

Closed Caption Log, Council Meeting, 01/14/10

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good morning. I'm austin mayor lee leffingwell. We'll begin this morning with the invocation from pastor charles lee from the acts fellowship church. Please rise.

Let's pray. Loving father, we come before you this morning, a day that you have made in the name of your son jesus and in the power of the holy spirit. Father, we acknowledge that you are the creator god, who is in control over all things, and lord, we just acknowledge your sovereignty. Father, we confess that apart from you we can do nothing, and so we look to you this morning because you are the source of all good things, and we thank you that you are with us. We thank you that you allowed us to -- you allow us to live in this great city with great people, and I pray, lord, that you would just continue to empower your leaders here, the city council members and the mayor and everyone that's working so hard and diligently to lead this city. Father, we thank you for them. We thank you for the grace that you give to us all. Father, this morning I just want to pray that you would just strengthen the leadership here, and lord, that you would give them integrity to -- to be true and honest, lord, and you would give them courage to do what is right, wisdom to know and understand the times and the issues. Lord, compassion and love for the people of austin, lord, that you would help them to make decisions with the best interests at heart for the citizens of this city, lord. And I just pray for their families as well. I'm sure with all the responsibilities they hold, lord, there could be stress and things going on in their families. Lord, be over them as well, and just protect their families as they serve this city and, father, I pray, lord, that you would just continue to lead this city in a godly way, that you would shower your blessings upon this wonderful city that you have established, and, lord, that you would just guide this meeting today, and especially, lord, to lift up the nation of haiti, that you would watch over them and bless them and just bless all the efforts that's being done there to help the and hurting, and lord, we just thank you that we can be here, to think about them and also to take part in what you're doing in this city. Bless this city for your name sake and empower the leaders to do good and great things for this city, for replay all this, lord, in the name of jesus. Amen.

[01:07:09]

Ayor leffingwell: amen. Thank you, pastor. Please be seated. A quorum is present so we'll call this meeting of the austin city council to order. 05 on thursday, january 28, 2010, we're meeting in the council chambers, austin city hall, 301 west 2nd street, austin, texas. I'll give by reading the changes and corrections to today's agenda and they are, 20 is postponed indefinitely. 27 is postponed indefinitely and not recommend by the public health and human services council committee. 20 is recommend by the council of public health and human services committee. 30 is postponed until february 4. 32 is postponed indefinitely. Our time certain items are as follows. public hearing on hanger orthopedic group incorporated and also a briefing by austin energy's resource -- on austin energy's resource and carbon reduction plan and a briefing on the lower shoal creek. That should read lower shoal creek redevelopment. There will be no briefing on seaholm redevelopment. 00 we'll take up our general citizens communication. At 2:00 our zoning matters. 00 our public hearings, 30 live music and proclamations. The consent agenda is items 1 through 42 plus item 58, with the following 29 will be pulled for a brief presentation by staff. 42 has been pulled by council member morrison. 58 pulled by myself, mayor lee leffinell, and I'm seeing no items on the consent agenda that have more than one speaker signed up. So in addition we are -- we are postponing part of item no. 1. We're postponing the

minutes from the january 14 meeting only, so the meetings from the -- minutes from the other meeting will be on the consent agenda. So with that I'll entertain a motion to approve the consent agenda. Moved by council member shade, second by council member spelman. All in favor say aye.

[01:10:33]

Aye.

Mayor leffingwell: aye. Any opposed? Passes on a vote of 7-0. 41 are the board and commission appointments that we just approved, and I'll read them into the record now and they are as FOLLOWS, scott McDoll to the airport advisory commission by council member riley. Through the building and fire code appeals, michael thorn gleason by council member riley. To the building and standards commission, daniel gonzales by mayor pro tem martinez. To the commission on immigrant affairs, sonny ogero, by council member morrison. To the waller creek citizens advisory committee, rodney ahort and lynn osgood, both appointed by the council. Item 41 also includes approval of resolution appointing to the housing authority of the city of austin charles chuck bailey, both by mayor leffingwell, myself, and also the resolution appointing council member cole -- reappointing council member cole to the lone star rail board of directors, formerly known as austin-san antonio intercommuter rail district for a two-year term. So with that, council, we'll go to the first item, which 29 for a brief presentation by staff.

Mayor, mayor pro tem, council members, my name is chris copela. I'm an assistant city attorney with the austin law department, and I'm here today to recommend that you approve an agreement to settle two cases that are filed and pending against the city of atin, and they are northwest austin municipal utility district, the city of, and oliver ban, et, the city of austin, et al. As we discussed during an executive session on january 14, the settlement agreement generally contains the city will pass an ordinance on february 4 to immediately dissolve and abolish the northwest austin municipal 1 pursuant to texas local government code 43.074. Upon dissolution the city will obtain the district's assets and liabilities at the time of dissolution. This ordinance, if it's passed and the settlement agreement is approved, will bring the city into compliance with the adverse decision of the third court of appeals in this case. No later than april 30, 2010 the city will reimburse proper owners in the district for 100% of the property taxes they paid to the district for tax year 2009. The credit that austin water rate payers in the district receive on their water utility bills will cease. All austin water rate payers in the district will from this point forward pay their full water utility bills to the austin water utility, and you will be asked to pass an ordinance memorializing this change on february 4 as well. The city will pay \$900,000 in attorneys' fees, costs and expenses associated with these two lawsuits. All parties will mutually release one another from any additional claims that were or could have been asserted in these two lawsuits. The law department recommends settlement on these terms. I'm happy to answer any questions that you may have. any questions? If not, I'll entertain a motion on item no. 29. Mayor pro tem moves approval of item 29, council member cole seconds. Is there any further discussion? All in favor say aye.

[01:15:23]

Aye.

Mayor leffingwell: aye. Any opposed? Passes on a vote of 7-0. The next item is item no. 42, Pulled by council member morrison, and I believe we did have one speaker signed up on 42, but I've lost that from my screen, so if there's anyone that wants to speak on 42 just let me know. But I'll turn it over to council member morrison.

Thank you, mayor. Item 42 is an item from council that recognizes that youth sports and recreational opportunities are important for folks all across the city, and in particular -- and suggests the possibility

that where access is challenged for youth, that we should look at public/private partnerships and specifically directs the city manager to go forward and draft a public/private partnership agreement for council consideration for one particular youth associatn, west austin youth association. And what I would like to do -- and I'm supportive of that. What I would like to do is recognize at this point that we have opportunities for such partnerships, probably all across the city, but i wanted to add an additional "be it resolved" to ask staff also with this resolution to go forward and research other opportunities across the city to make sure that we're being proactive about that for kids all across the city. So my proposed amendment to the resolution is -- and i have a copy for the clerk and I can provide a copy to some of my colleagues here, to add the following at the "be it further resolved that the city manager is hereby directed to research additional opportunities for public/private partnerships that would increase youth recrtional and sports activities with additional organizations and to report on the progress of such opportunities to city council not later than 60 days after the passage of " so with that I'd like to make a motion that we add this language to the resolution.

Mayor leffingwell: okay. That -- I'll call that a tentative proposed amendment because we don't have a motion yet on the resolution, and we will get -- if we can get a motion on the resolution itself. Council member shade. the maker of the -- as the sponsor of the item I would make a motion that we approve it, and i would accept that as a friendly amendment. do we have sond by council member riley? And do you also approve the proposed friendly amendment? All right. Any further discussion? We do have one speaker signed up to speak before we vote, so israel lopez is signed up against. Israel lopez.

[01:18:44]

Good morning. I apologize for the attire but I just found out about an hour and a half ago. I'm just here to express my concerns in regards to the proposition 42. I know the city of austin is in a crunch to begin with, and I'm speaking on behalf of the montopolis little league, on behalf of alex serna, central east austin youth leagues. To begin with, we're in a negative. We don't have the resources. We've been completely shut down, and I apologize to say this, because I've got some friends out here that I've been dealing with in the past couple of weeks in regards to different issues as far as the \$5,000 cap on each field for the lights. But the city has completely shut us off. Completely, to the point that we have to do things ourselves out there on montopolis. I have two riding mowers for seven fields. Riding mowers. We don't have those big \$100,000 budgets to work with. So my concern is if the city has that -- if the city wants to propose something for an organization like that, you know, I love sammy joseph and the other organizations, but we also need the help, and we don't like to be put in the dark and not know exactly what's going on. I knew nothing about this till 8:30 this morning. I was on my way to do my regular daily routine, and head I headed straight over here to do this. I didn't have time to make any phone calls, but I've got a couple guys that showed up and tried to show up now to express their concerns himself. I'm new to this. I didn't expect to be here, but that's -- I'd just like to express my concern on that and see if we could follow up on that. I mean, we need the help just like everyone else does, and I don't think -- we're not asking for a handout. We just want something that's fair. We do deal with kids out there that are completely different to every other part of austin, and we do that hands-on. council member shade? I appreciate you coming, and I want to make a distinction. What we're -- the item that 30, is related to the fields, and the whole point of that ordinance is to clean this up so that we can equity that we haven't had in the past with respect to the way the city allocates resources to the field. The \$5,000 cap has been written about in the media, but those rules have not yet been put in place what we will be approving, got postponed to next week, hopefully it will all be worked out with the various stakeholders and the park staff and the city attorney, the specific reason for that ordinance is to address exactly the concern you have about the lack of equity in terms of the way your fields are kept versus other places. And so that's the point of that. What we found also in the process of this is that the city does have this outdated resolution, which will be -- which will be replaced wh this new ordinance, hopefully next week. That deals specifically with fids, and the way the city partners with youth sports organizations like yours. But what we also discovered is that we don't have a mechanism in place for partnering with youth sports organizations in indoor facilities unless they're city-owned. And so we had a big discussion last week

about growth and how do we pay for growth and how do we deal with cost of service, and what we're finding is that there is n way that the city can build city-owned facilities all over the city, and so where it's appropriate, where there isn't a city-owned rec sport CENTERS -- currently McRec sports centers we have partnerships with -- but where we don't have an indoor facility we don't have a facility in place, and that was the reason for this resolution to have an opportunity to look at that, because that's the way of the future, I feel funny saying that's the way of the future because other cities already do that, but we definitely -- I appreciated the addition that council member morrison added. We should be looking at that in all areas of the city where there isn't an indoor facility, because we've already got a process, hopefully, an improved process, for outdoor fields, but this is to address the issue of indoor facilities where we don't have our own city-owned. And it's much -- that will come back for council approval and with the addition of council member morrison's additional resolution, it means that we can also survey the entire city and look for other opportunities where we don't have an indoor facility.

[01:23:15]

I understand that, and i appreciate the explanation, but montopolis recreation center also doesn't have the resources that everyone else has, and if we're going to co-sponsor and if there's money to do that I would like to -- you know, at one point, just -- I'd just like to bring that up. It's -- again, you have a rec center and granted, it needs to be improved and that's the reason why we need to look to partner with organizations besides just the city, because the city is not delivering the full range of services in its own facilities and in the facilities that it doesn't own. So again, I appreciate it. I think that -- as you mentioned, you've been having a lot of discussions. I see the parks director is here. Maybe you can talk to her further, but, you know, again, we hear you. That's the reason why we're trying to do a lot better job going forward. thank you, council member. Council member cole and then mayor pro tem. thank you, mr. lopez, for coming forth. I am proud to say that i worked real hard with council member morrison trying to get this right and recognizing the equity issue, and this is not the first kind of public/private partnership that we've done. We've actually done one that I sponsored with the esaty, and recognizing the needs in that community and they weren't being met and the city did not have a recreation facility in that area and that the population was growing. And I really appreciate the fact that you came forward and are making the case for montopolis. And council member spelman and I recently passed an item that basically allows for city matching funds to deal with communities that can raise money but also communities that can just put in sweat equity to, you know, better a park, betr a recreation center, I think howard lazarus is here somewhere, but I would really like you to visit with him on that issue, because we actually visited last night with the austin neighborhoods council, and there was a gentleman there from the montopolis neighborhood kind of making the case for other facilities in the area.

I'm sorry, who was that person? you weren't asked a question. Council member cole.

Dale goss.

Oh, dale. Yeah, he's -- he represents montopolis, but I don't have -- I've never met him. what I'm trying to get at is it's my sincere desire that we do more in montopolis and that we get together with the neighborhoods and the people that use the recreation facility and try to raise money, get equity and address some of the concerns immediately and also on the long-term bond package. And so I'm with you in that effort, and so please visit with sarah hensley and also the public works director, howard lazarus, and let's get you in line for that.

[01:26:13]

I appreciate that. Thanks. mayor pro tem? Tem. lopez, thank you for coming down. I know you called the office when you found this is on the agenda. I think the amendment added to the item will expandt

citywide, but we hear your concerns. Everybody is on a tight budget. And I appreciate your efforts in Montopolis. And Mr. Serna as well. It means so much to the kids to have what you provide them. We'll keep working to improve on the services out there.

Thank you. And I would just echo council member Shade's comments that this can be a model for how we can expand services without expanding the cost of those services throughout the city, and I would expect that any agreement that the city manager negotiates with Waya, would include a very strong city partnership component. It's not a give-away. It's an opportunity to engage in a public/private cooperation. All right. Any further comments? All in favor say aye.

Aye.

Mayor Leffingwell: Aye. Any oppos? Passes on a vote of 7-0. So the next item pulled by 58, and I will have a couple of brief comments and proposal for a friendly amendment but first I'd like to give council member Spelman the opportunity to speak on this, if you wish.

Mayor, are there any speakers on this item no speakers.

Let me say just a couple or three things about why this is done the way it is. First, this was a late addition to our agenda. The reason it's a late addition is because my office and council member Morrison's office believed up until -- well, early last week that this would be suitable for a resolution. The legal department believed that since one of the items in that resolution could be construed as waiving the requirements of the city ordinance, it takes a motion to -- resolution cannot waive an ordinance. Therefore it had to be written up in ordinance form. It took a little bit longer and the ordinance was not ready. It hadn't gone through both of our offices until Friday at 2:00 in the afternoon. So we submitted it on Friday afternoon. There was some concern on the managers' part as to whether or not it would be suitable for us to put something in on Friday, and when that was resolved it was too late to make Friday deadline so actually ended up going in on Monday. So my apologies for having taken a little bit longer than expected. It was because we need to write this up as an ordinance and because we haven't figured out the rules for getting in items after Wednesday, and we probably ought to at some point come up with a resolution to clarify exactly what the managers' role is and what all our roles are going to be if that has to happen. Two things I want to say about the substance of this. First, that this is deal with density bonus program, which has been developed as an alternative to what it is that we have been using in the past. The cure program is extremely open-ended, doesn't provide a lot of guidance for developers who are interested in seeking greater densities and is basically an invitation to let's make a deal. What a lot of people were suggesting would be a better alternative was a price list, more or less. If we're interested in accomplishing some things downtown, if a developer is interested in increasing density, the developer increasing density can be expected to make a greater profit through that greater density and what we're looking for here is an opportunity for that developer to give something back in exchange. What the density bonus program then does is produce very clear rules as to under these circumstances here's what you can get for particular increase in density. But -- and this is developed on the basis of a lot of workshops, a lot of one off conversations and analysis done by our downtown planning consultant. What we did not have before this density bonus program was proposed is a conversation among all the people who are involved in this, which is the downtown business community, between the downtown development community, between the people who live and use downtown, people who are interested in streets, people who are interested in affordable housing and so on. We just didn't have an opportunity through that development process to hold a conversation in an open-ended way among all those people. And when the planning commission suggested to several of us a couple weeks ago that that conversation needed to be held but they were interested in convening it, that seemed to be a good way to go about it. The reason this is written the way it is is because we don't know all the issues that need to be part of that conversation, we don't know all the people who need to be part of that conversation, but I think all of us believe that the planning commission is well-positioned to hold that conversation, to record what people are talking about as a part of that conversation, to process it and to come back with a recommendation. So this gives flexibility to the executive committee of the planning commission to hold the conversation, to invite people if an issue

comes up that they didn't know about, to invite somebody else, to hold this on a rolling basis over a four-month period and then report back to us. So this is a highly -- highly flexible because we're dealing with a very uncertain environment, we don't know the issues, don't know the people, and we need give to whoever is holding this some flexible. Second, there is a deadline -- issue is there is a deadline. I would have liked a shorter deadline but I was convinced by the planning commission they didn't know how long the conversation would have to take. It might be we can get closure on this in a couple of months. It could be that there are issues and people we don't know about, it would take longer, and four months seemed like a reasonable time period to hold that conversation, process the results and come back with a final recommendation. So this is -- this sets a deadline so that the planning commission would provide its recommendations to us on or before June 8. If they're done before June 8 they can come back before that, but this does provide a hard deadline of June 8. Two reasons. One of them is because four months seems to be -- from the planning commission's point of view, and also seems from our point of view -- from my point of view, to be a reasonable amount of time to do this. Second, and of course it can be done earlier, then they have the option to report back as soon as they're completed. The second issue is that if we're asking people to engage in conversation, particularly people who have a lot of things on their plates, who have a lot of concerns, that if we ask them to participate in an open-ended conversation without a deadline to it, a lot of people simply aren't going to do it. If this is a conversation which might go on for eight months or 12 months and may never get to closure, a lot of people we believe simply weren't going to participate at all, and in order to get the right people at the table at the right time, we felt there had to be a need for an end date. So June seemed to be a reasonable date from everybody concerned, and that's why we have a deadline in this ordinance. Thank you, mayor. Thank you. I'll just say, I pulled it because of a couple of concerns, and I do intend to support the item, item no. 58. But I am concerned about incorporating the dates into an ordinance. I believe there is a necessity to articulate dates, to set deadlines, but I think it can be done without incorporating them into the ordinance because if for some reason these dates are off and the deadlines can't be met, for probably valid reasons, we would have to go back and amend the ordinance. So I would ask the city attorney to come up. I have a question for you with regard to the ordinance. If the dates were not in the ordinance itself but direction from council establishing these same deadlines were attached to the ordinance, if passed, would that have the same effect?

