we won't be -- unless there is a motion to amend, my suggestion then is that city staff does get that draft certainly to the mayor pro tem's office as soon as possible, to the rest of us as well so we can start to see the language in advance of it working its way through our amendment process.

McCracken: In that vein, mayor, I think it would be helpful for us, we had a problem a couple weeks ago where we voted on something without seeing the backup, proposed actual language of a contract. I think it would be helpful for us to see what sponsors are proposing we send the planning commission before we vote out. Maybe we could put this on hold for a while, taking the consent agenda and just see it. It's not in the backup.

I think the resolution is the backup.

McCracken: I'm looking at the resolution and it's -- it doesn't say anything -- all it just says is prohibit demolition by neglect of historic properties. If,

Mayor Wynn: Well, so, mayor pro tem, technically item 40 is on our consent agenda. Your requested amendment was not considered friendly and so unless there is a motion -- a motion to amend this particular item, it will remain on the consent agenda.

McCracken: Yeah, and i guess what I would request then is that -- I may be for this because I can see scenarios where this makes a lot of sense, but we don't have the benefit of the backup draft that we're supposed to be send to go the planning commission. I would like to see it before we vote on this item so i guess I would request that we remove item 40 from the consent agenda and so we can see the draft. I can see scenarios where it has a lot of merit and others where it could be overreaching. My request is remove from the consent agenda.

Mayor Wynn: And obviously our policy is any councilmember can remove any item from the consent agenda, gentry, if you will show the mayor pro tem as pulling item 40, we'll at a time up as a discussion item and hopefully --

Leffingwell: Mayor, just a technical question. Since the motion has already been made to approve the consent agenda and a second for that agenda, wouldn't there have to be a motion with a second to remove it from the consent agenda?

Mayor Wynn: That's probably the correct procedure since we have a motion and a second on the table now. So then -- so we have a -- what's considered a proposed amendment to the consent agenda to pull item 40 for more discussion. And I will second that motion, just following, again, our tradition or procedure that any councilmember has the right to pull an item off the consent agenda. Typically we do it, of course, before we have a motion and i understand the technicality here and so I'll second the motion to pull item 40 from the consent agenda for discussion. So we have a motion and a second on the table. thomas is suggesting technically this is a substitute motion then. So the substitute motion would be to approve the consent agenda as proposed excepting item 40 is pulled from the consent agenda. A motion and second on the table. I think there is going to be some more discussion probably on the consent agenda so i don't want to vote to approve the consent agenda without item 40 on it, so I'm going to hold that motion and second, substituted motion and second before we vote on the substitute motion. Again, further comments on our consent agenda? I apologize for the logistics here.

Councilmember morrison.

Morrison: Thank you. I wanted to ask a question of latin regarding item number 15. Item number 15 accepts the grant from the department of homeland security to create a something like a citizen emergency response team, a cert team, with volunteers that have expertise in information technology and computers to help out, for instance, like when we had katrina evacuees at the convention center, they helped to put the computers together and assisted the folks, the evacuees. We had a concern raised by some citizens about the issue of whether these volunteers would have access to private information when they are working on the computers and as volunteers, and I wonder if you could address that for us, please.

Thank you. Mayor, councilmembers, city manager, my name is otis latin. In reference to the councilmember's question, the networks that would be utilized for this program would be separate from the city's networks. So they wouldn't have any connection from the standpoint of getting city data in that respect. Also, what we have been through this grant given an opportunity to develop these volunteers with specialty in technology to assist our office with the establishment of this network and other types of situations where they would be working in addition with some of the c.t.m. staff. And basically we have the opportunity to make sure that we develop the administrative procedures for this particular program outside of this and we would make sure that we would address any kind of issues in those administrative and office of emergency management.

Morrison: And are you saying then in those administrative procedures you will ensure that they don't have access to and are prohibited from sharing or selling any private information?

That's definitely correct.

Morrison: Okay. Thank you.

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

Martinez: I want to make a few comments on some items. Item 38, there was some concerns and questions laid out. This is basically a very broad resolution that codifies in the policy the values that the council has already spoken to in executive session and even publicly at some point. And so you know, I think there were some concerns or fears that it limits or puts an onus on citizens that we might be asking them to pay certain amounts in bond funds for a golf course. That is not the case. It just allows that tool to be in the toolbox so we can have complete and full discussions with the university of texas and hopefully come to a mutually satisfied agreement that continues to benefit the community while acknowledging has in the brackenridge plat. On item 13, is there a homestead preservation district, and I have some questions about the t.i.f. Structure because the agenda item right now as it's being presented, it removes the , is that correct?

Mayor Wynn: Item 13 has been pulled off the consent agenda so we'll have a slightly lengthier

discussion in a few minutes.

Martinez: My bad. Item 18. That one hasn't been pulled, has it? Item 18, I would ask staff questions about this item because it's somewhat ironic and concerning to me that we would authorize almost half a million dollars for diversity and inclusion program but yet we have established absolutely no minority or women owned business opportunities for subcontracting. We only contacted 41 out of potential 181 vendors for these opportunities. And it just -- I haven't received any responses to the questions that I sent in this week.

Mayor Wynn: Welcome, mr. duncan.

Sorry, councilmember. We had sent over responses to these so let me clarify the record. We notified all 181 firms. There was also a question about the dsmb subcontracting opportunities. The firm itself is a minority owned corporation, african-american. Dsmb reviewed the solicitation and found that there were no subcontracting opportunities. elkins is here or not to speak to that.

Martinez: Can you briefly explain what this consulting firm is going to be doing for a diversity inclusion program?

Yes, sir. This consulting firm is the result of work that our interdepartmental diversity and inclusion team has put together. They've been working about two years on different approaches to expand both diversity in hiring as well as diversity and inclusion within the work of the department. This firm has three phases to its work. They will be providing diversity and inclusion train to go the entire executive in management team of about 80 employees. They will be providing research strategies for us to further understand diversity and inclusion specifically at austin energy, and a comprehensive inclusion strategy for all of our employees to engage in. Including skilled development to executives, managers and employees of the diversity committee within austin energy and creating a further plan and process to make those a component in our overall employee development throughout the department. That's phase 1. And in phase 2, our ongoing coaching and training services and including coaching sessions as appropriate to a building engage. Employee throughout the organization. And in phase 3 they will be developing and conducting a complete organizational assessment for austin energy and recommending continued development strategies to further improve engagement including train the trainer programs for austin energy to continue this program with new employees and for our future employees as they come in.

So the information in the backup that said 41 out of 181 vendors were solicited was incorrect?

That's incorrection, and i apologize for that, but we did send notices to all 181 firms.

Martinez: And we only received one responsive bid out of 181? I mean, that's what's in the backup.

Can you speak to --

yes, sir, that is correct. It's a fairly specialized niche that they have out there. Again, we notified everybody, we did also put it on the internet, we did put it with bid services so we could get adequate notice. Byron johnson, purchasing office.

Martinez: Thank you.

Mayor Wynn: Further comments on our substitute motion for a consent agenda?

Mayor?

Mayor Wynn: Yes, councilmember cole.

Cole: Regarding 37 that we discussed earlier, the brackenridge tract, that resolution notes that this is believed to be one of the first golf courses that was desegregated in the south. And so I am planning in short order to bring a resolution asking the city manager to work with the neighborhood group to recognize that historical significance. So I wanted to point that out. And then second, on item number 40, I know we're having the debate about demolition by neglect and potential taxpayers that can't afford to maintain an historic december decemberes anything and it's important that we have a large part of central east austin that fits into that category, and whether we do give policy direction to make that a contribution now or whether we do that later is important, but that there is needs to be a consideration when we're looking at this ordinance. So I will be supporting the motion.

Mayor Wynn: Thank you, councilmember. Again, further comments on our proposed consent agenda? Like I say, I'm told by legal that item 22, which relates to board will take up later this afternoon, needs to be off the consent agenda. So mayor pro tem, do you consider that a friendly amendment to remove item 22 from the proposed consent agenda? All right. Council, technically we're voting on a substitute motion approving the consent agenda excepting item 40. Note that item 13 has already been pulled as has now 22 by staff and item 39, which also relates to an executive session. So we have substitute consent agenda motion on the table approving all items per changes and corrections, but pulling items 13, 22, 39 and 40. Further comments on the consent agenda? And I believe we've now had all the citizen comment on those items. Yes. Further comment on the consent agenda? Again, we're voting on the substitute motion which will not be approving item 40 on the consent agenda. All in favor of the substitute motion please say aye. Opposed? Motion passes on a vote of 6-1 with councilmember leffingwell voting no. Thank you all very much. Council, before we take up item 40 and potential amendments for something by the mayor pro tem, I would like to take up item 13. We have a couple of citizens who would like to give us testimony. I'll let the crowd disperse and let folks get back to work. I would appreciate a brief staff presentation on item number 30 which regards our homestead preservation district. Welcome, ms. shaw.

Good morning, mayor, council, city manager, city attorney. My name is margaret shaw, director of the neighborhood house and community development department and we bring forward today the implementation of the homestead preservation district as well as reinvestment zone. As you may recall, legislation authored by state representative eddie rodriguez passed in 2007 creating chapter 373-a.

That grants the city free tools tie allow homeowners living in central east austin, I provided the district map for everyone to see whoever head to, provide some tools, three tools available to assist in creating affordable housing and assisting long-time homeowners, low-income homeowners in the area. Today council had three items before them. Items number 13, 14 and 38 were all related. You adopted the -- two items on consent. Item 14 designated three nonprofit groups, the austin housing finance corporation, the travis county housing finance corporation, and people trust as community land trusts that will be able to operate within the district. And if created access tax increment financing moneys. Item 38 from councilmember martinez directed staff to evaluate establishing a city-wide land bank, which was also put in the legislation to create a land bank within the district. We believe that tool might be useful city-wide and we want to explore how best to do that. Last but not least item 13 would create a reinvestment zone and allow for tax increment financing district with participation by the city and county in equal installments. Today's action simply allows us to begin the process to consider the creation of a and work with both at the council level and the staff level, the county, which is a mandatory participant and determining at what level and how that will be used. If it's council and the travis county commissioners court's by DECEMBER 31st, IT WOULD Establish 2008 as the base year for collecting funds. However, if the organizations want to take more time, it would slip into 2009 would be established as the base year. We also -- it is intent of staff to come back after we've had time to discuss with the county more, in one of the november council meetings to have a more detailed briefing on the economics of the t.i.f. And the options underneath it. I also wanted to highlight at this time staff's recommendation does exclude the transit oriented development district, plaza saltillo and portions of mlk in the district, and I also wanted to note at tuesday night's meeting, the community development commission voted to actually include those districts within the t.i.f. So with that, I am open to questions. I also have my counter parts from finance and law here to answer any questions you may half.

Mayor Wynn: Council, if you don't mind, before we take up council discussion and likely questions for staff, we have a couple of citizens who would like to I have good us testimony. I saw laurie renteria. Welcome. You will three minutes.

Thank you very much for the opportunity to speak to this this morning. You know, we've been working -- I've been working on this capital metro thing since, like, 2002. We went and asked metro to just put out for lease signs so that the blight on that track in our neighborhood and the crime on that vacant tract would go away. Then two years later they came up with the concept of t.o.d. And light rail and I've been a big light rail supporter and i think it's a good thing for my neighborhood. But all along we have worked at every level of government to try to make sure that the development that secures around saltillo serves poor people. Poor people are the biggest users of public transit. And eddie rodriguez, who was on the east cesar chavez neighborhood planning team and got elected and he came up with this concept of the homestead preservation act, it took us two years to work on that and get it going, and a lot of that initiative was to guarantee that the saltillo transit project would guarantee some affordable housing and give the city and the county the tools to bring more money to make that goal a reality. So then we get that passed and then the city decides to do s, passes an ordinance, kruse gets involved, and i camped out several evenings till midnight at the capitol on his changes to the t.i.f. s generally had to be spent in the area where the t.i.f. is. Kruse by postponing and postponing and postponing was able to slip in changes that money collected on saltillo to be used in williamson county. Now, this is not right.

That -- and we don't want the in the general t.o.d. t.i.f. We have worked almost a decade finding you guys the tools to create new revenue to build affordable housing so poor people on the east side don't get displaced by commuter rail. So it's critical, and I'm very disappointed in the staff that they would exclude saltillo and mlk or a portion of mlk in the homestead preservation act and instead say that the that you all are considering on the 23rd for all the seven or nine s will take care of our concerns. [Buzzer sounding] please, I beg you, add saltillo and mlk back to the homestead preservation act. This is our one and only chance to make sure that poor people have a presence on that commuter rail.

Mayor Wynn: Thank you, laurie. Welcome.

Thank you, mayor, city council. My name is sabineo renteria, chair of the community development commission, also representative of the sector 6 of the east austin cesar chavez planning team. You know, we took the action that we did at the c.d.c. Because we felt like by including them, saltillo and mlk in the homestead preservation area would benefit these two areas because we could combine the money that we're going to get and really focus on two areas that -- that -- one that's publicly owned and the other we could invest some of this money to create high density, low-income housing. And, you know, at these stations that would benefit, the people that are being displaced here in east austin, which is now currently called central east austin. And councilmember cole, just to show you when we were doing our research there on historical lots in our area, we came upon learning that the king funeral home was once there on the corner of sixth and waller, which is presently now the iron gate. There's a lot of historical information and in the past it our area that goes back not just us, the hispanic or the chicanos that live in that area, it also brings out a lot of history of what the parents have been and how it has evolved, and now we're facing a crisis where we don't have enough affordable housing. And I just visit the -- went to the grand opening of the guadalupe in the guadalupe neighborhood, and I mean that's the area where I grew up, and there was no way that I could ever go back and find -- have a place to go back into my neighborhood, afford to live there. So we feel like by including this whole area and our two s that we could get more for affordable housing out of our money that we're going to bring in. I urge you all to include saltillo and mlk. Thank you.

Mayor Wynn: Thank you, mr. renteria. Council, I think that's all of our citizens who signed up to give us testimony on item 13. Further questions of staff? Comments? Councilmember martinez.

Martinez: I want to have a brief conversation about and where the volume goes. I think -- value goes. I think as an affordable housing evacuate, I certainly 's recommendation and some folks' concern that we're not adding the t.o.d.s to the t.i.f. Because there is potential value capture in the future s are built out that could go towards home set preservation. But at the same time I'm struggling with on completely because we also have affordability goals specifically related to the saltillo track that cap metro owns that I believe we're going to need to invest in the infrastructure to try to achieve those levels of affordability that are being talked about and have been recommended by community folks, b.d.c. and others. So moving forward, if we don't have the t.o.d.s in the t.i.f. Today as it's proposed by staff, does it preclude us to come back in november or december and add them to that witness we figure out -- once we negotiate with the county what their level is commitment is going to be and once we have this full conversation about both interests, about s and relates to affordable and investing in home preservation.

There a way to split that to preserve some of the value for infrastructure the the odd and go to homesites preservation?

The execution of the s and the homestead district is based on advice from law. I think your points are well taken. Both staff and council are very clear on the need for more tools for affordability. We appreciate all the commitment the citizens and leadership has done to get us more tools and we're working to bet use those tools. But let me ask david lloyd to respond to those questions.

Thank you, david lloyd, city attorney's office. The issue of leaving the s out was based on council's previous direction to the staff to investigate ins the t.o.d.s. And part of the goals of those s and I'll ask leslie to help me with this, but one of the goals is affordable housing for one of the components of the t.o.d.s. s might s in the s could be approved separately and they might include affordable housing goals. In fact, you could improve a under the homestead preservation district that would be a second or third t.i.f. based on that statute. Because you are not limited to for the entire homestead vest operation district. -- Preservation district. The issue with creating a that includes the areas for homestead preservation is that it would be -- there's significant question about whether we can come back later on and create that is overlay, if you will, on top of the existing homestead to cover at least one and the same purposes. And furthermore, if we have given away up to 100% of the increment for the homestead preservation district reinvestment zone, there wouldn't be anything left to provide for an increment for development in the t.o.d.s. That's the reason for the s from the plan. If you want to consider s in the plan at this point, we can explore with the county how to do that during this process of negotiating. Martinez so my question is, well, I guess it would make more sense to me if we can s later, if we go through this conversation and we determine that we need some value capture to invest in the s for infrastructure, more affordable housing, can we extract that late if we s in the homestead preservation today?

It goes to the question can zones in the same area that cover the same -- that have at least one of the same purposes. And I've communicated with our bond counsel and his conclusion was the statute doesn't alow for that and it would be a unique situation. So that's why we recommended 's out of and moving forward with -- to support a t.o.d. as a separate item.

Martinez: My question is if we include them in today, can we pull them out later?

Yes.

Martinez: Can we go back s out because the statute does internet allow us.

Yes.

Martinez: that's all I'm asking. Secondly, there was a point brought up about chapter 311, and what I'm reading in the code specifically says that any money that -- any value capture that's in the t.o.d. Must remain within that county. Is that correct or not?

Within the county.

Yes.

If we value capture at saltillo and mlk, we can't in williamson county. Is that correct or not? Chapter 311 -- actually I had no heard that question before and I know there's a provision in the code that says that money must remain in the county in which was create. That I believe applies in the hempstead preservation district. I would ask for time tree search that question.

Please do. 010 and it starts at c. Section 3 says the land is located in the county anyone the sloan is located. That connotates if we create a zone that in a certain county those fund have to stay in that county.

Perhaps I can answer the question this way. zone, finds are to be used to benefit the property in the t.i.f.

Right. So I think that may be the answer to your question.

But I think there's some legitimate concerns that this item was spoke to in the elective session as the entire relon which does go through williamson county and travis county. I want to make sure we're tipping our citizens that we're not vesting in -- I want to make sure that's not the case. That those fund can't be used outside of our county.

If it's okay with council, I'll look at that and return with an answer.

Martinez: I understand.

Mayor Wynn: Councilmember leffingwell.

Leffingwell: So councilmember martinez if there would be an opportunity or if the statute overrides this to remove the t.o.d. Frost the t.i.f.

Yes.

Leffingwell: What will be that opportunity?

When we come back to council with the -- at some point in the future with a revised plan after negotiations with the county and the -- have the public hearing and adopt the , at that point I think we could amend a map to remove the t.o.d. area.

Leffingwell: So that will be the appropriate time to address this issue.

Yes, sir. Well, we'll be discussing all of this with the county and, of course, county approval is necessary to enact the t.i.f. So we'll be returning to you with a revised plan certainly, and the council will be asked

to approve a revised plan. That plan proposes to change , then so be it.

Mayor Wynn: Councilmember martinez.

Martinez: Mayor, unless there is other questions --

Mayor Wynn: I think there will be. Mayor pro tem and then councilmember morris.

McCracken: The proposal s or does not exclude the t.o.d.s?

Well, the draft plan 's, but if council wants to include them, we will do that, prepare the final plan and send it out that way. But the staff proposal was s that you are directing us to s, we will do that.

McCracken: [Inaudible] exclude is t.o.d.s. That's what I support is excluding the t.o.d.s. We can evaluate that and make a judgment once you get more information. The second thing is in looking at the -- how the funds from may be allocated, it states that 25% of the funds will be used for -- at least 25% of funds will be used for rehabilitation of and sets out this sheet we have before us homestead reinvestment zone, preliminary project plans, summary and that indicates all the other funds must go used to rehabilitate homes or provide more affordable housing within the district for folks it targeted, income levels. Are there other ways the funds might be used other than reflected on this sheet in.

Sorry, councilmember, we were discussing too. Could repeat the question for me?

McCracken: We have a sheet before us that lays out that at least 25% of the funds will be used for rehabilitation or reconstruction of the homes at lore below 30% of mfi and 30% will be used for pressation vision of houses below 50% mfi and 5% will be used the create for households at or below 75% of mfi. Creation and preservation zone. No more than 10% may be used for administration of the t.i.f. Are those the only purposes for which funds may be used?

Those were specified within the legislation of meeting certain income targets. We outlined the uses that the staff would propose. So the actual percentages that you just read tied to target incomes are in the statute and cannot be [inaudible], but the use that we described can be flexible among those income categories.

McCracken: Sure, but can we be using funds for t.i.f. Purposes other than the items laid out on this sheet?

For the actual use?

McCracken: We get the pot fund and it lays out here for permissible purposes for these funds may be used, are there other purposes for which the funds can be used?

If it's not specifically outlined in that plan, it would not be. We did clarify with the author the intent of the

legislation is serve homeowners and existing homes. From staff's perspective and what we've talked about with council and also stakeholders is that we hope to use these moneys for rehab. Single-family rehab. Is probably a key use.

McCracken: And we have a -- we have something we are working on at miller where we're using taxpayer dollars to create 25% of the homes being affordable there. On the ownership side, we have -- I think it's a trust now that we've established so that the taxpayers share in the equity of value that is created at the time of sale, but it goes back into the trust fund. Let's say we rehab a home and it -- well, mueller, if someone gets an affordable house, they are no prohibited at selling it at market rate, but the taxpayer --

would share in the equity, correct.

McCracken: Is a similar approach proposed within the homestead preservation district?

We use that with all of -- terrific question, councilmember. We use that with all of our rehabilitation programs and others so I would assume unless I'm talking to council would prohibit it, we would do that. So we would ensure those funds could revolve if the properties were sold. To an income even eligible person. [One moment, please, for change in captioners] that's our goal, people's standards of living improve, they have better incomes, better jobs, that we would have fewer austin austinites with less than 30% median family income, there is a certain mathematical inevitablability you have, but typically in most communities, particularly in austin, people of that income level are typically renters. So what happens if we have less need at some point in the tif, less need than 25% of the funds so that we are prohibited from extending the funds anywhere else and these funds start to accumulate, what happens then?

The state legislation prescribes those percentages by income level, but from my 10 years here in austin, I can verify there are substantial number of homeowners, particularly elderly who do meet these income categories who do own their own home. These can be addressed but yours a long-term planning question what have would we do with the funds. Should we graduate out of these income categories. Again, those income categories were set by legislation so we couldn't change and there is a reasonable possibility that we could accumulate funds and perhaps not use them, although i think your staff would be creative enough to know how to use them in other properties as well.

Okay. So it sounds like if we're successful, that at some point we're going to need to change the legislation. Not off the bat, but at some point in the future we will need to. And then do we have to use 100% of the increment or can we use some lesser percentage?

You canees a less percent of the increment itself. Staff drafted the legislation to allow the maximum flexibility, given the negotiations between the city and the county.

Here is another issue that comes up as we start having some ... you know, we have some dense if I indication of the area and part -- densify indication. That is used for the preservation of households,

50% of median family income that suggests you could see densification of these funds and there are certain things you have to provide more of, more police officers, based on population ratios and more parks, some public services, might need some more public health services, so I think that reflects that we should be targeting something less than 100% because embedded in the legislation itself is that we are going to be promoting not just preserving existing housing but creating more housing which will create more demands on the general fund. We typically don't want to tif something at 100% indefinitely to create something new, you've got to have some allocation to cover general fund needs. As long as we have the flexibility to negotiate those parameters of the county, i think that is fine where it is.

That is the intent of the staff to come back as part of our briefing to talk specifically about the impact it would have general on general fund and services, as well as other tif-related issues.

Thanks.

We had planned to come toy as a later date to look at potential growth through the tif and through the city as a whole to look at general fund revenue, tif revenue and potential assessed valuation. There was also a question that came up earlier if we did amend the tif at a later date, to exclude the tods, assuming we had gone forward and at that point if we had included them initially and decided to exclude them later, we would simply amend the project and financing plan. Margaret is planning to do this on a pay as you go basis, so we would simply scale back the project plan to, you know, live within what we estimated the tif revenues to be. But we will come back with additional information and we will be working with the county staff as well, their financial staff, and I'm sure they will be examing that too.

Thank you.

Council member morris.

Thank you. I'm not sure if this question is for law or neighborhood housing but I wonder if you could describe exactly how much the details of the plans have to match up with the county. Do we both have to agree on the same percent?

Yes. The county will be contributing a dollar amount that is equal to the increment that the city would be contributing.

So those percentages might differ. It is the dollar. A that has to be the same?

As far as the county goes, it will be a dollar amount compared to the percentage increment. We could also select to choose a dollar amount, place a cap on the amount of increment we contribute every year but the county has to match what we pay.

It has to match the dollar amount?

Yes.

Because maybe you can confirm for me, my understanding is since we have different tax rates, the dollar amount will be different, I mean, the percentages will be different to achieve the same dollar amount.

That is the intent of the institute.

Okay, thank you. And then, you were just confirming that we could amend the boundaries of the tif, after the tif is created and implemented.

David Lloyd actually indicated that. What I was talking about is the process, once that takes place, then you would amend your project plan and your financing plan, working with the tif board to get that established, and then after the tif board approves that, it goes back to the council for conversation.

So actually what I had Lloyd was we could amend the boundaries before we approve the tif in the first place.

You can do that as well.

We can change the boundaries?

That was my understanding.

Well, there is a provision in chapter 3-11 for changing the boundaries of tif. .. I will investigate that between now and the next time we come to visit you. How you would go about doing that after having created the tif.

I think that's an important piece of information to me, because my instincts clearly are to include the TODs because those present an opportunity for an increase in the property values that we would be able to use to assist affordable housing, especially as you i LOOK AT OTHER TIFs WE'VE DONE In the city, if we're balancing our priorities, I see affordable housing as a priority relative TO OTHER TIFs WE'VE CREATED SO That would be important to me. My sense what we're doing today with a preliminary plan, we really need to indicate to the county, the council's desire as to the boundaries.

What you're doing today, that is one of the elements, but you're taking a step to move forward to allow negotiation with the county, regarding all the terms of the tif. If they don't agree to them, then the tif won't be created.

Right. In terms of having staff negotiate with the county, i think it would be important for staff to understand the council council's desires too what the boundaries are for negotiate from, whether they are include THE TODs OR NOT THAT WOULD BE An important piece of information for staff to take to the negotiation table. Thank you. council member shade. this is an issue I'm having a hard time with.

