

Closed Caption Log, Council Meeting, 12/09/10

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Mayor Leffingwell: Morning. I'm austin mayor lee leffingwell and we will begin this morning with the invocation from imam islam from the north austin muslim community center. Please rise.

Oh god, lord of the one and the universe, lord of all. Lord of the world's master and sustainer, the knower of what is open and what is secret, we ask you to grant us and the leaders of this city knowledge which will be of benefit to grant us guidance in our decisions. To grant us action that will be of benefit for those who are the most beloved to you are the ones who are the most benefit to mankind. We ask you to make this a city of peace and prosperity and the people of this city a people of courage and compassion. We thank you for your blessings upon us and the peace and blessings of god be upon all of his prophets and messengers, the best of humanity. And peace be to you.

Mayor Leffingwell: Thank you. Please be seated. A quorum is present so we'll call this meeting of the austin city council to order, thursday, december ninth. , we're meeting at 301 west second street, austin city hall, austin, texas. I will read the changes and corrections to today's agenda.

[Inaudible - no mic].

Please take a seat.

[Inaudible - no mic].

Remove him from the chambers, please.

[Inaudible - no mic].

Mayor Leffingwell: Changes and corrections to today's agenda. Item number 24 is postponed until december 16th, 2010. Item 42 is postponed until december 16th, 2010. Item number 44, delete the phrase "reviewed by the water and wastewater commission and add recommended by the water and wastewater commission". Our time certain items for 30 morning briefings. We will have a briefing on the austin energy resource plan and affordability forecast. The african-american resource commission briefing. And a briefing on small business workforce development pilot program, not necessarily in that order. 00 noon we'll have our general citizens communications. 00 we'll take up our zoning matters. 00 we'll recess the city council meeting and convene a meeting of the austin housing finance corporation board. we'll have our public hearings with possible actions. 30 live music and proclamations. And the music for this evening is provided by the austin children's choir. Consent agenda for today is items 1 through 53 with the exceptions of quite a few items actually that are pulled from the consent agenda. I will read those in just a moment, but first I will read into the record the item number 46, which are our appointments and waivers. To our 2006 bond oversight committee, beverly silas a councilmember cole's nominee. To the austin music commission, joa spearman is councilmember cole's nominee. To the travis central appraisal district board of directors, eleanor powell is nominated by myself, mayor leffingwell, and we will also approve a resolution reappointing eleanor powell to the travis central appraisal district board of directors. We'll approve a waiver of the attendance requirement of section 2-1-26 of the code for ganelle wilson's service on the construction advisory committee. That waiver

includes absences through today's date. Will approve a waiver of the attendance requirement of the code for calvin williams on the construction advisory committee. Again, that includes absences through today's date and approve a waiver of the attendance requirement in section 2-1-26 of the code for ira crawford's service on the construction advisory committee. And again, that waiver includes absences through today's date. I'll also note that councilmember shade is recused from item number 41, will not be voting on item number 41, which is on the consent agenda. Items pulled from the rate agenda, item number 10 is pulled by councilmember riley. Item number 30 is pulled by councilmember riley morrison. Item 44 is pulled by martinez, and I believe councilmember cole, it's item number 21 that you're pulling.

Cole: Yes, mayor, item 21.

Mayor Leffingwell: Item 21 is pulled by the following items are pulled off the consent agenda by speakers, people signed up to speak on these items. 3, 9, 14, 16, 17, 36 And 34. Excuse me. 44. Thank you for the correction. The last item is item 44. Consent agenda is items number 1 through 53, with the exceptions noted. I'll entertain a motion to approve the consent agenda. Councilmember shade moves to approve the consent agenda. Seconded by councilmember cole. Any discussion? All in favor say aye say aye. it passes on a vote of seven to zero. First we'll address the items that are pulled off of consent by councilmembers. Number 10, councilmember riley.

Riley: Yes, mayor, item 10 relates to parking for austin employees at the austin history center and the bob bullock library. I have some questions about our long-term plans for managing that parking along with parking in general for our city employees. I would just ask that we postpone that for one week so that we can address some of those questions and come back with a plan next week. I would move that we postpone that for one week.

Mayor Leffingwell: Councilmember riley moves to postpone item 10 until december 16th. Second by councilmember morrison. Any discussion on that? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. Item 21 is pulled by councilmember cole.

Mayor, I'd like us to move to consider it after 00 citizens communication. But I know that we have speakers. I would like us to go ahead and do that.

Well, why don't we just take up the whole thing. So councilmember cole moves to table the item until after citizens communication. Is there any objection to that request? Councilmember morrison?

Morrison: I'm concerned that that means that the speakers that are here are going to have to come back i guess at 1:00 or 2:00.

Cole: I am fine with letting the speakers go forward as long as the city attorney doesn't have any objection to that.

All right. Council will go ahead and hear the speakers on item number 21 now. There are seven. First speaker is alice glasgo. Is alice glasgo in the chamber? We'll go to the next speaker. I know she's in the building because I saw her earlier. All right. She'll be here momentarily. Is tom hatch in the chamber? Tom hatch. I don't see tom hatch. So miss glasgo, you have three minutes.

Good morning, mayor and councilmembers. Alice glasgo representing the applicant on item number 21. I apologize, I'm out of breath. I ran from the back. We are working with staff and the -- and kelly wise with people trust to come up with some language where we can accommodate affordable units on-site as opposed to having a fee in lieu. So that's what we're working on. So we would like some time so we can draft appropriate language that captures the intent and then we would like to bring that back to you when we accomplished that task if you could please grant us that opportunity.

Mayor Leffingwell: I think there will be a motion to table until this afternoon.

That would be much appreciated.

Mayor Leffingwell: All right. Thank you. Next speaker in favor is Steve Portnow. Steve Portnow? So I'll call speakers called up in opposition. Lori Renteria?