[01:34:25]

Deborah Thomas with the law department. Yes, mayor, that would be part of the minutes that council voted to include dates as part of their motion, but necessarily as part of the ordinance. So if for some reason the deadlines could not be met, council could simply extend that deadline from the dais instead of having to go back and revise the ordinance?

That's true. You wouldn't have to revise the ordinance. But the force of the deadline is the same, whether articulated as direction or incorporated in the ordinance?

Yes, as long as the council votes on it.

Mayor Jeffingwell: okay. So I will be -- after there's a motion on the table, I'll be offering a friendly amendment to that effect. So I will entertain a motion.

Moving approval. Council member Spelman moves approval of item 58, seconded by council member Morrison, and my proposed friendly amendment is just to strike the dates themselves from part 3 and attach to the ordinance council direction that the deadlines will be given -- the same deadlines will be given as an instruction from the dais. Let me be sure I understand before I accept this friendly amendment. Under part 3 we're currently asking for an interim report to the comprehensive plan transportation committee of the city council, and what this would strike is the March 1, 2010 date. Correct? There would be an interim report given to the comprehensive planning transportation committee but we would be giving guidance to the committee that we would expect that report to be

given on march 1. that is correct.

Spelman: okay. And dito for part b.

Mayor leffingwell: ditto.

And for part 4, provide representations to the council, period, but then we would be issuing an instruction orally on or before june 8, 2010. all the parts contained in part 3 a and b and part 4 would be given as instruction from the council attached to the ordinance. mayor, i understand that a member of the executive committee of the planning -- before i accept that i'd just like to just get a reality check if i could. I understand that an executive member of the planning commission is here. Here she is.

Yes, council member.

Spelman: don't do that. I know you're only one member of the committee but I know you've talked to the other members about the proposal. Is that right?

[01:37:00]

Yes.

From your point of view, instead of including those dates, and we've had a conversation about the need for deadlines. If -- in your opinion, if we didn't have the deadlines in the ordinance but we only gave them as oral instructions, from your point of view would that be -- increase the difficulty of getting people to participate in this conversation or would it have really no effect, so long as we gave you a deadline?

I think the important thing is that we do have a deadline so that -- so that it's not a never-ending process and difficult to force people to convene and things like that. So I think it's very, very important that we have a direction from council for a deadline, and, in fact, i know that that is kind of a consensus position among the planning commission because we talked pretty strongly about that. In terms of whether it's part of the ordinance or a direction from you guys, i don't see that that would make a huge difference. I just think that that deadline needs to be there.

Thank you, donette. In that case, mayor, i'll happily accept the amendmentsive amendment.

Thank you. thank you. Any other motions? We have a motion on the table, council member morrison. i'll accept it also and I think it's a very reasonable approach. I just wanted to add very briefly that this is a process which just gives the planning commission authority to bring in designated stakeholders and get their advice. It does not add any workload. This group will not be conducting meetings on their own, so they'll not require staff resources. They'll simply meet with the executive committee of the planning commission for the purpose of giving their advice. So with that all in favor of 58, with the friendly amendment attached, please say aye.

Aye.

Mayor leffingwell: aye. Any opposed? Passes on a vote of 7-0. And that brings us to our 10:30 briefings. 43 is a briefing, and the public hearing. So if staff is ready we'll go ahead and get a quick briefing and go to our public hearing.

Generation plan, mayor -- because it's not a quick briefing. i called item 43.

43. i'm sorry. nice try, roger.

[Laughter]

we planned that. mayor, mayor pro tem, council, I'm Kevin Johns, the director for the city's economic growth and development office. Item 43 is to conduct a public hearing and consider an ordinance creating an economic development program for authorizing the negotiation and execution of an economic development agreement with Hanger Orthopedic Group. At this time we're ready to proceed with the public hearing. The first speaker is Tim Crowley, signed up for. Tim Crowley.

[01:40:16]

Good morning, mayor, council members. Thank you again. I'm here this morning to speak on behalf of the investment the city is considering relative to Hanger Orthopedics relocation of their corporate headquarters to Austin. In deference to the good discussion we had last week in public hearing and council's time I'll be brief in my comments, but I believe we had a good discussion and ascertained that this is a positive deal for the city of Austin over the ten-year life of this program, that Hanger Orthopedics is, in fact, a very quality company who will be relocating their headquarters here. If this moves forward as we hope. It also touches on some very important facets of some of the economic development focus points that we've had in this community. It is a corporate headquarters relocation. It is in the medical device business, and we had testimony last week from individuals about some of the impact that that may have. So again, I appreciate your consideration of the staff overview of this, and I appreciate your vote. Thank you. Thank you. Next speaker signed up for is Douglas Wait. Douglas Wait.

Good morning, I'm Douglas Wait. I'm chief financial officer for the Seton family of hospitals, and I too would like to show our support for this -- for this ordinance. We at Seton consider ourselves as -- would like to see ourselves as part of economic development, as we've done at Mueller, and with the Dell Children's Medical Center and with our administrative offices there, and then also with the recent University of Texas Southwestern agreement for medical education. Hanger Orthopedics we see as a quality company, been very stable since 1861, and we think that that would be a great addition to Austin and can contribute to the well-being and health of everyone in and around Austin. Thank you. Thank you. There are approximately 15 other speakers signed up in favor but not wishing to speak. And so now we'll go to those signed up neutral. The first speaker is Louis Snellfarow.

Thank you, good morning, mayor and members of the city council. I'm Louis Malfaro. I'm the president of Education Austin and leader w enter faith. We were with you last week to discuss the Hanger Orthopedic deal and we told you then we thought it looked good. We had a chance to speak directly with the company executives. They laid out for us the benefit package, the career track that is offered to employees and their company. We also shared some concerns with you about local hiring and about what the base subsidized wage would be, and suggested that you put something in the agreement around that based wage. Since then we've had an opportunity to meet with the mayor. He's indicated to us that he is confident that Hanger will create significant new job opportunities here in Austin and that wages will be at the, at the low end, in the \$35,000 annual range. We want to thank Mayor Leffingwell for taking our priorities, which we have raised over the course of both you-all adopting a new ordinance and this first incentive deal. We want to let you know that we feel like this is a fair deal for taxpayers and that Austin Interfaith wants to go on record in support of the Hanger deal. We would like to inform you that we will monitor this company and its employment practices. We also, after having met directly on the phone with the leadership, look forward to a positive relationship with Hanger Orthopedic. We hope they take an interest in our capital idea job program, and we will continue to talk to you about tightening up your ordinance, or at least thinking about ways that we can address the issue of what the lowest subsidized wage is, and we brought that up with the mayor and we think that we can work now, even though we may not have a full agreement on what that dollar amount is, on changing your process so that you ask companies, what is the lowest wage that you will pay if we offer a subsidy? That could be a start and a broader community conversation around what is appropriate in terms of asking for base wages. I thank you very much and will be talking to you some more about this issue. Thank you, Louis. I'm sure will.

[01:45:08]

[Applause] council member morrison? I want to add one comment, having given some thought to the conversation from last week and your call for commitments on local hiring. I think one thing that it's really important to keep in mind is that hanger is offering relocation opportunities to every one of their employees in bethesda, and having experienced this situation firsthand myself in the '90s, I know that when a company is shutting down and moving operations, it's a lot of turmoil for all the employees. It's a very hard time. You're either looking at losing your job, or if you have the opportunity, to moving your family. So I consider it a very responsible move on hanger's part to be providing those opportunities to their employees. They've mentioned that they don't know how many of the employees will take that offer, but that explains why they cannot make a commitment on local hiring, but I think it's quite clear that not all of them will accept the offer they'll and they'll obviously be motivated to hire locally to fill the spot. So I think it's actually an example of corporate responsibility and i appreciate that on their part, and it really points out why we can't make a commitment in this case on local hiring.

Thank you, and thank you, council member, morrison, for your work on this issue with us. council member shade. just to follow on with what council member morrison said, I think it's also really important to remember that the first five years are one employment target and the second five years are a second employment target, which suggests that when we move into your six through to we're talking about 250 jobs. By then that will be well sorted out which of those people will be relocating. That will be determined here in the next six to eight weeks. So once those -- so there will clearly be a local hiring component as the company plans to grow when we look at years six through ten, we are ratcheting up the requirement of number of jobs based here in austin. I think that's an important thing to remember. And also, I think the other thinto keep in mind is that one of the major reasons why this company, which does have a great history but is clearly growing and inn industry that we're really interested in, medical devices, is that they need to know that they're moving to a place with a great talent pool, and that's one of the reasons why this city was selected. So clearly they have an idea that if they're going to move people and go through that whole -- after 150 years of being in one city, moving to somewhere else, they better be sure tha it's got the talent that -- that that's a big part of the enticement that austin offers. So thank you. And thank you for your support of this proposal. I appreciate it. I know not all the discussions have been easy but I appreciate where we've gotten. Thank you.

[01:48:05]

Cole: mayor? we do have one more speaker, but council member cole. Go ahead. I would just like to reiterate a portion of what council member shade and council member morrison have pointed out. I have consistently been concerned throughout the process about the unemployed and the underemployed and not wanting to leave them out of the discussion when we talk about incentives. I don't feel like that discussion is mutually exclusive. I think it's important to recognize that the greater austin chamber of commerce has an education committee and has had a long-standing relationship with aisd and the other education institutions in this state -- I mean, in the city, and that I am confident that they will continue to work with those entities to make sure that we have a well-trained work force that is diverse. And I also think that I've been having somewhat of a semantic argument with austin interfaith because you guys have had a long commitment to job training, and I just really think that that is critical and is critical as a part of this conversation, and -- because if we don't have the training, we can't justify the incentives because we aren't committing to raising people up to the level where they qualify for high-income jobs.

[Applause] thank you. I hate arguing with my friends, but I end up doing that a lot. So I think everybody is on the rightag of where we're trying to head as a city and that closing this field will not make us go

backwards but go forward and we still have some more discussions to engage in. Thank you. thank you. Next speaker is brian rodgers. Is lorri michelle in the chamber? Okay. Donating time to you, so you have a total of six minutes.

Good morning, my name is brian rodgers. I'm not here to oppose the hanger, and my concern is not about hanger but the impact of the hanger deal and recruitment on the city's finances on everyday citizens. I would like to see the city of austin wean itself from recruitment and population growth as the driving economic model. There's a better way. Thomas vast is an economist from the northeast and he wrote a scathing article called, mommy, where do jobs come from. This is about the carolina dell deal gone bad. What he said is local representatives cannot answer the most basic being question, where do jobs come from? So I'm going to refer to an expert. No one alive or dead knows more about the economy of cities than the late jane jacobson. Great cities grow from within, through import replacement, also known as import substitution. So here's how it works. You're walking down the aisle in the grocery store and you see Keebler cookies and you say, wow, doesn't anybody in austin have a cookie recipe? What are the things that we're importing right now that we could make ourselves? Okay? These are called leaks, dollars leaking out of the city. We're an \$80 billion economy. What we should do, what a progressive city would do, would perform a leakage analysis, which would be a comprehensive analysis of everything that we import, what we could make here. Once we have identified those opportunities, then we do what detroit is doing, we should be doing it anyway. They have a business incubator, called tech town, but their tech town is different. So the business incubator can't set up space quickly enough to satiate the demands of dozens of small start-up businesses. We've got quite the waiting list. Tech town currently houses 150 start-ups in the city block, but the Coughman Foundation has joined with the city of detroit and they're going to do 400 new start-ups a year. That's 1200 new business start-ups in just -- business start-ups in just three years. That is economic development. Okay. Well, how do you fund it? Because they go, all right, banks aren't loaning. Here's what new mexico does. They have an exemption for. You can -- for

[01:59:22]

Good morning. My name is anna sanchez and I'm here representing the greater austin hispanic chamber of commerce and I am here on behalf of them to lend our support for the hanger orthopedic contract, and we too are committed to the economic development of this city for everyone, and we'd appreciate your vote. Thank you very much. thank you. Item 43 and approve the agreement. Council member shade moves approval, second by the mayor pro tem. Is there any further discussion?

Mayor, are we voting on the substance of the motion or just to close public hearing? we're voting on both.

Okay. Well, I guess I do have a comment.

Mayor Jeffingwell: okay.

I am -- I think of all the deals that I have seen come before the city council, this is for a purchase of a new business, kind of incentive deals that we've seen over the last few years, this is the best one I've seen, in part because it brings more of the right kind of jobs and in part because it is cheaper on a per job basis than any other I've seen. It addresses an issue -- it addresses a big issue at the right time. We have an unemployment rate right now that is higher than at any time in the last 20 years, that is high enough that I think we need the jobs that we didn't need the jobs five, ten years ago. We may or may not have needed them five or ten years ago and that's water under the bridge. Right now when we're dealing with 7% unemployment rate and an underemployment rate, which although a flexible measure, is clearly is going to be approximately the same size as our unemployment rate. We have a lot of people who are hurting, a lot of people who are looking for jobs and this is the right time to think about putting more jobs into our economy. The big argument in favor of this issue is not that it's going to bring more people to town. I'm not certain I agree completely with the mayor as to how many people are going to

be coming to town over the next 20 years. I think it's extremely unlikely that we're going to double in size this next 20 years for a whole bunch of reasons. But again, that's water under the bridge. It's not particularly important. There are more people going to be coming to town. The biggest argument in favor of the hanger deal from my point of view is the industry that we're talking about. We have still -- we lost a lot of semiconductors, we lost a lot of computer assembly. Software has not come back as much as we would have liked it to over the last ten years. Our economic base is actually lower, the number of jobs in our export industries is lower than now than it was in 2000. We have not completely recovered from the tech bust and this illustrates something which is common to cities all over the country. If you put all your eggs in one basket you have to really watch that basket but you don't have total control over what happens to that basket, and if that basket actually breaks, which it did for us in november of 2000, you're stuck. We've been stuck for the last ten years. Our economies growth and job growth rate has been down for the last ten years because we put all our eggs in that basket. We need to put our eggs in different baskets and hanger is a step for doing that. Like brian rodgers being i have read all of jane jacobs' books. I assign them in policy and economics. Whether she hung the room or not, I think -- moon or not, I think she understands the economic problem at least as well as anybody else. And I think she's generally right, the best way to grow your economy from within. It's difficult to grow your economy from within in an industry you vice president been working on. If you have to diversify your economy and grow it, the best way, almost the only way to diversify your economy is to bring in a firm from outside, and once you've got critical mass of folks working on that new industry, then you can grow from within. And I think one of the -- the biggest argument for me for the hanger is this is -- this is a time when we have an unemployment rate which merits, and a set of packages which merits -- this is a new industry, we have to diversify our economy and prevent us from enduring the same problems we endured in the tech bust of 2000. So I'm in favor of it. thank you, council member. And you're right, we don't know that the population growth is going to continue at the same rate it has since 1870, but we do know that as recently as this year, 2010, we know that since 2008, the austin msa has added 95,000 people. So it shows no signs of abating at the moment, and i think past is prologue. So we can have different opinions on what's going to happen in the future, but i think the past is a pretty good guide. That's just my opinion. Any further comments? All in favor say aye.

Aye.

Mayor leffingwell: aye. Any opposed? Passes on a vote of 7-0. Thank you. We will now go to item no. 44, Which is a presentation on austin energy's generation resource and carbon reduction plan. It will be from roger duncan and his staff. Remind everyone in 2007 the austin council passed the climate protection plan, which directed austin energy to create a specific plan to reduce our carbon footprint and increase our investment in renewable energy resources and energy efficiency. This presentation is a culmination of about 18 months of input so far from various sources. We created a special task force to look at the issue. There have been numerous public input sessions and stakeholder meetings. The electric utility commission, resource management commission have also examined it and given their recommendations. And the plan that roger will present today incorporates many of the suggestions that came from that public process. It should be noted that this proposal, as it stands now, is just a plan. It's a roadmap for the future. It will be a flexible living document and will be able to evolve and change as conditions change. So over the next few months we intend to continue that public process. Several more events will take place before we actually vote on the plan. After the briefing today we'll move forward with a -- we're planning a citywide town hall meeting which will be scheduled on february 22. We anticipate that roger will participate in that, noting that he is scheduled to retire just a few days later on march 1. After that we'll hold an official public hearing. We plan to vote on some version of this presentation sometime in march. So with that I'll turn it over to roger.