We have flexibility either way to look at either scenario. My goal is maximum flexibility because we haven't begun this negotiation with the county. So I'm a little hesitant if that is a deal-breaker with the county to say that is a must-have. I would rather look at both scenarios, and then either we ... we can either add or exclude based on what we learn. There are a lot of unanswered questions here so I'm sitting here perplexed whether we start including or excluding. My intent is we move this forward and begin the negotiation process and we don't have something on the table that is either a deal-breaker from a legal perspective or from the county as perspective. I want to maximize flexibility so we can get something done this year. I don't know if anyone can address that but I'm having a hard time with that one.

If you direct us to include THE TODs IN THE PROPOSED Boundaries and also direct us to have that discussion with the county, about whether or not to INCLUDE THE TODs, AS A PART OF Your motion, then we're directed to do that in the discussion with the county. council member leffingwell, then martinez.

We need to have something to start the negotiations with. I believe you should have flexibility and you should have the ability to bring any proposal back to the council, my default position is that the TODs SHOULD BE INCLUDES WITHIN The boundaries of the tif because if we don't do this, i think we're passing up the opportunity to have this preservation district be most effective, because that's probably where a lot of the value ising about to be. .. i don't think we need to totally exclude that from the negotiations, I think that is going to be the default position that should be the city's beginning negotiating position and anything that doesn't honor that requirement would have to be overwhelming, although i think it should be presented to us for consideration.

David, I think that because of the response we're getting is that at a later point we can EXCLUDE THE TODs, IF Necessary, all we're doing today is authorizing moving forward with negotiating with the county to try to come to a mutual agreement on the level of tif we will create known as the preservation district. By moving forward and excluding THE TODs AGAINST THIS, WE'VE Already started negotiating against ourselves there is for fear against that, you can say we've talked to the county and this is what we've come up with and we need to invest in the TODs AS WE'VE STATED IN OUR Previous tod policies and I'm going to move we adopt the item AND INCLUDE THE TODs IN THE Tif and if it comes to a point we figure out how we can invest IN THE TODs AS IT RELATED TO Our values and goals and the homestead district, you bring that forward and we will carve them out. That is my moment. we have a moment but council member martinez martinez to approve item 13 as present bud including the tod -- presented but including the TODs. Seconded by council member morrison.

Mayor. yes, council member cole, yes.

We started this process, if i remember, shortly after council member martinez and I got on the council. And one of the reasons that i helped support this item or sported this item was because we wanted to help the problem of maintaining affordable housing in a certain section of east spin where people simply were not being able to afford to keep their existing homes. I heard margaret tell us today she sincerely hopes to be able to do that with this legislation, so I'm going to, of course, support it going forward. And

I recognize that we often have a long journey in terms of negotiating with other governmental entities in partnering with us so I will support maximum flexibility to be able to do that and recognize it is not set in stone whether we'll end up at 100%, 50% or even 30% of participation that we're able to do this or whether WE INCLUDE OR EXCLUDE THE TODs Will almost be outcome determined on what we can negotiate with the county.

Mayor wynn: mayor pro tem. We have a motion and second on the table.

I will support it for discussion purposes, I know councilman martinez has made this case as well and I agree with him, one of the benefits of EXCLUDES THE TODs IS THE STATE Legislation has only, you know, basically a couple of defined categories that are very specific in how you can spend tif funds within the district. We have been looking and the tod process has been on the parallel process for the same amount of time, going on since 2004, we've been looking at how do we pay for parks, how do we pay for affordable housing but we're looking at different affordability allocations within THE TODs, WE'RE LOOKING AT Paying for parks and roads and sidewalks and water pipes. Most of these uses that we've been looking to spend on the TODs THE, LABS ARMSTRONG BIKE Way, -- the lance armstrong bike way, things like that, are prohibited in the home preservation district. We could, in time, transition into the more flexible tif LANGUAGE FOR THE TODs, USE TIF Funds for park, for daycares, for local small businesses, for water pipes, roads. We could not use those tif funds for those purposes if they were within the homestead preservation tif. -- Preservation tif so my preference is the end of the day when we finish the negotiation with the county do we not have the tods in there so we can use the funds for parks, daycares, affordable housing, roads and the lance armstrong bike way. Other things that are prohibited in the homestead district language. council member martinez. i believe does allow for investment in infrastructure, as long as it pertains to creating ..

As long as it benefits affordable housing. I wanted to point out to the council, if this motion goes forward, we will revise the plan to reflect the edge collusion of the tod areas. we have a motion and second on the table to approve item 13 with the INCLUSION OF THE TODs, AND Again, I too very much look forward to leslie or some staff presentation in the next month or so that really detail, shows the scale and scope, of the, you know, likely outcome of this financially. Further comments on the motion?

Mayor, I would also like to ask when we talk about the scale and scope in a future presentation, that we at least have a little summary or overview of the differences in some of the larger projects we have tif. Walnut creek, we have a significant amount of 40, 50% of city-owned land because we have waterloo park, palm park, the police station, the water commission. All the property was actually city owned, so since david lloyd has brought out the disfunction we can't actually use the funds, we can use the funds in the homestead preservation district for infrastructure but that infrastructure has to be related to affordable housing. I think we, in our due diligence, need to understand that if we tif at 100%, the homestead preservation district, the implications that we will have for infrastructure as we go over time.

We will bring you a lot of information back whether we come WITH THE PRESENTATION ON TIFs That we've done previously and as wells that proposed one. further comments on the items. Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on a vote of 7-0. Thank you all

very much. Let's see, mayor pro tem pulled item number 40 regarding several aspects of historic preservation. We will welcome that discussion now. Mayor pro tem.

Aid chance to review the proposed language on demolition by neglect provisions. This is probably there for the makers or for the city attorney, but specifically, this is on .. starting at page 6 and 95 and 7 and 95, it provide as penalties portion and it states .. it talks about demolition by neglect procedure, and it states in d, sub-3, the historic preservation officer may investigate whether a property is being demolished by neglect. Does that require any previous finding by the city council that that property is historic? .. well, yes. That applies to historic properties, if that is what you mean.

In other words, it appears to read, and tell me if I'm wrong it appears to read the historic land mark commission can initiate an investigation on its own for a property that is not previously been deemed by the city council to be historic. Is that correct?

Well, if you look at the definition d-1, demolition by neglect is neglect in the maintenance of any designated historic land mark or anynd contributing structure that threatens the preservation of the structure.

So if we have a home that is not presently either designated historic or contributing that home would not be subject to the demolition by neglect procedures?

Correct.

My understands is when we had this issue come up two years ago, the house was subject, triggered some discussion on this at that time was had not been previously designated as historic or contributing, and is that your recollection?

I don't know anything about that particular case. Mr. sedowski does. He's here.

Could he restate that for me.

There was home by peace park, the home, their allegations was it was demolition by neglect going on there. In my recollection, the events of the property owner at time was saying my home is neither zoned historic, neither is it identified as a historic structure. Is that the case, is that contract that instance?

That was correct, mayor pro tem. But to clarify what we're talking about here, we're talking about houses or buildings that have been designated historic by this council or can't be structures in the local historic district and the local historic district would also be approved by a council, so there would be a designation in force, basically, that the council has approved.

Okay. That is a significant protection .. I want to make sure I'm accurate in this statement, then. The demolition by neglect procedures would not be .. could not be initiated against a home that was not presently zoned historic or voted on by the city council at some point to be a contributing structure in a

historic district. Is that correct?

That's correct.

And then it provides on a .. sub-7, subsection-, it stated referral for enforcement, if a property owner fails to start repairs by the deadline said in the notice or fails to make complete repaired by the deadline set in the notice, the historic preservation officer or historic land mark commission may bring the case to the city attorney for appropriate enforcement action. Such enforcement action may include criminal, civil fines or penalties. It doesn't say here that this has to be some city council approved referral is that correct?

Correct.

But does that mean that the ... as I read this then it appears without city council review, the historic land mark commission could refer something for criminal action against a property owner.

Well, I would say that the intent of this section is to create flexibility and to not forestall any 'by city representatives -- any action by city representatives to take any action necessary to protect the historic prompt. Prompt -- property. You're right, it doesn't require that you come back to council --

that wasn't my council. Does this provision mean that they can initiate a criminal action against a property owner without this first being approved by the city council?

Well, the way it reads is the landmark commission refers the case to the building standards commission, the code compliance commission or city attorney for appropriate enforcement. It is not the landmark commission doing the enforcement, they would be referring that to code compliance. Code compliance initiates enforcement actions of various kinds every day. And the building and standards commission reviews beings that, for safety issues.

Yeah, but it says building standards commission code compliance commission or the city attorney. So what I'm trying to figure out is, let's say the historic land mark commission says, city attorney, we want you to initiate criminal procedures against the homeowner for demolition by neglect. What happens when they say that does the city attorney have the ability to say no?

Yes. Again, I guess this is a situation which I can't speculate on what will happen when a case like this comes up. The intent was to give a number of options for dealing with a property where the property owner refuses to maintain the historic structure.

It says that it does not appear that there is a right of appeal by a property owner to the city council or the planning commission if a referral is made by the historic land mark commission. Is that correct? .. let's see. There isn't a right of appeal in this section. If you look at the last page on, I guess page eight of the draft, it talks about a low-income homestead. This is intent to create an option for the owner of the

residence who is not able to afford the repairs to appeal to council for relief.

So the right of appeal is only available for someone who the council determines is low income and cannot afford it?

Under this draft, yes. -- Under this draft, yes. Certainly we can add a right of appeal.

And --

this, I apologize, one more thing. This particular 6 is modeled on the city of dallas 'ordinance. .. it appears that at the top of this page eight, well it says historic preservation fund on page 7 and 95, I guess section e, it says the neighborhood planning and zoning department shall develop appropriate funding measures and the historic preservation fund is comprised of the following funds, outside funding other than city funds or capital funds. So in other words no city, general or capital funds, so it is limited to outside funds made to the city for the purpose of historic preservations. With that bed tax fund that may be used to about go into this fund?

That is not part of the plan, we discussed the use of bed tax funds but at this point it is not planned to take bed tax funds and put them into this fund.

I think we're allowed to use 5% of bed tax funds, or maybe up to 15%, for historic preservation.

That's correct.

I'll defer to steve to explain the acdb program for that if that's what you're interested in. .. i strongly support that we need to be expanding our historic preservation efforts, and including tapping funding sources we have a legal ability to access as we may not be making full use of and I know we've gotten testimony that we can use bed tax funding as a source. Is that right?

That's correct, mayor pro tem, and we're working with the texas historical commission to determine other sources of funding that we could use to help historic preservation projects, and especially rehabilitation projects. mayor pro tem, if I can, I look at this item, this is a resolution, you know, directing the initiation, and so maybe I'm remiss at not having chased this down, but I don't have the language that you two are working from, and it seems .. I mean, very valid points you're making would be part of that process in theory, as it goes through whatever board and/or commission that comes to us in the form of ordinance rewrites, correct?

Correct. so I guess I'm just --

I didn't mention before when we talked about this earlier, we will go to the landmark commission first for discussion. It might take one or two meetings, we expect them to make some kind of recommendation, then we go to the planning commission, codes, sub committee, then the planning commission, I believe to zap, also. Then it is on your agenda to set a public hearing, then hold a hearing on approval of the

ordinances. I guess the point I'm trying to make, it is really important the council gives as much direction as we can early, I guess, but I really see this as being so preliminary to really delve into writing something that likely is going to be significantly different by the time it comes back to us and I don't want to keep any council member from giving direction input but I just think, you know, the item technically is just starting a process that is going to be quite lengthy and will ultimately come back to us in the form of ordinance, amendments and detailed language and all that.

That is a fair point, mayor, so then as a procedural matter this draft language is not what we're being asked to endorse, this is just concept from the makers.

This is a working draft, put together based on what demolition but neglect programs were based from other cities so the sponsors were interested in moving forward with some sort of program that is similar to what other cities do at this point, that is all this is, a working draft. As I said before, I wasn't planning to distribute this this was an action to start the process. council member shade. I was going to confirm, this is going to three over commissions, boards, commission, before it comes to us, and so this is, i think we should move on. I mean, because this is .. I mean, i agree with the mayor, we're not looking at the same draft that you are at this moment and i feel like we should let the process go and then have a chance to you know, take action at appropriate time. so further questions, comments, about the resolution directing the initiation of amendments to our land development code related to several historic preservation tools. Council member leffingwell. i thought we made that clear in the earlier discussion, we were talking about whether or not to pull it from the agenda this is simply a resolution to go forward with the process and also made the comment that as a courtesy to extend a very rough draft proposal to council member McCracken and did that. There are many changes, I've already receives many suggestions for changes before that comes back to us and that would be the appropriate time to go line-by-line, paragraph-by-paragraph to discuss the fine points of an ordinance that does not exist as a draft proposal at this moment so I would move approval of item number 40. motion by council member leffingwell, seconded by council member shade to approve item 40s as posted as this initiation of potential land development code amendments. Further comments? Mayor pro tem.

I will support moving forward today with this direction, at least just from one member, but based on the draft that I was handed, I'd say that I would support some sort of proposal that would make it possible to create a fund and then have some mechanism, should that fund exist, to use it to upgrade historic and contributing structures. But what I am skeptical of and I'm likely to support, should it come before us, our provisions contained in this draft stating the historic land mark commission can initiate actions at the city attorney's office without apparent review by the city council could include civil and criminal procedures against property owners. We're going to need to have some review and checks and balances, because this council has had respectful but significant difference with a number of activities the land mark commission has taken over the last few years where we've overturned the recommendations so I'm concerned that we, given the history that we have voted as a council differently from the landmark commission in the past, I don't think we should be empowering the commission with no review to initiate similar criminal actions against austin homeowners without city council review. So that's my vie and it has worked its way through the land mark commission. I know we're not voting to endorse this draft today. I'm glad I have some sense of what is contemplated so I can give some meaningful direction, and

that's what it is. we have a motion and second on the table. Further comments? Hearing none, all those in favor, please say aye. Aye. Opposed? Motion passes on a vote of 7-0. Thank you all very much. Council, we have two potential action items. Items 22 and 39, both of which should be taken up only after executive session. Here it is, just a few minutes before our noon indication, so without objection, I will recess this mooted meeting of the austin city council for five or six minutes and we will reconvene. We are now in recess.

6/10 Of you 10 of our prison population made a decision we really have to live with today. Namely adding a toxic ply in our water in the name of dental health. We have few references to fluoridation, meaning voters were probably not widely aware or informed on the decision in 1972. In the 7 1/2 years since the first pro-fluoridation proposal, the records show just one public hearing in 1967. The only other serious discussion, pro and con, took place in an august 1971 meeting. Then, a whole year later, the subject suddenly resurfaces, along come as referendum and overnight we have fluoridation. It is time to consider that well-meaning but ill-advised decision in the light of knowledge. My purpose is to educate you three minutes at a time about the realities of fluoridation, including the fascinating historic process by which a dangerous toxin got rebranded as a health product, all this may be hard to take in at first, the american dental association, cdc and epa and probably your family dentist all endorse fluoridation. Every dental school in the united states has taught since THE 1950s THAT FLUORIDE IS A Safe, effective cavity fighter so most dentists practicing today were trained in that tradition. To question the conventional wisdom is considered kind of weird, but luckily, we austinians pride ourselves on being weird and we even boast about it on t-shirts and bumper stickers so my challenge to everyone here is dare to be weird, question fluoridation. It is vital to be informed for the sake of your own health and your chin. I posted an e-mail address in case there are questions and I will be back with more information on another day, thank you very much.

Thank you. Our next speaker is carmen llanes.

Good afternoon, council. Thank you for having me. Today, poder would like to invite everyone to the 6th annual festival, de las plantas. The festival celebrates our honoring of sacred foods and remedies. We always open the event, I'm having a little trouble sliding through. Sorry. I guess I'll just point to you. We always open the event with a ceremonial blessing with the four directions and thanks to the elements, followed by traditional, indigenous dance. We will have several workshops as talks, talks on traditional herbal remedies, home uses of plants and traditional foods. We will have workshops on healing from trauma and on chinese herbs and acupuncture. We will present what our ancestors told us in a new children's book and gardening with sacred tradition. And we will have an artist painting pumpkin with the children so they will have activities all day. Finally, we will bless and scatter wild fire seeds there in the park and guests can also take some with them after we bless them. And I would like to do a quick invitation in spanish, just to let everyone know [speaking spanish] thank you very much. For more information on the festival, you can call 472-9921 or visit us at poder-texas.org. Thank you.

Thank you, our next speaker is gus pena. Then speaker, next speaker after that is richard richards.

May I approach and pass these out.

If you can get council member leffingwell and he can pass them all down to everybody.

If it pleases the council, i would like to discuss the issue of fluoridation of drinking water and submit pertaining be information about this. I realize there are two of us speaking on this issue, we merits the community's concern, which is growing. If we continue in this fashion, we will pass the number of slots available to have discussion on any other open matter. I have a few quotes from professional minds that are far more familiar with the molecular and microbial world than any of us. With that being said, I want to stress the independence studies to discuss the ramifications of our thoughtless actions based on a vote in 1972. I want to submit evidence on the amount of county uses on fluoridation of water could also be used elsewhere. That could be determined by this body of government of this great city I'm fortunate to call home. Individuals that detail the atrocities we commit with uneducated assumptions, based often big businesses running test tubes and lobbyists pressuring legislators to act. A few quotes, one from the assistant director of health. The american medical association is now prepared to state no harm will be done by any person for water fluoridation. They are not carried out any research, long-term or short-term for any possible side effects. Another quote, based on data from the national academy of sciences, courage levels may cause arthritis in a substantial portion of the population, long before they reach old age. Third quote, the chief of cancer re research. The plain fact that fluorine will retain unchanged no matter how many times it will be repeated in print that fluoridation of the water ply ply is safe. The american dental association says in harlem, new york, there is more dental decay among these children. We see them beginning with the inflamed gingivitis in their mouths. For those who do not know, this to restrict or allow vitamins, they have proven ton beneficial for the regulation of home use stay sis. We're seeing the ability to pick and choose what we ingest is going to the government. Is that my time in.

One more sentence to conclude, please.

I guess, in closing, I would .. fluoridation needs to be discussed in open forums like this and seen for what it is, added to the water in the guise it is beneficial to people. With the information provided, government is intertwined with large companies this council can no longer egg nor the pact we need to be informed and not from mom and dad who is telling us santa is real. We need to tell friends and family --

thank you, your time is up.

Okay, thanks.

Jennifer gale.

Hi, austin. Austin is a time when we go out to early voting and turn it our knowledgeable friends and ask who are these guys knocking on our door running for public office. mayor McCrack in.

Pro tem.

I'm sorry. mayor McCracken. He is asking as a mayor, mayor leffingwell, council member martinez, newly elected randy shade. And then council member morrison, you did a good job and you were very nice when you ran against me. And sheryl cole. Good luck in your run this next year. Sherry cole. Sheryl cole. Okay. Every two or three years we vote for them, despite the economy, the deplorable state of our schools. And our children aren't getting the health care for their teeth. The lack of credible monetary system in the american system of slavery, government programs because minimum wage isn't anywhere near \$24 an hour. Where are the austin business leaders? A few days ago, nine of those beautiful young people in the obituary page were under 55 years old. We need a university of texas medical branch. Our politicians have failed us, let's vote them out of office. Where are the poor? We only hear about the middle class, now we have a cap system where we have contempt for the very people that need our help the most. Why aren't you handing over dollar bills and quarters for the people who can't even afford a place to live. Didn't business leaders bring down our economy by giving jobs to mexicans, and any others than americans. Just pay us what we're worth. I work at a temporary, my employer asks \$20, they pay me 55 and they still expect me to give them \$20 worth of work. Why did the austin chronicle cover an official announcement that was put in an official agenda for the city of austin. They aren't here, but it is on this blog. They are there to campaign against you. Why haven't they filed with the secretary of state saying the money for the support of their candidates. Only time warner and two others covers these elections. Why is it we never know about who is being appointed to the boards and commissions, the people paid for the very work the members of the city council are supposed to do. Jennifer gale for mayor will include the most caring and knowledgeable, and a chance to grill the mayor on 590 klb jeff ward tuesday afternoons between 3:00 and 6:00. We've now lost \$8.4 trillion. Where is our new deal? Our tennessee valley authority, the civilian conservation corp, where are those things.

Please conclude.

I'm going to vote for an american heritage black for president. Once you vote black, you never go back. Thank you.

Paul robbins. Paul may have fled the chambers. [Laughter] pressure is on, robbins.

I'm going to have to add to this speech, it was originally intended to be addressed to the mayor, who is not here. But the last time I was in city hall, I had asked two council members, yourself and council member leffingwell, to explain why the charter regarding voting on revenue bonds and debt was not being observed, and I was going to ask the mayor what his position was on that. Unfortunately, he's indisposed. My motive for concern is that perhaps best explained by the example water treatment plant, we have a very expensive plan, just the last estimate that I've heard is just shy of half a billion dollars.

We have an aggressive water conservation plan that is being proposed, many of those people that are going to implement it haven't even been hired yet. We had an incredible success with the recent summer watering schedule. For all these reasons, I think we ought to pause and consider if we should

do it now. And I'm not being allowed to vote as prescribed by the city charter. I realize that this might make things more inconvenient, but democracy is not made to be convenient. The thing that you need to consult citizens of austin about how the utility rates, our environment and by extension, our daily lives are going to be financed. I'm usually more on point, but i had to add lib this and I'll have to come back to ask the mayor his opinion.

Thanks, paul. Pat johnson, you're up next.

Good morning. I haven't talked to you all in a while. Today we're going to talk about an issue council member martinez can relate to very well. About our residents being butchered by the fees that the council passed back in 2009. This ordinance passed back in june 19, 2006, the fully prepared transfer fee, if you catch them in the parking lot and it is fully loaded, next charge a \$50 fee but that is widely abused, very badly. We need to do with you with it. Default judgments, people believe a car is towed, they file a request for a hearing but we're seeing is these judges are connected financially to the towing companies through their corroborations. Felony warrants for record drivers result in criminal investigations, it's go up there. We're getting a lot more felonies. Of course the violation of towing institutes is a misdemeanor but the crime they're committing against the public, out right auto they have, credit card abuse, its. -- Et cetera. Some proposed solution, the towing industry is not going to be for this, I've always been for the outlook of the public. Number one, discontinue any fee if you catch them in the parking lot, they have to release the car for free. San antonio does it, houston does it why do we have to be different. Secondly, prohibit the storage facility from charging a notification letter until the vehicle has been in storage for 48 hours. State law gives the authority to set the storage-related fees. Number two, no storage for the first 24 hours. If they pick up the vehicle within 24 hours, the way it is now, the car gets towed, it is \$196. Not allow them to charge the stororage, that is \$20 they're going to save. We should reduce the fee from 150 to \$125, san antonio city council just set their ordinance money at \$120. We need to separate the collision fee schedule and the private property impound fee schedule. It's two separate instances. Of course, we want the companies picking up our collision rotations to be given the best money so they can bite best equipment and get our roadways clear. The private companies is issue we need to work with. Another thing that we feel like we could use for the police department, and we talked about this is requiring the towing company, and we can, to rereport to apd within 30 minutes after the vehicle is removed from the private property that they have towed a car. This is going to eliminate a lot of times people want to call auto thefts because their car is stolen because the storage facility doesn't have to wait until two hours before they call it? N.

Your time is concluded.

A lot of people have been burned and now council can take the opportunity to reduce those fees and help the public so people that get burned are not going to come back here to austin. Thank you very much.

Thanks, pat. Our final speaker is collin clark.

Council member.

MAYOR PRO TEM McCracken, I wanted to ask Pat to e-mail me the slide presentation you just did, e-mail it to me so we can have your suggestions.

Yes.

Okay, good afternoon. Mayor pro tem and members of council, Colin Clark, and I want to point out how successful the awayer conservation was this summer, 2008 summer was a record hot summer, a record dry summer. Any model the water utility does, if you have record head and record dry temperature, you will have peak water use. Quarter measures are predicted to save 25 million-gallon a day over 10 years but it looks like the first summer we actually saved 20 million-gallon a day and that very mark -- gallons a day and that is remarkable. Additional measures will come on for years to come and we can keep the peak day flat or have it lower. The trend is that it is going down. We want you as the council to recognize it worked well. I want to bring you a tension now water treatment plant four and the peak day water use projections. I was at the water and waste water commission hearing last night so I'm using numbers that were in the chart that was displayed last night so as far as I know, the most up-to-date data. They are telling you and the citizens we need water treatment plant four by 2016 because our peak day water use is going to be at 260 million-gallons a day. Okay. Their starting point in all their charts and projections is 240 million-gallons a day because that has been our historic peak day use so I can understand why they started there. So if you draw a line between 240 and 260 okay, you get an annual increase of 2.5 million-gallons a year. To get over eight years of 20 million-gallon increase. O the reality of our baseline .. peak day water use this summer was 220. Okay, now if this summer had been a wet summer or a cool summer, we couldn't point to it and say use that number as your new baseline, but it was a hot summer, it was a dry summer, it was a summer we would expect high peak water use so we can use this summer as a new baseline for our water projections. It would be silly to think that next summer if it is really hot, dry, we're going to get back to 240 million-gallon a day. People will learn more and it will get better rather than worse. Let's assume we are an annual increase of peak day water use, that at rate in eight years, our peak day water use will be right here. Okay. And this is my concluding point. In 2016, we will be at the starting point right now. That means we don't get the 260 until 2024. Okay, we bought ourselves eight years here. So before we spend \$500 million on this thing, let's recognize that water conservation is working, it is going to get better and we have way more time that you're being told by the utility we hope they will recognize this and adjust their projections accordingly. Thank you.

Thanks, Colin. We had Gus Pena signed up to speak. That will conclude citizen communication and the council will now go into executive .. which items?

Items 42, 43 and not 44, which is withdrawn, and I think we had a couple of related council items, 39, related to item 42. And so the council will now go into executive session.

Mayor Wynn: There being a quorum present, at this time I'll call back to order this meeting of the Austin city council. It is 2:52 p.m. We've been in recess for about an hour or so. Council, we have three

briefings this afternoon before we take up a little bit of work before we go into the 4:00 zoning cases. Without objection, chivalry still exists and I would like to suggest we take up the families and children task force staff briefing first and then our northwestern et cetera/gateway briefing, and then our briefing on the national economy and impact on the local government. We'll call up item 46.