Good morning and thank you for allowing us to speak early. I am really torn about this, you know? I'm totally against it because we worked so hard. It took us almost two years to negotiate the affordable housing provisions in the t.o.d. This is the first project to come before you, and they don't want to provide the units on their site. I mean, you know, Guadalupe Development Corporation is receiving, I don't know, some paltry \$118,000 or something as part of the fee in lieu of. And I'm not knocking Gndc. You can't kick a gift horse in the mouth, but the fact is this is precedent setting. You know, we did a downtown Austin plan and dealt with the affordable housing set asides and everybody said the dirt downtown is too expensive, so we're going to apply the fee in lieu of downtown within a two-mile radius. And everybody on the Saltillo community advisory group is thinking, great, we're going to have downtown fee in lieu of to buy-down the affordable units in the Saltillo t.o.d. And now the first project is going to do fee in lieu of. I don't care that it's next door. It's a precedent. And what we're going to see is everybody in the t.o.d. Who is doing units is going to say, I want fee in lieu of too. And we're going to go two miles to the east again. So if not now, when? If not you, who? I mean, this is just ridiculous. You know, the Saltillo area, we are highly gentrified. We need every dollar we can get, but we also have to make sure that it's not fee in lieu of which is pushing all the poor people out of Saltillo. So I beg you, do not do fee in lieu in the Saltillo t.o.d. The developer says he doesn't need a subsidy. He'll do the deal without getting any requirement. Well, let him do that. Let any developer who refuses to provide a couple of units for their lawn maintenance people and their building manager, if they don't want on-site help, fine. Let them go build million-dollar condos, but please, don't conspire to further gentrify the t.o.d. in Saltillo and MLK. It's just outrageous in my opinion. And like I said, Gndc is my second private nonprofit. Foundation Communities is my first because they do housing for homeless folks. Gndc does great projects in my neighborhood. And I'm glad to see that they're back there negotiating. But you know, we've got all kinds of developers that are going to use this as a precedence. Please say no.

Mayor Leffingwell: Thank you. Sabino Renteria? Not in the chambers. Kellywise has signed up neutral, if there are questions. Jimmy Nassur has signed up for, but not wishing to speak. Eric Owe Ian is signed up for, but not wish to go speak. Those are all the speakers. And I'll entertain that motion to table from councilmember Cole.

Cole: So move.

Mayor Leffingwell: And seconded by -- motion by councilmember Cole to table item number 21 until after 12 noon. Seconded by councilmember Riley. Any discussion? Councilmember Spelman.

Spelman: Renteria, it's my understanding that Glasgow have been working on a provision of affordable housing on-site. And you may want to talk to Glasgow, who is right behind you, and get in on that discussion. And if you have any comments on that, I believe the proposal she's going to be bringing forward to us at 12 noon or shortly afterwards is actually going to have on-site housing on it.

Well, I'll be a-okay so long as the units are on site. Thank you very much.

Mayor Leffingwell: And agreed. I think all of this would have been much less confusing to have the public hearing portion or the public comment portion in conjunction with the item. But it's all done now. All the speakers have been heard. So we'll consider the item after noon.

Cole: Mayor, I have one last --

Mayor Leffingwell: Councilmember cole.

Cole: One last comment. I know the stakeholders are working on an agreement. I would like to have someone in legal have a chance to see that agreement before we vote on it.

Mayor Leffingwell: Understood.

[Inaudible - no mic].

Mayor Leffingwell: You weren't on the mic, but the comment was they're working on it now. Next item pulled off of consent is item number 30, pulled by councilmember morrison.

Morrison: Thank you, mayor. This is the item to approve the narrative for the library design, which I am going to make a motion to do so in just a minute. There were a couple of questions that were raised. I appreciate my library commissioner's work reading through the multihundred page document and some comments from the arts commission. I thought it might be helpful if you could address some of the issues that were raised. The first issue concerned the use of space in the library and the plans for the use of space in the library. Obviously we're trying to -- the idea is to make it as flexible as possible and we're somewhat resource limited, so we're somewhat limited on space. And one of the questions had come up about are there dedicated spaces for staff restrooms, staff training or are those spaces that actually could be shared by the public so that we get fuller use from them.

Thank you. Mayor, councilmembers, city manager, I'm John Gilliam, the facilities planning manager for the library department. There are not dedicated staff, restrooms, breakrooms or even training labs. Some of those areas will be on some of the smaller floor plates. We imagine it will be mainly staff areas and probably used predominantly by staff. But the public come and go in those areas just like they do in our existing central library when we need to interact with them, and they're fully open for public use when staff is not using -- say, for instance, we're not doing a training session, that lab would be available. It's probably going to be in use a lot.

Morrison: Okay, great. I think that's very helpful and an appropriate way to go. The second topic I wanted to ask about has to do with the art in public places. We have a really great program and the policy in this city that any of our city facilities and the development that a portion we will dedicate to art in public places. And in fact, the policy the way it's written would call for two million dollars being dedicated to art in public places, but it's part of our flexible funding approach because of our need to identify additional resources, a suggestion and what we would be approving today decreases that two million this down to 500,000 for art in public places and takes an additional 5 million to go toward the capital development of the building to make the financing work. So obviously there was some concern about that, and aipp sort of getting short shrift. So I wanted to talk about one idea that was suggested is that there are funds obviously for landscaping. There are funds for exhibits that are aside from the aipp funds, and so the suggestion to consider is that we would have the opportunity to have the artist's perspective as we do some of that design. So I wonder if you could comment on that.

I would be glad to. The library department has been a good partner with the art in public places program since its inception. It's really improved our buildings. We support it wholeheartedly. We've helped the arts people maintain their art with our own operating budget. We have a three-prong project to art at this new central library facility, and we know how important art is to our community, so we take this very seriously. The half million dollars that we have recommended for transfer to the art in public places program is the largest allotment that has ever been transferred from a city project to the art in public places program. We also have -- we have a unique project in that we have an artist as part of the consultant team who is going to be at the table during design and is going to speak to incorporating art into the site and into the facility. Particularly recognizing -- helping us to recognize what went before us

in this site, the green water treatment plant, the fact that this was the seaholm power plant. We'll have some historical reference in the way of art to what has happened here before. We also have the library friends foundation that is about to mount a capital funding drive. Art is one of their top priorities and they tell me that that is one of the things that people tend to give most generously to. So we anticipate having a really full blown art program as part of our new central library and we intend to go and meet with the arts commission and the arts in public places people and a number of times as we move through design to keep them up to speed on what's going on as well as make that part of our presentation back to council and the library commission.