Thank you, mayor. Mayor and council, this is the resource and climate protection plan that is being proposed for the year 2020. I'll pop scies in advance for the -- apologize in advance for the length of the presentation. There's a lot of information. It is a somewhat complicated topic. I will move through it rather quickly, although on some slides I will stop and dwell on what I think are the important points there. And I will start -- see if this work right -- okay. Great. I will start. The agenda is that I want to say a few words about what our mission statement is and the austin climate protection plan, which sets the

stage for this presentation, talk some about the public participation process, go into detail on the staff recommendation. At that time, at the end i will talk about other scenarios that have come forward, specifically the generation task force recommendation and our staff response to that recommendation. I want to start with the mission statement of austin energy. Our purpose, our mission is to deliver clean, affordable, reliable energy and excellent customer service, and that is no more appropriate than in this particular topic and item, because as you go through this plan and you go through the public discussions, i think that the council will find what you're spending your time on is trying to balance clean, affordable and reliable, and those terms don't have specific technical meanings. Clean, for the most part in this context is about nox and other emissions but particularly co 2 related to climate change. Affordability is different for a homeowner versus a large industrial customer that is trying to be competitive. Reliability also has different meanings for semiconductor manufacturer as opposed to a homeowner, and you're going to spend a lot of time balancing these, and there is no one correct answer. It is a judgment call on these matters. We're going to present what we think is a reasonable option. There are other ways to do this. And so I want to emphasize that as we move through this discussion. Unlike other types of debates, it's not simply do this or don't do this. It's much more nuance than that. The reason we're here today is because of the austin climate protection plan the council passed in 2007. The plan said to establish a co 2 cap and reduction plan for all utility emissions. Specifically to make austin energy the leading utility in the nation for greenhouse gas reductions. And I will address in the plan how we respond to that. Also in the plan are specific goals of 30% renewable energy by 2020, 100 megawatts of solar by that date and 700 megawatts of energy conservation achieved by that date. The planning requirements that austin energy imposed upon ourselves in moving through this document are that, first, we want to make sure that all of the options, reliability, met our demand and energy requirements reliably. We wanted to meet the council goals that i mentioned before. We assumed that we would execute the existing generation contracts. The council has previously approved a 50 mega what the solar plant, and biomass from east texas. We assume we will continue to execute those existing generation contracts. We also assumed that there would be no retirement of the existing power plants before 2020, although we would reduce the capacity of a couple of our power plants in this plan, we assumed that those plants would not be retired before that date. This next graph is our load forecast. In other words, how much energy we expect to have to meet by the year 2020. The bar graph of the different colors shows the generation capacity that we have from the different fuel sources in the year 2020 on a hot summer afternoon, starting at the bottom you see the nuclear, then the coal, then the natural gas, and then small amounts of renewables at the top. In the first three years that dark deep red color is a purchase power agreement that we have in place that expires at the end of this year. The red lines that you see across the top of the bar chart are two. There is a solid line at the very top. That is our estimate of what our peak power needs will be that we estimated in 2008. In 2009, and we redo this estimate every year. In 2009 that lowered some because of the recession impacts, and you see the dotted red line underneath that. We put both of those on this chart because, you know, these are -- these are guesses about the future economic conditions between now and 2020 and population growth and a number of factors. It's not an exact science. But a major point about this chart is, the gap that you see by 2020 between the top of that bar chart and these lines is very small. In terms of the utility of our size, this is not a very large gap. And if you go back -- gap. And if you go back to the beginning of the chart and see those big dark red bars or purchased power agreement, we could easily purchase additional power off the market and cover any generation gap by 2020. The point I'm making is, we're changing our generation plan here, but we're not doing it primarily because we're going to run out of energy and won't be able to keep the lights on in 2020 if we don't do this. We're changing our generation plan for a couple of other reasons. We're changing it for environmental reasons, to meet and reduce the co 2 coming out of the our generation plans, and we're also doing it because we're trying to position the utility better for 2020 going forward. We expect there to be major changes in the cost of some of these fuels and technologies. We expect fossil fuel costs, particularly coal, to rise in cost over the years. We are seeing and continue to expect to see a continuation of the trend for solar and renewable resources to drop in cost. We think it's wise for our utility to reposition itself in terms of our fuels and technologies by the year 2020. That's why we're proposing this plan. It's not that we have to build something by 2020 in order to keep the lights on. Speaking of co 2, when you look at the co 2 emissions profile, and this is 2007 data but it essentially hasn't changed, 70% of the carbon dioxide coming out of austin energy system is coming from the

fayette power plant, the coal plant. The other forms come from our gas plant, and those are our two sources. And as we're moving more toward sand hill, the efficiency is improving, but the point of this graph is if you're going to do something over the long-term about co2 emissions from austin energy, you have to deal with fayette power plant. In this process, as the mayor mentioned, we have been engaged for about 18 months now in a public participation process. We've had ten town hall meetings throughout parts of the city, numerous one-on-one meetings with stakeholders, employee town hall meetings, stakeholder meetings for specific groups in the city that had about 600 people participate. Through this whole 18 months we have continually updated all the information on a special web site, com and had over half a million hits to that web site. Through various forms sent out to us where we asked people, did you want more or less of these different fuel and technology options? Down energy that people could go to the website and see what difference it made both in terms of cost and carbon impact to increase or decrease. Through surveys, people said they wanted more solar, more wind, less coal, and the community is really split on nuclear. Either people want a lot more nuclear or a lot less nuclear. And there's a strong appetite for information on cost. The priorities that were expressed through this public participation process, cost is at the top of the list, both at one end with the large industrial customers who are trying to be competitive in their business operations and the consumer advocates and the low income organizations looking at the residential impact. There was across the board support among all sectors for increasing energy efficiency, it is generally recognized and -- it is the least used option for environmental needs. The environmental groups say this is the time to stop using coal and that fayette power plant should not just be ramped down but closed as soon as technically and feasibly possible. Transparency is strongly desired throughout the process and frankly it's sometimes hard to satisfy. There are some contracts and matters that are proprietary and confidential, and the data itself is voluminous.

[One moment, please, for]

if you took everything on that chart and placed it back on the load forecast, you would see then that we exceed our peak demand in 2020 as expected. I want to point out here because people have looked at it and said well, I thought you were ramping down the coal plant. This is on a hot summer day. This is in a peak afternoon period in which that coal plant and everything else is running with full capacity. If you took this same bar chart and showed it on a winter night or a fall afternoon, those bars would be different because the load would be lower and we would not be running some of the plants for instance, on a winter night the coal would be smaller and wind would be larger because that's when the winds are coming in. What it does to our overall energy mix throughout the yr, currently we are operating on about 32% coal, nuclear is 25%, wind is 12%, and those other three sectors that come in from the market and purchase power agreement and natural gas we burn in our own plant, that's about 30% of our energy coming from natural gas today. That's today's current mix. By 2020, under this plan, we would reduce coal from 32% to 23% of our energy needs. Wind would increase from 12% to 26%. The 400 megawatts of nuclear would stay the same but because pie is bigger, it would reduce to 22%. The natural gas added up there would reduce down to about 26%, and then you have 3% coming from solar, which doesn't even show up on today's chart. From what that does to our co2 emissions is this. The top green line that's flat going across the top is the amount of co2, a little over 5 and a half million tons, that we emitted in 2005. The reason we use 2005 is that this is the target date that all of the contemplated legislation about carbon is referring to, in congress and all the debates, they talk in terms of how much can you reduce carbon from where you were in 2005? The peak, if you will, purple line, that says Waxman-Markey legislation, is the proposed one. It is the legislation that passed the U.S. House of Representatives sponsored by congresswoman Waxman and Markey, and it projects a 17% reduction by 2020 and down to 2020, and in 2020 that purple line there is 17% below the green line of 2005. The red graph with the squares is our plan, what this plan would do to our co2 emissions, and you can see it drops below Waxman-Markey and in 2020 it represents about a 20% reduction below 2005 levels, as opposed to 17% under Waxman-Markey. And this is our approach to the mandate in the Austin climate protection plan to be a natural leader in energy -- greenhouse gas reduction and to exceed what other parts of the country are doing. So the summary of it, before I go into detail, by 2020, we will increase renewables to 35%, increase to 800 megawatts, and reduce our co2 to 20% below the 2005 level. What that does for people's bills and rates, this is an estimated rate impact, and the first point to make

is, there would be no rate impact on people for at least three years. Now, I need to step back and say your electric bill has three parts on it for electricity. You have the base rate, you have the customer charge, and you have a fuel charge. Now, the solar plant that has been approved and the purchase power for the biomass plant will be coming onto the bills within the next three years through the fuel charge. So your bill will be going up from those plants that have already been approved. But there is nothing in this plan that is proposed that is new generation that will have any impact either on fuel or base rates, within at least the next three years and possibly longer. In other words, the decisions you're making on this planning process, there will be new plants coming by for your consideration. You will have to decide at that time, will they go into the base rate or will they go in the fuel charge, but none of these will impact people's bills within the next three years. What we show in the chart is the estimated impact associated with increase generation requirements in the year 2020. And we broke it down into residential, general service, and industrial. You see the increase over the year 2009, for instance, in residential, we're estimating a 22% increase. That's a bill impact of \$21 a month. Again, that's an estimate on our part, and it's just the generation portion of the bill. There are other things on the bill, such as transmission riders, that are on top of that \$21. There may be additional ERCOT fees or admin fees, but we do expect the generation decisions to be in 2020, those are the estimates of impact that we have up there. As I go through this presentation and you see other scenarios, I will be referring to the impact, and these are the numbers that we're comparing to. Is, the total capital expenditures of this plan. If Austin Energy and the City of Austin decide to build, construct all facilities in the plan, and this is just a planning assumption, if you decided to do that, the total capital expenditures we estimate today to be around \$2.67 billion. Now, the plan components. First energy efficiency first priority, formerly stated in our 2003 strategic plan is the first priority and we take that seriously. We have gone back and looked at the current 700-megawatt goal. We calculate that we think we can increase that to 800 megawatts by 2020. There are proposals to increase it even further, and while we will -- what we've said, at the end of this presentation in the memo of the council is, we want to bring in a third party to help us look at it and see if there's any way to increase energy efficiency further than the 800 megawatts we're proposing. We want to do that. You run into real physical problems in how much you can install each year and how much you can incentivize that still meets our cost benefit standards for the customers as well as the utility in our rebates and incentives. We want to continue to combine the heat and hour potential to develop a plan for system improvements on our distribution system, as well as the customer side of the meter. We want to implement innovative rate design changes, including dynamic pricing. This is part of the smart grid Pecan Street project that you've heard about for time-of-use rates for our customers. We want to refocus on base load efficiency programs that reduce carbon. Let me spend just a moment on this. This is part of the shift to the Austin climate protection plan. Most of our carbon is coming out of Fayette. Our energy efficiency programs for the last two decades have been focused on reducing our peak demand, that hot summer afternoon, and we focused on it to avoid building new peaking power plants, new gas plants primarily. It's been very successful and we've avoided those type plants. However, if you want to reduce carbon emissions, you have to effect the exit coal plant. And that's running most of the time, I mean it's running full bore, if you will, at the nighttime hours between about think about your own house. What are you running between? The refrigerator. The air conditioning unit. Things are charging at night. Not much else. In the commercial sector, the big refrigeration units at the grocery stores and so forth. There's not a lot you can do for base load efficiency reductions in those areas. There are things, and we're focusing on them, but the point of this bullet is, we have to look at shifting the focus of our energy efficiency programs more to what reduces carbon coming out of Fayette and less about avoiding the next peak. We want to bring in a third party again to look at what our energy efficiency potential is, a fresh set of eyes and see if we're missing programs that we could add. We want to develop plans for local contractors, minority business contractors, veterans opportunities, we want to get as much of this energy efficiency work done in-house, in the city, going back to the previous presentation, as much small business development as we can out of our energy efficiency programs. And we want to analyze the impacts and opportunities resulting from the energy conservation disclosure ordinance. In terms of wind, we want to increase our wind capacity to a thousand megawatts by 2020. We also want to start looking at owning more of our wind resources. All the wind that we have now, the 437 megawatts we're getting in from wind we're doing through purchase power agreements. Somebody else owns that, those wind farms and we're buying the power. If those contracts expire, the prices jump. We immediately to, over time, get a greater percentage of our wind into

our ownership rather than being at the mercy of the marketplace. Also want to support energy capacity. This is the bottle neck in getting we understand in, it's not the cost or building wind farms, it's the transmission capacity in getting that by and we want to investigate other wind energy deployment and storage strategies that have been brought to our attention. In terms of solar, we want to double the solar goal from 100 to 200 megawatts by 2020 and develop a portfolio approach to the signing, financing, and ownership. Solar on a residential rooftop, large solar arrays on large flat roofs of businesses, utility scale solar at Webberville and West Texas, they all have different financial models and incentive models for what works. So we need a portfolio approach with a rebate here and feed-in tariff there and utility ownership here that all works together for our utility. And that's what this bullet point is getting to. We also want to start promoting more solar thermal hot water use, heaters on people's roof. That's what I have on my roof. It's frankly more efficient use of the sunlight hitting the roof, and we need to prioritize that. Develop incentives and strategies for local manufacturing capacity to the extent that we can, develop solar energy storage strategies, and plan for the development of a full on-site solar energy potential in Austin. There's debates going on in this plan of a hundred megawatts, 200, 300 megawatts. There's talk of a thousand megawatts. The full solar potential in Austin we've found on roof tops is in the order of a couple of thousand megawatts. Eventually we want to get all of that. You're not going to do it by 2020. And it's going to be heavily dependent on the cost of solar itself over the years, but we need to be thinking in those terms. Eventually at some point we want to develop the full on-site solar energy potential in this city. Biomass. Council approved a hundred megawatt purchase power agreement in the original plan that we were looking at a year ago. We had another hundred. We have reduced that to 50 megawatts. And the reason is, as we have gone through the process with East Texas and looked around the state, we're not sure how much biomass fuel there is in capacity in the state. And so we have lowered our goal there to 50 megawatts. Biomass is a wonderful fuel. It has a high capacity factor, but fuel is the issue. The supply of the fuel. So we're looking at studying small facility options and we're also working with the LCR staff already to investigate biomass coal firing at the Fayette power plant. One option is keep the power plant open but burn at least a percentage of the fuel, of biomass fuels, there's something called Ecol and other options rather than just straight coal burning in the plant. We are studying those now cooperatively with LCRA. Natural gas, we want to continue to maintain the gas units that have currently. We want to add another 200-megawatt combined cycle gas turbine at Sand Hill. The combined cycle turbines are most efficient gas burners available in technology. This would use reclaimed water for cooling of the plant and the site at Sand Hill is configured to add that already. We had this in mind when the original site was developed. This plant would allow us to say save fuel by running that plant, we would be ramping down some of the older and less efficient boilers at the Decker power plant. That helps in two ways. First because it's more efficient burning of gas, it saves us on fuel cost. They're estimating \$130 million savings. And it reduces our CO₂ by approximately a million tons total between the time it comes on line and 2020. Finally, natural gas is a good fuel to balance renewables. You've heard about the variability of wind and solar resources. Wind blows and drops down, and so forth. You need a balancing facility to deal with that, and natural gas is very good in that you can ramp it up and ramp it down, comparatively quickly. You can't do that with a coal plant, you can't do it with a nuclear plant. So natural gas is a good balancing in our system, as we add more renewable resources. In terms of coal, this generation plan, if you put it all in place, if you added this much solar and wind natural gas such to our facility, it would naturally ramp down the amount of time that Fayette power plant would run. It would reduce the capacity factor of that plant to 60%. The plant used to run in the high 90% capacity factor. Because of the wind we've already added from West Texas, it's in the mid 80's in terms of capacity factor. This would ramp it -- this plan would ramp it down further to 60. We see this as setting the stage for the eventual modification or closure or sale of that facility. This is intentional on our part. Ecolniso point you need burn something other than coal at that plant or you need to close it down completely or sell it to someone. And this plan sets the stage for that, takes a large step toward that. We want to continue to investigate the coal firing at the plant and seek further reduction and carbon storage retrofits at the facility. In terms of nuclear, we'll continue participation in STP in accordance with the previous council action, there will not be participation in STP units 3 and 4 expansion. We continue to think that nuclear is a good option, particularly on the CO₂ front, if the economics that we will evaluate any nuclear power agreements if offered based on our previous presentation to council, we think that if you're going to participate in nuclear you should do it through purchase power agreements so that the risk of construction cost overruns and so forth are not put on Austin, the city of Austin. We want to look