Good afternoon. Heather way, I was a member of the families and children task force. On behalf of the task force, we wanted to thank you for giving us the opportunity to come and talk to you today. I wanted to introduce several members of the task force who are here, had the opportunity to work with just a really great group and diverse group of members on this task force and I wanted to recognize them at this time. The co-chairs are here, jennifer peters with capital idea and robert schneider a trustee on austin independent school district trustees and kathy tovo, austin neighborhoods council, marcella, cat he he can also is on her way here and robert pilgrim with rico and who also works with pgp partners. I'm here today to give you a brief background on the history of the task force and what the work we did over the past year. Kathy is going to follow up with highlights, the specific recommendations we've made to city council in the report. Austin city council formed the task force on june 21 of last year and we spent the past year spending literally hundreds of hours. The purpose was to assess and come up with recommendations on the ways in which the city of austin can become a more family friendly city. This summer we completed our report which hopefully you have a copy in front of you and I'm going to use this opportunity to try to figure out how to use the -- in the research we did, there are really two key critical findings that we found that experts had made and that we put in the report. And the first one is this. And that is the experts agree families with children are critical to the growth, the diversity, the vibrancy and economic development of a city including the city of austin. The second finding that we found was that as cities densify and become more urban, that there is -- that that's a threat to cities. That cities are at risk of losing families with children and that cities as have to become more purposeful and aggressive in planning of policies of families that benefit children. The first thing we analyzed, one of the first things we analyze springfield what does that mean to be a family friendly city. What does that mean. What do families with children look for. How do you attract and maintain families with children. There are six key things and we conducted a city-wide survey and conducted a series of focus groups and here's what our findings showed. The six things are 1, safe, affordable housing designed for families, 2, affordable quality child care, 3, excellent public schools, 4, parks and playscapes within walking distance, which is considered to be no more than a quarter to half a mile, pedestrian and bicycle pathways, and safe neighborhoods. The good news for austin is what we found in the surveys that overall in the past the city of austin has done a pretty good job in several of those areas. The bad news is in the challenge for austin as the city densifies, two things are happening. One is most of the new development that's happening in the urban core is not family friendly development. And second, we're losing many of our existing family friendly amenities. The two key ones being affordable housing for families and some of our child care centers in the urban core. Then I think the announcement that we're now going to lose the children's museum in the downtown is another example, the loss of a family friendly amenity in our urban core. What we found in the surveys that we conducted was really six top concerns and changes facing the city of austin. These are highlight in this slide up here, and that is that we're facing higher housing costs in the central core, issues with the quality of our public schools, especially in certain parts of town. Disparities in access to resources. The big east/west austin divide.

The need for safer biking and walking, the need for more child friendly open space and the lack of affordable quality child care. While austin isn't where portland is yet, I think portland is a good example to bring up. The city of portland their housing costs doubled in the past 10 years from something like \$150,000 to \$300,000. As a result families with children have been leaving the urban core in masses. They have had to -- they are losing on average per school 10 students a year and they've had to close in the past four years alone eight of their public schools. So I think this is a lesson of the risks that lie ahead of us and the challenges, but now kathy is going to talk about what we found is some of the great opportunities and recommendations we would like to present to you today. Thank you.

Mayor, council, kathy tovo. I want to echo heather's thanks for hearing this presentation today. We're really cited to bring these recommendations forward to you. Let's see. The first area I want to discuss is planning. What we found in our research and looking at best practices is family friendly cities are those that create better environments by really keeping the needs central of families with children and also involving those -- both families with children and children in the planning process as they move forward. And I'll be just highlighting some of the recommendations from the report here today. If you have questions, we would be glad to answer those afterward and to elaborate on any of the ideas that you will see up on the screen. The other thing I want to mention is kind of an overafternoon comment we tried to align our recommendations with some of the planning efforts that had gone on before. I'll mention a few that we drew from, the create austin plan, which was presented in council in june. You will see some aligned recommendations in our report. Another key report that we drew from was aisd's community and neighborhoods in schools. There is some overlap of planning in schools. So some of our highlighted planning recommendations are we would like to see the city create a families with children commission that would address these issues on an ongoing basis. We would also like to see a staff level position we've named families with children ombudsman and this person would review processes and other procedures going on in the city from the perspective of how these will impact families with children. This would be an individual who would assure that health and human services planning, cultural affairs, all the different departments that have programs relevant to families and children are working in concert to promote the interests of families with children across the city policies. Importantly, we would really like to see and strongly recommend that any planning efforts that the city undertakes specifically addresses the needs of families with children. And these would include the comprehensive plan, the downtown plan, as well as individual neighborhood plans. What we found in our research is that the neighborhood planning process could really incorporate this information to a broader extent and i think with great usefulness. We were a little taken aback the first draft of the downtown plan did not address the needs of families with children and I believe that has been an issue that is going to be addressed in the future and I think it is and rightly so it's very crucial our major planning documents have these as core values. And I believe I skipped over it, but the -- I'm going to backtrack for just a minute. I skipped over it because it doesn't appear to be here. There we are. A central first recommendation, a good place to start for you as policy leaders would be to adopt the new mission statement that we have up here that austin is committed to be the most family friendly city in the country and will ensure that its policies and decisions support and enhance the quality of life for austin's families and children. This strong statement would give guidance to all future policy efforts and we present it here for your consideration. Housing. As you all know, housing is really key to encouraging

families with children to move to the area and it's key to retaining the families that we have here in austin in their neighborhoods. We need throughout the city greater access to affordable family-sized housing. Not just in the central core but that is a key area with a we would like to see more focus. We would like to see -- we recommend that the city undertake a family friendly development. This would be a pilot program where the city could demonstrate -- the project would illustrate best practices for family friendly development. There are a lot of great ideas and projects that have succeeded in other places and this would be an opportunity for the development community to see the plans in action. What we heard when we heard from -- when we heard testimony from developers, there was a concern that lenders can sometimes be rather cautious in seeing new -- new types of developments, and this would be a way to illustrate design practices that are family friendly and also show the economic viability of that kind of an option. We encourage the city to adopt the 20-year vision and plan for closing the affordable housing gap. It would begin with a needs assessment and then would be -- and specific targets would be identified that were then evaluated on a regular basis. And one of the really exciting ideas that we heard in our work was the idea of starting a rental assistance program. As many of you may know, there is a high rate of mobility within aisd, the major school district that falls within the city of austin boundaries. And a rental assistance program would be a great way of helping families stay within the attendance district of their neighborhood school. As housing costs increase, many families are forced into positions where they need to move from one neighborhood to another in the course of the school year to find lower cost housing, and this can create real challenges for their students. For their children in achieving educational success. And there are -- I'd like to just mention there are some people in austin who have already begun exploring this idea independently so I think there's great traction on this issue and it could be a program that could be up and running fairly quickly. We would like the city's existing affordable housing programs to continue placing priority on housing for families with children. This is an existing priority, but we are concerned that of this -- of the 20 family-sized houses that were developed by the city, only five were sold to families. We think there's a real opportunity there to analyze why they are not getting more families with children into that housing. And also to create priorities for housing that is two or more bedrooms. We would like to see neighborhood housing and community development collect data on family composition that would capture information like bedroom count, family composition and household size. That would enable the city to determine how well it's meeting the targets it specified. In existing and new density programs we would like to see an emphasis on density so the affordable housing units that are being constructed are not lost. For efficiency units it would place an incentive on creating family-sized housing. Key really to keeping families with children within the urban core is provide amenities. Again, what we learned in looking at best practices throughout the country is that families will live in smaller sized units if they are well planned and if they have access to cultural amenities such as parks, libraries, good transportation and other key cultural amenities. Parks especially as our city densifies, parks are going to play an increasingly important role. They have significant economic benefits, they have important cognitive benefit for children, and they really we do need to focus attention on this. We would like to see the city implement a goal of green space access within a quarter of a mile for urban areas and a half mile in suburban areas. So this is going to significantly raise the goals of -- for parks in our community. And the reason for this, we know it's a challenge for the city to meet its current goal of parks within one mile, but the research that we looked at really suggests that people just won't walk if it's beyond a half a mile or less. I'm sorry, a half a

mile or more. We feel this is role important, again, as our city densifies to focus attention on how we can get parks in closer proximity to people. You will see some stats for other cities of large size that have also increased their goals. So here are our ideas. We really tried as we put forward our recommendations, we tried to think about one that the city has, of course, limited resources and we know budget concerns are really uppermost in your mind. But we tried to look for creative ways that you could leverage resources by exploring new partnerships or strengthening existing partnerships. With regard to parks, we also are recommending a change in how we think about park space. Right now traditional parks are one acre. We're suggesting that the city parks and recreation really get creative about what can constitute a park. There are some great examples across the country as well as in our countries of of play spaces what have been created on existing asphalt or very small areas and we would like to see the city think about how they could encourage partnerships with private developers for small -- small sections of, say, large scale urban developments to take that asphalt or that existing corner and create it into some kind of really innovative play space. Maintenance, we know maintenance is an ongoing challenge for the city and with regard to its parks. We would like to encourage the city to partner with property owners and with private interests to maintain on an ongoing basis some of that park space. There are good examples with regard to the triangles development as well as the mueller development and we would like to see models of -- those models explored. There's also some good examples in our neighborhoods, cherry wood neighborhood association is one example of a civic group that has taken responsibility for maintaining a public space. Converting small and developable parcels into micro play spaces we discussed. One option for funding improvements and enhancements within the parks area would be to create public improvement districts. This is an idea that has been tried successfully in other areas. And we would also like to see as new developments come online, we would like to see the council incorporate play features into all spaces within the central core. Increasingly parks and play spaces around the country have incorporated more and innovative features and we would like to see a broader range of innovative features within the park space. This would include more of a focus on older children as well as much younger children and more diverse use of materials and kinds of play experiences. You may be familiar with the adventure playground model. That would be one to test. And also we can give you information, there's information in our report about some other innovative play spaces that really encourage children to expand their -- the way in which they interact with the outside environment, but also with their peers. And with regard to parks programming, we did get some feedback from the community that the city should look into ways to expand its offerings to children with intellectual and physical disabilities. There are some gaps in terms of the services that are offered and the community members who spoke out would like to see some changes in those areas. Some creative ideas that we're putting forth as ways to attract more families with children downtown, supporting a downtown family night. This could include promoting extra programming downtown among the cultural institutions as well as maybe selectively closing off some streets to create pedestrian friendly zones where families with children might feel a little safer on the downtown streets. We would also like to see the public areas and the urban spaces downtown designed with an intent to attract families with children. So this would really look at what kind of features do families with children want to see in our public squares and in our public spaces downtown. Lastly in this area we would like to see the city of austin proactively try to recruit a new family friendly cultural institution downtown that could be a real major driver for why people come downtown and consider they stay downtown to enjoy the

amenities with their families. Child care services, as heather said, is really a key issue for our city and the ways to retain child care services in the urban core should be a major area of focus. And our child care subcommittee recommended that -- we often think of child care as a social service issue, but really it's an important economic driver for our region and area in that there is one real critical focus as we go forward and think about how our city could better attract and keep its families within the central area. We recommend that the city of austin conduct a needs assessment and see what kinds of gaps and services now exist and what kinds of -- how the city could proactively work to fill those gaps. The child care council has put forward a series of very important recommendations, and our families with children task force recommends those to you for your consideration and we've highlight a few of the key ones here. Encourage community benefit agreements to include child care and new development projects, incorporate child care into transit oriented developments, to look at how fee in lieu of proceeds could be used toward child care development. And to consider adopting impact reviews that would consider how major developments are going to affect child care facilities within a certain area. Schools are really central to the vibrancy of individual neighborhoods as well as our community as a whole and we encourage the city of austin to really work to strengthen its collaboration with the eight school districts that fall within the city limits. Since aisd represents about 95% of those students, we focused some of our recommendations directly toward aisd. Today we're going to highlight just the ones that are within the city's purview. Our report does include some that are directed toward aisd as well. And here we have some overlap with the report I mentioned earlier, the community on cities and neighborhood schools. We would like the city to adopt a formal policy for a court nature planning. And this planning we would encourage you to consider that this planning should occur both at the policy leader level as well as at the staff level, and we know that the planning -- that there is coordinate planning right now, but we would like to see this really made a major emphasis. Many of the stakeholders who we spoke to as part of our extensive community outreach process really identified this as an area where they would like to see the tuesday and aisd focusing more attention. Many people would like to see more coordinated planning. One way to achieve this would be articulate clear goals for the city of austin and aisd joint subcommittee. And to focus those discussions on developing some action plans. As many of you know, there's an ongoing challenge here in austin. We have started to lose some enrollment, some of the central city schools are started to decline in enrollment and we would like to see aisd and city of austin collaborate to reduce that. Neighborhood schools are key to the vibrancy of our neighborhoods, as I mentioned, and it is really -- there are lots of studies that show that student success is tied to neighborhood schools. When children are going to school in their neighborhood, their parents can be more involved in their education and that almost always is an indicator of student success. So we feel there are important educational benefits to the neighborhood school model as well as important environmental benefits when parents and students aren't getting in cars and driving. And important community goals as well. We would like to see aisd take an active role in any discussions related to facility changes. If there are discussion about repurposing a facility or close ago facility, aisd, the community and the city of austin should be working in partnership to explore those decisions while they are still in the decision-making phase. We would like to see the city explore the idea of requiring an educational impacts assessment. Large developments very often have an impact on school enrollments in an area, and looking at that information in advance as the developments are proceeding through the planning process is really a time -- it's information that you as policy leaders should have. We would

also like to see, we think there are tremendous opportunities in austin for joint use facilities. There are some examples of joint use facilities here in austin, the pickle center is one of them, but there's some great ideas that the city of austin could learn from other entities where the schools in an area have really become central to the community. They may have health centers, they may have public libraries. There are services within those facilities that serve not just the students but also the community at large. And this could be a great way of revitalizing some of our underenrolled campuses, as well as we think it should be a priority and way of going forward for any new campuses. This could also be a way, we would like to see partnerships explored as a way of really leveraging the kind of cultural amenities that we offer here in austin. So we have offered you some suggestions and examples of how the city of austin and aisd could partner so that, for example, an elementary school park is also public park and that playscape is available to residents of an area [inaudible] and this would be a shared cost arrangement that could benefit both the city of austin as well as aisd. Lastly, we have some transportation recommendations. We would like to see the city of austin expand its bike and pedestrian pathways to provide a safer environment within our neighborhoods enroute to schools, to parks. All of those areas around our existing cultural amenities should be carefully looked at to see what the transportation options are and weather increasing sidewalks was a suggestion we heard again and again from our focus groups and from our surveys. People would like to see safer sidewalks, they would like to see more bike lanes, they would like to see signage at cap metro stops that indicates what the bus schedule is. They would like to see benches. They had a lot of very specific suggestions that would improve their ease in getting to some of the public amenities that make such a difference in terms of quality of life for families with children. We also have some specific suggestions for increasing the safety of our crossings and our streets. And these range from increasing the time on our crosswalks so that a person in a stroller, a person pushing a stroller, rather, has time to get across before the light changes. To really educating our citizenry about the need to stop when you are a driver and there's a pedestrian in a crosswalk. We feel there's an opportunity there for better education of our drivers and perhaps we would like to see increased enforcement. Of those issues. So I would like to close here, we have, as heather mentioned, lots of members of our task force who can speak to individual recommendations in the schools area or the child care and we would like to just, again, thank you for your time. We really are excited about this. We look forward to some of these recommendations being implemented just as soon as there's been an appropriate public discussion of them. We are -- we really tried to strike a balance between short term, things that could really happen in the short temperature. I think there are a good number of things that could happen almost pleadly and without an extensive outlay of resources. There's longer range goals that, as heather said, really we need to move forward on if we want to reverse this trend of families with children moving out of our central core. So thanks very much.

McCracken: Thank you, kathy and the entire children's and families task force. Great work. Several of us on the council were in vancouver about a week and a half ago now and one of the lessons we took from vancouver was when they actually installed a lot of the amenities, a lot of amenities, infrastructure for families, things like playscapes ahead of the kids, that the families with kids followed. Commend you and the whole group on a great piece of work. Thanks. Councilmember morris son.

Morrison: I just wanted to thank the task force again for all of you who showed up today and for all the folks that have done the work. As mayor pro tem mcracken said, in vancouver we did see some

success in their downtown with bringing families, making it family friendly, but that didn't just happen by accident, and heather, in the beginning you said this was an opportunity for to us be more purposeful, and I think that's exactly what we need to do because without being purposeful we're going to lose our ability to be a city that is inviting to families with children. So I wanted to mention that i know that there are some enthusiasm among my colleagues and the staff in terms of moving forward with these recommendations. The way I see it, they are short term some great low hanging fruit we can go after, they are long term -- recommendation for the long term, but I think also some of the recommendations are just to integrate a way of integrating thinking about families and children in everything that we do. So it's sort of a bit of a structural change of the way we approach things and I'm definitely looking forward to working on that with my colleagues and staff. And I wanted to mention also that I sit on the aisd city joint subcommittee and I think this along with community committee for neighborhoods and schools, which has for some reason a very awkward title, ccns, I think it that provides these two task force reports really do provide a terrific road map for how we can do a better job of serving the citizens because I think we need to remember that from a citizen's point of view, it doesn't matter who is in charge of what, you know, the services of the schools, the city, the county, whatever, they are just expected to be there at their best, so working together I think we can really achieve a lot and I'm looking forward to. That thank you for all your work.

McCracken: And I want to pass on something real quick because I heard laura speak as a dad who lives in a mixed use development, I can tell you opposed to a single-family home, the two things at the triangle where i live that are absolutely critical that I didn't really take into account are the park there and also sidewalks. You know, my old single-family neighborhood did not have a sidewalk out and I think this is a problem that is city manager and the assistant city manager have taken on. I can't tell what you an impact it is. My son is able to ride his tricycle to go to dinner at restaurants. There's no rule about children riding a tricycle into a restaurant because no one ever sees that. It gives kids more mobility and it's great for seniors. As a dad, I can tell you that the parks and the sidewalks make a critical difference. So I think that in part speaks -- we're tackling some sidewalk sites I think we need to look at a paradigm change on parks because we have in recent years kind of drifted over to a model of enormous regional parks and we have lots of areas in the city that have no park at all, northwest hills had no park at all and so -- and no sidewalks to speak of. So I think we need to begin looking at the policy matter as focus on infill parks, playscapes, good sidewalk connections to them so we're on the right track on sidewalks, in my opinion, but I do believe we need a policy shift on what we emphasize for park placement. It's harder to do, but it's where people go and they can walk there with their kids. Councilmember cole.

Cole: As the councilmember with the most kids, I would like to say how much I do appreciate your work and the work of the committee. I found it interesting your suggestion about impact fees, and I'm just wondering, did you have very much input from the school district about those fees? Because I agree with councilmember morrison and councilmember McCracken that our whole paradigm about the way we look at bringing families with children to certain places, especially like downtown, needs to change, and that's going to require cooperation not only with the county but also the school district. In recognition of how we use public facilities. So do you remember, kathy, any discussions about fees or financing or did you all look at that at all?

We really have not had any feedback from the school district on that particular point and so that is an area that I think is ripe for discussion among the joint subcommittee. It is an option that other areas have used to increase funding for schools in particular areas. But there would need to be more exploration of what kind of legislation would have to be in place to make those possible here in Austin.

Cole: Well, I appreciate the work. I really do think that one of the things that we learned from our trip to Vancouver, a big take-away is that thinking about families with children and what they need and what they do, especially parks and trails and entertainment has to be a part of the original paradigm as opposed to a simple afterthought. I think we as policy makers have to be willing to put in the effort. We need to think about affordable housing for families and what that will mean and the extra amenities that will incur, for example, having two bedrooms as opposed to one bedroom, unless like what we used to be we were all in one bedroom. Thinking about those type of things that families are actually looking for as they make decisions and especially the school district. I contend 50 or 70% of the decisions that people make about where they live are not based on price or the quality of the residence, it's the schools. And that unless we have a good relationship with the schools, all the planning that we do on trails or the Lance Armstrong bikeway is really for not if we're not cooperating with the schools to make sure our policies are consistent. Councilmember Morrison and I are going to be working on trying to do something with that and working with the task force.

McCracken: Councilmember Shade and then Councilmember Martinez.

Shade: I echo the thanks of the others on the work you are doing and I appreciate seeing these recommendations and I don't have as many kids as Sheryl does, but they are keeping me awake at night so they are on my mind all the time. I'm curious about the affordable housing recommendations since it's such a tough issue for us to grapple with and I see the recommendation is to have more, but I'm curious if you've looked at any kind of economic formulas or where it's worked elsewhere, maybe some of the other cities that you've studied, but I'm looking for how we can better convince or make the case for, you know, the tradeoff between, you know, multi-family units versus single-family homes and this constant debate we see around that and economics around that.

Great question, and actually since we have some great housing advocates here in the room, I'm going to defer to my colleague, Heather, on that issue.

The Vancouver example is interesting. They actually require 25% of the units in downtown Vancouver, they require to be family sized units and that's one of the main things they did in addition to amenities in downtown with parks and amenities, how they were able to create such a vibrant downtown for families with children. That's why we're recommending the model pilot project in the talk because we believe right now there isn't any of the new dense developments that are being built in downtown Austin are not family friendly, they don't feature the best practices experts are recommending around the country. We haven't done any feasibility analysis but people would like to think the city and some of the city's is a perfect opportunity for the city to bring together architects, to maybe even have a design competition to incorporate best practices to show it can be done and to be able to show how the finances work on that. Does that answer question? I'm curious how the economics are going to work. That's the problem, the

tradeoff for space versus, i mean we're having constant debates about elevation, height and size and scope and that's, you know, families need more of that and that's the constant debate that we're having.

Well, one thing that we found, one of the things we talked about in the committee is this idea 2,000 square foot homes, we're not going to be building 2,000 square foot homes for families, not in downtown, that's also going to be affordable. But what we found in the research was that it's not the space, it's the design, the way that the unit is designed that makes one of the biggest impacts. Families with children in cities all around the country are willing to live in a smaller space that's designed well. Is there a space for the strollers and bikes under the stairs and parking garage, open play spaces. Portland and seattle and vancouver both have design recommendations that they've adopted looking at these best practices so there are things like that that can make a difference for families with kids. [One moment, please, for change in captioners]

I dropped off copies of the report with the park staff that has not yet been presented to those commissions. It's going to take time of volunteers coming together and maybe it's something staff could help with too is getting us before the different boards and commissions. I think there are several on the task force that are happy to help play a leadership role in putting these recommendations before the necessary boards and commissions.

Yeah, I was going to say I think one thing that's really important is we have all the task forces that do all the work you do, is we look at the inventory of things that we actually are doing that appear on this list that maybe haven't been thought of in that way. You know, you mentioned sort of downtown streets closure. Obviously we've got a task force highly visible. Family night downtown we have that might fall into that category but maybe they're not being leveraged enough or expanded in the scope we look at them. So I would definitely encourage that to be a next step.

That's one reason why we recommend oms bud men or commission because this is so important, touches everything from roads to street to schools to -- that we need some kind of entity and citizen group or city staff person that's helping oversee the implementation of these to make sure that this task force and that task force, that they're aware of these recommendations and how their recommendations impact families with children. council member martinez? Thanks for all your work and I'm excited about the things I'm hearing in terms of recommendations. Specifically things like the affordable housing component, because if you remember when we were going through this arduous process of revising the pud ordinance, we wanted to give the flexibility for developers to use percentage of space as opposed to number of units because it affects design, it affects the size of the unit, and it would specifically speak to affordable housing for folks with children, for, you know, a family with kids. So I couldn't agree more with you. I think we have to create that flexibility in our policy moving forward that allows for the designs to be more palatable for folks who would like to take advantage of the urban core living and have a family as well. It shouldn't -- we shouldn't create a design standard that limits our ability to where you have to -- you can only be single and live in downtown austin. It shouldn't be that way. I also agree with your -- and appreciate your recommendations on the parks, but I wanted to acknowledge that we did have this conversation a while back, and I believe that our park system has already -- if not implemented, at least shifted their focus towards a pocket park style policy, you know, so that you're

within a certain distance from a green space, and we even talked about taking advantage of some of our city-owned land that's undeveloped, that even if it's just two standard lots, that you could turn it into a tiny little pocket park. And we have some examples of that, and I think we should take advantage of that and continue to work on those goals. The recommendations with AISD, I couldn't agree more. We just shut down Webb Middle School in north central Austin, and to me this was a prime opportunity for us. Maybe we couldn't repurpose the school, but we have -- now we have this huge tract of land, and it's kind of mothballed for now, but we have \$55 million in affordable housing bond money. Maybe we can convert some of the open space that AISD has and create some true affordable housing on this site since it's no longer going to be used as a school and it's not going to be repurposed. These are the kinds of things that we have to work in conjunction with our other entities, like AISD and ACC and we have to work hand in hand as if we're an ecosystem, if you will, of all our policies, of all of the things that we do. So I agree with you and the commission that we need to work closely because I feel there's opportunities there as opposed to lost opportunities, schools shut down, no place for kids to play or go to school in the urban core. The last thing I'll mention is the commission. When you guys discuss creating a family and children commission, did you envision -- or did you discuss what exactly you'd be charged with and what would come before that commission? Because I think -- I support the concept and would love to see this come to fruition, but I'd love to hear more about what exactly would be coming to that commission. Would it be zoning cases or would it simply be policy recommendations based on some of the things in your report.

My understanding is the recommendation is more -- is looking at the city of Austin policy does not review specific zoning cases, zoning changes, but just a commission that can be there looking at different policies that have an impact on families with children and making recommendations on how those policies can be tinkered to make sure that they benefit families with children.

Right. Thank you. Thank you for all your work.