Morrison: Great. I appreciate you keeping your eye on the ball there. Just as a wrap-up, could you give us just briefly a schedule of when we might be seeing you again when commissions are going to be seeing you?

The benchmark dates when we come back for the -- for council approval, design and for commission review, we intend to be back in the summer of 2011 with 30% complete design, at the end of schematic design, for your review and approval. We will be back about this time next year with 60% complete, the end of design development. Once again for your review and approval and the commission's review. The following summer, i believe that's the summer of 2012, we should have our guaranteed maximum price from our construction manager at risk and we will bring that back for council's approval before proceeding on into construction.

All right. I appreciate the comments and thanks to the whole team. I know it's a large team of staff and the architects and everyone. So it's an exciting project.

It is.

Mayor, with that I'd like to move approval of item 30.

Second fnlt.

Mayor Leffingwell: Motion to approve by councilmember morrison, seconded by councilmember spelman. And reiterating that there has always been a budget for art in public places at the library, which remains at the 500,000 level, where it is now. Also, I want to state, contrary to some reports in the media, we did not decide at the last minute to increase the bond appropriated amount for this library. It was always contemplated that we would need to raise this additional \$30 million and add to that 90. In fact, the bond advisory committee or the bond taskforce back then actually reduced the original proposal from 120 to 90 to accommodate other needs with the -- with the note that they realized that this is additional money. So it's no increase over what was originally planned back in 2006. Motion to approve on the table. Seconded. All in favor say aye. Opposed say no. It passes on a vote of seven it passes on a vote of sixto zero with councilmember cole off the dais. And item number 4 pulled by mayor pro tem martinez and i believe we have one speaker as well. Mayor pro tem?

Is this 44? 41? 44? I wanted to ask byron johnson if he would come down and answer a couple of questions. Item 44 is a multi-million-dollar agreement with office max for the city of austin's office supplies. And we've all received a letter from a representative from office depot. We've gotten a call from their regional vice-president this morning asking us to reconsider this. I wanted you to just explain your side of the chain of events that have happened on this particular item and how this recommendation is being made to council.

Good morning, mayor and council. Byron johnson, purchasing officer, finance and administrative services department. The item before you is a cooperative contract that was put in place, and what we did over the past eight months was review all of the cooperative contracts that were available to the city. We did an analysis of the pricing structure of each of these. Those included office depot, office max. They also had some independent stationers and a couple other smaller contracts. We did a breakdown

of each of those to determine which one had the best opportunity. We've also met with office depot on this numerous times. We've communicated with office depot. They have a cooperative contract. The city uses a cooperative contract again so that we can use the leverage of the dollars. The contract we're using through tcpn currently has a number of vendors out there, so when you take our dollars you add about 10 times the value to it. So we get a very attractive pricing. We've met with them. It's unfortunately that they are losing the business, but again it's not the case that we -- we did consider them regardless of anything they've looked at in the past. We've gone through a very extensive analysis to make sur that we're getting the best deal for the city and we're looking forward to a new contract.

Thank you, byron.

Martinez: Mayor, I'll move approval of the item.

Martinez: We have one speaker --

Mayor Leffingwell: We have one speaker to hear from. John reignon. John has signed up against and you have three minutes.

Morning, mayor and councilmembers. I do have a copy of the letter for everybody if you do need that. I'll leave it with a staff member. Office depot has been a long time vendor of the city of austin providing office supplies for nearly telephone years and saving constituent millions of dollars. Office depot has 13 retail locations around the city of austin which employs several office dough pee associates. My purpose here today is to express our concern with this consent on the item 44 to adopt a new office supply contract through the cooperative purchasing procurement network with office max. As of december 6, tcpn has changed it's contract to provide additional cost savings and overall program value to the city. In fact, tcpn and office depot program will provide the city of austin with savings in excess of 14 percent on the city's current spend on one of mir most purchased cut sheet paper items. Overall constituent would also benefit from program incentives calculated at more than \$100,000 in 2011 alone based on historical supply purchasing trends. I'm here for one single request, that the city postpone its decision in approving agenda item number 44 to adopt a new contract until its meeting on december 16th. The city will not be affected by moving the item to this next meeting. There are a few simple reasons for delaying this decision. Number one, we have expressed our opinion with the city's purchasing office that further analysis is necessary before the city adopts a new contract that can result in paying more. We believe delaying this decision one additional week while we meet with staff and councilmembers to share the savings to the city. The postponement will allow the city staff and office depot to come and present to the commission between now and its next meeting the contract and provider that truly offers the city's best overall savings and program. We believe it is incumbent upon procurement to not only scrutinize any analysis that it receives, but also to entertain and evaluate all options available before any decision is made to change vendors. We believe our program particularly since the recent amendment as of december 6 offers the best overall savings to the city. In sum, office depot believes that in today's economic climate every opportunity must be taken to ensure that decisions regarding budget, dollars are thorough, accurate and complete. We would like to provide the details of this amended program to save taxpayer dollars which we believe will reduce the city's expenses on office supplies and eliminate the time consuming and expensive vendor transition process. Finally, to continue to receive the outstanding service that you have been accustomed to receiving since 1998. Thank you for your consideration in postponing your decision on agenda item 44 and looking forward to continuing our partnership with the city of austin.

Mayor Leffingwell: Thank you. Mayor pro tem, did you move to approve item 44?

Martinez: I did.

Mayor Leffingwell: Is there a second? I'll second. Any discussion? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. Now we have a number of items that are pulled off because of

citizen speakers. We'll begin with item number 33. First speaker is se seal hollyfield. Not in the chamber. Cecile? Okay. She is signed up neutral. You have three minutes.