at geothermal resource acquisition. There is a large debate as to how much is available in this time frame, and we also want to assess nonsolar resources in the service area such as waste energy plants that have been brought to our attention. Complimentary strategies, develop a comprehensive energy storage strategy, accelerate development and deployment of the smart grid through projects like the pecan street project, continue development of electric vehicle incentives and utility integration of storage and develop and implement green collar job initiatives too strengthen the workforce. Again, we want to implement as much of this plan as we can through our local workforce. The climate protection plan. As mentioned before, this plan will reduce co2 emissions to 20% below 2005 levels by 2020. There are three main points i want to make about the plan. First, this is -- this plan reduces stack emissions that are under our control. Second, we may be limited in our ability to reduce emissions at our power plants and third, this may not be the cheapest way to redu our co2 footprint. Let me go into each of these briefly. This plan, there are more than one way to comply with federal regulations for climate protection. You can reduce the stack emissions coming out of your power plant or you can do offsets and buy and trade co2 offsets on the market. This plan is sort of the old-fashioned way of doing it. You actually reduce the amount of co2 coming out of your smoke stacks through, in this case, energy efficiency and renewable resources. Not only is it being done in fayette at also as I mentioned, the new combined cycle gas turbine about significantly reduce co2 coming out of our generation. But this plant is designed to accom direct emissions approach to compliance with whatever federal regulatory requirements come down. We do have operational considerations. Our reading of our agreements with lcra is, we can ramp down the plant on our own, but you can't ramp it down to zero without affecting the operations of both units. You can ramp it down to about 10 or 20% of capacity, and then you have to just shut it off. And it's sort of like idling in an automobile. You need to keep the motor running if you want to use it the next day or later in the day. So that's a consideration. Our understanding from our reading of the contract with lcra and the partnership agreement with them is, they will not be able to take that amount of excess capacity and ramp it up and use it from sales. However, if we decide to close down that plant, both the lcra and ercot have a say in doing first, lcra has an option to purchase our share of that plant. And secondly, ercot, the electric reliability council of texas, can dispatch any generator in the state and its grid for grid reliability purposes. Remember, the electric systems like one unified machine, and in order to keep the light steady, the voltage maintained, you have to not only keep the amount of energy going into it steady, the actual location of the different power plants influence that. When we shut down the holly power plant, we had to prove to ercot would not dee stabilize the grid. In fact we put a stat com out at that site to stabilize the grid at that point. Then ercot signed off and we were able to close that facility. We'd have to do the same thing with fayette. On any given day if ercot had plants trip off in another part of the state, they might very well say, you know, we don't want it, but you've got to run the plant and they would dispatch it. And then there's the financial consideration, and I want to make clear to council, even though this is the staff recommendation of reducing emissions, you're leaving money on the table, in essence, by doing this. First of all, you might -- it might be cheaper to buy or sell co2 allowances. Secondly, we're dispatching that plant and replacing it with wind and such. You could -- you're going to run payers to run that plant becausef market prices. D yr off stem sales. If you ramp down t plant avd don't operate it, you could just run the plant full and sell that excess energy on the market and make money for our rate payers. All of these options are ways that your, in essence, leaving money on the table by taking this option here. And it, again, is a balance between clean, affordable, and reliable. You have to decide, you know, what you're willing to pay in the broadest sense of the term for the environmental goals that we've set, and taking into account all the environmental extra maladies, costs and everything that has to be in that equation. Finally, there's the possibility that new technologies in carbon caption sequestration would come on line that could handle this, although my personal opinion is, I don't see these technologies in this time frame before 2020. Water consumption, the good news about this plan is it will reduce our overall water use intensity from close to three-quarters of a gallon of water for every kill watt hour we produce to a little over half a gallon for each kilo watt hour we produce. That's because tew generation, energy efficiency, solar and wind, require no water, although we are bringing on biomass, perhaps some geothermal and solar thermal, they're very small amounts of water in comparison to what we're using. The natural gas units are more efficient and they use and reclaim water. We're not using water from a river for sand hill. The main reduction we're getting is by reducing the capacity factor of fayette power plant. It does reduce the water consumption. Fayette is our second most intensive water use facility. The nuclear power plant uses the most water. Again, I will state this

does not affect water treatment plant number 4. This is all water downstream of Austin. We're not using treated water from our system to run our power plants. This final slide, I'm not going to go into detail because we have a long work session on this, but this is model changes or part of this plan to address employment of distributed energy generation, look at unbundling our rate structure, addressing the fuel portion of the general fund transfer, developing a plan for general -- for future green choice offerings, and prepare for a rate change in 2012. Now, there are other recommendations in addition to the staff recommendation. The council appointed a generation resource planning task force. They've met for quite a time. They went through volumes of data and paper. In the end, they voted 5 to 4 in favor of this resolution. Resolve that the task force recommends to city council the adoption of the Austin Energy staff recommended plan as the generation plan to the utility was the provision that Austin Energy review the plan in two years with the target of accelerating the phase-down of Fayette Power Plant and toward its eventual closure by 2020 if economically and technologically feasible. Staff agrees with that recommendation. The electric utility commission then voted 5 to 1 in favor of that resolution and the resource management commission voted 4 to zero in favor of that resolution. So with this one additional paragraph, you now have the staff, the generation resource planning task force, the electric utility commission, and the resource management commission at least in majority in agreement on the plan. There were other scenarios, and I want to mention three that have been strongly debated and discussed. One is what we call the strong man scenario, and in last year before now, it was that you have 3 renewable, 700 megawatts of conservation, a hundred megawatts of solar. If council does not act on any generation or CO₂ plan, this strong man summary is a good example of what we would continue to do and bring forward to you in terms of new generation to meet the existing approved Austin Climate Protection Plan. And that results in meeting the goals. Has about a 6% reduction in CO₂, and the expected system wide increase in cost of electricity based on our analysis is about a 15% increase, as opposed to the 20% increase in a staff recommendation. I have a chart later that shows these. Another scenario that was discussed was to eliminate the coal plant much faster than under our scenario. There was one vote of support on this from the task force. That plan resulted in 2% renewable generation in 2020. It eliminated the use of the coal by 2014, and just five years from now. A 61% reduction in CO₂. The expected cost increase on the system, on terminal bills, would be about 33%. We do have a concern with this in that we think particularly the assumptions to install that plan assumes installing 750 megawatts of customer-owned solar on roof tops within this time frame. Let's see how far we don't think you can and much solar in that time and so what was, can we implement the renewables in that time frame. It would mean a 19% reduction in CO₂, then under this plan, is a 19% increase. One of the concerns we have here is that it's significantly less renewables, but there's only marginal cost savings, 19% as opposed to the staff 20% between the two plans. We have some uncertainty with the assumptions there. It calls for 266 megawatts of customer owned solar. That's certainly more feasible than 750 megawatts. We're just not sure you can meet that or not, and it has the same 300 megawatts of DSM. We have less concern about physically meeting this scenario than the previous one, but there's still some issues that give us some concern. And then finally, this is again a summary of our recommendation, 35% renewables, another hundred megawatts of DSM, another hundred megawatts of solar, 25% reduction in coal use, 20% reduction in CO₂, the line that says 22% reduction should be taken out. That's an incorrect figure. And, again, the cost impact, we expect 20% system wide increase. We think this better balances all the risks between clean, affordable, and reliable in our plan. This chart here embarrasses the major scenarios. Now, to end the presentation -- there were a number of recommendations that the generation task force came up with in addition to just what fuels and technologies to use and what year. They were very excellent recommendations. We've sent those to council under separate memo a month or so ago. There were 33 major recommendations. We recommend as staff response that you adopt 21 of them as written with no changes. The other 12, we have some specific modifications. I'm not going to go through them all. The rest of your presentation shows those modifications, and they're on the following slides here. We have given you a memo yesterday with the detail of our specific modifications to the -- their recommendations. And there are probably questions.

Thank you. Excellent presentation. I appreciate you modifying the end part and not going through all 36 of their recommendations. And reminding everyone that this is a continuation of the tub process. We do

-- we are planning a town hall meeting on february 22 where we'll have much more time to explore all of the issues. But I just want to -- I want to emphasize that we are going through an era of change in the power generation business. It doesn't just have to do with renewables. There are a lot of changes we're going to have to go through. And as we develop this generation plan, we need to make sure that we do it with a careful eye towards what it costs, what it does, and make sure that we're able to be to make changes based on external events, new technology break through, eral and state legislation, cost of service study that we're going to do in 2011, rate case we're going to do in 2012. All of these things are going to affect what we do in the end. But we -- I want to remind everyone also that we do have a plan in place right now. We do have a plan in place to achieve 30% renewables. That's already been approved, 30% renewables in 2020, and we have a plan in place to achieve 700 megawatts of conservation savings by that time, and we have a plan in place, that same plan includes a target of 100 megawatts. So as we take our time developing the specific generation plan, we're not slowing anything down. We're going ahead. We're developing these renewable power sources, working on them every day. Hundred megawatts of solar, for example. We just voted to put in over the next couple years a solar generation plant out at weberville which will be 30 megawatts. 30 Megawatts doesn't sound much, with the numbers that we've been talking about, but it's twice as big as anything else in the country today. The next largest I believe, roger especially, is 14 megawatts. This is huge. Normally, when you talk about solar generation, you talk in terms of kilo watts. We've got the bill solar array here at city hall, covers up half of the plaza -- well, not half of the plaza, it covers up the seating area in the plaza. It's a big array, 17-kilowatts. The largest installation we put in here in the city of austin, and I think you've mentioned before that we're going through the process of putting solar on top of city-owned properties, we just installed one that covers an entire water utility building, the biggest so far, 136-kilowatts. So achieving big amounts of solar generation capacity as you alluded to in your presentation, is very, very difficult with today's technology limitations. So we have plenty of room to grow, even under the established goal of 100 megawatts, and hope that we can increase that with the revised generation. Any more questions?

Mayor?

Mayor Leffingwell: COUNCIL Member cole.

Cole: FIRST OF ALL, I WANT To thank the staff and citizs task force for all their work. Roger, we know if you had a crystal ball in this area, we'd all be on wall street making lots and lots of money. And we really appreciate your coming forth with a balanced plan. Now, that being said, really need to make sure that I act as a good steward and understand the potential cost implications balanced against our desire for a cleaner air and just a better environment. So let me ask you, I know that both the industrial consumers and the environmentallallists agree that we should have more management and conservation. So I believe the citizens task force recommended a thousand megawatts. And then I think I saw in your presentation, 700 or 800. It doesn't matter, that number sounds very ambitious. And I'd just like your comments on that and what happens if we don't make it.

Well, it is ambitious. 700 Is very ambitious. And wther we get 800 or a thousand, part of it depends on the ability of staff and rebates to put it in placements part of it depends on external factors like the economy. We did not meet our energy efficiency goal we had set last year because of the recession reduced the amount of new construction. And a large portion of our energy efficiency is gained from green building and energy conservation putting in new construction. In terms of what happens if you don't meet the goals, you have to substitute some energy source for it. If we achieved -- if we set a goal of a thousand megawatts by 2020 and we achieved 700 megawatts, the good news is, you can see this coming fast enough, and you can plan for it, but we would either have to add another generation facility that met that load or we would have to purchase power on the market. So that's the consequence of not meeting the goal.

So that's just a balancing act that we have to take into consideration. I know that this is only a plan and I've heard a lot of people say it's just a plan and you have an existing plan, you can go ahead and change it when you need to and we'll see these things coming, but I still have this strong feeling that it's

important because once we pass it, just like we passed our climate prohibition goals, then we set up expectations. And so that's no small matter. And so let me ask you about our low income consumers because I'm very concerned there, if it would be more prudent or economically feasible if we considered more natural gas or nuclear power in the mix.

I think natural gas is going to be a good inexpensive source of fuel for the next few decades. Over the last two years we've seen a dramatic increase in the potential supply of natural gas in this country and in other parts of the world, but particularly in this country through the so-called shale operations. And that's why we feel comfortable in adding 200 megawatts of natural gas here. You also could achieve both -- you could achieve CO₂ benefits by replacing Fayette with natural gas because natural gas emits 50% less than coal does. But natural gas is going to be more expensive than the coal that we have. And so again it's a judgment call, but I think that whereas a few years ago we were doing a lot of stuff to get off gas because we thought the price was going to skyrocket, our opinion that's changed on good option, but a utility of our size, we don't think, can take the risk associated with ownership of a nuclear power plant. The construction cost of nuclear is where the costs are. And we've seen in the plant, the south Texas expansion, originally they were talking about a six billion dollar project. Now they're talking 17 billion, with financing involved. And that's a huge risk for a utility of our size. I think the strategy should be, and the cost for nuclear being talked about, it's in the range of nine, nine and a half cents or so, somewhere in there. I think that's a good option for us, but we should let somebody else take the risk, get the plant built, and then if it's still cheap energy, we can buy the market.

Cole: OKAY. I also know that believe in one of your charts you pointed to residential customers and a 22% increase, and I believe it was like seven dollars a month in 2020.

Yes, ma'am.

Cole: BUT YOU WENT THROUGH Several things that were not included in that cost, like the base rate and the fuel charge and transmission charges. And I think it's important, if you know, and if it's possible to gauge or predict this, in 2020, including all those other costs that you recognize, what do you think that increase will be?

Well, it's very hard in 2020, in the shorter years we can give you better estimate. As an example, in the transmission rider that we talked about with council at the we he fairly kd handle on what that impact residential bills, that although it will start out relatively low at a dollar or so a month, at the end of five years it should add about five dollars to a residential bill. So that puts you around 2015, 2014 or so. That's five dollars and that would be on top of the estimates that you have here. I don't know what it would be in 2020 because ERCOT hasn't made decisions yet about how much they're going to build in 2015 to 2020. I will say again, though, that we do think that this \$21 or 22% increase should be the bulk of what the increases should be. Any additional cost for administrative fees and so forth should be relatively small in relation to that. We don't think there's another \$21 of additional stuff on top of that, for instance.

Cole: OKAY. Great. That was very helpful. Now, to the extent you can, I know that we are members of the municipal public power association.

Uh-huh.

Cole: AND I KNOW THAT WE Have charged you with the goal of being the leader in -- among metropolitan areas is a hundred percent renewables right now. They're running on hydro. So you know there's some other Texas utilities, it is I think the most aggressive plan by far, although San Antonio is setting some very aggressive goals in solar and energy efficiency now as well. Our goal was 700 megawatts by 2020. They set a goal of 100% by 2020. And they have recently had some solar contracts of a good magnitude, so to be fair, I think we're roughly comparable to what San Antonio is doing now in a lot of our efforts.

Cole: SO I THINK IT'LL BE Fair to say we're still in the ballpark of everybody else, but we might be on the edge.

That's correct.

Cole: OKAY. I have one last question. Is it true that when you leave, you are changing your cell phone number?

That I'm wt?

Cole: CHANGING YOUR CELL Phone number.

I hadn't revealed that yet.

Cole: THANK YOU, ROGER.

Thank you. Counsel counsel or spellman.

Spelman: YOU PUT ME IN THE Uncomfortable position of asking the follow-up question. Usually he questions and she follows up with the punch: had your notes.

Spelman: I APPRECIATE That. Let me ask the punch line sheadinup scenarios for balancing among three different kinds of goals, clean, reliable, and affordable. And the presumption here is, we care about all three of those things.

Yes.

Sheryl referenced wall street a few minutes ago. Let's thing real wall street. Let's forget the long time verizon stuff. Let's thing short term. Not worry about clean, the environment, let's just get it cheap and get it now. Suppose our only objective were cheap power now and we didn't care about cleanliness. None of these would probably be the best ones because they're all getting a minimum of 30% renewables. That was the goal we set a few years ago and you're trying to meet that. Did you consider any scenarios that would not meet the 30% renewables, just get it as cheap as we can get it?

We, we did, actually. As we were, you know, brainstorming, looking at this, I only talked about five scenarios. We actually considered dozens through the process. There was one scenario that we asked the staff to run and paid consultants to look at that said what if we didn't have the 30% goal and so forth? What's the cheapest thing we could do between now and 2020? And I'm going to have to speak from memory here, so I won't say this is absolutely accurate, but essentially, it was to do nothing for the first few years of this scenario, and then it added in the gas plant, the 200-megawatt combined cycle plant because I mentioned earlier, it saves us 130 million in gas cost over decker, and i think it had some solar at the back end of the 2020 time frame because everyone's expecting solar to be very cheap at that time. And if anyone remembers that better, jump up and let me know. But I think that's what the scenario essentially said.

Spelman: OKAY. So we wouldn't be bringing more in, putting in a lot more solar until it became cheap to do so, presumably everybody else will be doing it at the same time.

Right.

Spelman: WHAT WOULD BE THE System wide increase in electric bills under that scenario?

If I remember correctly, under that scenario I'm not sure there was an increase at all anticipated by 2020. I think there might even have been a -- potentially a decrease, but it was essentially flat in terms of bill increase by 2020.

Spelman: OKAY. So if we decided all we cared -- we don't care about clean, we just care about cheap

and affordable, then we could keep our system wide bills about the same over the next ten years. the caveat, I want to state there is, and it came up in this discussion again, remember at the beginning I said we're changing our generation for a couple of reasons. One is environmental, but the other is to position the utility on what we expect to happen after 2020. And whereas the scenario I just mentioned to you may be the cheapest from now to 2020, it is probably not the cheapest after 2020.

How come?

Because the trends that you're expecting in fossil fuel costs of going upwards with going to hit really hard after the year 2020. And if you're stuck with big dependence on coal, and really heavily loaded with natural gas, and you haven't brought in some of the -- wind is certainly cheaper than even natural gas today. Solar is expected to become extremely cheap, and of course energy efficiency is the cheapest option of all. If you really start positioning the utility to moving into those fuels from 2020 going forward, you're going to be cheaper than what we anticipate the cost of coal in particular is going to be after that date.

So really, you've got a fuel cost risk going if we try and get the psibl the years, we will end up running higher costs in the ten years or 20 years after that because we will not be positioned to be able to take advantage of cheaper fuel from other sources.

Right. And that -- and the whole debate about clean, affordable, and reliable, and people say, well, we want the most affordable, and my immediate come back is, most affordable when? You want it most affordable today or in five years or ten years or 20 years? Because the fuel mix for those time frames are different.

Spelman: THAT'S ALSO Presuming that that fuel risk is basically not an issue for the next ten years. We were -- our gas costs, our coal costs are predictable for the next ten years. Historically has that been true or have there been fluctuations in gas and coal prices.

Oh, gas has been extremely volatile over the years and gas supply has been an issue. We've had to add two new gas lines go into sand hill because we did curtailments. We had a curtailment earlier this month when we had the extreme cold weather come in. You know, gas supplies got short. So you're balancing not just the cost, you're also trying to look at the actual fuel supply, like we d with biomass, you know, our concern on the supply there.

Spelman: ANOTHER REASON For diversifying our generation sources is because of liability issues.

That's correct. Now, electric reliability, you know, blackouts and so forth, mostly depends on the distribution system.

Spelman: RIGHT.

But you do want to have a fuel supply that you can depend on relatively well when you build a plant that's going to run 20, 30 years.

Spelman: WE NEED A SYNONYM For reliability to distinguish between reliability of the kind you're talking about and reliability of our ability to produce it. I understand what you're getting at. Last question, you're talking about fuel cost certainty. Is there an uncertainty with respect to the regulatory environment?

Oh, absolutely. That's your biggest -- I would say that's your biggest uncertainty? Coal in particular. We assume here some sort of climate protection legislation. It may not be a cap and trade or cap and dividend, may be some form in carbon tax but we assume that coal cost will increase in the future, not primarily for supply reasons but for regulatory reasons. There's also transportation issues in the cost of coal, as opposed to some of these other fuels as well.