We were just having a little consult here, and Webb Middle School hasn't actually been closed although you're correct it's under discussion. And I would highlight that's one of the reasons we're so pleased that several of you have expressed a strong commitment to working with AISD to sort through those decisions because it really is critical to have that kind of collaborative thinking, and I would say real input from the community stakeholders as well in determining the future of campuses like that. And what -- what really exciting opportunities there are to creating new visions at those places. Well, thank you all very much. We'll now go to agenda item 47, and this is the update on the state -- the national economy and the impact on local government. I see Greg Canale is coming up, unless he brought our city manager up. I see you saw the opportunity to shift the bad news over -- delivered by someone else.

There, I think it is. I thought that we were doing the briefing on Burnet Gateway, but we're happy -- happy isn't quite the right word, really, when you think about the subject matter for this particular briefing. Obviously all of us individually and those of us that operate businesses, work in organizations, I have been paying close attention to what's been occurring. What we thought initially in terms of our own national economy, but we all know now that the set of circumstances in terms of the market has become a global issue, and of course with respect to your city manager and our financial staff we have on a daily

basis been monitoring the developments as they have occurred in the national economy as well as globally, and obviously we are very much concerned and concerned about the potential impact that it has for us as an organization and for our local economy as well. You will recall that over the past several weeks we have provided by way of email, I believe, the council with some updates relative to our monitoring what's been going on in the economy and the national markets. So when we received a request from council to provide a more comprehensive update and you characterized several specific things that you wanted us to cover that was a timely request indeed. Certainly our chief financial officer and others that she works with, our financial advisers, were certainly working in that regard. I had tasked them accordingly. So we're -- we're prepared today to provide you with a fairly comprehensive presentation regarding these matters. As I said before, we're very much concerned with the current state of the economy. If I could get someone to move to the first slide on this presentation, you'll note that we have a number of things that we want to cover with you today, beginning with an overview of the marketplace, and we have bill neumann, our financial adviser, who is going to cover that area, and of course we've got a number of other things that we intend to cover today. We want to look at the impact in terms of our local -- local economy. We're going to talk some about banking and investments and potential impacts and risks. Going to talk some about our pension fund and the status of it in light of the current market circumstances, debt management, of course, is a key part of our financial operation, the means by which we support the various capital programs that we have at the city, and probably the area of most immediate concern, at least from my standpoint, is the impact and/or potential impact in the weeks and months ahead on our current budget. Of course you-all just worked hard with us to adopt a budget, and of course you understand that we bring a budget recommendation to you and you adopt one that entails a variety of different assumptions that we make. Obviously one of the major ones that we make has to do with projected revenue for that upcoming fiscal year. I can tell you that in light of the current set of circumstances many of the assumptions with respect to the current budget that you just approved, we're having to revisit and reevaluate and reassess those assumptions as to their validity in regards to the current set of circumstances, and you're going to hear more about that in the course of this presentation and, in some steps that we intend to take in the relative short-term because of the potential for, you know, shortfalls, and particularly in regard to sales tax revenues. And that's not new news. Of course we began this year with that challenge. When I first arrived and began to serve as city manager we were faced with that in terms of the '08 budget, as you know, and we undertook various cost saving measures to make sure we ended the previous fiscal year living within our means, and of course as we worked to develop the fy '09 budget which you just approved, we continued to have some challenges in terms of inadequate revenue relative to sales tax and was confronted with a 3 million budget gap that we had to close. And so we have already done a lot to streamline the costs associated with the full range of operations, and so the current set of circumstances that we're all confronted with, in terms of the national economy which now has transcended around the globe, will further test our abilities, quite frankly, to live within the assumptions that were recently part of the budget recommendation we made and that you ultimately adopted. So with that you see we have some folks sitting out there in front of you. These are the folks that are going to participate in the presentation that we have to offer today, and I believe we're going to begin with newman providing a financial market overview, and then we'll talk about the other issues as listed on that first slide. Bill?

Thank you, mr. manager. Council, on september the 15th on the border of france and switzerland, the largest partial collider ever made passed its first test. Two beams of pro tons were shot 17 miles towards one another. The controversy that surrounded that was that the scientists feared that that smashing, colliding those atoms may provide a black hole on the earth. Sure enough it showed up on wall street. So I'll assume all of you have seen and read in the paper all the woes that's been going on in the economy and I won't go over all of them. I would tell you that the dow was up at the close at 401 points. Overall down abo 8%, which is the largest since 1987. You see on the first page of this slide there's been substantial world market capital losses. To date there's been on a worldwide basis over \$12 trillion that have been lost. If you look at your 401(k)'s nationwide there's been over 4 trillion worth of losses. That was until the market came back a week ago 900 points and then you're only down 1.2 trlg. 1.2 Trillion. Now you're back down again. I'm not back with good news. owtions failed. 117 Of those institutions are on the watch list. Something is very significant from a private sector standpoint, outstanding commercial paper has -- the volume has dropped by 21%. What that means is that wal-mart and other big institutions have trouble borrowing for short-term operations, short-term capital needs and so forth. Home values nationally have 3% since last year and as of june this year 4% of all outstanding mortgages are delinquent. Those are the worst statistics that have been in place since those indices have been followed, since 1979, basically. Most municipal transactions have been delayed and we'll talk more about that in a minute, until the market stabilizes. Basically a lot of things are on hold. Over on page 2 I think you heard about the demise, if you would, of lehman brothers and bear stearns and uvs getting out of the municipal market. This leaves about two-thirds that would be trading the securities that you would be selling in the marketplace. The first line you see citigroup, mayoral, JPMorgan AND OTHERS. They're the only major wall street banks that are purchasing securities today. Keep in mind that citigroup to date -- this is -- loss 55 billion. 4 in the last quarter so that's up. Merrill lynch lost 52 billion, ubs 44000000000. So a lot of money under the table not just for us but a lot of folks. Long-term fixed ray market has slowed significantly. Last week only 10 transactions were completed, all of which were higher rates. Service transaction that got done today for kansas department of transportation. It was -- kansas dot is a aa -- national aaa transaction, not insured. 20-Year transaction got done at a true interest cost of 6.10%. City of austin sold its bonds in august as you recall at a 4.567% level. So rates are obviously going up. On the variable rate side, variable rate, commercial papers, short-term bonds that may -- short-term obligations that may last anywhere from one day to two to three years. There seems to be a limited bunch of buyers out there for brb d's as we call them, but the short-term market has turned around some in the last few days. You may have read about governor schwarzenegger trying to go to the federal government for \$7 billion in funds. He was initially turned down, and this week he went to the marketplace to offer some notes. Yesterday he offered 5 billion in short-term notes. He said notes again that are less than a year old. Sell them all retail. Retail means to you and i, not to institutions but to -- not normal people but you and I people. I don't know if I'm normal or not. The reception was so good that they went went and offered another 3 to \$4 billion and they think they'll get it. That's the good news is that there's some expectancy out there that you can move out and sell paper in the short-term market. The bad news, if there was bad news associated with that, is that those short-term notes sell at anywhere from 3.7% to 4.25%. A year ago that would have been like 1.25% to 1.5%. So again rates have gone up significantly. Let's move on to the last page, I guess moving forward as we see it. I mentioned that you had already sold your '08 general obligation bonds, got an excellent rate on

those given your good credit and good credit ratings. We'll be working with the city to implement strategies to fund your utility, make sure your cip needs are met and focus on utilities in the variable rate debt program to make sure you move forward. That said we will go into this in more detail later on. I'll pass it back to leslie to talk about local economic issues.

Thanks, bill. You'll recall each year we actually bring john hocking in from texas perspective to talk to us each spring before we kick off our five-year forecast with an economic outlook. We checked in with him this week to see if he had anything new to offer and just wanted to recap some of the thoughts that he had. He did indicate this is his latest information on the employment growth, and of course employment growth and the housing markets typically do have some effect on our sales tax, which is what we really pay attention to most closely for the purposes of the general fund. Employment growth is slowed. He gives us an estimate of 9% for 2008, and that's down just as a refresher from a high of 5.6% in 2006. He does expect the housing market to solve soften. That will probably happen but he doesn't anticipate it will be a significant drop, in other words, not a crash of the housing mark. In terms of home sales in our area for 2008, they are down compared to the last three years, but john also indicated to us that he has not seen a real decline in the home prices. And then just looking forward, the african-american-term outlook, as he calls the near term outlook, this is what he told us last spring, he does expect austin to be impacted by the recession that's occurring but he believes that we're still well positioned relative to cities across the country. He indicated to us it's really too soon to assess the impact of the national financial crisis that's going on currently -- in terms of migration to the austin area that we've been seeing over the last few years, and we left the conversation with him, he still thinks that tourism is going to continue to be a bright spot in austin. He noted the south by southwest and the austin city limits have really become draws to the austin area and people like to visit here. Moving on, we thought we'd like to cover with you some information related to our investment portfolio for the city and our banking relationship. You're probably already aware that texas municipal investing activity is governed by state laws, the texas public investment act, and under that act we cannot invest in the stock market, so we have a very conservative portfolio for the city's operational and debt service funds. I wanted to recap the investment policy objectives for you. We review these with council each year, and we actually review those up front before that with the audit and finance committee, and these are prioritized objectives. First we focus on safety, and that basically means preservation of capital and protection of principal. We then go to liquidity. We want to make sure that we have enough liquid investments in order to be able to meet our daily operating needs. We also focus on diversification of our investments. We don't want to put all of our investments in one particular area so that we don't create any vulnerabilities there, and then we also, lastly, of course, try to maximize our interest earnings. And this is just the yield for the city's investment pool, which is about 1 billion currently, and our yield so far for 2008 is about 4%. Then in terms of our bank balances, we do our banking with the bank of america, who is the largest commercial bank in the nation. In addition to being insured by the fdic up to \$250,000, which they do for public entities, we also have a collateral agreement with the bank of america that supplies us an additional 10 million in additional coverage for our daily cash balances, so that we are always fully collateralized. Pension funds. Pension funds have been in the forefront lately. I just wanted to make an observation here that they are long-term in nature. We do invest in equities in our pension funds, but it is common to measure pension fund performance over a 20 to 30-year horizon. And just a note here. We looked back

at returns over the last 20 years, and we have, on the average, actually exceeded the actuarial assumptions that are used to value the assets each year by the actuaries. I wanted to note that what's going on in the market currently will not reduce the current monthly annuity payments to retiree's or won't change the eligibility criteria, and our pension systems have notices out to that effect to their members. In particular I believe the police system put out a really good comprehensive notice that I forwarded to council this morning looking forward, though, however, of course the current market may and will likely impact our ability to grant future retiree cost of living adjustments. For example, our employees' retirement system has not -- we've not been able to grant an adjustment since 2002, and we do not expect that to change in the near future. And then over time we -- we report on a quarterly basis regarding our pension funds to the audit finance committee. We will continue to do that. We may need to talk in the future about additional city contributions, just to help mitigate what we've seen so far in a -- going forward again over time. Bill -- Bill Niemann just recapped capped on the debt side. I think he covered most of this information in the slide. In November of 2000 voters approved a \$567 million bond package. We are continuing work on that bond program. We last sold -- we sell debt every August to fund the annual program associated with that, and we just did that in August of 2008. We don't have to go back to the market again until 2009, and so our bond program for this year will continue uninterrupted. Looking at the revenue bond side for our utility projects, we have a couple of programs that we use to fund those in addition to cash provided by the utilities. We have a commercial paper program for short-term financing, and as Bill mentioned, we have seen a recent spike in rates, but that seems to have subsided lately. I think he's feeling a little more encouraged about the market, but it is still higher than we've seen in prior years. We were able to place about \$22 million in paper for the water utility this week at a 3% rate. And then we also have a long-term revenue bond program. These are backed by a pledge of revenue for our buyer utility funds or our other enterprise funds, such as the airport, not property taxes, and we issue those when we are either refunding commercial paper or we are simply funding new projects, for example, at the airport. Those can be issued as fixed or variable rate debt. We're primarily focused on fixed rate, but again as Bill indicated, those most municipal transactions are being delayed until the market stabilizes, so we're taking a wait and see approach.

If I could interrupt just briefly. One of the things that Leslie mentioned on that page, this past page, we were able to market almost 22 million bonds for 3%. The good news on that is we went out a week in the past, you could roll them every day and sometimes you could or sometimes you couldn't. But that went out in a week. Shows more confidence in the short-term market, so that's good news for you, good news for the marketplace.

Then just wanted to cover what that means in terms of the utility funds. We have been doing some work with the two CFO's of Austin Energy and Austin Water Utilities. Austin Energy does have sufficient cash on hand to defer issuance in the near term until the market stabilizes. Austin Water Utility will eventually need to go to the markets. They were planning to do that in November, and you can see here for next year they have a CIP planned of about \$265 million. There is short-term capacity under our current commercial paper program to help them sustain their CIP expenditures, and then we'll just been talking as a backup strategy, and I just want to emphasize that this is a backup strategy, that the water utility could potentially borrow some funds from Austin Energy if rates become volatile again or if the tight credit market continues. And if we certainly went down this route we would come back to council and

fully brief you, and again, that is simply a backup strategy at this point. Moving on to the budget, the city manager touched on that in his introductory remarks. I wanted to give you an idea of where we think we're at this year so far, and again it's very preliminary. Property tax revenue, that is expected to stay on target for 2009. We have our tax rate already set. The appraiser has issued the certified tax roll and the estimate for that revenue in the general fund is about \$209 million, so we are on target there. Sales tax revenue, that's budgeted at approximately 160 million, and as we mentioned previously, we did forecast 3% growth. We're seeing close to 2% growth so far this year. Now, we won't get our first payment that actually gets booked in fiscal 2009, until december. So obviously we do have some concerns about weak retail sales. I believe the national numbers just came out this week and they were down about 1%. And then we also saw slower sales tax in august. 9% compared to august of the prior year. So looking forward to the rest of the year, we do want to prepare for the potential of no growth or possibly negative growth in sales tax and we'll be working on that. We'll talk to you a little bit more about our plans on the next slide. Our enterprise funds right now on the variable rate side are incurring some higher interest expense. There is interest in our debt service fund to cover that and then we are working with bill and his group, our financial adviser, to work on strategies to minimize those costs, and we will continue to keep you updated in those areas. In terms of preparing for lower sales tax revenue, we will be developing a menu of reduced spending options for this year, and we really just want to do that in the event that, as I mentioned on the previous slide, we either have flat sales tax collections this year or negative sales tax growth. And in terms of the question that arises, the city manager indicated that of course we've already gone through a cost-cutting measure to get where we are today, so in terms of you know, when the question comes up about impacting the delivery of city services, of course any significant reductions at this point would. Again, we just want to be prepared for these scenarios. We will be working on these plans, and we will be reporting back to council. In other initiatives that are under way, we had actually talked about these as we developed the budget this summer. We are undertaking an initiative to reduce the cost of government services on a long-term basis, not just looking at next year but looking at 2010 and beyond as well, and we'll be kicking that off under the leadership of assistant city manager McDonald. And finally another area that we talked about during budget development for two 2009 is an assessment of our revenue transfer policies. We really started doing that -- it was just a start for 2009, but we plan to continue that in a more comprehensive fashion here during the remainder of this year. Just in terms of next steps and discussion, we will continue to keep you updated on new developments about the market, what we learn about our local economy and then any estimated impact on the city.

Thank you, leslie. Council, that concludes our presentation. As I said in the opening remarks, our approach to the city's finances has been derived out of being conservative. In light of the current set of circumstances, however, i can tell you that we've enhanced our per upset tif in terms of an approach to managing the city's financing, the actions that broader talked about are steps that we are aggressively pursuing the development of and frankly do not intend to necessarily wait in regard to their implementation. I believe that it's more prudent to begin that process in the relative short-term, and if we have the good fortune of seeing the economy and the market recover substantially, we certainly -- we can certainly lessen our hold on the financial reins and proceed accordingly. But for the time being we're going to be very much focused on a conservative financial management philosophy. thank you, city

manager. The mayor and I were on the council, the mayor longer than I was, during the last downturn, and some of the features that we dealt with at that time, and I believe -- I know, Greg, you were here -- and Bill has been with us the whole time. Leslie, you may have been at Capital Metro at the time, but we saw after 9/11 in particular a collapse of sales tax revenues and then just kind of rippled through for a couple of years, outward on sales tax. After 9/11/2001 how soon did we have an indication that we had a big sales tax drop-off?

Looking back just in some of the historical documents right after 9/11 occurred I think we started to see trends and I believe John -- John Stevens put everybody on notice right about February. It took a while for the trend to kind of come into play.

Mccracken: okay. Yeah, because we had a hiring freeze in effect for almost two years after -- after that happened. So it took about five months for it to become clarified that we had a big drop-off in sales tax revenues after that last --

We'll go back and get the exact information, but I do recall that that was the point in time that he sent a very comprehensive letter to council outlining all the steps that they were taking. And the -- another element -- spoke to the job [indiscernible] situation. We've seen local employers cutting jobs. Do we have any -- what is the total job loss that we've seen, I guess, in the metro area, it's probably the statistic we'd have access to. Do we have any preliminary figures?

Mayor pro tem, we need to sit down with John Hopkins and go through some of the specifics in the last couple of months. What Leslie walked you through is for 2008 was an estimate of where we would 9% job growth. Certainly that has tailed off significantly in the last few months. When John -- when John was before you in the spring, job growth at that time was 6% for that month of February. So certainly I think what we're doing, again, we had an opportunity to have a quick conversation with John and as the city manager said we've been in the process of putting together -- looking at more in-depth analysis and part of that process will be looking at John and trying to dig up some of the data points specifically on those factors that impact our sales tax so significantly, the employment sector and then our housing market. And so I know John will be able to get that information to us fairly quickly and with that we'll get it to you.

We also compiled quite a bit of information for -- we speak to the rating agencies once a year, and we do that every August, and we compiled quite a bit of information there. We'll go round that up and get that to you as well and see if we can perhaps update that. There was information related to job growth, housing developments, all kinds of statistics like that. And I think here probably in the fairly near term it would be helpful to brief the council on the steps that we as an organization took between, you know, basically middle of -- early part of 2002 through sometime probably, if I recall, it was like early 2005 or so. I mean, there was a play that we used and we emerged stronger actually financially. We did hiring freezes and did not tap our rainy day fund but we as I recall ended up with a stronger bond rating after that last downturn because we were so fiscally responsible during you know, we lost about a thousand jobs, as I recall, and upwards of \$100 million on a budget of about \$500 million, 525, around that area. But we did a good job as an organization. I think it would be helpful to get the council ready because the play book we used before was successful, and I think we can reassure the public that we have an

experienced financial team and experience with dealing with situations like this. And obviously the big challenge to make this one different is the constriction of the national credit markets, which is a different animal than we saw last time. I trust that will get sorted out. Council, do you have any further questions? Council member leffingwell? yeah, I do think that's what makes us different, is the insecurity in the financial markets, and you talked about -- early on you talked about -- and I'm glad to hear that we're not investing city funds in the stock market, but the question becomes then, what are we investing that money in? I mean, because we're constantly hearing talk about -- you mentioned the 16 banks -- major banks that already failed and 117 were in trouble. Do we have this money in banks? Do we have this money in investment companies, or where?

No, we actually haven't invested -- have it invested in primarily u.s. Securities. About 12% of the total port folio is in u.s. Treasuries, and then we also have the -- a lot of u.s. Agencies. Beyond that we invested in local government pools, investment pools, for example, tech pool, which you've probably heard of. But again, most of our portfolio is in u.s. Treasuries and u.s. Agencies. so you have a high degree of confidence that that money is totally safe, or as safe as it could possibly be.

As safe as it could possibly be, yes. on the sales tax, which seems to be -- we would experience the most impact the soonest from a loss in sales tax revenue, and for this budget cycle, i believe you pointed out we projected a 3% growth rate for the entire year, and obviously we're below that already. We know. So if, for example -- can you off the top of your head -- can you tell me if the growth rate dropped from 3% to zero, what would be the dollar amount impact on the general fund, approximately?

It would be somewhere between 4 and \$5 million. so that's something potentially that could be easily handled by the budget stabilization fund, for example?

We could attempt to do that on a temporary basis, but really, the budget stabilization fund is -- it is designed to stabilize the budget, but it's not designed to use for ongoing cost, and we also use that fund to fund our capital needs, for example, our police vehicles, our replacement fire vehicles, that type -- that type of thing. So we would really look to other areas to the extent possible. We have a couple of other reserve funds that are even more restricted. For example, those actually require that you have a plan to pay that back within one year if you tap into those funds. So again, that would be our last resort, but of course we do have those funds to back it up. we have that capability if we really need it.

Yes. and I agree with your assessment, that that should be a last resort. We should obviously look for savings in other areas before we went to that. And kind of caught my ear that you mentioned the fact that the water utility, if it proved to be advantageous instead of issuing revenue bonds next year to fund the cip projects, and I know that some of those are time-sensitive, for example, the clean water program, because we're subject to to fines if we don't complete that on a timely basis, that you could potentially go to austin energy to borrow that money and, you know, I'm aware that they have a substantial amount of cash on hand. Would that potentially have an effect on the bond rating of the utility or the water -- the energy utility or the water utility or both? Because I know having been on one of these bond trips neumann, that this is one thing the rating agencies are very concerned about, is the

interaction between the various city-owned enterprise funds.

Just a couple of thoughts and then bill can make some some comments there. Again, we would only do that as a very -- you know, a backup strategy. The water utility would need to pay the electric utility an arm's length rate of return for that transaction. It would need to be carefully thought out, well vetted with the law department and there would need to be a repayment plan. And also it would be discussed with the rating agency as well. Bill, would you like to add anything?

Yes. That has been done in the past, when -- the city currently has a \$350 million commercial paper program, which has an agreement and a side agreement, if you would, water and wastewater is 200 million of that and electric is 150. There have been times in the past when water and wastewater has pushed the limit and the market wasn't good and they went ahead and pushed into the electric side and absorbed some of their commercial paper authorization, and then paid it back when they sold long-term debt. In this instance leslie and I have had conversations with electric -- water and electric, whichever is the best for the utilities, if, in fact, the electric utility wants to give water and wastewater cash and could be reimbursed at a cheaper level of selling cip we'll do that. But it's perfectly legal and the rating agencies will have no harm with that or no harm with us as long as we have a plan to pay it back. and effect on the bond ratings?

None.

Leffingwell: none? One last thing, on the transfers you spoke to reassessing the transfers, the general fund from the -- both the utilities. What form would that -- do you have any specific goals in mind or any specific things that you've been asking about?

No. At this point we don't, and we're really talking about all transfers that we make out of the general fund, which we would begin that -- began that process this summer. But, you know, we didn't look at it in a -- we didn't have time to look at it in a totally comprehensive fashion this summer and we had just planned to do some additional work as we go forward into this year.

Leffingwell: okay. And just a final observation, and this is no reflection on hockeynose, but of course we had this briefing in the summer and nobody saw this coming. It reminds me of president truman's statement, he was always looking for a one armed economist, because the economist was saying on the wonder hand this is what will happen and on the other hand this is what will happen. [Laughter]

if I could offer a final comment, maybe pro tem.

Mccracken: yeah.

I'm sorry, both of you have brought up good points about this in that you recall earlier in this year, one of the rating agencies took austin to a aaa on its yield bonds. I talked to one of the other rating agencies that had us at aa and I said, hey, what's wrong with you? And they said, well, we were surprised that the other took you to aaa. We thought that was really gutsy. And so I called the agency that gave us the aaa

and said here's what I'm hearing. They said, well, the reason you got the aaa, you've been through this before. You've done this before. You've done this a couple of times, back in the '80s and later on. So you've had the experience. Your city manager mentioned he had already thought about implements plans. They expect you to take action in addition to hitting the bottom. In addition often its economy has always fared better than other cities in the state and around the country. So those are big pluses for you going into this. I think that's a good point because if you look at the context of what happened after 9/11, we were actually one of the epic centers nationally of job decline because there was a economy crash in 2000, 2001, so as opposed to now when we are doing best of the rest of the country in 2000, 2001, 2002, we are one of the cities and the nation that were hit the hardest by job loss. So we had sales tax, national economy and then we had a worse than average impact locally. So while the situation nationally is pretty tough, we entered that in a better position from our experience in the fact that we're better off than the country as opposed to the last time. Council member cole? I had a couple questions. I wasn't here last time, so I'm still a little nervous. But I appreciate all the information that you brought before us, and I just want to make sure that I've got it down. We have three sources of our property taxes, our sales taxes and our revenue transfers. Now, I understand you to be saying that property taxes are relatively secure because home sales are relatively stable and home are relatively stable. Is that right?

Also the fact that the tax rate has already been set and the certified tax rolls for the current year have been issued by the central appraisal district. So for 2009 we don't expect property tax to vary significantly.

And when we talk about sales taxes, and I think that we are living in one of the best places we can live and we can feel real confident about where we have to go into the future, but when we talk about sales taxes, I believe that we had budgeted at 3% rate of return and we're looking at about 2%. So what does that mean in terms of what you're seeing from other cities around texas? I think you've given us some information on that.

Well -- and I can't remember the exact percentages, but in august, just comparing -- and this is the latest information that we have -- in august, just comparing this august to last august, all of the major texas cities saw a decline compared to the previous month except for fort worth. They actually showed an increase. And again, we'll get that information out to you. I can't remember the exact percentages, but each of the major cities did show a decrease.

Going to bring the money down from fort worth to austin? [Laughter] now let me focus on transfers since that is the subject of some of the conversation, austin energy and our water utility. I understand you to be saying that in terms of the debt that must be issued to operate those facilities, it may be more costly in this market. Is that right?

Yes, that's what we're hearing from bill's crystal ball to the extent that he has that. and so whereas last year we might have been paying 1 to 2%, this year we can look at 3.5 to 4%. Would that --

last year in august of this past year we sold a general obligation bond issue that was 20 years long. The

true interest cost was 4.56%. A very similar credit sold yesterday in the marketplace, aaa permanent school fund backed deal that its 20-year maturity has a 6.125 level. We don't know when that will settle down, but right now interest rates are higher, yes, ma'am. The good news is you don't have to sell any general obligation bonds till next august. so when you talk about a jump of that magnitude, what kind of dollar figure are we talking about in terms of cost? Do you have any estimates on that? Because I think we need to know if we try to plan and even look at what we did last time, that we're -- in this credit crunch we might be anticipating dollars that we hadn't -- and maybe that's something you need to get back to us on, but in terms -- it looks like at least this time around in the current credit crunch the vulnerability that we maybe have has to do with the cost of debt and we need to be properly prepared for that to the extent we can.