I wasn't sure about the correct way to sign in. I am neutral on most of the parts of this proposition, however, I am -- have some comments for the parts that address the people's renaissance market on 23rd and guadalupe. I am councilmember riley's appointee to the renaissance market commission. The people on the commission had very little notice of this meeting. 00 yesterday morning. Barbara he is par is a, who is in charge of us, found out 12 minutes before the meeting. She didn't know that this was occurring. And I would propose respectfully that we table those two -- those two portions of this proposition until the first city council meeting after the first of year so we can research and talk about this among the business community at the market. We generate sales tax. These are people who often make their only living down there. In case you're not familiar with the rules, it is the oldest craft -- art and craft market in texas. It goes back 30-plus years. What is made there must be made by the person that is selling it, so you have people selling during the day, going home at night, making stuff, bringing it out the next day if they can. These are people who especially at this time of year don't have a lot of free time to devote to researching parts of this proposition. And that's one reason I ask that we table this. The other is that -- sorry. The commission does have authority to promote the market and we have professionals who have volunteered and designed christmas ads in local papers and professional signage has been created by volunteer professionals. We try not to draw upon city resources, but do the best we can to fund ourselves and take care of our own problems. We voted for y'all. Won't you vote for us? Give us a chance to answer this in a reasonable way. Thank you.

Mayor Leffingwell: Thank you. Next speaker is randy echols. Randy echols is signed up neutral. And you have three minutes. mayor, councilmembers. I signed up like commissioner hollyfield as neutral because I firmly agree that we need a commission, but this council about a year and a half ago took all the authority away from our commission and gave it to parks and rec cultural director, one person, instead of a panel. And quite frankly, parks and rec has been like a lot of city departments, been overwhelmed. Too many duties, not enough money, not enough time. Communication hasn't been as good as it has been in the past. I've been in the market since 1976. I'm a silversmith and a lapidary. As she said, we didn't receive notification of this until yesterday. And even the head of the parks and rec cultural division didn't know about this until we called her. I just checked with the city clerk's office before I came in here. We have six applicants for this commission on file right now. I can guarantee you we can get more than that. If we're given a little bit more time. We've been having trouble getting a quorum. People have been dropping out. People get sick. This time of year we're in the middle of the christmas season, some of our people are in shows that last a couple of weeks. I'd like you to table this until next month when we have more time to get our information together and present a better case to you. But we really do need a commission made up of artists and crafts men that know the craft industry, know the market and know the history of this little market. Personally I would like to bring in a local farmers too. We have the space. I checked with the university area partners. I've cooperated with them in the past. I no longer live in west campus neighborhood, but I've been very neighborhood in west campus neighborhood all these years. And I know the students would love for us to bring in locally produced produce. And we certainly have the space. Last year we were closed down for five months because of construction. We were told it would take three month. It took five. We went from 70 artists and crafts men down to 30. Now we're trying to start to rebuild. We're back up and running, but it's going to taiblg take some time. Believe me, we need a commission. We need a liaison with the city. And we were vote understand by the public back in 1972. That was a little before my time. But I have been there 35 years. Thank you for your time.

Mayor Leffingwell: Thank you. Councilmember riley.

Riley: As we've heard there are a number of issues facing the ren unanimous market commission. Right now it seems unclear to me that we have an adequate governance in place for the issues. We have been struggling with this for some time and yet still there are real questions as to how we are going to address the issues that face the market over the long-term. There are also -- in addition to the challenges we face, there are significant opportunities there. The last speaker mentioned the possibility

of having local produce sold at the market. I've actually reached out to the folks on the west campus community and there is a lot of interest in doing that. There are concerns that we don't have an adequate grocery store in the west campus area and that we have a number of students, especially at theo-ops, that would be very interested in options for obtaining local produce there, whether it's through a farmers market model or a csa model, that that could be one way of updating the market. Right now we don't really have a good forum, a good mechanism for taking those issues head on and figuring out what we're going to do and coming up with a plan. What I would ask is that -- in fact, I'll state this as a motion. I would move that we sever renaissance market aspects of this item, to repeal section 14-219 c and that we table those for 30 days and that staff come back in 30 days with recommendations regarding a governance structure for the commission going forward. And the answer -- at that point we may decide that we can come up with an adequate governance structure and we don't need the commission anymore. I'm not sure we'll get there, but I do think it's worth exploring various options that we have in making sure that we have an adequate mechanism in place over the long-term. I think it's worth taking a month to figure that out and thinking through it carefully and making a careful decision before we just abolish the commission altogether. So I would move that we table the renaissance market aspects of this item for one month.

Spelman: Second for purposes of discussion.

Mayor Leffingwell: Motion by councilmember riley. If I understand correctly it's to approve item 3 with the exception of deleting references to the renaissance market commission. And readdress those in approximately one month. Second for discussion by councilmember spelman. Mayor pro tem?

Martinez: I want to ask staff to answer a few questions on the quorum issue and how many times the commission has been able to meet and what's happened? This has come up several times since I've been on the council and this was unanimously recommended by audit and finance. So can you just give us the history of the last -- since the last time this was proposed to be abolished, what's changed, what's taken place?

I'm laura esparza, the division manager for cultural affairs parks and recreation. The commission has not been able to have -- the last two meetings. The last time they met was in may. A couple of years ago when the ordinance changed for boards and commissions, it changed the nature of the roles and responsibilities of the commission. Formerly the commission was in charge of reviewing arts and crafts and approving them for permitting. And when the ordinance changed two years ago, it changed the nature of the business of the commission. Since then we've had difficulty maintaining a full commission due to resignations. We have had difficulty getting a quorum to have meetings. And the last two meetings have been cancelled for that reason.

Martinez: So mayor, the reason I ask the question is because I agree with councilmember riley that there might be some other opportunities at the renaissance market, but it's clear that the market can operate without a commission. They haven't had a meeting since may. So regardless of whether there's a commission, the market doesn't necessarily go away because of adopting this item. And so, you know, if councilmembers want to work on improving the market, that can still happen. But I won't be supporting the redacting the portion of abolishing the commission.

Mayor Leffingwell: Are you making a student motion to approve number 3 staff recommendation.

Martinez: Yes.