Spelman: THERE'S AN Assumption you're making, presumably it could be higher or lower than your assumption.

That's correct.

Spelman: ONE OF THESE Slides you're talking about are trying to meet the marky waxman requirements, presuming marky waxman sooner or later is going to pass. I don't know if it's going to pass in this session or three sessions from now, but sooner or later, presuming there is some kind of marky maxman bill, what would you expect would be the consequences of our inability to meet the marky waxman requirements of something like a 20% reduction in co2 emissions?

Well, we actually calculate that in our runs here, and in scenarios where you are not reducing your emissions, we calculate what the collar per dollar per ton of regulatory cost would be on the coal you emit. We use EPA numbers for a cost of coal emissions, carbon, cost of carbon on the market. And so the assumption is that if Waxman Marky passes and you don't reduce this, you have so many tons that go beyond Waxman Marky. You take the EPA number for what the market is for that and that plugs into the cost of that scenario.

Let me see if I can boil it down. If we're trying to produce energy in the cheapest possible way, ramping up a coal plant, buying a new coal plant, something like that might look attractive. The problem is, it would look very unattractive if we were bound by Waxman Marky or its successor, which would, by some regulatory means, increase the price of the fuel.

That's right. And this gets to the 2020 issue because Waxman Marky set up and most of these recommendation litigations are set up giving what they call allocations to the utility industry and such, and the impact, the cost impact of these legislations don't really hit until after 2020.

Okay.

So that's one of the reasons that we could do the scenario that I mentioned earlier, on don't do anything between now and 2020 and it would be relatively cheap because you really haven't had the impact of carbon legislation until after 2020, and after that, it goes up very steeply.

So the big difference between what I don't say you're producing -- you're providing for us here and the scenario you didn't provide for us because you didn't think it was worth the trouble to consider it is because we're balancing among three different objectives, not just two, and partly because if we try and focus only on cheap and -- cheap and reliable in the short run, we're going to be getting ourselves into a lot of trouble with cheap and affordable -- with reliable and affordable in the long run.

That's correct.

Thanks.

Obtain. Just to follow-up real briefly, I think that is an important point raised about the future costs. As I understand it, the costs of carbon starts to go up significantly in the proposed legislation of 2026, which is six years after our target plan, so it might be somewhat useful to -- and I know there are too many other factors to project beyond 2020, but it might be useful to have that information available about the cost impact as this legislation starts to kick in, if it passed.

Okay.

Counselor Morrison.

Thank you, Mayor. I have two questions for you. I know it's getting late. First of all, as Council member

cole mentioned, concern about impact on low income folks particularly, and one question i have, I know we have our customer assistance program and things like that, but is it -- are we actually allowed to have our rates explicitly tied to income levels?

No. No, council member, we're not. We can give assistance, we do low income weatherization, but we cannot tie a rate to the income level of the customer.

And is that because of a state law?

Yes.

Morrison: OKAY. Thank you.

Actually, there's two reasons. There's a state law, then it's also our bonds, bond holders get involved in those, two separate reasons why we can't do that.

Okay. I appreciate that because that was one of the suggestions that had been raised from the folks in the community. And then the second question i have is, I really appreciate this chart, this scenario comparison because I think it captures in a really great way all the differences, it's a lot of complicated data. I was thinking actually we could make a bingo game or something out of that. But when we're looking at cost, we're looking at the impact on rates. effort todress the larger cost is this because one of the issues, of course, that we're trying to address coal is because of its impact on public health and on climate change and things like that. There's also been suggestions that if we dealt more into certain renewables, that would comply greater job growth, so and it's our job to look at the rates and rate impacts, but i think from my perspective to take a more comprehensive look at what kind of impact it has on our economy and not necessarily just cost, but, you know, to look at the public health impacts, for instance. So is there -- has there -- is there a vehicle for us to do that or have you given thought to t at all?

Well, we've given a lot of thought to that, actually. A few years ago we did what's called a value of solar study. And we tried to take into account all the factors we could as to the true value of solar on a rooftop. And in terms of the externalities of health impact and so forth, as well as distribution costs and so forth. What we found, as well as i think every other utility or group who's looked to see is, first of all, there are certain externalities in terms of health benefits. Everyone acknowledges that. We have not found anyone who has found a way to accurately translate that into a cents per kilowatt hour cost foot utility. Now, there have been, and I'll break that down a little. There has been a recent national academy of science study that looked at the impact of knocks on health impact, they related to a cost. We looked at that study and it has some general numbers that might could be applied to our fayette power plant. We provide that to you. The national academy of science also looked at carbon impact and they said we don't know how to do it. We can't -- we can't figure out how you would arrive at that. The second issue is, not only is it difficult, but you come up with t issue of the applicability of that to an electric rate charge to your customers. Yes, there is a health charge cost to the community as a whole. Does that mean that -- but that health cost is not being borne by the electric rate customer, per se. It's extremely difficult. We're happy to provide with you all the data that we know aut. We do not know of a way to translate that back into a cents per kilowatt hour difference between the different options. We just don't know.

I think it would be helpful even without having it be in terms of cents per kilowatt hour, but just a higher health impact assessment could help the conversation. Basically what we're talking about is adding more columns, adding some more rows onto this matrix in trying to evaluate some of these --

it's going to be extremely general. It's just going to say there are impacts from coal emissions and natural gas emissions less than coal, and that should not occur with some of the other sources.

But even the natural academy of sciences, they did have some numbers that they could put on --

they had numbers on nox.

Onnox, there's obviously different nox emissions for different scenarios so we might actually get some real numbers for that, do you think?

Yes. I think their report actually just dealt with nox emissions on coal. But we can provide you with all the data we have and I'm sure other people in the community will be providing us with what data they have as well.

I appreciate that. And there are some folks that have been doing some work on job creation, other externalities, so I think to be able to work all that into this kind -- the way this material is presented through you all would be really helpful to. Thank you.

Mayor Leffingwell: COUNCIL, We're going to need to go to citizens communications. We're already 22 minutes overdue. And --

I just have one question.

Mayor Leffingwell: TAKE A Brief question, another couple of minutes. Council member riley was first. And you have quick question, otherwise, I don't want to cut anything off. We can ask roger to come back after citizens communications.

Riley: HE CAN DO THAT.

Mayor Leffingwell: AND After we recess for lunch.

Riley: UNTIL MARCH 1ST I Can --

Mayor Leffingwell: MAYOR Pro testimony, same for you, you want to wait until later?

Yes, but I'll go ahead and tea it up now so if there are folks that want to hear that response, they'll know it's forthcoming later on today. What I want to ask is, did you contemplate converting fayette to a coal plant? And if so, what the impact of that might be, you know. ...

To natural g, I'm sorry, from coal to natural gas. And then --

we'll address that. Thank you.

Mayor Leffingwell: TO BE Continued. And so now we'll go to citizens communication, but before we do I want to mention that, you know, what would we do around this place without the -- today is the last day for a reporter who's covered fox news for a long time, crystal cotty. I want to thank her for her gr quality reporting at city hall and wish her the best of luck in her future endeavor. Is she? Here anywhere? .. so, first speaker in citizens communication is walter olenick, speaking about water . there are some alarming figures. 8% Of adults in travis county are diabetic. That's almost one in 12. Diabetes are a subpopulation that's particularly susceptible to harm from for dated water because they drink more water than average. This leads to a gross intake than the intake an average person would consume at this cdc so-called optimal one part per million concentration, which is already too much. Moreover, remember diabetes have associated kidney problems that hamper their ability to excrete f fluoride they consume. How many austin adults are diabetic? Austin lies overwhelmingly in travis county. It comprises more than 76 percent of travis county's population which in 2008 fell just short of a million. So adulthood is generally defined as 18 years of age or older. In 2008 there were around 551,000 austin residents in that age bracket. 8% Of 551,350 comes to 43,000 austinites suffering from diabetes two years ago. That's a good size group, which will increase along with population growth. It's the number of our neighbors at risk of fluoride poisoning from water alone even without additiode derived from food and vegetable sources. Infants are another group. Then there are the sufferers if conditions like bone

disease, arthritis, and thyroid problems that are known to be aggregated fluoride. Most healthy people are at an outstanding risk, athletes, even children at play. Austin is a health-conscious city and it's mind boggling to see outline those joggers and bicyclists rehydrating with their health drinks and teas. To some up, austin's vulnerable subpopulations are sizable and identifiable. They're getting too much fluoride and they're not being warned, will you take the responsibility of warning them?

The next speaker is anthony walker, is anthony here? We were told he might be late so I'll call him later at the end. Freddie childress? Talking about the african-american call the of life.

May piece be upon each and every individual present, listening on radio, or at home listening on television. Condolences go to the family victims of officer murder victim quinn tana officer quinntana was just arrested on a dwi charge. He was able to not take the breathalyzer or any other test. How do we know he wasn't intoxicated or drunk the night he murdered sanchez and gunned down sar smith? The mayor, council members, you know, civil rights leaders and groups come together and had a big show at the deco center. Chief osevedo wanted members of the community to reserve our opinion till all the facts were in, but yet he was calling it legal from the jump. 15-Day suspension. He still ain't fired, although he is now -- you know, just got arrested for dwi. He's the officer of the year in austin. If the officer of the year in austin is catching dwi's, trying to lead leave the scene of the accident, what does that say about the rest of the police in austin? We've got supervisors, pay, you don't hold me accounta to it. I'm not he or she expecting to serve. I don't get paid. I don't get taxpayer dollars or grants. How do we know quinntana wasn't drunk the night he shot? He didn't stay covered like the other officer. If you saw the video, if you cared took. But just one question. You didn't answer his question, so I don't know if you want to respect me the same way you spected that last american citizen to the city council members, and with all due respect, leaders of this community, talk a good talk but don't -- I'm speaking about the african-american quality of life. Us asking for the city council to answer our needs or no answer the question of mine, if I have one, just like they done the other guy. Maybe if I was a so-called city leader, on so-called n neeg ro leader, i could get answers, but he couldn't get it. He had a good question, talking about the fluoride in the water. I know you're not going to answer mine but I got one. What are you trying to force us to do? We do a handout, we want a hand up. A hand up not a handout.

Mayor Leffingwell: THANK You.

Thank you, mayor.

Next speer is hazel ruth reveile. Next speaker, richard troxell, speaking on homelessness in austin.

Brother, thank you. Mayor, council members, good to be here. You. I just have two quick points. The first one is about needs. President obama talked about jobs last night, and he's already committed himself to ending homelessness. I was called for that but really there's really no pathway to do that. The federal minimum wage of 25 an hour, so obviously you can't get housed anywhere, certainly not in austin, doing that. So -- but we have found from most recent city survey and from house of homeless survey of 527 people who are experiencing homelessness that given the opportunity, that 90% of them said that they would work a full 40-hour week if it paid a living wage. Unfortunately, of course, no one is paying living wages to our minimum wage workers. So you might ask, how can we address this concern? And one way is to make the housing cheaper for our minimum wage workers. So we're here to briefly propose a workers hotel. And it's the idea of making the nightly cost of getting in there, getting off the street affordable and reempable by people who are working on a daily basis. We believe that about a third of the people experiencing homelessness in our city could benefit from such a hotel. The second point that I would like to bring up today is about the coming up issue of the go or the go bonds. We have about \$43 million of funds left over from 2006 when we had passed the general housing bonds, and my only point about that is this. We have the ability to serve people at 70% of medium family income and 50% and 30%. It's laid right out there in the bonds, but at 70%, we're actually helping people that they're entry level teachers or entry level firemen. Now, I've been a volunteer fireman. My wife is a teacher. But I don't think that we should benefit from tax dollars. I think that all of these dollars to this entire pool of funds needs to go -- and I'm speaking as a taxpayer -- they need to go to the most

destitute among us, the poorest. That's what tax dollars should do. All we need as americans is to have a pathway. Once we get on the path it's up to us to struggle and chase the american dream. But nobody can do anything without a pathway and that's all we're calling for is a pathway. So when you look at those dollars, please consider that the utiliziers of those dollars should be the poorest among us, the people who really, really need our help. Thank you very much.

Thank you, richard. Next speaker is paul robbins, speaking on city issues.

Mayor, council, citizens of austin, I'm paul robbins. I'm an environmental and consumer advocate. I've spoken several times about the right of austin citens to vote on revenue bonds related to austin utilities. This right is in the city charter. I've been given answers to my demands that rangerom specious reasoning to statements that were outrageously untrue. The most claim is it's illegal for citizens to vote, even though this is the 20th century. Given the majority of the council's aversion to citizen participation, I got curious. Have the members of austi city council, including the ones opsed to abiding by the city charter, ever voted in ref new bond elections? What is your track rord, and here are the results of the research. I call this who voted? Next slide. Lee leffingwell registered to vote in 1991. He was eligible to vote in four bond elections and voted in all of them. He scored 100% participation. Next slide. Chris riley registered in 1984 and was eligible to vote in six revenue bond elections. He voted in fou of them. He is a 66% participation rate. Next slide. Ndi shade never voted in nue bond election, even though she was eligible to vote in four of them. Next slide. Laura morrison had a 33% participation rate since she registered in 1982 on this -- on revenue bonds. And bill spellman -- next slide -- and bill spellman and sheryl cole have 100% participation rates on four revenue bond elections they registered in. Next slide. There you are, sheryl, 100%. Now, what ds all this mean? Mayor leffingwell, council members cole and council member martinez all used their franchise to participate in civic affairs. Two of them used it every time they had an opportunity. But you will deny austin citizens the same right that you had. Mayor leffingwell, council members cole and martinez, would any of you like to explain to the public why it's legitimate for you to vote, but not okay for them to vote?

I didn't know any better at the time, paul, that's all I can say.

Thank you very much. You got eight more seconds.

So no one's going to answer.

Next speaker is daniel white. Topic is professionalism in city staff.

Yes. All of you on the city council got a letter on december 16th that stated the four issues in the poison ivy that I've been fighting. The poison ivy has in facted the austin parks and the city's neglect of it has allowed it to inif he can't the rest of the property owners in the city city of austin. The city's unwillingness to use herbicides has caused potential damages and real damages in public works. And there's the questions of invasive controls and the failure of invasive controls strategy. But the first question is professionalism. That's really the fifth issue that should have been in my letter. ott hasn't responded to any of my four letters on his desk, nor about half a dozen phone calls asking him for his aistance in bringing this matter to his attention, nor have the three appropriate acm's in his staff responded to letters either. ott, he can point to the council and say that the council hasn't bothered to write back to me once either. But there's an even better story of lack of professionalism in the city of austin staff on this issue. Acc also engages in the deliberate policy and neglect of its public grounds, in this case the riverside golf course which has poison ivy behind it, the size of my thigh, growing up trees up there. Acc seems to be quite unconcerned about it and also seem unconcerned about the two dozen dead trees out there on the gofl course which are a threat to life and limb. Additionally, there are about four dozen other trees that are dying that are also a threat to life and limb, and there's this mystery dump out there with mystery rusty barrels popping out of the ground. Now, I brought this matter to steve farmer in code enforcements attention. Went out there and some unnamed farmer that there was a criminal complaint against me for trespassing on a public park? What? And, therefore, he didn't really have to do anything. farmer who in the acc told him this all of a farmer's memory god fuzzy. So I talked to his supervisor

jerry's voicemail several times reynolds farmer's memory work a little better without my having to go to court to get this information, and I can't get a response from mr. reynolds. So this is a really disgraceful example of the city's enforcement agencies not doing their job in a case of life and limb at risk. But, the problem of professionalism is even worse than that. I have had conversations with --

Mayor Leffingwell: YOUR Time has expired. I think we got the message. Next speaker. Next speaker is brenda washington, who I'm told is not here. Brenda? And randolph george mueller. Miller or mueller? Your choice. Topic is budget assistance in the aviation department. The chief of staff positions within the police department corruption.

I'm randolph george mueller. Sometimes I wish my name changed, but the name doesn't seem to leave the city. It was a delight to see roger. He and I ran for city council in 1981 together, first time I met him, he's still got a sparkle in his eyes. He's been a servant. He took time to shake my hand leaving here. I've had a difficult time shaking people's hands. I come from a heritage, my great uncle being mayor of this city and I'm here because I care. I'm here because accessibility to chief of police has been blocked by me, by the chief of staff. They have a wonderful receptionist named stephanie over there. Will I speak -- the chief says he doesn't want to speak to you. Now, my wife saw him at green pastures and thought he was a delightful contributor to the city and trying to do his job. I'm here because aviation. The police has a problem with aviation. They have a problem with cost overruns. And I spoke to who was running for mayor, and I can proudly say that I supported him, although I was not an eligible voter for our current mayor. And he said what I had in mind was a big project. It's bigger than the city of austin. It involves jobs for the nation that our president spoke about. I'm here with the support of textron corporation, bell helicopter. Ron bower were the best in 1981 and '82 with helicopters when the city did not have star flight. I was a proponent of aviation and I am still a proponent for the state of texas, as well as benefiting the police department, the city and emergency situations, of bringing seven helicopters into the metropolitan area to be on call. I'm presently dealing with the governor's office. And they're very interested. In 1981 and '82 they told me I was the best with seven pilots, I was based with the governor's aircraft. I'm not here to tell you that I need money. I'm here because the mayor, when he was running for office, our current mayor, said the budget was his issue. And I have tried to get to the mayor at different times and he even told me the last time I was down here he didn't get any of my messages. The accessibility to the administration of the city of austin is what my issue is about. I looked the city manager in the eye when I couldn't get to the chief of police, and I gave him my card and told him what my issue was. He's never bothered to call me back. The previous city manager would say, randi, what do you need? I'm responsible as a landlord for the commons project which funds over a half million dollars in tax revenue, and I'm criticized because I'm here because I can't run from the city. For some reason, the old airport still has our name on it. I remain available, I think the mayor knows how to find me. Thank you very much.