That's an excellent point, council member cole, and leslie mentioned earlier that we had spoken about talking about strategies and what we would do going forward. One of the for-instances i would give you there is in the event we could not issue long-term debt at all, what would we do? What do we do to minimize our interest cost? Our first thought would be we'd try to stay in the short-term market as long as we could. We could do the transfer between funds that we've talked about here between electric and water and ways --

slow down one second because I want to make sure I understand it and I want to make sure we're giving a good explanation to the public. When you talk about staying in the short-term market, what do you mean?

I'm sorry. Short-term market being a commercial paper market which the amortization period for that is 1 day to 270 days. Short-term market. Variable rate [indiscernible] band or a ban, bond anticipation note, can go one year to three years. So staying in the short-term market basically means staying under five years on your debt. The advantage to that is normal, short-term debt is much lower than long-term debt. Obviously the further you go out the more risk there is, the more you have to pay. For instance today leslie mentioned that you have a 3% rate on a seven-day piece of commercial paper, which is great, where you just set -- were you to sell that 20-year bond you'd have 6 and a quarter. Our strategy going back to what I initially said about the stay in the short-term market would be, if it's impossible or prohibitive to enter the long-term market because rates are not good, there's not buyers out there, costs are too high. Our strategy would be to -- after we borrowed what we could within, we'd go out and issue ban's or more commercial paper, probably a ban, another short-term investment, maybe 3 to 4, 5%, but it beats that 6%, and it's shorter and you'd be able to roll out of it in a given period of time. so I guess the important takeaway is that our -- the base items that we look to, property tax, sales tax and transfer revenues, are relatively stable. There's no reason that you guys are making any recommendations that we do any changes in anything that we budgeted in the current year budget right now.

If I might, I'm absolutely not saying that with respect to the current operating budget. I am very much concerned with what may happen to sales tax, and I mean, we -- you know, we already know and understand the impact that that can have on our ability, you know, to support our operating budget. So I don't -- I don't want to leave this conversation without you knowing that your city manager is very concerned with that, given the current status of, you know, the market, both nationally and locally. I

believe we could see some significant impact on that. I think you heard our cfo say perhaps even flat, perhaps even negative. And so the strategies that we're developing, we're developing them with that in mind, that we could be looking at -- we could be looking at flat or no growth, negative growth, in terms of sales tax. so that's -- i mean, that's -- that's the information I want to hear. If sales tax revenues have gotten to a point where you've got to revisit your analysis and may very well be bringing us projections based on some actually going negative, then we need to be prepared to hear that.

And so we're developing those strategies now. We're not waiting for it to happen. We're preparing now.

Cole: okay.

A menu of potential reductions and really start working on those now so they can be carefully, you know, well thought out and well planned at this point. and I guess the only thing I would add to that is that make sure we also look at our debt strategy because we realize we're --

and we're doing that as we speak.

Okay.

If I could answer your earlier question, excuse me, about the costs if we issued 5, it would be about \$100,000 a year, which since you have debt service fund balances already in place, that \$100,000 would amount to little to nothing. mayor pro tem? you-all raised this point earlier about a situation where the water utility might look to get cash from austin energy but at a point -- and I guess it gets to the point of what would happen if we could pay back the debt and we chose not to on that water utility debt. And let's say we had a situation where the water utility, you know, had -- had bond debt and we had the ability to get the money from austin energy but we just elected not to honor that bond payment and instead didn't make a payment. What would be the impact on bond rating and ability to issue new debt in the markets.

Actually -- speaks to it, from my standpoint there's no such thing as not paying a debt obligation. That's probably the worst you know, when you go out there I mean, in just about every case we're talking about pledging the full faith and credit of this municipal , the city of austin. And so I would tell you under no circumstances would we want to do that. Perhaps one of my experts out here --

I would second that motion.

Pardon me? You would second that response? Okay.

Mayor pro tem, I would offer that you have some old bond issues, this is a lengthy explanation and I'm sorry. You have old bond issues we've cut the lean off, have a payment from a water sewer and electric utility. New boppedz issues have a payment from water and wastewater or the electric utility. So as the manager said, you kind of -- you kind of robbed one -- if you don't pay them back the rating agencies will look at that as one supplementing the other, just as you currently have policies in place where you won't

transfer more than 1% from the electric and whatever it is from the water and wastewater utility. That's there for a reason. That cutoff is there for a reason. It's to ensure that you don't unduly supplement or augment those revenues from another place that you shouldn't, and you'd probably be harmed on your rating if you didn't pay it back. and if you don't -- I saw strong language from the city manager, from our chief financial officer, the negative fiscal impacts to the city and probably our ability to go get that financing. So as a practical -- what would be the impact to rate payers and taxpayers if we had the ability to pay become on an agreement but we elected not to do it. What would be the impact? Give me a one paragraph, what happens to you if you don't live up to an agreement that you have the fiscal ability to pay back?

You don't have a written agreement that says that you have to do that? let's say you do have. Like these bond covenants for the water utility.

If you had a written agreement, for instance, I'll go back to the south texas nuclear project. When you were building that project you didn't have bonds outstanding, you were making payments, issuing bonds and making payments under a construction contract. In the event that you did not make those payments that is the same as breaching your contract and we said clearly, they'll downgrade you for not paying your obligations. It's simple. In turn there would be a little softer policy but you would be viewed negatively and I would be surprised if you weren't downgraded or put on a negative credit watch as a result of it.

I you these things because the voters in about 19 days will have an opportunity to see if they want to visit this [indiscernible] with proposition 2. And we have heard today that the heart of the financial problem we have right now actually is the problem with the federal -- the national credit markets, and you-all didn't know what I was getting at and you acted like I was completely insane for raising the prospect of not paying back our water [indiscernible]. I was like, man, did he get some bad medication this morning? Is he wildly irresponsible not to pay back debt when you can do it. I saw the look in your eyes and I want to raise that because we are being asked as a community here in just about three weeks whether we want to unleash these negative consequences that you told me were just wildly irresponsible and insane to do and we're being asked to voluntarily, whether we want to do it. So I'm guessing that the recommendation from our financial advisers would be be don't back out of your financial obligations, if you can pay you'd better do it because if you don't there's sers fiscal consequences for violating and the reputation of the city. Without commenting on proposition 2, that's what i read from your analysis of failure to live up to the financial agreements, right?

You should always live up to your financial agreements.

Mccracken: all right. Thanks. further comments, questions of our staff? Council member morrison? I just need to make a comment on the last comment that was made, and that was that I believe that that's actually a legal question that I had submitted to the -- our city attorney and recently got a response back in terms of if we have -- as opposed to a bond, it's an agreement that says subject to future appropriations. So I just want to point out that while we're here to talk about this, I want to keep that -- try to keep that conversation separate. niemmann talked about we had an example of a previous, where

we had a contract and not a bond and that we had suffered significant financial harm by failing to make payments under the agreement. But I think it speaks to the fiscal risk of rolling the dice. I wanted to ask a general question about getting into prop 2. [Laughter] because these -- this prosecutor, trial lawyers, you lay the predicate that the predicate is what it is, right? It's a choice of do we want to back out of an agreement no matter the fiscal risks to the people, the taxpayers, and rate payers of austin. I think we've seen that if you default on an agreement when you have the ability to pay, whether it's a contract or bond, this city's history shows that there are -- and actually experience shows there are negative fiscal consequences to the rate payers, taxpayers. further questions of staff, comments? Council member martinez? I just want to speak briefly to -- first of all, thank you for the presentation, for the information. I wanted to talk a little bit about current budget policies and practices leading into this planning for potentially what might happen. And what I'm referring to specifically is in our general fund I believe we have a budget policy that stipulates that if there are any reserves at the end of the year, it goes into our budget stabilization reserve fund. We adopted an agenda item earlier today that appeared to be -- and it was from the austin convention visitors bureau, not the general fund, but it appeared to be a surplus balance at the end of fiscal year '08, and it allocated that surplus to items for this year. And I wanted to know -- i guess -- the general question is why there are different budget policies for the enterprise department and it would seem like we would have been told that there was a surplus in austin convention and visitors bureau budget at the end of '08 that maybe this council would have directed somewhere else.

The -- in most of the funds the -- if they -- it generates a surplus, for example, during the year, it falls to the ending balance and then it's available for appropriation the following year, or in the event that that enterprise fund or other fund is not needed, then it just simply carries forward year after year. Several years ago, and this was prior to my time, we actually did do the same thing in the general fund. We accumulated an ending balance, I believe in 2005 we eliminated that practice. And at the end of the year if we have a surplus in the general fund, which we usually work towards, we actually just sweep that into the budget stabilization reserve and then that is available for capital expenditures, primarily, or other expenditures from time to time that might be necessary. We do try to avoid spending that for ongoing costs, but again, that's our current policy. It was set up several years ago, and that's been our approach.

Our enterprise departments may have a different budget policy than what we have for our general fund?

Yes. and the reason for that is why?

I think it was kind of several fold. We had several different reserve funds. Firstly we have our emergency reserve fund, that is hard and fixed at \$40 million, and it is one of the funds that has to be repaid within a year. If you dip into that fund for primarily emergency purposes. We also have a contingency fund that is similar to that nature, but it can be used for other purposes besides simply financial disaster and emergency, but it's got the one-year repayment as well. And then in the budget stabilization reserve, this was a policy set up by our previous chief financial officer. Everything that is excess from the general fund falls into that fund and accumulates over time, and we're allowed to spend one-third of that in any given year for capital replacement or other needs that we may -- that we see fit, and we try to leave that

other reserve -- that other two-thirds on reserve for unforeseen things that might occur from time to time. Eventually with the goal of continuing to replenish that. It's similar to an ending fund balance approach. It provides pretty much the same thing. You can dip into that, and we have from time to time, to appropriate the next year for unforeseen needs. It's not intended to prevent that. what is the current balance of our budget, our --

our reserve fund total? Right now it's forecast at the end of 2009 to be \$21 million, and that's after we use some of that for capital needs. and so I guess one of the things I'd like to have the conversation about, the budget policies we have for each different department, and if they are different, for me personally I'd like to at least get a better understanding of why they're different and how this council can be more informed about those different departments ending with a surplus balance that may be allocated by staff as opposed to the council in a subsequent year, if there is a surplus, kind of like what happened this morning.

The convention center is very straightforward. Austin energy has a number of reserves. For example, what we might offer to you is coming back at one of the future audit and finance committee meetings and giving kind of a comprehensive report on all the reserve fund policies across the city.

Martinez: great. And secondly, I responded to your email last week when you gave us an update on the sales tax for this month, and for the year to this point. It looks like we will probably stay fairly close to target. Today's report says about 9% growth rate through this year. I think our projections were 2%.

2%, Yeah.

Martinez: right. But I also recall during the budget process that we significantly increased the funds for fuel cost this year, and what we've seen since we adopted the budget, that the price of crude per barrel is more than 50% less than it was, or close to 50% less than it was when we adopted the budget, and in some cases I remember us approving 50% more in revenue this year for fuel costs, because we thought it was either going to stay at that rate or continue to increase. I would like for us to -- i would like for council to have the opportunity to have ongoing information as to what actually is being spent out of our budget on an ongoing basis so that if this council wants to make a budget amendment at midyear, third quarter or fourth quarter, we know what potentially we have on hand to do that with, because if we don't have that information, then we can't have policy discussions as to possibly amending the budget, and therefore at the end of the year if we end up with a surplus per our budget policy it automatically goes into the stabilization fund, which i completely support and i understand why we have that policy, but I think this council should have the opportunity to have that information throughout the year readily available so that if we wanted to amend the budget, if there was a surplus, I'm not saying there's going to be, but if there was, maybe we could reopen the libraries as opposed to keeping them closed for the rest of this year or maybe we could dedicate more money to road maintenance, things of that nature.

We are also on at least a monthly or quarterly basis reporting to the audit finance committee on performance -- you know, basically all of our major city funds, and we really focus primarily on the general fund, the water utility and austin energy, but we can add some other topics from time to time

that would -- that would seem relevant. On the fuel side, the way we approach budgeting for fuel is each year during the budget we actually set a fixed cost so that departments can have certainty of what their fuel cost will be. The fleet services division then manages that, and for example, during the previous year we had actually -- we were actually charging departments a lower amount than fuel was actually costing us, so they did accumulate a deficit in that fund. Now that we're kind of starting to move in the opposite direction, ap hopefully that stays -- or that stabilizes, then we'll be able to recover some of that deficit, but we'll keep you fully informed on the fuel situation.

Martinez: thanks. further questions, comments? Thank you all very much. Council, I apologize for stepping off the dais for a few minutes. I believe that still leaves us with our briefing on the north burnet gateway or nbg zoning district.

Thank you, mayor and council. My name is molly scar broke brewer. I'm brow. And project manager for the north burnet/gateway plan and now the north burnet/gateway zoning district. This afternoon we will be holding a public hearing on two cases relating to the north burnet/gateway zoning. The first being a code amendment to create the north burnet/gateway base zoning district. This is a new zoning district, and establish associated use and site development regulations as specified in the north burnet/gateway regulating plan. molly, what item on our agenda?

I'm sorry, agenda item 61, and then the following case is the rezoning of tracts in the north burnet gateways planning area, and that's agenda item no. 62.

Mayor wynn: great. Thank you.

And so continuing with the code amendments, part of the code amendment is also repealing north burnet/gateway overlay district regulations that were put in place on an interim basis when we adopted the plan last year, amending subchapter e design standards to exempt the north burnet/gateway zoning district from its regulations, and to approve a collector street plan for the north burnet/gateway neighborhood planning area. And so that's what I'll be going over with you today. Because the proposed code amendment and rezoning is a response to council direction that was given when the north burnet/gateway neighborhood plan was adopted last year, I thought I'd just take a few minutes to describe the plan and provide context for the proposed zoning changes. You see here an aerial of the north burnet/gateway planning area. The city began the planning process actually back in 2002 as a city staff-led planning process, but we quickly realized that this neighborhood planning area was quite a bit different than our others and that there are no single-family residences, no single-family zoning within the planning area. It's primarily commercial and warehouse uses currently. The boundaries of the planning area are highway 183 on the south, metric boulevard on the east, walnut creek forms the northern boundary, sort of near where duval hits mopac. Then down mopac to braker back over to highway 183. Includes the ut pickle campus, the domain gateway shopping center and acc north ridge campus, to give you some landmarks in the area. and molly, how many square miles approximately is that?

It's about 2300 acres, and square miles, I would say about -- 600 and 40 acres per square mile, right?

Right.

Mayor wynn: so.

Do the math.

Mayor wynn: 4 1/2?

That sounds about right. It's larger than downtown, the state office complex and ut combined. So it is a large planning area. And so again, because this area is quite different, it also -- also what makes it unique is there are two rail lines running through the area. If you can see on that map, there are purple lines running north/south. The ones to the east is the commuter rail line which begins service early next year. The yellow star on the map is where the capital metro rail station will be in the planning area. We also have the up rail line, which some are looking at a potential austin/san antonio rail connection. This is one of only three areas in the city where these two rail lines come in close proximity of each other, the other downtown and then a little further north of the robinson ranch area. Because of the unique aspects of this, the city decided to hire consultants to begin an integrated land use transportation and urban design master plan for this neighborhood planning area. The master plan was adopted by council last year, november 1 of 2007. It presents a bold vision for growth and transformation in this area. It encourages redevelopment of the existing low density and auto oriented uses currently there into a high density mixed use urban neighborhood. One of its focuses is to create a development environment that is supported by transit as well as the combination -- much better accommodations for pedestrians, cyclists, and again creating the sort of urban neighborhood experience. The master plan provides a framework for the proposed zoning and regulations that we're bringing forward to you today. Specifically land use and zoning recommendations out of the plan suggest creating new zoning -- or new zoning with an urban designed focus and also creating a public benefit to the density. What you're seeing here is the subdistrict map from the master plan used as a model for the zoning regulation. One of the reasons I'm bringing this up here is i feel it's important to note that the general land uses and densities proposed in the zoning regulations that we're bringing forward today were established in the master plan, and those heights and densities were based on traffic analysis and assumptions regarding future street connectivity and other aspects of the plan in general. So in the proposed regulations I'll describe various mechanisms that we're undertaking to ensure the necessary street connectivity needed to support the density that we're supporting in the regulations. This is a map of the future land use map as part of the neighborhood plan, just pointing out that the proposed soaj is in conformance with the future land use map of that neighborhood. So getting into the zoning, this map shows the neighborhood planning areas, the shaded areas are the areas that we're proposing for rezoning to the new north burnet/gateway zoning district. Just a quick explanation on the blank areas and the holes. Furthest to the west, or the left of the map, is the ut western track that is owned by ut currently zoned p public. Ut at this time has no plans for private development of that site, so we're not proposing rezoning it at this time. The square immediately to the right is the ut pickle campus, similarly, ut owned and intended for ut purposes. North of there is the domain track, which underwent a highly negotiated pda agreement, and

is in a multi-year development process, so we felt that switching the development rules midstream on them would provide more difficulty than it would -- than it would uniformly, I suppose. And then finally, the sort of triangular piece on the bottom is the city of Austin North Service Center. I'm going to pull up the next part of that slide, which shows the city of Austin properties in the North Burnet/Gateway planning area. Just -- furthest to the north, that sort of squiggly area, is owned by P&D. It's in the Walnut Creek area, and it is recreational and property is owned by P&D. We are not proposing rezoning those properties at this time. And furthest to the south, that small rectangular area, are two properties. It's an existing detention pond and an Austin Energy substation. They are -- we are proposing rezoning it simply for consistency sake. It is in a commercial-mixed use -- I'm sorry, commercial industrial subdistrict of this planning area, and so those uses would continue to be allowed under the new zoning. So for consistency's sake, we're proposing rezoning it. Now, the two areas of interest are the Kramer Lane Service Center highlighted there and the North Service Center. Both of these properties in the master plan were identified for potential future redevelopment. We are not at this time bringing forward a proposal to redevelop those properties. However, in the rezoning we are proposing to rezone the Kramer Lane Service Center but not the North Service Center, and I just want to take a minute to sort of explain why. The Kramer Lane Service Center, if you can see there, is immediately north of the Web Star, which is the Capital Metro commuter rail station. We feel that this property would be most -- of most interest in fulfilling the goals of the plan for redevelopment of that site in the future, and so we're proposing rezoning that site to accommodate that potential redevelopment in the future. The North Service Center is currently vacant property and currently zoned LI. There's been some suggestion that to provide flexibility and redeveloping the Kramer Lane Service Center, that we remain -- we keep the North Service Center as LI zoning so that we could potentially temporarily move some of the services from Kramer Lane to the North Service Center if needed as an ability to redevelop the Kramer Lane Service Center. So it's just kind of hedging our bets, if you will. It is important to note, you know, in discussion with many departments in this area that before the city jumps into the potential for redeveloping the Kramer Lane Service Center, it is important to note that there are costs associated with moving the existing operations on that site. But again, at this time we're talking about zoning and not redevelopment yet. The standards for the North Burnet/Gateway vending districts are contained in the North Burnet/Gateway regulating plan. It combines zoning and design standards into one document. It's set up in a similar format to the citywide design standards and many of the same concepts are carried over from the design standards. But they are established in a more refined manner and very area specific, based on the master plan goals and guidelines. The regulating plan is a design-based zoning code. The way it's set up, the applicability of a particular standard is based on three things. One is the North Burnet/Gateway roadway type, which is the map that you're seeing here. The North Burnet/Gateway subdistricts that a property located in, and the type of development proposed. So it's important for a property owner or developer to know these three things to determine how a standard would apply to a particular project. On this map note the red lines indicate the core transit corridors. The orange pedestrian priority collectors, the blue, urban roadways, and the yellow highways. Each of these have specific standards. The goal is to create a cohesive development pattern along streets, so sidewalks, street scape and building placement standards are all based on roadway type. The North Burnet/Gateway zoning district is broken up into several subdistricts, land use and general development standards are based on the subdistrict in which a property is located. It's loosely based on master plan,

with some alterations, mainly because at the time the master plan was adopted capital metro had not yet determined where their station location was going, and so we weren't able to specifically identify where the tod, the transit oriented development subdistrict would go. These regulations, now that the -- now that the station has been -- location has been identified, we have established where that tod subdistrict would fall. Just to briefly orient you, the transit development subdistrict is the highest density subdistrict with the highest integration with transit and the transit station in particular. That's in that pink - sort of hot pink zone. The commercial-mixed use is commercial and residential with very urban development pattern in mind. That's more blue subdistrict. The green subdistrict is the neighborhood mixed use, which is intended to be mid-rise, mostly residential with some commercial retail as well. The yellow in the upper right, northeast quadrant is the lowest density, primarily residential area in the north burn et gateway area, but lowest density for north burnet is much higher density than other areas. It's still mostly multifamily. It's envisioned some townhomes, but again no typical -- thank you -- no typical single-family development is permitted in that subdistrict. Townhome, level density and above is permitted. The lighter blue is warehouse mixed use. This is really intended as a transition area where warehouse uses are continued to be allowed. But residential is also allowed, with division of live/work spaces, artist studios and that sort of thing in that subdistrict. And then finally in the lower right corner, the southeast corner, beige area, is commercial industrial, which is primarily light industrial focused. No residential would be allowed in that area. Next I'm just going to highlight provisions that are new or unique to the north burnet/gateway zoning and how they implement the overarching goals of the the master plan overarching goal is rely to transform the aging auto oriented commercial industrial uses in this area into a much livelier mixed use neighborhood that is more pedestrian and transit friendly and most importantly can accommodate a significant number of new rtsz. Residents. We all know austin is growing quickly and we feel and council adopted a plan, this is an area to put new growth and residential development. The regulating plan therefore identifies permanent commercial -- conditional and prohibited land uses for each subdistrict, and permits high density residential in the majority of the plan area. It also includes other general standards typically included in zoning regulation. Including minimum lot size, lot width, setbacks, et cetera. Unique to the gateway area, it will establish both maximum height and maximum far by right and maximum height and maximum far with a development bonus. Again, the density bonus was an idea that was put forth in the master plan that we're carrying forward now. For each property the maximum height and maximum far by right was established by their existing zoning entitlements. The maximum far with the development bonus is determined by subdistrict and was established in the master plan. As you can see here, we are talking about significant potential increase in heights and densities with the tod subdistricts allowing each one far in a portion of it and 5 to 1 far in another portion, up to 360 feet in height. There's no other area in the city outside of the cbd that allows this kind of height and density. And then as you can see here in other subdistricts, allowing up to 3 to 1 far and 180 feet in height in the commercial-mixed use subdistricts, and up to 120 feet in both the neighborhood mixed use and warehouse mixed use areas. The sort of lowest permitted heights and densities are in the neighborhood residential, which is up to 60 feet and 2 to 1 far. Part of the idea behind that is that that is the area that's closest to adjacent single-family outside of the planning area. That is the only place in the north burnet/gateway planning area that comes close to residential immediately next to it on the other side of braker -- I'm sorry, on the other side of metric. [One moment,

please, for]

we felt it was important to coordinate with that effort as they developed, sort of processes and procedures and structures for a density bonus. And so we've modeled our interim development bonus standards after the interim downtown development bonus. Once the new development -- downtown development bonus framework is established, Sidents. We all know austin is growing quickly and we feel and council adopted a plan, this is an area to put new growth and residential development. The regulating plan therefore identifies permanent commercial -- conditional and prohibited land uses for each subdistrict, and permits high density residential in the majority of the plan area. It also includes other general standards typically included in zoning regulation. Including minimum lot size, lot width, setbacks, et cetera. Unique to the gateway area, it will establish both maximum height and maximum far by right and maximum height and maximum far with a development bonus. Again, the density bonus was an idea that was put forth in the master plan that we're carrying forward now. For each property the maximum height and maximum far by right was established by their existing zoning entitlements. The maximum far with the development bonus is determined by subdistrict and was established in the master plan. As you can see here, we are talking about significant potential increase in heights and densities with the tod subdistricts allowing each one far in a portion of it and 5 to 1 far in another portion, up to 360 feet in height. There's no other area in the city outside of the cbd that allows this kind of height and density. And then as you can see here in other subdistricts, allowing up to 3 to 1 far and 180 feet in height in the commercial-mixed use subdistricts, and up to 120 feet in both the neighborhood mixed use and warehouse mixed use areas. The sort of lowest permitted heights and densities are in the neighborhood residential, which is up to 60 feet and 2 to 1 far. Part of the idea behind that is that that is the area that's closest to adjacent single-family outside of the planning area. That is the only place in the north burnet/gateway planning area that comes close to residential immediately next to it on the other side of braker -- I'm sorry, on the other side of metric. [One moment, please, for]

we felt it was important to coordinate with that effort as they developed, sort of processes and procedures and structures for a density bonus. And so we've modeled our interim development bonus standards after the interim downtown development bonus. Once the new development -- downtown development bonus framework is established, we'll develop a more comprehensive development bonus system for the north burnet gateway area as well just to fill the public benefit objectives outlined in the master plan. Under the development bonus system it allows development to exee the maximum height by right established again by the current zoning entitlements and maximum height with development bonus limitations for each subdistricts. And in order to get that development bonus, there are three methods that a property owner could choose from. The first being affordable housing. 80% Mfi to 99 years for owner-occupied yiewnt and 60% mfi for 40 years no rental unit. There's also an option for a fee in lieu payment proposed at six per square foot of bonus area. This is in line with the ordinance recently adopted ordinance of six dollars per square foot. And that money would froa into housing assistance fund and a community benefits funt. The third option really is only available to very specific properties, small properties would be eligible where specific collector street connections are priority. I'm going to go into that in a little more detail in a minute. But that would allow -- if the smaller specific properties constructed new collector streets, then they could be granted a development bonus up to the and maximum height allowed in that subdistrict. In includes a number of design standards, stoim the city

design standards, but were based on the north gateway master plan. Again, one of the north burnet gateway plan goals is to increase mobility within the planning area and to improve connectivity, particularly emphasizing more sustainable methods of transportation, including transit, pedestrians and cyclists. It's really focusing on changing the transportation paradigm in the area. The area is currently well served by existing highways and arterials, but the biggest challenge in the area is connectivity. Because the area was built out as a commercial and industrial area, there are large -- properties form large blocks between arterials and so getting from one place to another is very difficult. Have you to go long spans and drive currently. So breaking up the sites and the connectivity and smaller block sites is very important as we increase density in the area. So the north burnet gateway regulating plan include connectivity stz. It includes project circulation plan for all projects. We encourage developers to come in early in the permit process to establish si with the circulation requirements of the regulation plans. It requires -- it has maximum block size requirements similar to the citywide design standards. And -- which requires larger sites, sites five acres or more to break up their site with streets into smaller internal blocks. New streets in the north burnet gateway zoning district would be required to follow urban street cross-sections that are established in the appendix of the regulating plan. The collector streets options for these urban street networks include bike lanes and bike paths. In order to allow the increased density by the new zoning and to follow the traffic analysis that was done for the master, we need to create a better network of streets for traffic -- in order for traffic to function properly in this area as it builds out. And as such we've created the north burnet gateway collector plan o this map you will see the purple streets are existing streets and the orange dotted and green dotted streets are proposed new collector streets that would be built as new development redevelops in the area. We would require right-of-way dedication as redevelopment occurs for these collector streets. Again, many of the areas and collector streets would be required already to break up their sites with street due to the block size requirements. What we're proposing is as they break up their sites into these blocks that one of the streets used to break up the becomes the collector street in this area. There are a few cases when parcels are smaller and they may not be required build a street. In those cases we've provided the density bonus as an incentive to build -- to get the street actually built. The plan goal is to have the surrounding conducts. The model is a more exact form of development. Because much of the area is already built ovrks the master plan and the regulating plan focuses on protecting the few creeks and tributaries that are remaining and creating public gathering open spaces. You the regulating plan has a private open space requirement similar to the citywide design standards. It requires sites two to 20 acres to provide two percent of their net site area. It has private common open space and sites that are 20 acres or larger are required to provide five percent of their net site area. Similarly for public open space, residential projects that are left -- less than 20 acres in size would be required to dedicate parkland or pay a fee and residential projects 20 acres or larger would be required to actually provide some of the public parkland space on site up to -- as a minimum of five percent of their net site area. Regarding storm water management, there are set back requirements from the few remaining streams and tributaries in the area. In the urban watersheds, it's 75% of the water quality volume is treated using green infrastructure. There's an incentive in that staff may allow the remaining 25% to be fulfilled fee in lieu. So that's an incentive to do using green infrastructure, innovative water quality control techniques. The regulating plan also requires one star rating for all new redevelopment projects. One star rating under the austin energy rebuilding program. This map shows a tract map, and for agenda items 61 and