Mayor Leffingwell: Second by councilmember shade. Let me say I agree with that this. We covered this ground a couple of years ago and with the same basic problems, failure to have quorums at meetings, inability to conduct business. And as you've pointed out the core mission of the commission has changed due to the ordinance. We always envisioned that the establishment and disestablishment of boards and commissions would be an evolving process and that there would be a time when certain

boards or commissions were not needed, a time when others are needed. So this is part of that process. And I think the evaluation has been very thorough and I think we have given this board about a year or two years almost time to reevaluate, reconstruct, etcetera. I personally see no value in extending this process any further, so I plan to support the substitute motion. Councilmember cole.

Cole: I also wanted to acknowledge the fact that gentry has conducted a very extensive process of all of our boards and commissions and we asked for that process principally because we have a strain on our staff support. And so when you have a situation where we can have something continue to happen positively without actually creating a board and commission, that helps the entire city and our other boards and commissions. I think that was some of the logic that happened in the audit and finance committee when this was unanimously approved. So I will be supporting the substitute motion.

Mayor Leffingwell: Further comment? Councilmember riley.

Riley: Mayor, I do feel obliged to point out that the problem with the commission is not simply a matter of the members of the commission not showing up for the meeting. Right now the commission has a total of three appointed members. Four of us have not filled our vacancies on the commission. And as we heard previously, there are six applications pending now and others would be available if we put the word out. So I don't think we can blame the commission altogether for its attendance issues. Yes, the commission will continue to exist, but it is struggling. And if anyone who has been out there for the commission lately and compared what they see with what the commission -- what the market has been in the years past, yes, we know that there are some real issues. It is still there, but the market itself is struggling and I think we can do better. And I just -- just one final note. I think I'm one of -- I want to assure the artists that regardless of whoops on this, we do have an obligation to do whatever we can to help the market get back on its feet in the state that the artists would want it to be in. And we will continue working on that regardless of the outcome of this motion.

Mayor Leffingwell: Thank you. Councilmember morrison.

Morrison: Thanks. Just previously I want to say that I will be supporting this motion for the reasons stated, but it doesn't mean that the city is not going to be supporting the renaissance market. And I think that there's a lot of opportunities not just within the parks department, but we have our small business group and you know, the idea of making a farmers market. So I think that the support and the conversation will continue and needs to continue and it will just take a different format.

Mayor Leffingwell: So council will vote first on the substitute motion, which is to approve item 3 with the staff recommendation. All in favor say aye of that motion, say aye. Opposed say no. It passes on a vote of six to one with councilmember riley voting no. Next we'll take up item number 9. Which has two citizens signed up to speak. Gus pena. Gus pena has signed up for. Welcome. You have three minutes.

Thank you, mayor, city manager. Gus pena. Item nine, we're all fully supportive of that and it provides services and shelter for those that are homeless, special needs. Let me be brutally honest with y'all. Mayor lee cook, mayor frank cooksey and mayor bruce todd and I remember trey salinas is here, I was on the homeless taskforce back then. How much more do we have to go through in getting people educated on the needs of how to house the homeless? This issue is very good because it does provide shelter, special needs, etcetera. And it is a property for the austin-travis county integral care, former mhm. But the issues -- y'all need to know this and I know you know it. In order to get into transitional housing -- I'm not going to get into any other items, just jermaine to this issue, you need some other sort of income, ssi, whatever, disability, whatever. And you know that the capitol right now, 5 billion are going to be redirected from basic needs, social service issues, health care education to balance the darn budget. So a lot of this funding is not going to where it's needed for housing the homeless. I'll leave it at this, mayor, because I get disgusted with how much can we educate our elected officials on the needs and how you can find the homeless people qualified in order to be able to get a roof over their heads? It's christmas time. The birth of our lord jesus christ. And he was born in a manger. We have too

many homeless people here. Dave evans and his group at former mhmr, austin travis county integral care, are doing a darn good job, but you need to get yourselves educated on how to provide funding or jobs for the homeless people so they can qualify for these other initiatives. I have an important meeting with the va officials on the hud bash programs. They deny the veterans because you don't have income coming in. Bull. I spoke to a couple of senators over there, senator james webb of virginia, former vietnam veteran. He said that's not true. We're going to help you find housing. Mayor, councilmembers, i urge you please educate yourselves on the issues that are jermaine to item number 8 and other issues you will speak to on the austin housing finance corporation. It's catastrophic to the homeless. Councilmember riley, you now have an opponent against you want. You have done some things that are contrary to what we spoke to you about when we supported you. Mayor, educate yourself on this issue because a lot of homeless people are continuing to be homeless and more are going to be homeless because of catastrophic gentrification. Have a good day.

Mayor Leffingwell: Thank you. Next speaker is -- excuse me, I don't know if this is dr maze or dr. maze. Dr. maze? D.r. maze? Not in the chamber. Also signed up for. Those are all the speakers that we have on this item, number nine. I'll entertain a motion on it. Mayor pro tem martinez moves to approve item nine. Seconded by councilmember cole. Discussion? All in favor say aye? Opposed say no? It passes on a vote of seven to zero. That brings us to item number 14 where we have one citizen signed up to speak, gus pena.

[Inaudible - no mic]. pena passes on item 14. Those are all the speakers that we have. I'll entertain a motion to approve item 14.

Cole: Move approval.

Mayor Leffingwell: Councilmember cole moves to approve item 14. Seconded by councilmember spelman. Discussion? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. And that brings us to item number 16, one speaker signed up. maze, who is not in the chamber. I assume is still not in the chamber. Those are all the speakers that we have. I'll entertain a motion to approve item number 16. Councilmember spelman moves approval. Seconded by councilmember cole. Discussion? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. And that brings us to item number 17. We have two speakers signed up to speak, gus pena. Gus pena on item 17. Gus pena is not in the chamber. D.r. maze? maze is not in the chamber. Those are all the speakers that we have. I'll entertain a motion to approve item 17. Councilmember spelman moves approval. Seconded by councilmember morrison. Discussion? All in favor say aye? Opposed say no. It passes on a vote of seven to zero. And that brings us to item 36, which has three citizens signed up to speak. Leonard smith? Leonard smith in the chamber? He is signed up in opposition and you have three minutes.