Mayor Leffingwell: THANK You, randi. We'll have somebody contact you. Next speaker is up. And chief mcdonald, would you take care of that, make sure somebody contacts mr. mueller? Okay. Next speaker is leonard davila. Leonard davila. Welcome, ser. You have three minutes.

Good afternoon, mayor and members of the city council. The city of austin is about to extend open arms to the world during south by southwest. It will mean millions of dollars to the local economy where many businesses and individuals will profit. Some ethnic communities will be rewarded and their cultures celebrated, but one will be ignored, that being the mexican-american community. We've been neglected by south by southwest. Our leaders have not stepped in to ensure that we are celebrated. Our cultural identity has suffered. However, we need -- we see change for the better and new possibilities. I'm here speaking on behalf of our community, a community which dominates demographics and is austin's future. We want the city of austin to celebrate our cultural heritage at a time when the spotlight is on austin, during south by southwest. We are asking our leaders to support us and our endeavor to shine during this crucial event. South by southwest is producing a showcase this year that will feature some of our treasured acts, and is allowing us to participate in the convention center panel. We need support from the city of austin to make this relationship work. In order for our community to showcase our wide range of talent to the world, we ask that palm park be designated as a venue that our community will be

allowed to use during south by southwest to showcase our heritage. For too long, our culture and heritage has been cast aside as insignificant or simply ignored. In order for austin to honestly hold up the banner of live music capital of the world, our tejano sound must be integrated into the fabric of south by southwest and other large muuic venues, not as an afterthought but as part of its soul. If you agree to this request, we will need some city help, which I will be available at your convenience to discuss with you. And if you have any questions, I'd be glad to answer them at this time.

Thank you. Any questions, council? Thank you. Appreciate you coming down.

Thank you.

Mayor Leffingwell: SO ONCE Again, anthony walker, anthony walker. You have three minutes.

I wt to say greetings to you, mayor. Council members. smith who made this a point to make it out here. I want to wish everyone the best of health and great spirits. When you try to come in front of city council to dreats issues and concerns of the community, three minutes is really never enough time to get to the heart of the point. So that's why I will start asking council members to start having more town hall meetings to be more involved with the community. When you are at large council members, you're supposed to be representing the entire city, not when the white people have a problem they go to the white, when the black have a problem they go to the plaque. It seems like this city is really divided because the council members are really divided. So let me get to some of the points that I really want to come with. Time is really what dictates agenda. If you don't know what time it is, you might be doing the right thing but at the wrong time, and not get the rightults. I had an opportunity in my lifetime to visit many places, and I see in those places there's a strong african-american community. But when you come to austin, i can't be in denial, there's some serious issues with unity with african-american. In our community that's what you call the inner circle and if you're not part of the inner circle, a political leader, a certain manager, a certain ceo, no one is really going to fight your issues and concerns because they don't look at you as being equal to them. This is real hard in the city of austin. We can talk all day about our issues but you all have got to be most sincere of being with the people. You have to humble yourself to come to this city and fight for a lot of issues. Even m myself, I think one of the most painful things I have felt is the backlash I get from some of our african-american leaders. I don't get no backlash from anybody else. It's because people want to put themselves in their position. I'm not knocking that. I'm willing to work with anybody to get results. When I look at some of the entertainment in this city, what do you really have to offer the african-american? We have the texas relay coming up but during that weekend, see how the city do downtown, they start blocking off some of the mark and things, they treat you disrespect. Theology all the way out for south by southwest, for austin city limits, but when it comes to black issues and concerns, they don't want to have nothing to do with that. What you're sending, is that you just don't respect them. It's really sad to be in this city when you're african-american, when you know you've been done wrong and our political leaders is not doing nothing about it. It's like you are in a comfort zone. You want to build your resume up to tell everybody how good of a job you've done but you've got to look at it, when you're no longer there, nobody care what you say or what you think then because when you could have made a difference, you should have made a difference. You know, we're not -- we don't have no problem with the way they pick the city manager, we think they did a good job. This is why I said we need to start having town hall meetings. You need to start coming to the community, get from behind those desks and start respecting us more. I guarantee if you respect us more --

Mayor Leffingwell: YOUR Three minutes is you be. Council woman cole.

Cole: I JUST WANTED TO Make clear to the community and the public that after texas relay incident happened last year, I passed a resolution with several -- I think it w council member martinez, and -- well, I can't remember so i better not call the name unanimously working on this for a year, that includes 50 to a hundred people in the community, including the university of texas. And I want to make clear that i was the lead on that, but other council members cosponsored that. But more important, that was a 7-0 vote by the existing council. So I appreciate all your comments, but I'm going to challenge you that I

need your help. So I'd like you to call my office, give them your name, give them your telephone number, and let's talk about what you can do to make a better city for african-americans, as opposed to just what my colleagues are not doing.

And I absolute you for that. Good job well done and we're going to stand with you. Keep it up.

Once again, hazel ruth reveille. Those are all the speakers we have signed up for citizens commication today, so strangely enough, I think this is the first time it's ever happened to me, we have nothing scheduled for executive session, so we will stand in recess. Council will be in recess 00 p.m.

(Recess]

We are out of recess so we'll sume the question and answer session for the austin energy briefing, and I believe we had questions pending from council member.

Riley: And mayor pro tell me martinez.

Council member riley.

Thanks, mayor.

Roger, I want to thank you for your work on this and citizens.

I've had very helpful input and I appreciate the utility is willing to work with those folks, too.

Just a couple questions.

First off, I want to ask about the paragraph that came from the task force that I understand the utility is in agreement with that relates to coming back with a review in two years and an assessment of whether we can move for quickly to get out of fayette.

In that regard, I just want to ask how you see that playing out.

Some folks are concerned that we're just going to be waiting for two years and in two years we're going to start looking around with some review at that time.

How do you see this unfolding?

Well, as a practice matter, we're in almost constant review at the utility anyway.

We do a new load forecast annually, every spring.

[01:06:00]

So the lines that you see on that chart, 2008 -- there will be another one for this year, completed in a few months.

We always take that opportunity to step back and look at the generation plan at that point.

What I've told the generation task force is that we have no problem with reviewing two years, and we won't be waiting that long.

The specific question they asked is, can you close down fayette economically and technically faster than 2020.

What that will involve is us looking at what the status is of the different fuel and technology costs a year from now and two years from now, as opposed to today, any new technology changes. That's not a problem, but i assure you we won't just wait two years and then start putting together a committee to look at it.

The work will be ongoing.

The work is rily ongoing.

Great.

Let's talk specifically about that work and this is going to get into the question the mayor pro tem asked about the possibility of a gas plant. I've heard some things thrown out as well.

I know you mentioned involving biomass.

I want to see if there are other possibilities that might be on the table that would allow for a conversion of fayette as opposed to just shutting it down.

Well, actually we have looked at that, conversion to gas.

We have worked with the boiler manufacturer, and have determined that it is feasible to convert those boilers to run on about 50% natural gas.

So you could technically convert it.

Now, I'm not speaking to the economics of it because I'm sure the heat would be very low.

In essence, you're using natural gas to create steam.

It's the same as we're doing out at Decker with the old boilers.

[01:08:01]

Remember I said we're building a new sand hill unit to ramp down those old steam boilers at Decker. That's essentially what would be creating at fayette to convert those boilers to run on natural gas.

You've got to put a gas line out there to fayette that isn't there now, so I can't speak to whether it makes good economical sense but you could technically apparently convert it about 50% to natural gas.

That would reduce the CO₂ emissions by 25% because gas produces 50% less than coal in terms of CO₂ emissions.

And those possibilities would be among the things on the table for that two-year review.

Yes.

And we actually have -- we know how to make that conversion at fayette to partial natural gas, and my chief operating officer told me that we actually have the plans on the table, on the shelf.

We know how to do that if we decide that's the way to go.

I know you mentioned that lcra and ercot would have to be involved in any decision to shut down the plant.

Would they also be involved in discussions about conversion the plant?

Yes.

It would have to be a joint decision with lcra.

We are 50% owners but it isn't like we own one unit and they own the other.

Coowners in two of the three units at fayette.

Have we raised not issues with lcra?

Yes.

Our staff talked to lcra about all the options including that option and cofiring and so forth and they're looking at the numbers and preparing options.

So they'll be looking at it over the next couple years as well.

That's correct.

Okay.

Shifting gears just a little bit over to solar, I just wanted to ask you a question about that.

You mentioned -- we talked about the goals for adding a hundred megawatts to the goal for 2020, and inha regard, do you have -- I know you've mentioned

[01:10:00]

the different siting possibilities and that will be part of the ongoing efforts in figuring out the right mix.

Do you have a general sense at this point as to where that additional solar will come from, how it'll break down in terms of residential, commercial, utility sale solar?

In very general terms.

I think in the near term, you're going to get your biggest bang for the buck in the largest amount of solar on commercial roof tops, flat roofs, big box stores, you know, wal-marts and best buys and so forth.

The easiest and quickest and most cost effective to install.

We're looking at a model that is a performance-based incentive for the solar coming off that, as opposed

to a straight rebate in that metering model that we've been using with residential.

So we're looking at that for the commercial, continuing with a rebate, and metering for the residential, and then ground-based solar, such as -- the weberville is a utility scale but you could put ground ase solar like covering parking lots on the ground and looking at other facilities.

And then there's the big west texas plants where we'll need to get another utility or so to go in with us in producing the scale that we need for big west texas plants.

I appreciate all your efforts on that.

I know there's obviously a lot of community interest in that and also a lot of economic development implications.

We've seen a significant growth in our home-grown solar industry in recent years.

Uh-huh.

So I know that we'll look forward to working on that continuously in the coming years so I appreciate all your effort.

[01:12:00]

Okay.

Just a quick follow-up on something you mentioned, roger, about, you know, we probably wouldn't be able to have the same capacity if we were to convert fayette to natural gas, and that there would be a severe cost implication.

Do you know of any provisions in waxman-markey or in some type of federal ear marks that would help lessen that burden of the conversion?

I would have to look into it.

Waxman-markey in general just talks to the total amount of coring coming off.

So gas produces 50% less carbon than coal.

If waxman-markey comes close to giving you a full allocation for what you're currently producing with the coal, then with the 50% credit in reduction at the market price of carbon, that's your cost benefit to apply to a conversion.

That's generally how it would work.

That you think.

Anything else?

I would just add finally that when I was talking about earlier about flexibility and the ability to evolve this plant over its life with periodic reviews, figured, you know, maybe by the time limitations that have been suggested bit rfc but also certainly by external events that occur, I think we should take

a closer look and be able to adjust not only the ability to further curtail fayette, but also the ability to go back and forth between different types, different types of renewable energy, depending on the cost and the ability to so.

[01:14:02]

We might have the infrastructure, available, for example, to do a lot more wind, not a lot more solar.

That's just an example of what I'm talking about.

So I think between now and the time we -- the council considers it, we've got to be thinking about how we're going to build in that flexibility.

And I might add in relation to that it is much easier in a plan like this to make changes on the run and flexibility because you're talking about much smaller installations and whereas building a coal or nuclear plant, you build 500 or thousand megawatts at once. Here you're adding solar or wind or biomass in 25, 50, hundred, 200-megawatt units and you can delay or change your strategy fairly easily over time.

Yeah.

And it's not only the various modes of production but it's also we might realize that we have the ability to do more conservation. That's part of the mix as well.

That's right.

Thank you.

Thank you.

Mayor Leffingwell: , So council, if there is no objection, we have another 30 briefing to go.

But it's my understanding that we have a very short zoning session today, less than five minutes.

We could dispose of that right

..

Thank you, mayor and council.

I'd like to go to the 2 o'clock zoning ordinances.

Hearings are closed.

I'd like to offer number 46 and 47 as consent for second and third leading approval.

46, Ckc 2009, property on carson ridge.

This is community commercial, mixed use, neighbor plan or gr muco, for zoning.

Item 47 is case npa 2009,

[01:16:03]

0005.01.

Again the scar son ridge development at 6503 carson ridge.

This is to change the map in the planning area, to mixed use, and these are both ready for consent and approval on second and third reading.

Mayor Leffingwell: All right.

So the consent agenda for those zoning cases where the public hearing has already been held is to approve on second and third readings, items 46 and 47.

Councilor spellman approval, any discussion?

All in favor, aye?

Passes on 7-0.

Excuse me, 6-0 with council member shade off.

Thank you very much, mayor and council.

These items are under zoning and planning.

These are public hearings open and possible actions available this evening.

First I'd like to offer for consent 48, kc 147-2015, excuse me -- 1517 east anderson lane.

Staff would request postponement to your february 25th agenda.

Kc (142)008-0123 for the property located 7309 south ih-35 service road northbound, this is to zone the property general commercial services, mixed use, cs muco combined this from zoning.

The planning and zoning commission recommended.

This is ready for consent or approval on first reading only.

Item 50, kc 14-20080242, property located 2403 east 51st street.

Austin energy is requesting a postponement of this item to your march 25 agenda.

Item 51 is kc (142)009-0106, these are for properties located in the rosewood neighborhood planning area.

These are the vertical mixed use

[01:18:01]

building opt in opt out zoning cases.

Staff is requesting a postponement of this item to your march 25th agenda.

Item number 52 is kc 14-20090110, property located 13505 north fm 620 road.

We have the applicant is requesting a postponement of this item to march 25th.

The neighborhood is in agreement, and this is ready for consent and approval without postponement.

Item 53 is kc 14-82009-00-54, property located at 83 rainy street.

This is a request to zone the property central business district historic landmark, combined for zoning.

Staff would like to offer this store consent disapproval, and I'd like the preservation officer to come forward and read into record why we would offer this for consent disapproval for a very short presentation.

mayor, council members.

I'm from the preservation office.

The house at rainy street initially came to the commission on an application for demolition, and the historic landmark commission recommended it for historic zoning.

Over the course of time in negotiations with the property owners, we have worked out an arrangement with the property owners where they are maintaining and rehabilitating the house.

I'd like to show you so you have the same comfort level we do with this agreement.

This is the condition of the house now.

The property owners are going to save the front of the house, replace the front porch, replace the windows.

As you can see, the front porch is not in a salvageable condition, neither are the windows, so any changes to the porch and windows could be reversed at a later date if somebody wanted to come back in and do a true preservation project on the house.

This is the back of the house.

This, where it's collapsed, that will be coming down in the project.

Then here's a good close-up of the front porch. The front door and several features of woodwork on the inside have all been stolen the last couple of months out of this house.

And the property owners have contracted with the michael sheet design office to come up with a plan which preserves the street facade of the house and reuses the house for a commercial use.

This shows the original house in the plain yellow, what is going to be demolished is in the hatched, and

then the new addition is in the lighter yellow hatched section on the back.

The house is going to maintain its form.

It's going to be returned to a viable economic use.

Staff fully supports the proposal for adaptive reuse of this property and the addition.

It will make a great addition to the rainey street historic district and its economic vitality.

Any kind of permit on this property will have to be reviewed again by the historic landmark commission.

The owners have -- are withdrawing their application for total demolition and replacing it with an application for partial demolition so that they can proceed with this project.

Thank you.

Mayor Leffingwell: Any questions?

So what has happened is, the case originally went to the historic landmark commission because of the application for demolition, which has now been withdrawn.

Correct.

Mayor Leffingwell: And if anything beyond the remodeling that you described occurs, it would of to go back to the landmark commission with an application for demolition.

That's correct.

They're replacing the application for complete demolition with an application for partial december listing of

[01:22:02]

th back of the house, which, as you can see, has collapsed.

Mayor Leffingwell: I did see that. all right.

So the consent agenda is --

mayor, just before I wanted to make one correction.

On item 52 it is a postponement to february 25th.

I think I mentioned march 25.

Mayor Leffingwell: You did mention march.

Okay.

Thank you.

Mayor Leffingwell: The consent agenda for those zoning cases where we have yet to hold a public hearing or to postpone until february 25th item 48, public hearing and approval first reading only, item 49, postpone until february march 25th items 50 and 51, to postpone until february 25th, item 52, and to have consent that is the consent agenda.

Is there a approval, or second?

Council spellman.

Any comments?

All if favor aye?

Any opposed?

Passes on vote of 7-0.

So now we will go back to our morning briefing on the lower shoal creek redevelopment.

Mayor and council, good afternoon, burt lambreras, assistant city manager we will be giving you a briefing on lower shoal creek.

It will be fifth street to lady bird lake, within the sea home district.

In 2006 the voters passed a bond to build a new central library that we all believe is a very unique opportunity and something that is once in a lifetime situation for the community.

As we have engaged the public and worked through -- very closely with our design team in coming up with what we would believe would be the very best building program, we have had a number of conversations with our architects about some unique opportunities along the lower shoal creek area. Staff focused on our new central library is to design a signature project which we believe also is very much warranted as we discuss the lower shoal creek area.

With that in mind, what we did, and I must say we did this very quickly, we formed an interdepartmental task force staff team, made up of a number of representatives from various departments were not city, with the whole goal of sole solidifying the city's vision of shoal creek.

What you're going to be hearing this afternoon is the findings and recommendation of this task force, and I believe it really addresses a number of issues that are critical to this project in terms of the library.

With that in mind, I'm going to turn it over to fred evans from egrso who kindf served as a lead for this project and he'll present the report for today.