62 you will have a copy of the tract map and the tract table where we're proposing rezoning in the shaded areas. The planning commission voted instancely on september 9th to remember the north burnet gateway code amendment and rezoning. They also had several specific is recommended amendments to the regulating plans. The first two are in regards ting by right entitlements on two specific tracts of land. And again those by rights were established by the existing zoning. There were two tracts where they changed their zoning during the planning process specifically to accommodate certain projects. Those projects have since fallen through and now they want to sort of return their by rate entitlements to what they're zone was previously. So in one case they previously had cf zoning. They change it had to mf-4, which was in alignment with the master plan and getting new residential area, but that project fell through and so now their by right entitlements are based on mf-4, which is much lower than the cs in terms of f.a.r. and whatnot. The planning commission in that case and the other case suggested reverting back to the original by right entitlements on the zoning before it was changed recently. Another recommendation, in the draft regulating plan that was presented to planning commission, staff had included a new more stringent threshold for when redevelopment projects would be required to comply with the north burnet gateway design standards. This is a pretty complex issue. It's an issue that's also being addressed through the subchapter e design standard amendments, so planning commission suggested that we wait for the design standard amendments to go through to work out this issue through a public process and then when those amendments have gone through, to then apply the new standards to the north burnet gateway regulating plan rather than try to adjust these applicability standards now and then be inconsistent -- potentially inconsistent with the design standard amendments when those go through. So they decided to instead recommend that we stick with the applicability that's currently in subchapter e and then wait for the design standard amendments and then apply those to this area. In response to this recommendation, staff also recommends that as that occurs that we in the north burnet gateway regulating plan that we include minimum design standards if a project is granted a development bonus. So that if, for instance, the current applicability is if you're greater than a current size, design standards are only applicable if you generate over 2,000 trips per day. And so we felt that there are potential applications where a property could be granted a development bonus, but not generate over 2,000 trips per day and therefore would not be required to put in new sidewalks or do other very minimum design standards. So we felt for the density bonus there should be some minimum design standards established. Planning commission recommendations also encourage bicycle facility recommendations to facilitate cycling for less experienced cyclists. This included a new north burnet street cross-section that shows a separated off street bicycle path on collector streets. In discussion with the city bike hed ped program, we recommend that this cross-section not just be as an option as development occurs, but to actually specify one of the collector streets to have this off-street bikeway so that we ensure consistency of bakeway facilities on one of the streets. Planning commission also had some fowrnI recommendations. -- Affordable housing recommendations. They recommended amending the development bonus section to change the fee in lieu area to \$10 per square foot of bonus area. However, staff recommends no change. We've still -- we still believe that we should be consistent with the recently adopted fee in lieu levels for the p.u.d. ordinance. We felt that the north burnet gateway area is more line with the areas that would be using the p.u.d. Ordinance in terms of existing real estate market and potential revenues in that area. More consistent with that than with downtown at this time. And so we felt that \$6 per square foot is an

appropriate fee. They also recommended amending the plan to ensure -- essentially to ensure that funds collected in the plan area are spent within the plan area for affordable housing. Continuing on with planning commission recommendations, they suggested amending the regulating plan to state residential projects seeking a development bonus may not be granted fee in lieu administratively, but rather require council approval. Again in consultation with nhcd, staff recommends no change and to continue to allow administrative approval of fee in lieu. Planning commission also recommend that when the city and properties in the north burnet gateway area are redeveloped that the city strive to reach 25% affordable housing goal on properties. Staff concurs with that recommendation, but again at this time we're proposing the rezoning, at this time we're not bringing forward redevelopment of those properties. And finally, this is a review again of what you will be to consider during the public hearing. The north burnet gateway master plan was adopted last year. One of the key implementation steps was development of a design base in the code and that's what we're bringing forward to you today. And I'll be happy to answer any questions.

Mayor Wynn: Thank you. Questions for staff, council? Comments? Again, mayor pro tem and then councilmember morrison.

McCracken: Molly, a great job. This thing I think has been going on -- we've talked earlier today about 2004 and really seeing -- this is an outstanding piece of work. I saw one thing on page 11 of our handout, which i can't remember which slide this is. This is the --

is that the tract one or the storm water management?

Storm water management and it talks about creek set back requirements that there may an request to dedicate up to 50% of acreage for fulfilling parkland dedication requirements. And I think one thing that might be worth looking at is our trails mass plan in this community is a creek-based master plan. So I think this is worth looking at is whether it would make sense to encowrn the location of a trail system along a creek that is consistent with our existing vision in this community. If that's the case, since trails are inherently more difficult to create, maybe that could be something where if you create -- if you do creek set back requirements and put trails along the creek as part of like a trail circulation plan, that could satisfy the parkland dedication requirements, their entirety. This is just something y'all would need to work through i, but it does strike me having seen this, I think this is a very thoughtful proposal you all have and there may be a way to actually get even more of the benefit that you all have identified by linking trail placement with that as well. On the applicability section on the design standards one year re, my expectation is that -- for starters, we have a consensus in our stakeholder group of developers and neighborhood representatives and planners on some items, and we're now looking at the specific language to ensure that that code language from legal reflects the group's consensus. By and large the applicability sections are going to remain similar to what they are now and the chief change at the moment is looking at some trade-off in the block size and drinking water protection zone. And then multi-family being broadly applicable to block standards. Are multi-family developments included in the block size developments in the north gateway burnet?

Correct.

I think that's good and that reflects what the group's consensus is for wanting the amendments. The stakeholder group has come up with I think a very good plan on how to address the -- when is it redeveloped versus when is it not and get sort of the game of one wall remains and it's considered redevelopment. And in the standard our stakeholder group has come up with is something to the effect of the building usable. And if this is no longer usable, then it's considered new development. But there's some fine grain standards in there, and so we're going to see that come forward pretty quickly. We'll make sure to get the stakeholder group recommendation passed on to you as well. Another thing the stakeholder group has come up with is that this actually was a suggestion from Steve -- a recommendation from Steve, one of the stakeholders that has gotten consensus, that while the maximum block size is five acres, but if you have green space you could get up to seven acres block size and there is some director discretion to analyze it as part of the circulation plan, but there's some mechanism to trade parks for bigger blocks. So I think that's something that's gotten consensus. And it may be helpful for the gateway north burnet approach to create green spaces.

There's always an idea or intention that as the design standard amendments goes through their process and gets even more refined that we would go back and amend and look at the north burnet gateway regulating plan to see items such as those, where they're applicable and where they make sense to replicate. There seem to be quite a few that seem to be applicable and we would want to go back in and make those consistent once those amendments have occurred.

McCracken: And we've heard from stakeholders here in north burnet intls in the design standards process on industrial. I anticipate that we had in the design standards had an approach that exempted industrial use properties from the ordinance because those are largely properties that have a different economic function. And I anticipate that we can then broaden that and clarify that it includes industrial zoned properties as well as long as there's no residential on the property. And so it's a true flex space type of property, that they have the ability to go from say a solar fab and offices to change over to a data center or call center. Those are large flare plate flex space type of buildings. And I don't have enough information right now to know how that expected change in the design standards ordinance would relate to properties in the gateway north burnet zone, but it's something that I anticipate will come forward. I know that's a specific concern that I've just heard about from some stakeholders within the gateway north burnet zone too.

Wynn: Councilmember morrison.

Morrison: First I want to thank you and the other staff for bringing me up to speed and answering the questions I had earlier this week. I understand we've got a public hearing on the regulating plan and zoning later tonight, so I have some specific comments that maybe would change after the public hearing. So I'm going to hold off on those. I have two questions for you. One is having just had this wonderful presentation from the families and children taskforce, I wonder if any of the considerations, if you're familiar with that report and if any of the considerations and recommendations they got up

actually got into the planning and thought process for the north burnet gateway?

Well, I think that -- i apologize, I was getting called away during part of that presentation, so I did only catch part of it, but some of the fund tall goals of their -- of that taskforce I think are reflected in general both in the master plan and the regulating plan that they mentioned. A lot of urban quality of life dispsptations such as bringing in parks, establishing these pocket parks and private and common open space and ability for that, good sidewalks that are certainly needed in this so this sort of general urban functions are definitely included in these areas. I know they had mentioned doing sort of a pilot project in tod areas. I would think that that would also be relevant for that, certainly as the city looks potentially for redevelopment of some of the city owned sites that seems like an opportunity for potential for some of those pilot projects as well. Otherwise I don't know if there were some specific recommendations that you had in mind that I could answer more specifically.

There were several that were -- you saw the list that were reviewed today. I think it makes sense to go back and make sure we're not missing low hanging fruit there that could really add to the future of the development. And then one other question i, you know, again talking about vancouver, which we talk about when we were giving our report and briefing on families and women and children, one of the interesting statements and one of the things i learned that we all learn was in the dense area of downtown as it densifies, the number of car trips actually went down, which is sort of amazing accomplishment. And I'm wondering -- i assume that's what we would hope and that eventually this is a well served transit area. Has anyone done any -- number one basic question i have is do we have an estimate of how many residential households this area might eventually be home for?

Yes. In the master plan we did an analysis, and again its potential plan buildout over 30 years. It anticipated that it could accommodate up to 40,000 new residential units. That's if it builds out to the maximum possible. So that is sort of the highest number. So potentially up to 80,000 new residents in this area. And those numbers were also used in the traffic analysis that was done as part of the mass plan as well, so that traffic analysis took into account, again as i mentioned, potential future connectivity, needs in the area, but also anticipated increased transit opportunities as well. And capital metro does have plans in this area, not only for the existing commuter rail station and line that runs through this area, but two rapid bus lines and other integrated existing bus service and new bus service as this area develops out. And so we are working with capital metro to further those sort of transportation goals as well.

Morrison: And the traffic analysis, did it look at -- does it envision more roads there and does it envision impact on the existing surrounding neighborhoods?

It did anticipate more roads. Again, creating that sort of finer grain network of roads so that -- because currently there are a number of arterial roadway where iferg has to funnel on to the arterial roads because you don't have the smaller block sizes and the inner connections that can alleviate traffic. In particular it identified the need for continuous collector streets, in particular to take some of the traffic purd off of burnet road in particular, and so that is the tbieses our collector -- so that is the basis for our collector street plan as well as to provide that connectivity. The traffic analysis focused mostly within the

planning area, but did anticipate a lot of -- through the mixed use and through the ability to get around via pedestrians and transit and cycling that there would be a lot of internal captured of trips along the way.

Morrison: So did it look at impacts on existing surrounding neighborhoods outside of the area?

It did not.

Morrison: One thing we might want to keep in mind is to get traffic-calming funds set up for those areas because even if we are able to achieve a lot of internal capture in transit, there's still going to be probably a lot of impact on the areas around there.

Mayor Wynn: Further questions, comments? Molly, thank you very much.

Thank you.

Mayor Wynn: We'll take on the zoning cases here in a few minutes. So council, that actually 30 break for live music and proclamations. Just for folks trying to follow along here, we have a couple of quick discussion items that we'll take up as soon as we come back from live music and proclamations, then we'll take up our zoning cases. I think we have a reasonably manageable number of zoning cases this evening, so we should be able to catch back up and have a reasonably ordered early evening. And we have finished all of our executive session items, those two we took up earlier, so we technically will be in recess while we enjoy live music and proclamations. Tuned for Jon Burkland. We are now in recess. Paul Henry. Dig.

Mayor Wynn: Okay, folks. Okay, folks, welcome to our weekly live music gig here at the Austin City Council meeting. Joining us today is Jon Burkland. He is a native Austinite who has played in countless gigs all over town including regular performances at Hill's Cafe and our friend Shannon Sedwick's Coy Girl Cafe. He just completed his new album and will be promoting it all week long on Fox 7 News in the morning and Waterloo Ice House to name a few venues. So please join me in welcoming native Jon Burkland. [Applause]

This is a song I wrote that's going to be on my album that's coming out actually tomorrow. I wish I had a copy to bring to you. My CD's got a little late coming out. This is a song I wrote called Six Strings. [Music playing] [music playing] [applause]

Thank you.

Mayor Wynn: The CD comes out tomorrow.

Tomorrow.

Mayor Wynn: Will it be available at waterloo records?

It will be. I was a little late getting everything printed, but it will be at waterloo records and wherever else we can get it in.

When are you playing at waterloo ice house?

That will be the 25th of october.

Mayor Wynn: That's a saturday night. And your regular gig is at hill's cafe and patsy's cafe?

The official release party is tomorrow at patsy's. October 18th is at hill's cafe, another cd release party. I'll be some friends of mine. I actually recorded this with a friend with a song of mine named jay lynn lucas. She will be there performing with me. Come hang out there if you can.

Mayor Wynn: Do you have a website?

You can go to jonburklund.com. you just put .com behind it. [Laughter] redneck in the city, huh?

Mayor Wynn: So you grew up in austin. What high school did you go to?

I went to del valle. I'm in austin. I'm right on the edge, but it's a good place. I like it here. I'm claiming it.

Mayor Wynn: We're proud to have you claim it before you get away we'll have the the city of austin is blessed with many creative musicians talent extends to virtually every genre as whereas our music scene thrives because austin supports the musicians. And whereas we're pleased to showcase and support our local artists, so now therefore i, will wynn, mayor of the live music capitol of the world, do here by proclaim today, october 16th, 2008, as jon burklund day in austin and call on all citizens to join me in congratulating this fine young talent. [Applause] so while john breaks down on this side of the room, we'll use this podium to do our weekly proclamations. We take this opportunity each week to try to promote good causes, to raise awareness about issues around town, to say congratulations or thank you to folks. But occasionally we actually get to receive one ourselves. I'm pleased to welcome representatives from the league of women voters who i think have a presentation for us as a city.

Hello. I'm raul salazar, the executive director of the league of women voters of texas education fund. I want to congratulate austin for winning the award for government in environmental awareness. We had a convention back in april and they won it back then. We finally got to award them with this great award, but i just really wanted to say not only does austin -- I'm actually a resident, so I'm really proud to be an austin night. Not only does austin increase awareness on the environment, they really make it a centerpiece of its policy making in all areas of policy making. And I'm really proud of that. And so I'm going to introduce frances mcintyre, the president of the league of women voters of the austin area. But one thing I might as well do a shameless plug here.

Mayor Wynn: Please do.

We're the one that do the voters' guide. If you guys need one. Nonpartisan. And if you need one for this election, let us know. Frances mcintyre.

Thank you, rawm. Raul. Mayor wynn, the austin league is so proud of austin and your leadership and the council's leadership in making austin aggressive in trying to make them environmentally sensitive in so many different ways. And we were equally pleased because the league of women voters of texas represents leagues from all over the state. So they have awarded the city of austin the environmental awareness award for -- because it's one of the 10 best cities in the united states as far as trying to make the city environmentally sensitive in so many different ways. And we want to give this to you and to thank you and the council for your work in that area.

Mayor Wynn: Thank you so much. [Applause]

Mayor Wynn: First and foremost, very proud of the league of women voters. Our austin chapter does great work, not only on the voters' guide, but ongoing education about so many of the different issues that face us as a city. I'll gladly accept this on behalf of my city council colleagues present and past. City management, now served with three different stirms. Countless combinations of city councils, but a great, great core of city employees. But fundamentally what we all have done as policymakers is we have inherited an environmental awareness from our citizenry. Austin residents recycle more garbage than any other city in texas. We buy more renewable energy than any other city in texas and essentially we as citizens demand that as policymakers the city of austin step forward and does certainly lead the state and dairy say try to lead the country in as many environmental policy decisions as we can. So on behalf of a lot of fine folks who I've had the pleasure to work with throughout the years, who I've learned a lot from, we'll gladly accept this and put it in our city hall trophy case. Thank you very much. [Applause]

Mayor Wynn: Come on. Move around. Get you on television. And so for I guess my first proclamation, this is regarding community planning. I'm going to read the proclamation and then we'll hear from carol heywood. We're joined by a number of city of austin employees from our neighborhood planning and zoning department as well as a number of high school student who I presume carol will talk to us about. The proclamation reads: Community planning month highlights the contributions that sound planning and plan implementation make to the quality of our neighborhoods and environment as our city changes and grows. And whereas this month also enable us to recognize the participation and dedication of citizen planners and the members of our planning commission who have given their time and expertise to the improvement of the city of austin and all of our neighborhoods. We also recognize the many valuable contributions made by the professional planners of the city's neighborhood planning and zoning department and extend our thanks for their continued commitment to public service. So now therefore i, will wynn, mayor of the great city of austin, texas do here by proclaim this month, october, 2008 as community planning month here in austin and call on carol heywood to say a few words. But as she does that, please join me in con lating and thanking a fine city department. [Applause]

thank you, mayor, for this great recognition. We have planners in many city departments such as watershed, public works, police, the water utility, parks, housing, fire and austin energy just to name some besides in the neighborhood planning and zoning department. So there's planners over. As well as state and regional planners such as campo planners, capital metro planners, school district and the state transportation agency. So there's planners all over this city. They all work very hard to make austin a better place, and to plan for our city's future. I'd also like to thank all the community people in our city who participate in the planning process and help make our city better for the future too. This year we did a really exciting project with jameson warren's ninth grade geography class at austin high school's academy for global studies. And these are freshmen, and you wouldn't believe the ideas that they have. His students did a future land use plan for five different parts of town, and the five best were chosen and they're on display in the lobby. And we're very pleased to get students excited about planning for community planning month. I must say if these grow up to be planners, our city will have a great future. They wonderful ideas, great vision and boundless enthusiasm. They infused us with energy too. So I hope to work with a lot of the youth in the city of austin over the -- in 2009 because we're going to be doing a comprehensive plan for the entire city and we really hope that the young people will also get involved because it will be their city in the future. So I just want to thank you very much for this honor.

My pleasure. Thank you. [Applause]

Mayor Wynn: For my final proclamation before i then turn the podium over to councilmember martinez, this is regarding lead poisoning prevention week. As I mentioned earlier, we also try to use this opportunity each week or when we can to raise awareness about important public health issues as well. So I'll read the proclamation here about the week and then we'll hear from deanna damrack who will talk about more awareness that needs to be raised here in town. So the proclamation reads: Lead based paint covering the walls, window sills and outdoor sidings of homes is a primary source of lead exposures for children which can lead from learning disabilities to problems with blood, kidneys and bones. lead smart program, families can receive free lead testing for children and removal of lead-based paint from their homes. And during the special week the city of austin will be educating parents about the dangers of exposure to lead-based paint and the programs available to them to prevent children and families from these preventable health hazards. We do here by proclaim the week of october 19th through 25th, next week, 2008, as lead poisoning week here in austin and call on deanna to come say a few words about the program and how you can help us spread the word.

Thank you, mayor, for the opportunity to bring awareness to the dangerous of childhood lead poisoning, especially from lead-based paint. Lead poisoning prevention week is celebrated each year to provide awareness and education about the dangers of lead poisoning and work towards the goal of eliminating lead poisoning by the year 2010. In march 2007 the city of austin was awarded a 7-million-dollar three-year grant to assist 296 families in the austin area with free resources to test children under the age of six for lead poisoning and to test their homes for the presence of lead. To date the lead smart program has served 100 children in 56 households. This grant will continue to provide free services for the next 240 eligible families. Families can contact 211 or call 972-6654 to determine whether they are eligible for this program. The lead smart program would like to invite the community to join us in celebrating lead poisoning prevention week at a healthy homes and family fair on saturday october 25s at bell

leermt elementary school from 10 to 1:00 p.m. Families will have the opportunity to trick or treat for information about how to keep their homes and families healthy and safe thank you. [Applause]

Mayor Wynn: With that I'll turn the podium over to councilmember mike martinez.

Martinez OUR LAST Proclamation we actually are going to announce an event for next year and we're going to recognize october 12th that just passed. It is actually a national holiday. It is a national holiday declared by congress in 1928. What we're announcing is next year we've embarked upon this planning process and we are going to have a citywide celebration next year and a parade downtown bringing all the latino cultures together as well as any other culture group that wants to join us intrainltd share the heritage of latino people. And so I'm going to read the proclamation and then I'm going to ask the two of the members of the planning committee to say a few words. The proclamation reads, it known that whereas christopher columbus' voyages across the atlantic lead to european awareness of the continents and initiated contacts between europeans and native american. It lead to the mixing of a new race, la rasa. And whereas in 1928 congress declared dela rasa as a national holiday to celebrate the new race and its culture and identity. And whereas the city of austin is proud to announce its sponsorship and support for the first annual parade in 2009, which will feature floats and band showcase and celebrate the rich culture of the numerous latino groups in the austin community. Now therefore i, will wynn, mayor of the city of austin, texas do here by proclaim october 11sth, 2009, next year, as the first annual dela rasa parade in austin, texas. I want to thank the committee members and ask them to say a few words. Gloria is the chair of the fiesta (indiscernible) that puts on the deiz y seis event. Now she's going to also assist us with the new event. So gloria?

Thank you, councilmember. We are so excited about this event that we wanted to give you a whole year's notice that it was going to happen. [Laughter] honestly, we enso many different latino cultures, organizations and groups participating in a parade coming down congress avenue and probably finishing up at fiesta gardens. It's going to be a wonderful celebration and we want all latino groups in the community to contact us and to become a part of this event. That's why we're putting you on notice that it's going to happen because we want you to participate. And you can contact us because there is an e-mail set up. It will be one word, viadelarasa@gmail.com. So any group that's interested in participating we welcome your participation and look forward to hearing from you. Thank you. [Applause]

Martinez: I'd also like to invite mar sell la (indiscernible) from lulac to say a few words.

Thank you. I appreciate the opportunity and invite anybody and everybody who would like to participate with us. We would like to make this the biggest parade ever. And we can do it, but we need your help. We need you to tell us what would you like to do as a participant, have a float or maybe if you've got a group that would like to perform. Whatever it is, we need the whole community to participate. And not necessarily la rasa, but we need everybody. And I'm including the whole community, to join us, celebrate a big day. And at the end of it you will feel great like we do. So thank you very much. And I want to thank a lot of the individuals who put this together, including chief acevedo, ex-mayor gus garcia. He actually is my mayor, gus garcia. And mike for being so kind. sanchez of southwest key who

has provided us a facility for us to have and to be able to participate there also. So there's a lot of individuals that are getting together with us and we hope you would be one of them too. Thank you very much. [Applause]

Martinez: We'll return shortly.

Mayor Wynn: At this time I'll call to order the meeting of the board of directors of the tax increment board, number 15. With we have have short agenda for that board and will welcome a short staff presentation.

Good afternoon. The items before you today i am not sure whether you've received or aware that the staff would like to pull item number 1, which related to appointing the tif board members. We confirmed that in fact council had appointed the tif board members in july. The item number 2 would be approval of the minutes from our last meeting. And then the third item is the new item related to contributing tif funding toward landscape maintenance contract that includes city hall.

Wynn: So board members, any questions about our proposed consent agenda, that being noting that item number 1 has been withdrawn. We actually did the appointments of board member shade and morrison earlier this summer, and item number 2, approving the minute of our last meeting and item number 3, the funding issue regarding the landscape maintenance in this city hall. Haven't. Hearing no questions, I'll entertain a motion to approve the consent agenda as proposed. Motion by board member leffingwell, seconded by board member shade to approve this tif board number 15 consent agenda as proposed. Further comments? Hearing none, all those in favor please say aye. Oppo? Motion passes on a vote of five to zero with the vice-president and board member cole off the dais.