Thank you, mr. mayor. My name is leonard smith. I'm with brown mccarroll and I'm here to speak today on behalf of tnd solutions, one of the bidders on this project. And if there ever was a situation where a repeat low bidder had an opportunity, a reason to question the fundamental fairness and wisdom of austin energy's contracting process, this case presents it. This project was bid twice, first in april of this year. Tnd was the low bidder in that round. And the subsidy made a decision that they wished to rebid the project. The seconded bying -- request for proposal was submitted in august. Again, tnd solutions was the low bidder. The first and second rounds had some substantial distinctions. There was a recasting done of the criteria of evaluation that was weight understand favor of pike energy, the successful -- apparently successful bidder of the recommendation made by staff. And we have a problem with that. We have two problems, in fact. The first problem is one of process. The notice of the recommendation for award to pike energy was submitted to my client on november the 30 in the afternoon. I think all of you know it's the thursday before thanksgiving, the wednesday before thanksgiving. Under the rules, my client was obligated to provide an l proceed on 11-28. My client didn't have a chance to do that under the contract rules. They did submit a protest that was timely filed under the rules that provided for 14 days. We think that the process in connection with that notice of intent was flawed. We also think that there was a problem with the substantive evaluation. The information -- the

information in the council's packet was not the information that was submitted to the bidders on november the 24th. On november the 24th my client received a bid tabulation that differs from that that is in the council's packet. They were the low bidder. And the distinction that you have in your packet is that there was another bidder added to your tabulation. Now, the recasting of this process allowed pike energy's position to be evaluated favorably. More favorably under the seconded bying than it could have been under the first. The situation that you have here -- [buzzer sounds] , the evaluating process that the high bid is the best bid.

Mayor Leffingwell: That is your time, sir. The next speaker is chris greisel, signed up for. Welcome. You have three minutes.

Your honor, my name is chris greisel. I represent pike electric. This is a on which there was a very widespread in the evaluation with pike electric having the best qualified bid as determined by austin energy. The purchasing officers in the electrical utilities commission. There simply is a wide difference between 76 out of 100 and 56 out of 100. This is a bid that does not only look at price, but looks at a number of important features like safety in demonstrated experience. Pike electric has been doing this in austin since 2003, doing this nationwide since 1945. They employ 50 austin employees in their transmission and distribution issues. Since doing this they've opened another office that employs 30 additional employees in austin in their engineering offices. Pike energy is uniquely situated to provide these necessity services, including storm restoration services for austin energy. And by all accounts everyone is pleased with their services. I have with me today jim beingfield, the senior vice-president of operations who is available to answer any questions you may have about the intricate world of transmission and distribution lines. But this is one where i think the numbers are in your books and in your handouts. It's clear who the best evaluated bidder was. It's clear what the bidding process was. And it's clear that the contract should be awarded to pike electric. Thank you, your honor.

Mayor Leffingwell: Thank you. Questions? I would like to ask staff to -- since this is somewhat of an unusual situation to briefly explain how the criteria came out so significantly to favor pike electric over other bidders who had lower bids?

Good morning, byron johnson, purchasing officer. There were two solicitations. The first solicitation that was issued unfortunately, obviously the solicitation must not have worked because a number of the companies did not meet their compliance plan, did not submit a number of the documents that were required and so in that case we thought that it was the correct way, there was only one bidder that unfortunately could admit that. We rejected all of those and issued a new solicitation. We tried to correct a number of things with austin energy. One was to clarify through the documents to be able to get a better handle on what was required on the documents, what was required there. The second thing was to take the price component and add other components in there that reduce the price component to make it a more competitive solicitation. And so the criteria was revised. Safety again is a real key factor as austin energy -- and there are people here if you would like to hear from them, is a very big issue. The log, the safety log is an example of something that is very vital to have to be able to do this. Financial viability, years in service, and try to make more competition. Obviously the changes worked. We had a number of companies that were quiewlfide this time, including tnd, who the first time was just under that window of five years and there was a fire-year minimum window for -- five-year minimum window for them to qualify. When we issued it they were able to qualify. They had met that five years' window and were able to be considered under award as were the other companies. When you look at these, there are other companies with sufficient years of experience. This is not a low bid situation unfortunately. Again, as austin energy will tell you, they have to have an extreme amount of confidence in the firm. The firm has to be able to provide not only normal services, but as I mentioned the other gentleman, emergency services. They have to have staff that is trained to respond and working around equipment that is very dangerous. Osha again safety record is a very big issue. We had a lot more competition this second time, which from purchasing makes me more happier. There was a spread between them, but if you notice that, it's a lot -- a lot of that is qualifications based and safety based, which is the purpose of trying to have an alternative procurement method. So I'm available for any

questions as is austin energy.

Mayor Leffingwell: Councilmember Spelman.

Spelman: Byron, help me walk through how this matrix gets constructed. In the beginning we send out a hard bid and just a low bid being qualifications. As I understand it as you just said only one of the bidders actually met the known qualifications, submitting all the documentation necessary, am I right?

That's correct. It was an information -- it was an itb best value. So it was a bid, it was a best value. , but it was a bid instead of an r.f.p.

Okay. So you need -- the way the game works in a bid situation is you need to meet the minimum qualifications in terms of what you're submitting and then will make the decision among all those who meet the minimum qualifications solely on basis of price.

That's correct.

Spelman: What makes the determination of how we go that way? How do we go to a hard bid?

Normally we would use the ifb best value for this type of procurement because again significant factors, experience, company stability and the safety records, so this would have been a best value. Again, because there appeared to be not only some needed flexibility for the people who submit us documents, let us review, but also a number of the commercial terms they wanted to look at and review. you can do that negotiation. And as the law department will tell you, an ifb best value is not a negotiable point with a bid to be able to do that with. So again, the idea of austin energy needs the flexibility and the idea was to bring more competition in to be able to get more companies to be able to be reviewed.