Good afternoon, mayor and council members.

I'm fred evans, redevelopment project manager with the city's economic growth and redevelopment services office.

What we call the sea home redevelopment district is bounded by lady bird lake on the south, lamar

boulevard on the west, fifth street on the north and san antonio street on the east.

The district includes a sea home power plant as you would expect, and the city's green water treatment plant, energy control center and central library tracts.

Running through the heart of the district is mile -- half mile segment of shoal creek which provides a natural water course and recreational connection to

[01:26:00]

lady bird lake.

This channel encompasses over 7 acres of parkland.

Extensive redevelopment in the district has heightened the city's awareness of lower shoal creek and its asset value.

It is a bit of a diamond in the rough but it has the potential to be a real jewel.

Vibrant, urban green space that is well connected with surrounding projects and the broader community.

The sea home district has seen significant redevelopment in the last ten years.

There have been a number of residential mixed use projects added, shown in gold in the picture, starting with redevelopment of the city's electric utility pole yard along shoal creek in partnership with post properties.

The district has experienced commercial redevelopment shown in red and the addition of two cultural projects, balance and i austin shown in blue.

The projects have rapidly transformed the district.

Redevelopment projects on the horizon, phase two of gables park plaza, shown in purple, and several public and private redevelopment projects shown in gold.

This includes redevelopment of green water treatment plant and the energy control center, along the banks of shoal creek.

Up coming public projects shown in blue include reconfiguration of the electric substation and construction of new central library adjacent to shoal creek.

Together the projects will almost complete redevelopment of the original southwest corner of downtown austin.

Shoal creek is a significant component of the district's assets and redevelopment plans.

It supports the economic vitality of the area in the district's two billion dollars of completed and planned redevelopment projects.

In december 2009 the city manager's office formed an interdepartmental team to develop a shared

vision for lower shoal creek and coordinate in planning and design in and around the creek.

As you can see, the team included a broad cross-section of city departments.

The interdepartmental team was charged with developing a shared vision of lower shoal creek.

To do this, staff drew upon 25 years of community input, beginning with the 1985 town lake corridor study and culminating in draft downtown austin plan and open space master plan.

The team was also charged with recommending improvements to shoal creek and informing the planning and design of redevelopment projects along the creek.

All with an eye toward creating a signature urban park and open space.

First thing the staff team had to accept was that shoal creek is and for the foreseeable future will remain a critical piece of the city's flood conveyance infrastructure.

Shoal creek is also an essential component to the downtown park and open space system.

It provides open trails, some overlap with the bike way between caesar chavez and third street, framework running through the district, could become an open space destination unto itself, and it can amplify the district's economic impact through increased we believe shoal creek's terms and conditions formation should embody several hoafar reaching principles, insuring hat creek is connected to its immediate surroundings and broader community, making the creek successful not only because of the amenities to which it is connected but because of the success as a destination and a place in and of itself.

And creatina model for the integration of the urban environment in a natural context.

All being achieved flu through designexcellence.

With that vision in mind, the team formulated a seriesof short term and long term recommendations.

Over austin's history this stretch of shoal croak has been heavily impacted by infrastructure you have of which is now ban bond. The team will perform a thorough analysis of in from a true and correct in the creek to determine what is ban bond and what is still in service.

We also recommend that funding be pursued to bury the overhead circuits along shoal creek between lady bird lake and substation.

The city is proposing the wall around the substation be developed as a public art project.

Ultimately, the goal is to remove and relocate exposed utility infrastructure and screen that which cannot be eliminated.

With regard to reducing flood hazards, we recommend conducting further studies to identify potential upstream improvements.

For stream bank stablization, we would recommend the adoption of a uniform bank restoration standards.

Many of the banks must be reinforced with engineered systems such as the mechanically stabilized

earth system in this photo and that's to withstand the volume and speed of flood waters that this area is subject to.

The bank's stabilization system under consideration along the green water treatment plan -- under construction, not consideration, along the green water treatment plant will be very similar to this.

But with greater diversity of vegetation and plant materials in the soil areas.

Similar systems have already been installed along the lower shoal creek, at the gable's west avenue, 44 rio grande property.

Our short term bank restoration recommendations include completing the green water treatment plant, extreme bank stabilization project, encouraging private property owners to implement bank restoration per adopted standards, working with new central library project team to identify library elements that can support and interface with the parkland and redesigning the city's proposed stream bank and trail improvements adjacent to the central library to complete the library -- to compliment's the brie library's design and strengthen its connection to shoal creek. In the long be term we recommend implementing additional bank restoration projects on city property along the creek.

With regard to water quality we recommend several long term actions.

First, implementing an aggressive storm water treatment retrofit program to mitigate upstream pollutant sources.

Also, implementing native plant restoration and invasive plant removal projects, and creating a dedicated maintenance crew for the shoal creek area.

For the proposed second street bridge over shoal creek we recommend a design that is reflective of and sensitive to its parkland setting.

We also recommend that the third street crossing be studied in greater detail during preliminary engineering for urban rail.

Where bridges across the creek we recommend that improvements be made to extend the main trail under crossings with secondary trails up to street level.

Central element of lower shoal creek is the existing trail system and its potential enhancement.

We recommend that hole isk design standards for park spaces be developed by the parks & rec racing department in conjunction with the parks board once the plan is completed.

We recommend that uniform -- excuse meed the uniform park trail devopment standards be adopted specifically for lower shoal creek.

Which would include signage, furnish issuings, lighting, trail whip and trail material standards.

Again, we recommend encouraging private property owners to implement trail enhancements per these adopted standards.

The marks and reaction department has identified se enhancements to incorporate into their capital improvements plan. These include considering realignment to the lance armstrong bike way between

caesar chavez and third street, to provide auto better separation between pedestrians and bicyclists, also providing strong connectivity with the central library, potentially incorporating intimate scale pocket park spaces.

Also recommended is aligning the primary trail to pass beneath the second and third street bridges as was mentioned earlier. Improving -- also, improving the trail underpass and grade crossing at rest avenue, finally, very important piece, constructing the last remaining section of trail needed to close the gap between west avenue and fifth street.

We also recommend evaluating potential destinations within the creek channel that can be developed to provide public access and use.

Four potential locations were identified by the team.

The first is the lady bird lake peninsula where shoal creek water kross and trail system converge those are lady bird lake.

Another would be along the gravel beach just north of caesar chavez on the creek's west side, adjacent to the new central library tract.

There's also a nice vantage point for observing the falls between second and third street.

The fourth potential destination that we identified is the beach area near little shoal creek tunnel, the little shoal creek tunnel outlet, which in this case could be accessed from the east side of the creek.

After the destination points are finalized, we recommend that plan for installation of low impact improvements that can withstand flood events.

We also recommend studying the feasibility of providing a boat landing below the central library to facilitate access to the library and parkland by boat.

In conclusion, lower shoal creek provide tremendous opportunity to enhance the sea home district and downtown as a whole.

We believe the interdepartmental team's recommendations will serve to establish lower shoal creek as signature open park and open space.

And when working on the district's remaining redevelopment projects the objective is for them to contribute to the place making goals by orienting, embracing, enhancing, and taking maximum advantage of their location long the creek.

To move the city's vision forward, we recommend securing public input during development of trail standards and significant public infrastructure in the area.

Oops.

Excuse me.

Identifying funding that is currently in place to implement recommended improvements such as the funding that has already been appropriated to close the gap in the shoal creek trail between fifth street and west avenue.

And including unfunded creek enhancements in each affected department's annual capital improvement planning process which kicks off in february for fy 2011.

Mayor and council, at this time, the team members and myself are available to answer any questions you might have regarding our findings.

Riley: I really want to thank you for an excellent presentation.

I enjoyed visiting with you about this the other day.

This is a very exciting project to me.

For many years this has really been my favorite place downtown.

For those who don't know it, this is a wonderful, natural setting that lurks there in kind of a tucked-away place downtown.

Many people aren't aware that it's there but for those that are interested, I'd encourage them to go check it out.

It's actually particularly appealing after a rain event because waters get high, it really gets spectacular.

You mentioned the falls down there is a viewing point there that you can access now if you go just downstream from third street pedestrian bridge, there's an old set of steps that goes down to that platform that you showed here.

Doesn't look so good in the photo but when you're standing there looking up at the falls, particularly after a rain event, it can be really spectacular.

You think you're somewhere in the rocky mountains.

And even when it hasn't been raining, it's still an impressive place because that section of shoal creek is actually flowing year-round, even in summertime when upper parts of shoal creek are dry, little shoal creek is still flowing because it comes down -- it's spring-fed from west campus, comes down under nueces street and enters shoal creek right at fourth street so that lower section that you see in those photos, that is a nice flowing creek year-round.

It has -- I have had some concerns over the years that the city wasn't paying enough attention to this and was potentially treating it as a drainage ditch, and it was an area that just served utility purposes and not much else, so I'm delighted that we're finally getting to the point now where we have a vision for really taking advantage of the opportunity we have for creating a very significant amenity that will really bring a lot of value to a rapidly developing area in the midst of -- well, it's right there by our new central library, but the green water treatment plant site.

This area is going to be seeing a lot more visitors in the future, and I love the idea that it will actually retain some natural character and actually have -- for many people, it will be an unexpected aesthetic appeal in the midst of a very urban setting.

So I think it's great to see all the work and attention that's going into this, and I know that I'll continue to be interested in this and be glad to offer any support that I can along the way.

I know that there is one element that you mentioned that has a lot of interest for a lot of folks who

already used that area for transportation purposes, and that is the shoal creek trail.

There is one gap in the whole shoal creek trail which really provides pretty much uninterrupted alternative transportation opportunities, all the way from the town lake trail system up to 3e8 street.

And there is -- that whole system, there's -- since 1981 there's been one gap in that network, and that is the very short segment of just downstream from fifth street.

And you mentioned that there is currently a project to fix that gap.

And in fact there's funding for that project.

Could you just give us a quick update on where we stand with actually getting that work done?

Yes.

The city attempted for a number of years to obtain an easement for continuation of the trail.

There was a change in property ownership and through the redevelopment proposal with the tc austin development team constructive ventures brought to the table an offer for that trail easement or dedication.

Council also authorized a portion of the proceeds from block 21 toward shoal creek improvements and those were applied toward that trail section.

Those have been earmarked for that trail section.

So we expect that work actually could get underway?

It's under design, my understanding is it's under design.

So we could actually see that gap fixed within the next year or two.

I don't have an exact timetable, but that sounds reasonable.

I think that's my understanding of the timetable so then actually actually see a regular flow of people.

There's already a pretty healthy flow of people using that as a corridor, in spite of the fact it's not all that user friendly right now in that one section.

But I think you'll see there will be significant increases when we fix that. Anyway, thank you again for all the work that's going into it.

Maybe the people using it now are good swimmers.

Could be.

Council member.

I just want to briefly echo his comments except I don't agree with that rocky mountain statement.

But really it's very exciting that the city is -- that you all have gotten together to be proactive about putting standards into place, and especially that's great news about closing the gap because I know that that's been an issue on the table for folks that are -- have been involved in that area for many years, so I'm really pleased to hear that.

I just wanted to thank you and all the folks in all the departments that have put this together.

Couple of things.

I really think the most significant improvement that has been made in the plant since we first heard about it and looked at it is the fact that you're now able to look at varying those electric lines from lady bird lake up a certain distance to -- I think to this -- east second street --

where the old control center was.

And that was just a huge problem, you know, being not only in that park on the banks of shoal creek but every time you looked out the library window you would see high voltage transmission lines.

That's not what we want to see in our signature library buildings that we're hopefully getting ready to build.

The other alternative would be to move it to the west of the library, and that perhaps would have been even worse because the folks in the sea home development as well as the library would get to look at it.

So I'm really glad that we came up with a solution to be able to do that.

And I don't know if you mentioned this or not when you showed us the bank design for shoal creek, we were concerned about the steepness of that bank, and understand the reasons for that limitation, but there's also an easement from the top of the bank to first construction because you have the set back, the waterfront overlay, which is being respected.

But it's my understanding from my briefing also that there will be a trail easement there as well. So it'll be on the very top instead of lower down.

I think overall a huge improvement in the design, and I think we're going to have something that we can be proud of.

Thanks.

Appreciate it.

Mayor Leffingwell: And, council, here we are again.

The limit -- the next thing we have on our agenda is time certain public hearings.

Before we go into recess, which we're going to have to do, I want to clarify from this morning's consent agenda when I was reading into the record the borden commission appointments, just to make clear that the only appointment that was done by resolution was the appointment for the lone star rail district board of directors.

All others were appointed by in council members or the mayor or counsel itself.

I thought that's the way i said it but I had a question about it so I wanted to make sure it was clear.

So with that, council, we don't have any business that , so without objection we stand in recess until that time.

[Council in recess until}

Public hearing for possible actions, and start with item 54.

Good afternoon mayor and counselor, I'm virginia from the planning and review department.

First of two public hearings for the annexation areas, 54 through 56.

The second hearing will be february 1 at 4:00.

Counsel won't take action on these three.

Ordinance readings are scheduled for february 25.

The morris crossing linda vista area proposed for limited purpose and annexation, includes 34 acres and located in southern travis county, east of fm 973 at the southeast corner of the intersection of fm 973 and burleson road and also the intersection of fm 973 and linda vista drive.

and the property owner requested annexation.

It's undeveloped and future development includes land uses.

Annexation will extend the full range of authority, roaflg development construction, land use and environmental quality to the area as described in the planning study and regulatory plan, copies of which are available here today.

Future full purpose annexation will be scheduled at the time the balance of the moore's crossing mud of which this is a part is scheduled for pull purposes.

This concludes my presentation for item 54.

Questions on council?

If not -- council member riley.

I just have one question.

Virginia, I know some people -- why they know moore's crossing is that's th site of the historic congress avenue bridge.

There's three spans of the bridge that relocated to a park and there are trails out there.

Now, that's not part of this annexation.

No.

that's just on the other side of 73 or --

I believe that's just west of 973 and this is east of 973.

Riley: okay.

That's all I had.

Thanks.

Entertain a motion to close the public hearing.

-- Entertain a -- council member spelman moves to close, second by mayor pro tem, a discussion, all in favor say aye.

Aye.

Mayor leffingwell: aye.

Passes on a vote of 5-0 with council member shade and morrison off the dais.

55 is the green shores gla and ec area which is also proposed for limited purpose annexation.

This is in a couple of different pieces and includes a total of approximately 161 acres in travis county.

North and west of the intersection of oak shores and pierce road, west of robbins road and south of smoky ridge and east of ski shores terrace.

This area is in the city's etg and proposed for limited annexation in -- approved by austin city council in january of 2005.

It includes 126 single-family lots in addition to undeveloped land, 91 homes in the area are either built or under construction.

Limited purpose annexation extends the city's ordinances and regulations including building and zoning codes as described in the planning study and regulatory plan.

Copies available today.

Doesn't include property taxes or provide full municipal services.

Public maintenance and road service will be provided by travis county and after annexation they may vote in charter electrics.

Future annexation of this area will take place after january 2015 in accordance with the development agreement, and this concludes my presentation for item 55.

Questions?

Council member spelman?

I'm looking at the map and I see there are holes in the map between our first annexation here, places which have already been limited purpose annexed in our full purpose annexation along the shoreline.

Are there plans for us to do a limited purpose or full purpose annexation for the holes in the center here?

We don't have a schedule for that area.

The area that's being proposed for annexation today is subject to an agreement that the developer, who originally platted the subdivision entered into with the city, and so those other areas would need to be scheduled separately under a separate annexation, and we don't have any schedule for that.

so there's no agreement with the developer on the other sections, that distinguishes this from the rest of it.

Right speaking speaking thank you move to close the public hearing.

council member spelman moves to close the public hearing and council member cole seconds.

Any further discussion in in favor say aye?

Opposed.

Passes 5-0, council member shade and morrison offer the dais.

Item 56, the harris branch outparcel area and this is proposed for full purpose annexation.

It's approximately two acres located in eastern travis county west of cameron road approximately one-tenth of a mile south of the intersection of parmer lane and cameron road.

This area is currently in and has been an out parcel since 1998 when the harris branch area was annexed and entirely surrounded this tract.

It's currently undeveloped and the property owners requested annexation to facilitate zoning and development for this site.

Upon full purpose annexation the city will provide full municipal services to the areas described in the service plan, copies of those are available today, and I'd be happy to answer any questions you have on item 56.

Questions on 56?

Entertain a motion to close the public hearing.

Council member spelman moves close the public hearing, second by council member riley.

Any discussion?

All in favor say aye.

Aye.

Mayor Jefferingwell: aye.

Any opposed?

Passes on a vote of 5-0, council member shade, council member morrison off the dais.

Brings us to item 57.

Good afternoon, mayor, council, assistant city manager garza.

I'm patrick corona, division manager with the parks and recreation department.

I'm here to speak on 57, speaking for your support on adopting the local standards of the care for parks and recreation department, children recreation program.

Tiply it's for children 5 to 13 and this is part of an annual review conducted by staff.

If you have any questions I'll be more than happy to help you.

Questions from council?

Hearing none, I would entertain a motion to close the public hearing and approve the ordinance in item 57.

Mayor, just one question, if I can.

spelman.

are there any fiscal implications of this in accordance?

If it doesn't pass we don't have summer programs and we lose the revenue that generally comes in.

That's an incredibly stupid answer.

Move approval.

the posting language says there's no unintended fiscal impact so it probably is a good question, whether it's anticipated or not.

Council member spelman moves approval.

Council member riley seconds.