Thank you, mayor. And there is one related council item.

Wynn: Again, so no more business before this tif board, we now stand adjourned. I'll now call back to order this meeting of the austin city council and as fred mentioned earlier, we do have a related city council action item number 22, i believe it is, related to this same set of issues. So if there's no questions of staff regarding item 22, which is the complimentary city council action, I'll entertain a motion on this item, number 22. Motion by councilmember leffingwell, seconded by councilmember shade to approve item 22 as proposed. Again, the complimentary issue to our earlier tif board action. Further comments? Hearing none, all those in favor please say aye. Opposed? Item number 22 passes on a vote of six to zero with councilmember cole off the dais. And lastly before we go to our zoning cases, earlier we had taken item 39 off the consent agenda because we wanted to have some legal advice in closed session related to that broad issue of meet and confer. I think we had a good discussion, appropriate discussion in closed session. I would now entertain comments or a motion on this item from council 39 related to meet and confer process for non-civil service city employees. Motion by mayor pro tem, seconded by councilmember leffingwell to approve item number 39 as posted. Further comments? Make sure we don't have any folks signed up wishing to give us testimony. Greg powell had signed up earlier, noting he is in favor. And I saw jack kerfman earlier. Would you like to come give us testimony. I'm sorry to take the motion before your testimony, but seeing that you're in favor, I thought you wouldn't

mind. Welcome.

Mayor and council, good afternoon. Greg powell with the american federation of state and county municipal employees. And I just rise to thank you for your past and present support for this resolution. Its passage is going to help enhance our and your efforts to successfully pass this in the upcoming texas legislature. Our travis county delegation is committed to a focus on passage of this bill and this resolution is going to greatly enhance those efforts. Most importantly supporting this resolution send as good message to your city of austin employees. It recognizes that it's the critical work of all city of austin employees that is nis to secure the -- that is necessary to secure the health and safety of this community. And on their behalf we wish to thank you for your support of this resolution. Thank you.

Mayor Wynn: Thank you, mr. powell. So council, that's all of our citizen testimony regarding item 39. Again, we have a motion and a second on the table. Further comments? Hearing none, all those in , opposed? Motion passes on a vote of seven to zero. Thank you all very much. So guernsey, I think that 00 zoning matters. Welcome.

Thank you, mayor and council. My name is greg guernsey, neighborhood planning and zoning department. I wanted to go through our 00 zoning ordinance and restrictive covenant items. These are where the hearings have been closed. The first item I'd like to offer for consent is item number 49, this is case crown 2008-0060. This is the zilker neighborhood planning area vertical mixed use building, zoning opt in, opt out process. This is again for the zilker neighborhood. At first reading you did approve this unanimously. When it came before you there was one parcel known as tract 33 at 2001 la casa drive that was noted to have a petition asking not to be excluded from vmu. And we would offer this first reading action for approval on second and third readings. Another one is item number 50, case c-14-2008-0076, known as the tech ridge property on east parmer lane to zone the property from single-family residence family lot to limited industrial service planned development area combining district zoning. This is ready for consent approval on second and third readings. Those -- that concludes the items I can offer on this portion of the agenda as consent.

Mayor Wynn: Thank you. So council, the proposed consent agenda on the cases where we've already conducted and closed the public hearing and taken action on first reading would be to approve on second and third reading items 49 and 50. I'll entertain that motion. Motion made by councilmember morrison, seconded by the mayor pro tem to approve the consent agenda as proposed. Further comments? Hearing none, all those in favor please say aye. motion passes on a vote of seven to zero.

Thank you, mayor and council. Let me proceed through the remaining items from the 4:00. These are zoning and neighborhood plan amendments. These where public hearings are still open and there's possible action this evening. Items number 51 and 52 are related. Item number 51 is case 02, known as the govalle johnston terrace combined vertical mixed use neighborhood plan plan amendment. The related item is number 001, the govalle johnston terrace combined vertical mixed use building opt in, opt out process for tract 9 b. Both of these are located at 720 be airport boulevard. Staff is requesting a postponement of these items to our november 6 agenda. As you may recall at your last meeting, and I believe the meeting before that, there were several govalle/john tan terrace items that would be

postponed to the sixth. That will bring them together on that one evening. The planning commission has yet to review these item and they will not be considered by the planning commission until their october twainth meeting.

> Item number 53 and 54 are related item. These are cases npa-2007-001-02 known as wilson street project. This is to approve second and third reading of an ordinance in the dawson neighborhood planning area to amend the neighborhood plan to change the future land use map designation from single-family to multi-family for 2525 derwood street. Our related item is item 54, sh for the properties located at 2602, 2606 and 2610 wilson street to zone the property from multi-family residence neighborhood plan combining district zoning to multi-family residence medium density neighborhood plan combining district zoning to multi-family residence low density conditional overlay neighborhood plan combining district zoning for tract 1. And multi-family residence conditional overlay neighborhood plan combining district zoning for tract 2. And multi-family residence moderate high density, conditional overlay, neighborhood plan combining district zoning for tract 3. Council did take action on september 25th to unanimously approve this zoning on first reading. mike mchone had been working with some of the adjacent property owners regarding an agreement that they may be having regarding these items. We can offer these at second and third reading unless there's someone signed up in opposition to this. So this would be for second and third reading approval on item 53 and item 54.

Mayor Wynn: And we have no citizens signed up. Thank you, mr. guernsey.

Let me continue. Item number 55 is case c-14-2008-0128. This is at 5005 spice springs road. This is a second reading consideration only. Staff would like to have this as discussion. There are some council questions that occurred at 51st reading that we would like to address.

Mayor Wynn: We have one citizen in opposition as well.

Item number 56 is case c 814-2008-0165. This is for the property at 222 and 300 east riverside. This is to approve second and third readings for those same properties to zone them from lake commercial vertical mixed use neighborhood plan combined district zoning for tract 1. And lake, commercial, neighborhood plan combining district zoning for tract 2 to planned unit development neighborhood plan combined district zoning. We can offer this as a consent item. I understand that the duplicate plict and neighborhoods are in agreement. There's a representative, jeff jack here, that i think would like to speak briefly to you. I'm leaving this on the consent agenda, but this would be for second and third reading approval only. Also I'll ask jerry rusthoven, who is my division manager, to come forward and note perhaps after we get a little bit further, or he can do it now, just to note the change that the parties have agreed to from your first reading. And we could still be prepared and do second and third reading this evening. I can introduce jerry now or we can wait until jeff speaks at the end on this item.

Mayor Wynn: Why don't we walk through a consent agenda and then we'll have jerry intlows introws for the record and hear from mr. jack and/or mr. suttle.

I'll invite them to come back when we finish the consent. Item number 57 is case c-14-2008-0020 known

as the sundberg tract at 2219 burleson road. This is to zone the property from interim rural residence district zoning to limited industrial service conditional overlay combining district zoning for tract 1. And general commercial services mixed use combining district zoning with conditions for tract 2. The zoning and platting commission ootion recommendation was to grant limited industrial service combining district zone fog tract 1 and general commercial services mixed use conditional overlay combining district zoning tract 2 with conditions. This is ready for consent approval on first reading only. Number 58 is case c-14-2008-0150 for the property at 808 nueces. This is a postponement request that we have from the applicant. The adjacent property owners are in agreement. We expect the postponement request when it comes back to you will be a consent item. They're just finalizing the language. The request is only for one week to your 23rd agenda. We've warned the applicant and the neighborhood that if it is discussion that you most likely will postpone this item next week since you have the opportunity to review the oak hill neighborhood plan and zoning and the station area plans in order to keep our agenda light, we would suggest that you postpone this to the 23rd, RECOGNIZING IT WOULD Probably be a consent item. Item number 59, this is case npa-2007-0012-002 for the 1600 block of east mlk. This is for plot at 1600, 1602, 1604 and 1606 east martin luther king boulevard. This is a neighborhood plan amendment related to the upper boggy creek neighborhood plan. The related plan, item number 60, case c-14-2008-0099 for the same properties, staff would like to pull these items off your agenda, no action today. The applicant is amending their neighborhood plan amendment or zoning request I should say to add a designation that will require new notice and consideration by the planning commission. So there's no action required. There will be new notice provided and sent to adjacent property owners and neighborhood associations and city utility customers within 500 feet before it goes to the commission and comes back to you at council. So no action is required on item 59 and item number 60 because the applicant has amended their request. Item number 61 and 62, these are related to the north burnet gateway, both the public hearing for the ordinance on the north burnet gateway zoning district and the individual zoning changes that molly spoke to you earlier about. We'll have those two as discussion items. Item number 63 is case g property at 9609 swanson's ranch road. We have a request from the swanson road neighborhood association, they've asked for a postponement to your november 6th agenda. The applicant is in agreement, so we have a consent postponement on item number 63 to november 6. Item number 64 is case c-14-2008-0070. This is the south lamar and bluebonnet property at 2323 south lamar, 2315 south lamar and 2421 bluebonnet. We have a neighborhood request for postponement of this item to your november 20th agenda. The applicant agrees with that postponement request to the 20th. Item number 65 is case c-14-2008-012 known as the minware property at 4209 clawson road. We have again another neighborhood postponement on this item to your november 20th agenda. The applicant is in agreement with this postponement request to the 20 sotsz this may also be considered as a consent item. Item number 66 is case c-14-h-2008-0019, 19 as the blon di far house. This is for the property located at 801 highland avenue. We have a letter from the owner and letter from the neighborhood saying they both don't object to postponement, so staph will our a postponement of this tunnel to your november 6 agenda, noting that the parties that are involved in negotiations both don't object to postponements, but didn't actually ask for one. So staff will ask for a postponement on item number 66, noting that both parties are not in objection. Item number 67 is case c-14-h-2008-023, the bradford nohra house at 4213 avenue g. We have a request from the property owner. It is their first request for a postponement to your november 20th agenda. The

owner is exploring with staff still further possibilities for development on this property. And working with the structure. I also note that they do have a valid petition, and as I said before this is their first request, the property owner, for postponement on item number 67. Mayor, I'm not sure. One time we may have had some opposition to the postponement request. I don't believe we have any now, but unless there's an objection we can take that on consent as well. Item number 68, this is case c-14-2008-0161. This is the Lewis Southerland house at 2801 Robs Run. This is to zone the property from family residence district zoning to family residence historic combining district zoning. The historic planning commission recommendation was to grant the sf-3-h combined district zoning. The planning commission is to grant the sf-3-h combined district zoning. Staff, after reviewing certain plans and going to the site and getting - obtaining additional information is actually recommending denial of this. We could offer this possibly as a consent item if you were to choose the staff recommendation. If not, this would certainly be a discussion item because we have a valid petition. And I would like to let Steve Sadowsky, the historic preservation officer come forward. However, Mayor, I think you had one person signed up in favor of the request to zone it h. And I don't know if that individual is present. I think it was Blake.

Blake signed up wish to go speak if we had questions, technically, but in favor of the case. And Richard Suttle neutral. That sounds like we might need to have at least a brief discussion about that item.

Okay. We'll leave that as a brief discussion item. That concludes the items I can offer for consent. At this time I'd like to invite Jerry Rusthoven from my staff to just bring you up to speed on 222 and 300 East Riverside and also invite Jeff Jack a maybe to the other podium to speak on for Zilker neighborhood or Save Town Lake or both wars to this item.

Mayor and Council, I'm Jerry Rusthoven. I'm going to highlight changes made to the ordinance since you approved it on first reading. The first one is a clause has been put in the ordinance that clarifies that this property is in conditions with the p.u.d. As well as the ordinances and city codes that are in effect as of the effective date of this ordinance. The second change was a cap on the number of gazebos at two and the gazebos may each not be larger than 650 square feet. The second is a clarification that the pervious paving for the emergency route will be constructed with the appearance of vegetation or a trail. The third is that the impervious cover in the secondary set back will not exceed 75% and the final change was that the clarification of the number of trips rather than stating the number of trips allowed as 4,000, plus that which exists today, we have actually incorporate that had number so the trips will be capped at 5,730. Those are all the changes made in this ordinance.

Mayor Wynn: Thank you, Mr. Rusthoven. Welcome Mr. Jack.

Mayor, Councilmembers. First as president of the Sill Neighborhood Association I want to thank you for passing on third reading our Vmu. It was a lot of work. We think it will serve our neighborhood and the city well over the years. Changing hats for Save Town Lake, I want to thank staff and CWS and Richard Suttle for working with us on these last few little tweaks of the ordinance. We're in agreement with them. I just wanted to note that one question with did come up during the last few days with regard to the trail. Some concern that the construction of the boardwalk might proceed actual construction of CWS's project. And we couldn't get that ordinance, but CWS is very much in favor of the trail and not wanting the

boardwalk to be limited or delayed by their project, so they have sent us an e-mail indicating their support of finding a way to make sure that we have access from "austin american-statesman" site over to the boardwalk in the future. I just wanted to put that on subtle was here. He may confirm that.

Mayor Wynn: Thank you. subtle, I would like to understand because it seem the big opportunity here is to measurably shorten the length of that boardwalk at \$2,000 a linear foot that's real money. jack points out, there could be some complications perhaps if your client was in the preconstruction mode, let alone in construction mode, whether still be the ability for public access along that frontage, ultimately accessing the point where the boardwalk likely will interface with the property.

And it is -- richard subtle on behalf of the applicant. It is only a timing issue that came up. We just thought of it yesterday. But cws and greg miller have committed that we will work towards getting that access so that, one, we don't have to build the extra boardwalk. And two And two When the boardwalk lands there at the creek and town lake that one way or the other we'll get access to it either through the tract or around the tract on a temporary basis. One way or the other the boardwalk will end there and ultimately will have access through to the statesman.

Mayor Wynn: Thank you, mr. subtle. jack or mr. subtle, council? Then if not, our proposed consent agenda on these cases where we have yet to conduct a public hearing will be to postpone items 51 and 52 to our november 6, 2008 meeting. To close the public hearings and approve on second and third readings items 53 and 54. To close the public hearing and approve on second and third reading item 56.

With the changes.

Mayor Wynn: With the changes as noted by staff. Close the public hearing and approve on first reading only item 57. To be postponing item 58 to our next council meeting, which is thursday, OCTOBER 23rd, 2008. Wreel be noting that no action is required on items 59 and 60. We will postpone item 63 to our november 6, 2008 meeting. We will postpone item 64 and 65 to our november 20th, 2008 meeting. We will postpone item 66 to our november 6, 2008 meeting. And we'll be postponing item 67 to our november 20th, 2008 meeting. I'll entertain that motion. Motion made by councilmember martinez, seconded by councilmember morrison to approve the consent agenda as proposed. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of seven to zero.

Thank you, mayor and council. Before I get to item 65, did you want to hear from steve sadowsky very briefly on 68 and consider that on -- as a possible consent item?

Mayor Wynn: Yes, good point. Council, if you remember, item 68 we had both the planning commission and historic landmark recommendation for historic zoning. Staff is recommending denial. And however I think there's a valid petition.

That's correct.

Mayor Wynn: In opposition to the historic zoning. Correct?

That's correct.

Mayor Wynn: And we might have a citizen or two who might want to give us testimony. Perhaps a brief staff presentation after guernsey introduces the case.

And if there are citizens to speak up in opposition, certainly we can keep this as a discussion. We just wanted to have the opportunity to present some information to you that might be helpful if you wanted to take this as a consent item with the others.

Mayor Wynn: Welcome mr. sadowsky. mayor, members of council. St sadowsky. The history of the case bears out what we intend to propose the result to be. This was a house that was built by lewis southerland of page southerland page. We had a demolition permit application filed. We brought that to the landmark commission. And the landmark commission reviewed it, initiated the historic zoning case and ultimately recommended historic zoning. During the pendency of the case it came out that prior to the current owner's purchase of this property, there had been a remodeling permit that basically had stripped the house of everything but the studs. Windows had been taken out, bricks had been taken off the front and the current owner during the pendency of the historic zoning case presented an application for a certificate of appropriateness to the landmark commission. The landmark commission heard and approved that certificate of appropriateness, but it was not for restoration of the house, it was for basically a rehabilitation. The new house is basically going to be in the same footprint as the existing house was, but because this house no longer will maintain its historic appearance, staff has changed our recommendation to deny historic zoning for it. This was also the statement of the landmark commission to the owners when they granted the owner the certificate of appropriateness. They said, now, you realize that this house will no longer be eligible for historic zoning and the owner said yes. So staff recommends against historic zoning for the house so that the owner can proceed with his certificate of appropriateness.

Mayor Wynn: Questions of staff? Councilmember morrison.

Morrison: Could you just explain a little bit in terms of applying for a certificate of appropriateness for this house, what prompted that? Was there anything in our code that required it or was it just something that they voluntarily did?

Yes, councilmember. Actually, whenever the historic landmark commission initiates a case, it becomes a pending case, so any change to the exterior of the site would require a certificate of appropriateness from the landmark commission.

Mayor Wynn: Let's see. Council as I mentioned earlier, we had a couple folks bother to sign up, both technically just checked the box they wished to speak if we questions, but blake tollette in favor and richard suttel technically checked the neutral box. Again, further questions of either blake or richard or staff? It sounds like the fact that the southcross essentially is -- that the south is essentially completely

being redone, staff's recommendation is to deny historic zoning based on the level of retrofit. So without -- I'll entertain a motion on item 68. Staff recommended denial. Motion by the mayor pro tem, seconded by councilmember cole to approve staff recommendation on item 68, which is to deny the historic zoning. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion to deny passes on a vote of seven to zero.

Thank you.

Mayor Wynn: Thank you, steve. guernsey, perhaps before we get into some discussion items, I do want to take a brief point of privilege and welcome and introduce the girl scout troop 323. These are all fourth graders from baronhoff elementary and they are here witnessing good government in and by doing so they will be getting their model citizen badge. Please join me in welcoming our girl scouts. [Applause] glad to have you here, ladies. This is for the property locate the add 5005 spicewood springs road. This is a single-family request from single-family standard lot to townhouse condominium residence district zoning. Council considered this at the meeting of september 25th and had some questions regarding some of the environmental issues be. Sylvia pope from our watershed protection and development review department has provided a memo in your backup and kind of walks through some of the potential variances that would be required from the development code, chapter 25-8, and I'll just read through those briefly, possibly a cut and fill variance for greater than four feet, construction of buildings or parking lots and slopes greater than 25%, construction of roads, roadways or driveways and slopes greater than 15%. Water quality controls may not be built in the water quality transition zone and water quality -- and impervious cover would be limited to 18 percent. 37-acre tract came before you last time, it did have one individual that came up and speak spo in opposition. holland whiler was the agent, came forward and spoke on behalf of the owner regarding some engineering information that he had provided you. And I think at this time i might pause. If you have questions, sylvia has come down this evening to address any particular questions you have. holland is here also to speak in regards to this application. Council left the public hearing open, realizing that there may be questions that might arise either for the applicant or possibly the adjoining property owner in opposition to this case. I think at this point I'll pause if you have questions for me, for sylvia, for the agent or the adjacent property owner. We're all here.

Mayor Wynn: And I will say that technically our neighbor in opposition, herzog, I believe is the pronunciation, has signed up to speak in opposition.

And mayor, I note this is only ready for second reading. Given all the testimony that occurred at council at the last meeting, we did not prepare an ordinance because we were not quite sure what you were going to do this evening.

Mayor Wynn: That's so if you remember, council, we did leave the public hearing open even though we took action on first reading. And I believe it was technically a 7-0 vote on first reading only. herzog, would you care to address us? You signed up wishing to speak and technically we do have a public hearing open. So this would be your opportunity to perhaps give us any updates or additional thoughts.

Welcome. You will have three minute.

Thank you. Thank you, mayor and council. I'm glad to be here. First of all let me say that things have changed significantly since i started on this 10 years ago with jerry rusthoven and cooperation with staff. to see sylvia here. The list of foishz this property is quite telling and I don't think it requires additional comments. In addition to the statements in this letter, i would like to also state this property, according to page 3 of the staff report, is also (indiscernible) and dangerous habitat. Secondly on page 3 under staff report it is also in or near a floodplain zone. And now I'd like to come to the overhead projection. The total lot area is 2.37 acres. On the lower edge of it, not visible, but there's a critical water quality zone, which is near the edge of the creek. And then the next edge is the water quality transition zone, which limits building impervious cover to 18%. , Up at the very top is the blue area, which is actually called the upland zone. And the upland zone is various colored markings that indicate the slopes for that zone. So in the green yientd the reds are the ones that current city code allows development on. The total area of that according to the engineering report submitted by the applicant is approximately .027 acres, which is approximately 1,000 square foot. So this property I believe seeing all this information and I believe that you will also come to the decision is it cannot support a density of sf-6 multi-family zoning. And I believe at this point in time that the current zoning of sf-2 single-family large lot is the appropriate zone fog this property. In all this time, six motion, nobody ever said that this area is in a canyon. So we're talking about here canyon land and endangered species habitat, extremely sloped with a drop of 60-foot side ways and a drop of 140-foot. So if you picture it in your mind this lot you cannot even stand or walk on it. It's not really suitable for human habitation. So that's the order of concern I have. As an adjoining leaned loader I also have concerns with slope stability because if you allow a high density development here, it will cut like 10-foot or more into the hillside. And I have my property uphill of this property, and it could cut, so I would like to request at least minimum a 25-foot development buffer zone to protect my property from any kind of damage. Secondly, regarding the slope stability concern, i would like to ask for an engineering report for any kind of excavation. Having said that, finally i would like to close this, the sap or zoning commission denied this zoning request. And your appointees were appointed by you, especially who are trained to consider these matters. I ask you to go along with their findings and to deny this request. Thank you.

Mayor Wynn: Thank you. Questions lazlo? Thank you. whiler would you like to spon or give us -- would you like to respond or give us additional testimony as well? Is jeff (indiscernible) here? So holland, jeff has offered you his three minutes if you need it. You will have up to six minutes. Welcome.

Thank you, council and mayor. I'm just here to -- we understand the slope. We've got an engineer. I think we will address all the council's concerns through our site plan. We understand there's a limit of about 11,000 square foot total impervious cover. We will fall within all your requirements. We're just asking to you consider our sf-6 zoning. Thank you.

Mayor Wynn: Thank you. So council, questions for mr. whiler? Thank you. It is holland whiler, right?

Yes, sir.

Mayor Wynn: So council, again, questions of staff? guernsey say, staff isn't prepared for third reading if we wanted to approve a zoning designation tonight. Staff is ready for second reading only. So remind me, with the additional scientific information that we apparently have now that we didn't have on first reading, what role now does staff play for us to sort of confirm some of the things we've heard?

I think that's -- as i said, sylvia had turned in a memo that you have in your backup which there's some question about what the potential variances could be. We don't have a site plan at this time, so may or may not need specific variance -- all those specific variances that have been listed. Council would also - - because of herzog's property next door it would be subject to compatibility stz, so you would have set backs of 25 feet from the adjacent property with regards to buildings, driveways, parking areas. If there was potential filtration, that would also have to meet the setback requirement. holland, i don't know if he had an actual site plan that he could share with us. We don't know precisely what those requirements would be. Sf-6 would allow the flexibility cluster; however, they would still be limited I guess to the amount of impervious cover that has already been discussed on the property. Sf-2 that is currently on the property would allow the construction of a single-family home. It would have constraints because this property is not a platted lot, so it would have to go either through the process to show that it is a grandfather tract of land or it would have to go through a subdivision process. Sylvia has gone out to the site and it. She can probably give you more details on the terrain and more critical environmental features that are part of this site.

Mayor Wynn: And regarding the variance guernsey, you mentioned everything from cut and fill to others. Do all of those -- any of those variances would require council action or some that were administrative in nature?

They could go to the -- to the zoning and platting commission for their consideration of approval. Normally they will go before environmental board to get recommendations before they go through. And those would all be noticed type items that would typically be -- sent to adjacent property owners and notifying them of that process when it comes through at the time of site plan.

But not actually coming back to the city council.

No. They would not come through the city council.

Mayor Wynn: All right. Councilmember leffingwell.

Leffingwell: So all of these possible variances would be required whether it's sf 2 or sf-6, correct?

They would be reviewed, smark that's correct.

Leffingwell: If you would to build on slopes, have you to get a variance regardless of what kind of zoning there is, right?

The big difference that could occur is that if it were brought to sf-6, they could conceivably get more

dwelling units than they could. The area for impervious cover that they might be limited to would be greatly reduced, but the actual development of the number of units changes.

Leffingwell: Yeah. So what I was -- I thought I heard you say that it's an sf-2 lot right now. So unless it's subdivided there can only be one house on the property with the sf-2 zoning?

That's correct. It could also build a church or small day care would also be allowed on a property under that designation.

Leffingwell: And the sf-6 would not require subdivision, but be subject to the same variances as the single-family home.

If the subdivision is required, they would have to subdivide whether it's a single-family or the townhouse. The difference would be that if it was sf-6 and they would develop it, it would trigger a site plan and the compatibility standards for set back by the property because it's a single-family dwelling would be triggered on this property. So there would be additional setbacks of 25 feet that would be triggered on the property because of it's size.

If he were to subdivide the lot he may be able to get two single-family lots on the property. It would actually have project on swies wood springs -- spicewood springs road, but it's difficult given the slope and the impervious cover allowed.

Leffingwell: With sf-be 6 they would all be clustered there on the top on that upland section, and it would be limited to approximately, you said, 11,000 square feet. Somebody said that.

Well, the density is 4 units per acre, but I understand there is only 11,000 feet to cover for driveway, for parking, for the buildings, for sidewalks. It's going to be -- it's a greatly challenged tract to try to fit a number of units on the property.

Leffingwell: So in a practical sense, how many sf-6 unit could be put in the up lands on that tract.

Maybe four to six at the most and he would have to be extremely creative. You.