Spelman: With that in mind it seems to me the distinction between a perfect hard bid situation, which this one appears not to be because you need the additional flexibility, but the ideal situation for a hard bid would be one in which if you meet the minimum qualifications, the fact that you dramatically exceed the minimum qualifications basically doesn't matter to us. You just need to meet the minimum qualifications. The difference between five years of experience and 65 years of experience doesn't matter much. You've been in business long enough to do a good job and we don't care if you've been in business since 1945, for example.

Right.

Spelman: Is this a situation where the distance between five years and 65 years is really material in your mind?

The difference between five years and 65 years probably isn't as much as five years and any number that might be 10, 20 years or a significant number of years in experience. That does have a factor. If it was 65 again there was another firm that was there that had 28, 53. Again, you have a number of those. All those means you've had a lot of experience in doing this. Five being the minimum. It's like being the candidate on the commission. You need five years and then anything more we look at who the best candidate is. It's the same thing with the firm. We're trying to remember what the best firm is as a candidate for our contract?

Spelman: I guess what we need to figure out is how much better is it as you go from five to 10 to 20 to 65 in.

That's why it was only 15 points as part of the process so that it wasn't a huge spread that would be a deal breaker in all cases. And in safety it was 15. And one of the other keys besides the cost was the

experience of the personnel which was 25 points.

Spelman: Let me ask you about cost for a second. You've got 35 points on the final matrix for cost. What were the costs of the issues we've been hearing about or tnd and pike. If you can tell me what's the difference in costs between pike's proposal and tnd's proposal?

It is a significant cost factor. If you looked at the matrix in using the straight line 5 and the one from pike electric was. It was really -- there were three in the 6.5 range. There was one in the 7 range. And then two in the eight-million-dollar range.

Okay. So we've got a proposal for 6.5, for example, from tnd. There were apparently several others. And we got a proposal for 8.2 from pike.

Yes.

Spelman: And that amounted to a distance in about seven points on the matrix.

Yes.

Spelman: We've got-- okay. That's \$1.7 million. Okay. 7 million equals seven points of distance in this matrix.

Yes.

Spelman: We also have a difference between five years in the industry on tnd's part and 65 years in the industry on pike's part. And that amounted to a difference in this matrix of 14 points, which is much greater than, according to the matrix, roughly twice as important as \$1.7 million.

Yes.

Spelman: Okay. I'm just trying to get a reality check here, byron. Is the distance from your point of view or from austin energy's point of view between working with a company that has five years worth of experience and one that has 65 years' worth of experience, is that really twice as important from ae's point of view as \$1.7 million?

Again, our user, which is austin energy, has said that is really the key factor. Two main keys. Again, yes, they want to look at price. Price is always a consideration. But experience from the firm, experience from the personnel and the safety record. Those three are real key liability issues. Again, safety issues. And safety records are just vital from -- especially when you're talking this particular contract. And again, austin energy is here if you would like to specifically talk. But given our directions to us as purchasing, they said key factors to us is this is more important. Five years is a minimum. 10 Years, again, 20 years might be an ideal. [One moment, please, for change in captioners] .. to try and see where we can make a dichotomy. That contracts that need that kind of experience and the waiting and those that might not have to have it so we can open competition a little more.

Spelman: Thank you. If someone is here, if they could extend reality, I would appreciate it.

Mayor Leffingwell: Further questions?

Spelman: Let me extend my question to the representative.

Chief operating officer at austin energy.

Spelman: Two questions for you. I don't want to focus particularly on t and d there's a lot of bidders. I think we all agree these would be capable but this one jumped out. There's a 7-point difference in the amounts diff even to t and d and pike electric on safety. 5 Versus 12. There was roughly a seven-point difference on cost which amounts to \$1.7 million. I just want to do the reality check with you. Is the difference between these two proposals in terms of safety, is the importance of that difference to austin 7 million from your point of view?

Absolutely. Safety is the number one job for austin energy especially working around energized equipment. And the way we did evaluate safety, we asked the bidders to provide us their history, their indicators of what their safety record is and that's just a raw number. We also asked them to provide the record of what type of injuries they have. T and d solutions provided us their number, it was good, it was low, they failed to provide a log so there was no way to evaluate what types of accidents and injuries they've been having.

Spelman: Okay. So from your point of view, the answer is yes, that difference is worth 1.7 million bucks to you.

There are submittals and the lack of that information 7 million rather than take that risk.

Spelman: Okay. Second reality check. The difference in terms of years of experience or years working in the industry is five years, for pike it's 65 years. Is the difference in experience between a five-year company and a 65-year company worth twice as much as \$1.7 million to you?

I think there is some number, you know, five to 65, I think byron is on the right track and we discussed this. Probably need to calibrate that experience level. Five is a minimum. It got them in the door the second time around. They didn't need that the first time around. The experience in industry is important and I think that you say there's probably a difference between five and ten, is there that much difference between ten and 65, I think that's where we've got opportunity to improve our process.

Spelman: Sounds like we're dealing with some nonlinearity. I'll move approval.

Mayor Leffingwell: Councilmember spelman moves approval of item 36. Seconded by councilmember morrison. Further discussion? All in favor say aye.

Aye.

Mayor Leffingwell: Opposed say no. Passes on a vote of 7-5. And I believe, miss city clerk, that those are all of the items on our morning agenda except for item number 21, which we will hear after noon. So with that, we'll go to our morning briefings. And without objection, council, since the briefing on the african-american resource commission was postponed from last month, we'll take that briefing first. Welcome, dr. linder.