Further discussion?

mayor, do I need to specify on all three readings?

we will clarify that it's on all three readings but unless it's restricted to first or first and second it's assumed to be three, but just -- it is on all three readings.

All in favor say aye.

Aye.

Mayor Jefferingwell: aye.

Any opposed?

Passes on a vote of 5-0, with council member shade and council member morrison off the dais.

Thank you.

and i believe city clerk, that concludes our business of the city council meeting.

I will -- I believe I need to hold off on adjourning the meeting until after live music and proclamations, but if you don't have live music or proclamation, you don't need to be here, I can adjourn the meeting by myself after that is complete, so without objection we stand in recess until 6:00 p.m.

Good evening, everyone.

It's once again time for live music at city hall.

Every thursday we bring you live music from city hall.

And this week joining us today is graham wilkinson.

Graham's unique sound is influenced by punk rock, folk, country and rock music.

Graham developed his group, the underground township with an interchangeable lineup including several musicians.

With this group of artists, graham debuted his first album, yearbook in late 2009 and later tonight he will be playing at botecelli on south congress.

We will hear from graham appeared then talk to him after he's done singing.

Welcome graham wilkinson.

[Applause]

I was planning on singing a little love song, but i think I overheard there's a poverty awareness.

What's going on, could you tell me?

[Inaudible - no mic].

Then I've got a song sort of about that.

It's called all kinds of places to be.

It's on the new ep.

♪♪♪

[00:36:23]

♪♪♪

♪♪♪

♪♪♪

[00:38:37]

♪♪♪ [applause]

Martinez: That was great, graham.

Thank you.

There was a lot of words in that one, I think.

[Laughter]

Martinez: I want to present a proclamation to you, graham, and it reads that be it known that whereas the city of austin, texas is blessed with many creative musicians whose talent extends to virtually every musical genre and whereas our music scene thrives because austin audiences support good music produced by legends, local favorites and newcomers alike. And whereas we are pleased to showcase and support our local artists, now therefore i, lee leffingwell, the mayor of the live music capitol of the world, do here by proclaim january 28, 2010 as graham wilkinson day in austin, texas.

[Applause]

and graham, before you go, if you could share with us and the viewing audience maybe a website url, if we can't make it out tonight, where can we go see you and where can we buy your music?

Well, you can to myspace.com.

You can also google my name.

There's a bunch of websites.

Tunes have has the website and also waterloo has it.

Tonight at bottecelli's and next week at the bellmont on and next week at the continental club.

And I do appreciate it.

It's a great honor to be here.

Martinez: Thank you, graham.

[Applause]

Martinez: Anthony, if you want to come join me, and any of your family is welcome to join.

It's up to them.

Actually, can we make sure we have a cordless mic so anthony, if you wants to say a few words.

What we're doing, these are actually certificates of congratulations, and let me tell you a little bit about why we're doing this.

Ben deleon is a local austinite, but he's more than that.

[00:42:01]

He is what I consider a community leader, community -- involved in the community.

He's a volunteer with big brothers and big sisters of central texas.

But last year or this past year he was named the big brother of the year nationwide and was honored last week at the white house with his little, anthony, and the obama family.

You are going to see this young man emerge as one of austin's premier leaders in a short time, I believe.

He's given so much to this community.

It's really important for me to recognize ben tonight and his little brother.

I'll read this certificate, and it reads, where ben deleon is deserving of public acclaim and recognition, ben has already distinguished himself as a top student, as an attorney with deleon and washburn, as a volunteer with the texas exes and as a deacon at his church.

Ben also lends his considerable talents to the city through his service on the planning commission.

He's been involved with big brothers, big sisters since 2006 and has formed a strong bond with his little brother anthony.

We are pleased to congratulate ben deleon on this national recognition from big brothers, big sisters and we thank him for his many contributions to our community.

He's an asset and a role model for all of us, presented this 28th day of january in the year 2010, signed by mayor leffingwell and bearing the name of the other members of the council.

Congratulations, ben.

[Applause]

and we also have a certificate for anthony because without anthony, ben couldn't be the big brother of the year for big brothers, big sisters.

That's right.

Martinez: So anthony is deserving of public acclaim and recognition.

Anthony did the city of austin proud when he met with president and obama and then graciously introduced them during the white house press conference.

It is apparent that ben is an excellent role model and anthony is a willing student of his ways.

We're looking forward to what the future brings for one of our brightest young citizens presented this 28th day of january in the year 2010, the city of austin, texas, signed by mayor leffingwell and bearing the names of the other councilmembers.

Congratulations, anthony.

[Applause]

ben, you guys are more than welcome to say a few words, both of you actually.

Whoever wants to go first.

Anthony is occupied with my daughter, anna up here.

I just want to say first off to the mayor pro tem, thank you for this -- thank you for this recognition and thank you for your kinds words.

It's been our pleasure to represent the city of austin, and I've always said that the service that I give to anthony, what anthony gives back to me is way more than I'll ever be able to give back to him.

So this is an adventure, I'm in this for the long run.

I know that anthony is going to go graduate from high school, he's going to go on to college and anthony is capable of great things.

I'm thankful to my wife for allowing me to be of service because ultimately this is what it's all about is being of service.

And I'm hopeful that more males in particular, but more hispanics and african-american males will take that next step and give kids like anthony the affirmation that they need because anthony is our future.

So I thank you all for supporting us.

This is bigger than me, it's bigger than anthony.

This is about a community.

It's about a community of people who support each other and who love one another and who respect one another.

So that's what I'm going to strive to continue to do, and I know that anthony is going to carry that on to the best of his ability, and I love him very much and I'm proud of him.

Martinez: Thank you, ben.

[Applause]

what did the president have to say when you were in washington?

Well, first he said -- he was asking me what my name was and what school I went to, and then he made a little comment about the first lady.

He said that to watch out because she likes to trip on her high heels.

[Laughter]

and I really don't know what else to say, but --

Martinez: We just wanted to give you a chance to put your suit back on.

[Laughter]

we wanted to thank you both, guys.

Thanks for coming down today.

Congratulations.

Would you come over here and we'll take a picture real quick?

[00:48:36]

One of the more pleasant duties I have is recognizing city of austin employees who have seived the city long and well, and believe me, they come from across the board, all different departments.

And retirement is a good thing in a lot of ways, but I'm sure that you will find plenty to occupy you.

And if you ever miss your job, you're always welcome back, I want to tell you that.

So I'm going to read this distinguished service award for karen tucker, and then i will let her bosses come up and talk about her a little bit, who know a lot more about what a valuable employee she is.

So it reads, distinguished service award for her untiring service and commitment to the citizens and employees of the city of austin during the past 31 years with the austin municipal court.

Karen tucker is deserving of public acclaim and recognition.

Karen has provided exceptional leadership and major contributions to the success of municipal court

during her tenure.

Her knowledge of the court, its history and processes, as well as the ability to lead effectively, have earned her the respect of her peers and of her departments and entities that interact with the municipal court.

This certificate is presented in acknowledgment and appreciation of her public service this 28th day of january, the year 2010, by the city council of austin, signed by me, austin mayor, lee leffingwell.

And again, congratulations.

Here's your certificate.

And before you speak, we can let your bosses say a couple of words.

[Applause]

I promised karen she didn't have to come down here and cry, so I'm going to do it for her.

[Laughter]

karen and her co-workers, raise your hands.

I'm rebecca stark, the clerk of the municipal court.

Karen and her co-workers are probably the best group that I've ever worked with, and I've been in the business for 32 years.

They are hard working, they're innovative, inspiring and just plain fun.

Karen has been a huge part of that.

And she will always, always be one of us.

Our municipal court is better because karen's been in it.

Our profession is better for her contributions.

Our community is better for her service.

And each one of us that's had the pleasure to work with karen is just a little bit better person for having known her.

So she's got really, really, really -- he's leaving really, really, really big shoes to fill in her place -- well, not really.

Look at her, size 2 probably.

[Laughter]

not literally, but very big shoes to fill.

She has her family, some family here tonight.

Would you mind standing up?

I have a couple of words for y'all, her husband and sister and some of her family, all right?

[Applause]

day after day for over 31 years they have sent karen to us, and tonight as graciously as we can, we're sending her home to you.

[00:52:02]

Thank you.

[Applause]

well, I'm evelyn mckee, the presiding judge of municipal court.

I came to court in 1989 as a very green, baby judge.

And karen was then a 10-year veteran of the court, and she has over the years raised and trained generations of judges and detectives and clerks.

So we are going to miss her so much, but we have been delighted to work with her and we will keep in touch, karen.

All right.

Thank you.

[Applause]

all I can say is just thank you to everyone.

It's been a fun ride.

Thank you.

[Applause]

[00:54:12]

Mayor Leffingwell: It's now my privilege to visit with a bunch of good folks here in austin, members of our nonprofit and human service network who perform such a vital service to the city of austin and to the people who live here.

We really couldn't do it without you.

The level of human misery would be vastly increased without your help.

The city of austin tries to help in ways that we can with the dollars that we spend on your organizations

are leveraged many times over to do much more than we can do by ourselves.

It wouldn't happen without dedicated people like yourself.

And today -- tonight rather, we're going to declare poverty awareness week in austin, texas.

It's done by council resolution.

And we recognize that this is a problem that has to be addressed on many fronts.

It's a significant problem here in austin, even though we have done so much better than other cities around the state and around the country in this very difficult time where we all have experienced economic problems, people losing their jobs, their homes, their health insurance.

Here in austin even though we're doing so much better, we actually have a higher poverty rate than the national average.

We're 15% here in austin.

The national average is 13 percent.

So these folks do so much to alleviate the pain of poverty and we appreciate it.

I want to read this proclamation.

Be it known that whereas the number of travis county residents living in poverty is higher than the national average, primarily because our cost of living requires families to have two to three times greater income than federal guidelines to afford the basics, and whereas poverty has tangible costs to our community.

Boys raised under poverty are twice as likely to be arrested and three times more as likely to be incarcerated while girls raised under poverty are five times as likely to bear a child out of wedlock prior to age 21 and whereas we encourage all citizens to engage in activities and support programs that impact and reduce the effects of poverty in our community and that help families and individuals transition out of poverty, now therefore I, Lee Leffingwell, Mayor of the City of Austin, Texas do hereby proclaim January 25th through the 31st, 2010 AS POVERTY Awareness week in austin, texas.

And I'm going to present this proclamation to Katy Navine who is with Goodwill Industries.

And Katy, would you like to say a few words?

[Applause]

Thank you, Mayor and Council for this proclamation.

We really appreciate it.

I am actually here representing the Basic Needs Coalition, which is a collaborative group of agencies, city government, faith-based organizations and others who are interested in solving the problems of poverty.

We're interested in creating solutions that secure basic resources and our wish is to eliminate the effects of poverty and promote self efficiency.

We serve as a collaborative group looking for innovative solutions.

We serve as a support and safety net and as a ladder up to the citizens of austin.

We thank our funders, especially the city of austin who has been very, very helpful with the basic needs coalition, attend all of our meetings, health and human services has been very supportive, not only was there funding, but their time and their energy and their innovative ideas.

So the city is a full partner of the basic needs coalition.

I would like to recognize some of the agencies who are here with us tonight who have been founding members of this particular organization and who are some of the people whose agencies serve the city of austin citizens who are living in poverty.

So let me recognize lehmanford of aids services of austin, beth atherton of caritas, karen markham with gateway church and one of the faith-based organizations that are part of our coalition, and allen balzazar with any baby can.

There are 46 agencies who are part of our coalition and each and every one of us has a little bit of a different mission, but we're all here to help solve the issues of poverty.

And so thank you, mayor, very much.

[Applause]

Mayor Leffingwell: Councilmember morrison will do the next proclamation.

Morrison: We are here now to recognize a very special place in the city of austin.

In 1937 the federal government passed a u.s.

Housing act which was created to provide federal assistance for public housing authorities.

And austin actually became the first housing authority in the united states to begin the construction.

Santa rita courts was built soon after that and in fact it's on the national register of historic places now.

But here -- tonight we're here to talk about lakeside apartments, which were built in 1967 on the shores of what was then town lake right at trinity street.

We can see what we have up here is an old postcard of lakeside apartments when it was first built.

It looks a little different than it was today right now and just to orient you the four seasons is just to the west of lakeside apartments.

It's 12 stories and it has 164 apartments that are one and two bedroom apartments.

It provides really a wonderful opportunity for our seniors and disabled citizens to be able to live

downtown on the lake and on the lake.

It's really important and i think this is a piece of conversation we've been having more and more in the city.

It's important to be able to have affordable housing downtown.

It's important to have affordable housing in all parts of town.

And I was fortunate along with my staff over -- especially in november or early december to join sheriff greg hamilton, who he and his staff had cooked a holiday meal and served it to the residents of lake side apartment and it was a wonderful sell bratory community atmosphere.

It was great to be able to visit.

At lakeside they have daily, weekly and monthly activities for the residents.

Including health fairs, exercise groups and computer classes.

I think they're provided by free net, austin free net, which is a great organization.

And angie in a minute is going to tell you more about that.

I want to quickly just introduce you to the folks that are here with us today and let you know that we have some long time residents at lakeside.

We have gloria -- if you guys can raise your hands when I mention your name.

Glor why has lived -- gloria has lived there for 25 years.

Gloria has lived there for 12 years.

Richard salazar for three years.

Isaac robinson for seven years.

Venuzia alexander, 25 years. Sammy burke for four years.

Cada (indiscernible) for one year.

Beverly nevel for three years.

Charles lee for 11 years.

And then we also have with us rochelle williams who is a lakeside manager, and angie cortez, who is the outreach specialist.

So we wanted to just take a moment to first of all invite these folks down to city hall.

It's their city hall, let them get to visit here, but also really to recognize what a special community it is.

So we have a proclamation from the mayor that I'm going to present to isaac.

He will be receiving it for everybody.

It says be it known that whereas under the us housing act of 1937 the city council established the housing authority of the city of austin, otherwise known as haca, aimed at sustaining healthy communities that promote individual responsibility, economic growth, human dignity and hope for the future.

And whereas in 1967 lake side apartments opened, becoming the first haca housing in austin built specifically for elderly, low income residents in our city.

And whereas lakeside's 164 apartments located on the shores of lady bird lake are a shining example of how downtown austin can be accessible to everyone.

For more than 40 years lakeside staff and residents have worked together to create a healthy, sustainable, enriching family environment for austin's elderly and disabled citizens.

Now therefore i, lee leffingwell, mayor of the city of austin, texas, do here by proclaim february 2010 as lakeside apartments month in austin.

[Applause]

first isaac will say a few words and then we will here more.

Councilmember leffingwell, councilmember morrison, on behalf of the lakeside residents, lakeside community, we want to thank you for this proclamation.

We appreciate all the services that you have provided for us and we're happy to be here and we especially want to thank morrison for sharing the thanksgiving dinner with us, sheriff hamilton and members of the sheriff's department.

Thank you.

I forgot to mention that isaac is the lakeside resident board council president.

He not only serves as president, but he also calls bingo every wednesday night.

And with regard to sheriff hamilton, he and his staff know how to cook up a mean meal.

Now we're going to hear from mabel rivers a long time resident, former board member and secretary for the lakeside resident council.

Good evening, I'm mabel and I have lived at lakeside for 20 years.

It's a very happy place to be.

And I want to thank everybody on the city council for having us.

And I hope to live -- hope to live there 20 more years.

[Applause]

Morrison: Thank you.

Now we will hear from angie who has been in her position for over 35 years.

Her donation to the residents she's helped in austin is immeasurable.

Good afternoon.

My name is angie cortez and I am the resident outreach specialist for two of the housing authority, city of austin, lakeside, which is downtown austin, and gaston, which is at northeast austin.

I have been employed at haca for over 35 years.

I provide the resident with information, referral services and what community services are available to them.

I also organize all activities.

Some of the activities and services we provide to the residents are we have a library with computer and free net gift and computer classes twice a week.

A lobby booth that provides get well cards, postage stamps and transit passes at a low cost.

A community room for social events.

Once a week we have bingo, games and movie days and church services.

We have monthly birthday parties and social events such as like in january we celebrated martin luther king.

In february we'll be having a valentine's dance and in march a st. patrick event.

At christmas we sign up all the residents for christmas bureau so they can get a sponsor or get a gift card or food or a gift.

All the residents will receive something from the christmas bureau.

And we also have a walking club.

We go on field trips.

We have a health fair twice a year.

provides transportation through capital metro twice a week to go to the h.e.b.

Resident council meetings, and we have board meetings once a month.

We provide transportation for resident councilmembers to the citywide advisory board monthly meeting.

We have two floor captains assigned to every floor.

We have a (indiscernible) watch meetings.

Lakeside is a wonderful place to live.

The residents and staff are really more like a family instead of just like workers and residents.

We all are a family.

Some of the residents have lived there for over 20 years.

During my time at lake side I have been fortunately to know a family who had four generations living at lakeside, the grandmother, the great grandmother, the mother and now the surviving grandson who still lives at lakeside.

And in closing, I would like to say one of the greatest things about living at lakeside is the-million-dollar view of the lake that residents love.

Thank you.

[Applause]

Morrison: Thank you, angie.

And last but not least we will hear from beverly neville, who is the resident spokesperson.

Good evening.

Giving honor to the mayor and to all that's present, i speak on behalf of the residents at lakeside and we would like to thank each and every one of you for this award from bottom of our hearts.

Thank you.

[Applause]

Morrison: I want to thank all these foangz for taking the time to come down and visit us here.

Now we'll do a photograph.

Mayor Leffingwell: There are no more fums on our agenda -- no more items on our agenda tonight, so this meeting of the austin city council is adjourned at 6:10 p.m.