There is a 30-foot road that runs down the side of the property 1200 feet, 30 feet wide that we have access to the property. So it's not like you just drive right iewf. This is a road that goes right along the side of the property. Four to six is about all that we're able to get. Until we do our site plan and the engineering and determine what we can actually do, it might be down as low as two. We don't know until we get to that process. That's why we need to get through this process first if we can. Thank you very much.

Let me clarify one thing. With regards to the driveway, I think he's talking about it might be a joint access driveway, but in order to use the driveway for a townhouse community property for the use, he would also have to be zoned sf-6 because you cannot take a townhouse condominium type zoning project

through an sf-2 lot, even though the excess easement may exist, the zoning must be the same or more intense of a zoning district. So if you were to develop sf-2 houses, then you could probably take access through that ease. If the easement is zoned sf-2 on the adjacent property. If he were building townhouse development, he would not be able to take access to the joint access driveway and have to have a separate access through the sf-6 to the public street. I'll just note that for the record.

Mayor Wynn: Further questions of staff? Comments? guernsey, staff recommendation on this case.

Original staff recommendation was for an office mixed use on the property. The zoning -- platting commissions recommendation was to deny the zoning request.

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Mayor Wynn: And that original request being commercial.

The original request was for commercial, but I think the owner as you've heard tonight would be agreeable to the sf-6 suggested by council and approved on first reading in september.

Mayor Wynn: Right. Further questions, comments? Councilmember leffingwell. I don't have a question. I think I'm ready to make a motion if there's no one else to speak.

Mayor Wynn: There's no other citizens signed up. Further questions or comments of council? I'll entertain a motion, councilmember.

Leffingwell: I'll stried this. I'll move to close the public hearing, pass on second reading only, sf-6 zoning with the limitation of four units.

Motion by councilmember leffingwell that I'll second to approve on second reading only. Sf-be 6 with the limitation of four unit. [One moment, please, for change in captioners] preparing the ordinance and bring it back for third reading.

Mayor Wynn: I would like to add my request of whiler it would be that in a month or so, I don't want to cause a lot of time, effort and expense on your client's part, but for me to vote on third reading, I would sure like to see at least some preliminary schematic analysis and site plan format that might answer some of these questions that have arisen as part of this case. We have a motion and second on the table to close the public hearing and approve on second reading only sf-6 zoning with a maximum of four units. Councilmember morrison.

Morrison: I wanted to comment that I have some level of discomfort with this possibility particularly because I'm concerned about the possibility of zoning that allows for units which might direct us to some serious variances that may be left undesirable. So I'm not sure if it's possible, but I'd be very interested to see if there's any way to actually feasibly get four units on the tract without asking for some extreme -
- I should just say what kind of environmental variances are going to be asked for because I hate to do

zoning that really depends upon variances being passed. I don't know if that's something you can help us with maybe, mr. guernsey.

Our watershed protection department may be helpful in that regard. What staff will do once we receive the conceptual drawings from holland, we will share that with our watershed protection development review department and we won't bring it back to you right away, we'll let them have maybe a two-week review. Once we receive those drawings from him before we schedule this for third reading, so then we could share whatever comments aff ma have on the conceptual plan and share that with you so you have that information before you take action.

Mayor Wynn: I'll just say one of my bases for my request whiler is that the very reason I'm reluctant to, you know, be supportive of a zoning that essential rye requires a significant amount of variances. Hopefully before third reading would give us comfort that some appropriate compatible development could occur on the property without variances, frankly. Councilmember leffingwell.

Leffingwell: I think one of the reasons I made this proposal is, you know, I'm absolutely depending on the land development code to properly limit development, but I think it's probably, i mean we'll find out when we come back for third reading, but it's very likely that more variances would be required with sf-2 zoning than sf-6 because you would have the flexibility to build away from slopes with sf-6. We'll find that out when you come back.

Mayor Wynn: Agreed. A motion and second on the table. Second reading only. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on second reading only on a vote of 7-0.

Thank you, mayor and council. That brings us to our final two zoning items and these are dealing with the north burnet/gateway, 2008-16 and conduct a public hearing considering an ordinance to create the zoning district and establish associated use and site development regulations, repeal previous interim regulations and amend subchapter e, design standards and mixed use to exempt the n.b.g. Case 2008-182, north burnet/gateway, would zone 41 tracts or 1463 acres of land in the area bounded by mopac, 183 and braker lane and I'll turn this over to molly scarbrough and let her present these two items. Earlier if you recall there was a briefing that molly went over through the plan and the regulations and I think there were some additional questions council had. Also I'm aware that I think there's two or three people in the audience that are here to speak to these items as well. I'll turn this over to molly.

Mayor Wynn: Welcome back, molly.

Thank you. I'm happy to provide a recap or we can just head straight into the public hearing.

Mayor Wynn: I would suggest we go straight into the public hearing, frankly. It was recent enough of a briefing and -- so perhaps the appropriate case introduction scarbrough or mr. guernsey. We have just a handful of citizens, I think three citizens that would like to give us testimony.

And so we're looking at agenda item number 61, case number c 20-2008-016, amendment to title 25 of the land development code, and we'll be taking up discussion coordinated with also agenda item number 62, case number c 14-2008-0182, proposed burn born rezoning.

Mayor Wynn: Thank you. scarbrough before we go to citizens testimony, council? Thank you, molly. Again we'll take up this combined zoning matters, items 61 and 62. We have just a handful of folks that wish to give us testimony. Richard subtle originally signed up wishing to speak. subtle slipped me a note he had to leave and we'll just note his interest for the record.

Actually mayor, I have a note to that richard subtle did have a request that the public hearing remain open for subsequent readings; that he represented some property owners who would like to meet with staff either later this week or next week to discuss some of the issues and so his request is that the public hearing remain open for second and third reading.

Mayor Wynn: And scarbrough remind me or guernsey, was staff even ready for all three readings on either case this evening?

We are ready for all three readings this evening. Desired by council.

Mayor Wynn: Well, so council, we'll take subtle's request under advisement and continue with our public hearing. Our next speaker was karen pop. I saw karen earlier. Welcome back. You will have three minutes to be followed by heather way.

Good evening, mayor, mayor pro tem, members of council, my name is karen pop and I'm speaking on the housing components of this case. The housing advocates were very glad to see some of the recommendations which staff brought forward in this case on the housing, the staff included a recommendation for an 80% and 60% affordability on ownership and rental with 10% density incentive and we're glad to see that, but staff also conducted a housing job mismatch study and looked -- because this area is going to be a huge job magnet, something on the -- our second largest job center in the city. And we think people should live nearby where they work, then it's important to look at the incomes of those jobs. Well, a lot of those incomes are lower incomes and people who will need housing that costs less than market. So the type of housing that's available there is important. Moving on to the parts that we didn't like as much from the housing advocates standpoint, there's a fee in lieu and we think this, number one, should only be granted in exceptional circumstances. It should not just generally be available. And if there is a fee in lieu that's available, it should go -- there should be some public review step, it should go through a board or commission before it comes to council. If there's a fee in lieu, it should also be consistent in other transit districts and this isn't officially a transit district but has many of the characteristics so it should be consistent with what staff has recommended which is \$10 a foot fee instead of a \$6 a foot fee. Those are my comments. Thank you.

Mayor Wynn: Thank you, karen. Our next speaker is heather way. Heather was here earlier as part of our families and children's task force. Technically heather signed up neutral, but we will note her interest as we do with most housing issues. Also council a handful of folks signed up wish to go give us

testimony if we have questions of them. Those being john done simple, alice glasgow and bobby jo cornelius here to answer questions of council if needed. Council, that's all of our speakers on this combined zoning case 61 and 62. So questions of staff? Comments? guernsey confirmed staff is prepared for all three readings. It's council's desire. Mayor pro tem.

McCracken: I think there's a good reason why should only go on first reading this evening, and there's just an issue of clarifying we're going to [inaudible] design standards as well. That's to get a -- we had exempted industrial properties from the design standards ordinance I think for a lot of reasons that when laura was a private citizen we were doing this together, we had come to a group judgment to do that. But we have to sort it out. We've discovered that we said use not zoning category. We have to get that sorted out both for the design ordinance and the north burnet/gateway and we're going to, but i think we're not ready to go tonight on all three readings as a result. I did agree, molly, there's one area where you all had not concurred with the planning commission recommendation. I think on the fee in lieu of, right?

In lieu of and also -- well, both issues that were addressed by the speaker, the fee in lieu, planning commission recommendation it be changed \$10 to square foot. Staff recommends it remain as proposed at \$6 per square foot. And then secondly that fee in lieu of planning commission recommended fee in lieu only for residential properties only be granted -- not be granted administratively but would have to be brought either before planning commission or council, and staff does not recommend that. They do recommend that it -- fee in lieu be granted administratively.

McCracken: I'll move to approve on first reading the staff response to the planning commission recommendation. Which are noted in the backup materials generally concurring except in the two instances about how to handle the fee in lieu.

Mayor Wynn: So most -- does your motion include closing the public hearing?

McCracken: Keeping it open.

Mayor Wynn: Fair enough. Motion by the mayor pro tem to have -- to not close the public hearing and approve on first reading only what in effect is staff recommendations.

McCracken: Right.

Mayor Wynn: Seconded by councilmember cole. Further comments? Councilmember leffingwell.

Leffingwell: Just a clarification, the one were the change in fee in lieu of from \$6 instead of 10:00. Is that correct?

The staff originally proposal and continued proposal is that the fee in lieu of be \$6 per square foot. Planning commission recommended that it be changed to \$10. And so staff does not concur with that.

Weld it to remain \$6.

Leffingwell: So the motion will be \$6.

Correct.

Leffingwell: And what was the other change?

Similarly that as proposed in the regulating plan that the fee in lieu be granted administratively as opposed to having to go to planning commission or council.

Mayor Wynn: First reading only motion, I think I can safely characterize as staff recommendation. I'll be supporting this motion on first reading, but I'm very much open to the concept of both the dollar amount on the fee in lieu and what might be the legislative process or administrative process for approving that. Appreciate the input from folks. Further comments? Councilmember morrison.

Morrison: I have a few other comments and questions. One of the concerns that i have, there is going to be a fund from the fee in lieu that will go to community benefits. I think we had this discussion before, and one of the concerns I have is about the decisions on the allocation of that fund. I know that it needs to be very flexible because as time goes on, what's needed in terms of community benefits will change. Right now it's set up so that it's fully in the discretion of the director, I believe, of neighborhood planning and zoning. And I would be more comfortable because we don't know how much is going to be in this fund, it could be a large amount, maybe it won't be, and because there could be different points of view in the community at any given time as to what is the best way to expend those funds, i would be more comfortable if there were some kind of public forum or some kind of forum for public input on that and transparency to that decision. And my recommendation, just to toss out as a possibility, web either it would be something that would be presented as a proposal by the director to either the planning commission or the community development commission. The planning commission because they know about -- you know, they know about [inaudible] and all that. Community development commission, although they focus, in my understanding, a lot on affordable housing, we're really talking about all the aspects of community development at this point. So I guess I'm making a suggestion to the maker of the motion.

McCracken: Councilmember, just to clarify, to say that the [inaudible] be implemented to the planning commission or the community development commission?

Morrison: Right, for their review and recommendation.

McCracken: I'll accept that as a friendly amendment.

Mayor Wynn: Councilmember cole is the maker of the second. So again we have an amended motion and a second on the table for first reading only, combined cases 61 and 62.

Morrison: I have a couple of others. Sorry.

Actually, councilmember morrison, if I could ask for a clarification on that last motion, is not that the process for decision-making be brought before planning commission or that the actual expenditure of certain funds be brought before planning commission?

Morrison: I intended the latter, that the actual expenditure of funds.

Okay. Thank you.

Morrison: And then there was one area in the regulation plan that appeared to generate a little bit of confusion, and that was in section 621-f, it raised the issue of whether or not you could pay a fee in lieu of for the collector street, and I think we discussed this before, i wanted to make a recommendation that the language just be clarified that you can't pay a fee in lieu when you are required to put in collector streets.

And so that fee in lieu really could be brought under the affordable housing discussion so it's more clear that it's a fee in lieu for affordable housing option rather than for collector streets. Okay.

Morrison: And my last comment really is a question, and that is in terms of the collector streets, if you are -- if you are less than five acres, you can provide a collector street in exchange for a density bonus if you are more than five acres and you are developing, you have to put in the collector streets. Is that correct?

Correct. And the rationale behind that is that properties that are greater than five acres in size would be required to break up their site due to our maximum block size requirements. And so they would be required to break up their site with streets. And in the areas where collector streets are shown, we would just require that there is street be the collector street.

Morrison: So is it the intention of staff that the five-acre size distinction be as of today or -- I guess I'm concerned about the potential for someone sort of gaming the system and coming with a site that's larger than five acres and subdividing it and then avoiding the requirement to put in the collector street.

I would have to look into that and have some discussions with other staff about the mechanism.

Actually I can short stop this for you. This [inaudible] the design standards stakeholder group. After three arduous, painful months on a very challenging subject, we had a consensus recommendation between first and second reading we'll make sure it gets forwarded to you. But it involved requiring circulation plans on the parent tract before subdivision. And that was -- we took a lot of time. You did it by an issue that we had been in the weeds on for months before we identified it. It's a tough one, but we have a recommendation that represents the consensus of the developers and neighborhood advocates and we'll forward that there is addresses the specific issue.

Morrison: Terrific. I appreciate that. I want to say that I'll support this motion also, but like the marry hope we can talk in more detail about the fee in lieu because I think that, you know, setting it to high has some consequence, but setting it too low also has the consequence of losing the potential for on site affordable housing because everybody will just pay the fee in lieu if it's too low so I hope we can continue that conversation.

Mayor Wynn: Amended motion on the table and second. First reading only. Further comments? Hearing none, all those in favor please say aye. Opposed? Motion passes on a vote of first reading only on a vote of 7-0. scarbrough, what might be a likely time line to get this back before us?

I'm looking at greg.

Mayor Wynn: So am i.

Well, it definitely won't be next week. My guess it would take at least a month before we could probably bring this back because we would want to share the information we have with some of the stakeholders that are present and let them know. Also we need to sit down with suttle, I think his client represents two property owners that jointly hold about 70 acres of land. And although we know generally where those properties are, he was not able to provide us a good legal description or address list of those properties. So we need to get that from him as well. And I don't think he will be available next week after talking to him a little earlier this evening. So my guess the earliest that you would probably see this would be the 20th of november. But there's a very good chance it might be just after the holiday, thanksgiving holiday.

Mayor Wynn: Fair enough. Thank you, ms. scarbrough.

Thank you.

Mayor Wynn: I believe that concludes our zoning matters for the evening, mr. guernsey.

Yes, it does, but our department has a few public hearings we would like to bring you that are scheduled for 6:00.

Mayor Wynn: Yes. So council, at this time and folks patiently waiting in the audience, we will take up our public hearings that by posting we couldn't take up until 6:00 anyway. We are obviously running a little behind. We have one, two, three, four, five -- nine public hearings but only one of which has a couple of folks to give us testimony.

At this time I'll introduce virginia culler who will go through the annexations zilker park welcome back, ms. collier.

Good evening mayor and council, virginia collier. This is the first of two public hearings for the following set of nine full-purpose annexation areas. 69 Through 77. The second hearing for each area is

scheduled next thursday, october 23rd here and council will not be taking action on these items at either of these hearings. Ordinance readings scheduled FOR NOVEMBER 20th, 2008. In general upon annexation the city will provide full municipal service to each area including they are services currently provided by other entities. In addition copies of the service plans are available this evening. I've left them out front. And I'd be happy to send a copy to anyone who is unable to attend the meeting this evening. In compliance with statutory requirements, the draft service plan for each area includes three main components. First is the early action program which identifies services that are provided in the area commencing on the effective date of annexation such as police and fire protection, emergency medical service, solid waste collection and operation and maintenance of infrastructure such as water and wastewater facilities, roads and streets, street lighting and public parks and playgrounds. Second there's a second including additional service which includes those services not required by state law but available city-wide such as watershed protection, development review, use of city libraries, health and human services benefits and anti-litter services. And then finally you'll find the capital improvements program and this is a section we would include information about any capital improvements necessary to provide municipal services to the area. The first on the list is item 69, the abia full-purpose annexation area which includes 7 acres located in southeastern travis county west of general aviation avenue approximately 1500 feet north of burleson road. This area is currently in the and is completely surround bide the full-purpose annexation city limits and the airport property and it includes properties recently acquired by abia. Upon annexation the city will provide full services, copies of which are available this evening and that concludes my presentation for item 69.

Mayor Wynn: Thank you, ms. collier. Are there any citizens that would like to give testimony regard the full-purpose annexation abia outparcel annexation area? Hearing none, I'll entertain a motion to close this public hearing. Motion by councilmember shade, seconded by councilmember cole to close the public hearing. All those in favor please say aye. Opposed? Motion to close the public hearing passes on a vote of 6-0 with councilmember leffingwell off the dias.

70, Anderson mill road and u.s. 183. Portions are currently in the city's limited purpose jurisdiction and the remainedder in the city's e.t.j. This area is adjacent to the current full purpose limit a the east ansaid sides and the to the west. will be brought into the full-purpose annexation effective december 31 of this year and this area will be surrounded by the city limits and isolated from the ballot county if it's not also annexed at this time. This area includes several single-family homes located on individual lots and in a condo area, in addition to some commercial use along anderson mill road. Again, copies of the service plan are available this evening and I'd be happy to answer any questions you have on item 70.

Mayor Wynn: Thank you. Questions of staff, council? We do have at least one person that wanted to give us testimony earlier. I hope they are still here. Is scott moreledge here? And bruce wentzel. He donated his time. You'll have up to six minutes if you need it. Staff can help with any visuals if you need to use the overhead.

Good evening, mayor and councilmembers and I'll try to be as brief as I can. My name is scott moreledge, a business property owner along anderson mill road. I'm here on behalf of miss and a group of business owners in the same section of anderson mill rode. We've been working for quite some time

to solve a significant traffic problem that exists out there. We wanted you to be aware of what the current issues are and kind of what we're doing and hopefully get something included in the service plan to help with us that. The map is a little difficult to see at scale but what you will see at the top of the map is highway 183. The line down the center is anderson mill road. The portion that's in the annexation starts pretty much right there at 183, continues on down, at the very bottom of the map you see a subtle curve. That's also part of the annexation. What appears right now to be a lot of open area there is not a fact, that's an older map. The area is pretty well developed with either shopping centers, office, retail, there's -- I don't know if you can read some of the notes, but there's a funeral home, a value layer row gas station. Where it says child care center, that's proposed. That hasn't been constructed yet. That section of anderson mill road is unique. As move to the other side of 183, what would be at the top of the map, it becomes a six lane divided boulevard that continues from there all the way to parmer lane. As you move just to the bottom section of the map, as you come around that curve, it opens up into a brand new four-lane divided boulevard that goes all the way to highway 620 and continues beyond highway 620. Anderson mill road in the last few years with all the development that's gone on west of 620 has become sort of a major cut-through to get to highway 183 to come into town. I think traffic counts are up to now about 42,000 vehicles per day along that stretch of anderson mill road. Our main concern is that in the section you are looking at, you can't see topography, but from the bottom where the curve is coming in, that's a downhill section. All the way just to right before where you see the two big main shopping centers along 183. The -- at that point the road comes up and kind of a hump, a little bit of a hill. Just over that hump are the traffic lights for the 183 front age road. That section of anderson mill road is williamson county's number one traffic accident spot. Williamson county will indicate that. They have on average 12 reported accidents a month in that section. Almost all the same kinds, almost all rear end accidents from people coming down the road approaching 183, someone is waiting in the middle to make a turn and rear end accidents continuously. We looked at the draft annexation plan that came out on this and we had a couple of concerns that popped up to us immediately. In the early action part of the program, paragraph 1-f talks about roadways and it says in there that the city believes that the existing streets are performing adequately to serve at a comparable level. And I know this is sort of boiler plate stuff, but it was obviously a concern to us when we saw that. As we move forward into the capital improvements section, paragraph 3-f in there talked about roads and streets and future capital improvements and tells us no road or street related capital improvements are necessary at this time. We talked to transportation here at the city and I think after conversations with them I think they are now a little more aware there may be some improvements necessary out there. A couple of things that we have done proactively as private business owners out there, there's a church, actually their parking lot is shown at the lower left of the map. They at their own expense, about \$60,000, installed a traffic light at their parking lot intersection to anderson mill road. That was in response to a number of accidents that occurred at that spot. It's a traffic light that's only triggered when somebody is leaving the charge so it's not a cycling traffic light that helps any of the issues farther down anderson mill. The business owners down farther have gotten together and have worked with williamson county. We have a final approved plan for a turn lane addition so that section of anderson mill road. This is something perp hoping to privately fund. The total cost of that came in at \$184,000. About 1800 feet of left turn lane through that middle section. We have privately collected up to \$100,000 to put towards that. We don't have the other 84,000. We were just beginning to work with williamson county on that when the annexation notices

came out and williamson county is not interested in want to go continue to work on that. So I would just like to make sure that you all are aware of the situation that exist out there. Our first request would be if we could possibly try to include some funding in this draft service plan for that turn lane. \$84,000 is really what we're short. That would be the least expensive turn lane you all have ever bought, I promise. And we have a motivated group of property owners out there who would contribute the rest. If not that, we would like at the very least to see it considered early in the early action program or early in the capital improvements program for a roadway improvements. Appreciate that. Thank you.

Mayor Wynn: Thank you. Questions for scott, council? Appreciate this for. It's very timely and appropriate. Are there any other citizens that would like to give us testimony on this public hearing, item number 70, the full-purpose annexation of the anderson mill road and u.s. 183 Annexation area? If not, I'll entertain a motion to close the public hearing. Motion by the mayor pro tem, seconded by councilmember morrison to close the public hearing. All in favor. Opposed? Motion passes on a vote of 7-0. collier, he brought up some very interesting, you know, transportation or mobility dynamics there. What's staff's initial thought or response about is the service plan the appropriate product or arena for us to talk about road improvements or is this go back into sort of our transportation department and then it will go through a prioritization process? I spoke with the transportation engineer for this area about this issue, and he explained that this would be something funded with bond money. He said they don't have funds for this kind of improvement at this point in time, but this would go on a list of other roads that are in similar situations throughout the city. The requirements for the service plan are that the city maintained and operated infrastructure at the levels the county -- or the previous service provider has been maintaining which would be williamson county in this case. And I think as the resident explained that, you know, working with the two counties with anderson mill road being in and out of city of austin, travis county and williamson county on this short stretch between ranch road 620 and 183, it's been a very complicated jurisdictional area. And bringing the entire stretch of the road into the city limits as of december 31st should improve that. And hopefully through our transportation division we can address these issues.

Mayor Wynn: I would hope so. Thank you.

Item 71 is the ash brook annexation area.

Mayor Wynn: Thank you. Questions of staff? Comments? Are there any citizens who would like to give us testimony in this public hearing for the full-purpose annexation of ashbrook annexation area, item 71? Hearing none, I'll entertain a motion to close the public hearing. So moved by councilmember shade, seconded by councilmember leffingwell to close the public hearing. All in favor? Opposed? Motion to close the public hearing passes on a vote of 7-0.

Item 72 is bridges of bear creek, phase 1, section 2, if you were. This includes approximately 13 acres located in travis county at the southeast corner of the intersection of frate barker road and brodie lane. This area is currently in the and the adjacent to the full-purpose annexation on the west, south and east sides. This area is currently undeveloped and includes a proposed 60 unit small lot residential family subdivision. Copies of the service plan are available and I would be happy to answer any questions on

item 72.

Mayor Wynn: Thank you, environmental. Questions of staff, council? Are there any citizens that would like to give testimony on item 72, full-purpose annexation of bear creek phase 1, section 2. I'll entertain a motion to close the public hearing. Motion made by councilmember martinez, seconded by councilmember shade to close the public hearing. All those in favor please say aye? Opposed? Motion to close the public hearing passes on 7-0.

Item 73 the burleson road full-purpose annexation area and this includes approximately 14 acres located in southeastern travis county west of the intersection of burleson road and fm 973 in the city's e.t.j. This area includes approximately a one mile stretch of right-of-way and is adjacent to the austin bergstrom airport and the current city limits to north side. Copies of the service plan are available and I'd be glad to answer any questions you have on item 73.

Mayor Wynn: Questions, council? Are there any citizens who would like to give us testimony on this item 73 regarding the full-purpose annexation of the burleson road right-of-way area? Hearing none, I'll entertain a motion to close the public hearing. So moved by councilmember martinez, seconded by the mayor pro tem to close the public hearing. All those in favor please say aye. Opposed? Motion to close the public hearing passes on a vote of 7-0.

Item 474 is the hollow at slaughter creek and includes approximately 42 acres south of slaughter lane approximately 270 feet west of bill brook place and general know I can't drive currently and adjacent to the full-purpose annexation jurisdiction on the north and east side. It includes the proposed hollow at slaughter creek subdivision. Copies of the service plan are available this evening and I'd be happy to answer any questions you have on item 74.

Mayor Wynn: Thank you, ms. collier. Are there any citizens who would like to give testimony on this public hearing, item 74, related to the full-purpose annexation of the hollow at slaughter creek annexation area? Hearing none, I'll entertain a motion to close the public hearing. All in motion passes on a vote of 7-0.

Item number 77, the dalton lane if you were area, 6 # lakers located in travis county east of intersection of dalton lane and sherman road. This is in the city's e.t.j. Adjacent to the full city limits. A site plan has been approved indicating plans to redevelop this former mining sight with commercial and industrial uses and copies of the service plan are available this evening. That concludes my presentation on item number 77.

Mayor Wynn: Thank you, ms. collier. Questions, council? Are there any citizens who would like to give us testimony on this public hearing regarding the full-purpose annexation of the dalton lane commercial annexation area? Hearing none, I'll entertain a motion to close the public hearing. Motion by councilmember shade seconded by councilmember morrison to close the public hearing. All those in favor please say aye. Opposed? Motion passes on a vote of 7-0. There being no more business before

the city council meeting we stand adjourned. It's 7:43 p.m.

End of Council Session Closed Caption Log