Good morning, mayor, council and city manager. Let me first say it's an honor to be here because when this was first created in 2005, i was the only -- I'm the only remaining member of that commission so a lot has changed. I think the council is totally new nowadays so this is going to be quite interesting. I want to acknowledge my fellow commissioners who couldn't be here. We have an overview I believe that melody is going to hook up for us. Is that correct? Okay. Let me tell you why I'm here. Oftentimes, and we'll be discussing critical issues, there's a lack of awareness of why this commission was created. When you raise questions about the tests that we're addressing here, we don't have a lot of information. At the time we did this in 2005, the city was in a very important crisis involving police issues and also other issues that were discern understand a very important study. Since that time a lot of things have

changed but i think it's important to readdress some of those issues so I'm going to start by going over the basic stuff. Of course, this commission was created out of the quality of life initiative in 2005. And our job is primarily to advise you on issues related to the quality of life of african-americans, and we can also recommend programs to alleviate any inequities that may confront us in social, economic and potential pursuits. Some of the concerns by the community were public safety relations, naacp scoreboard, gentrification, decreasing african-american population, that was a big concern, and the lack of black-owned businesses was a big factor as well. Again, what caused that was primarily the midtown incident which was a national story about police brutality and also the despair rage cited in the study that was done in 2004 by your demographer and our response to the naacp report card. There was a process that was done by a group called group solutions hired by the city of austin to do a series of forums and they asked two very important questions. The question was do african-americans here experience challenges different from other groups. The answer was yes, emphatic yes. And what -- so austin maintains its diverse economy and culture. That's the basis for this whole process and how it was carried out. And end result there were 56 recommendations put in six categories, arts and entertainment, business and economic development, employment and education, health, neighborhood sustainability and police and safety. Those are the six categories. And the city, of course, at the time committed to a two-year time frame to address those disparities that were cited. We did a report to council in april 2008. We also did a final report that included some of the recommendations. One was during the weekend of texas relays, we created an annual urban music festival that brought in a lot of people, given high praise cross the city of austin because prior to that time there was no event that was a cultural bayless. As a result, african-americans weren't part of that economic activity. We also noticed that since that time we've not had a full month in the city where african-americans play at city plaza. That's very new as well. [Inaudible], one of the oldest bookings, is now for example now running the african-american culture museum. That's a great thing as well. We talked about the enhanced early warning systems that we could use in the city to stop police brutality. All those things were very important and we talked about more diverse police officers in the city, more training. As I go forward, I'm going to make this as short and real as possible. Since that time we've had four resolutions that were submitted to council, two community forums, three commission retreats, and 55 total meetings over that period of time. We talked about things like the cultural heritage district but also we talked about improving african-american contracting as well, opportunities in the city. Improving relations between minority contractors as well. We talked about department budgets. Programs for youth. Infrastructure. Bond elections. Police training. Things like no refusal blood draws, for example, are very controversial. We talked about more affordable housing programs and also the meet and confer process because he that process has been a problem in the city since its inception. We talked about outreach to more african-americans. We also had a forum where the community told us what they wanted. They talked about more affordable housing, more black-owned development. We addressed education disparities in aisd. And about job training for those who weren't attending college. And there were three very distinct commission recommendations. One was creation of a job training fannie mae for noncollege-bound students. One was about diversification in job types and industries being recruited and receiving city incentives. And also there is a -- there was a request for council creating a task force to address the issues brought forth through community feedback as well. I understand that's going to be addressed later. Here's the most important thing about why I'm here today. We've got two documents here you might have. One talks about the current demographic data. Since that time, there has been a lot of changes in the city's population. For example, the anglo population has increased by 75,300. The hispanic population has increased by 75,300. The asian population has increased but the black population has decreased. We're the only group that has decreased in population given the charge we were given in 2005. There's a second table called current demographic data attachment it's very important because since that time I note that the anglo median income is 91,534. Back then it was 69,989. The gus is that the african-american income has also increased. But once again if you look at the poverty levels, we are very concerned. In 2005, for example, the city of austin poverty rate was 14.4%. It has increased to 18.4%. Higher than the national average. And, of course, among african-americans, rate went 3, so we also increased overall. Here's the greatest concern in the entire study. At the time we had an unemployment rate in the city at about 4.4%. African-americans were 7.9%. Today african-americans stand at 15.3% unemployment rate. That's 15.3%. Overall rate for the city 7.3. That disparity has actually increased. There's a side note that talks about

the fact in the whole country the income gap has increased among races which is always a bad-men for future relations. In terms of unemployment clearly in the city we have a crisis. One more good factor I want to cite here is that among business ownership among african-americans, we had a positive increase of 1.6%. We went from 2.5 to 4.1. So things have changed for the most part, definitely in terms of culture and most events like south by southwest, there's more black representation. But the issues of things like employment, for example, we're having an increasing wage gap that has to be addressed. And I would cite recently in san marcos, texas, there was a group of folks that began to look at bringing in jobs with a higher wage, that had benefits to certain populations. The goal was when you bring people to town, you address those populations left out of traditional programs. I think austin has the same opportunity. Clearly if we don't address employment in the city, these gaps are going to increase, which is to me and anybody has 3 is a high rate for a city with such wealth and such educational centers. To me that number should be a challenge to everybody to address that. Another area I want to cite briefly as well is the issue of police relations. If you read the latest report from the police monitor's office, clear there is progress there in using force against african-americans. The numbers are down. We still have the nathaniel sanders incident. This support to me if studied on a regular basis can treat proper communication and resolve some of the issues the city has when a crisis. Because normally people react to things as opposed to reading the reports, doing the outreach and doing the homework and trying to solve the problems. So I think that this initiative which is now, by the way, a commission, if it's given its proper due, proper attention, proper study, it can begin to address some of the distrust and disparities in the city that have never been addressed in a serious way. I would hope by hearing the support and we meet every month and seeing these disparities is not just another report you guys put in your box and don't read, that these are people's lives. You and I know if there is unemployment, there's poverty. If there's poverty, there's going to be a lack of learning in our school systems. Those numbers are -- they are threatened nationally. I would hope that you take this support very seriously, come up with policies that create better jobs and please, my god, let's address affordable housing. Housing is a critical factor in any city, but in this city among african-americans, our numbers went down by 6% so on top of the poverty and lack of employment we can't find adequate housing. This is going to take very creative solutions, some very determined people beyond the typical realm of politics. It's tough dealing with folks [indiscernible] but in the city I think it's about time. As the co-chair and previous chair and the only original member, I would hope this be taken seriously and I can tell you from my perspective, it really hasn't. This is just my opinion. Some of these things can be addressed. Better police communication. More programs for young folks that don't have jobs. More focus on high school dropouts to prevent the later problems that come with that. More focus on police miscommunication. We meet every month, the first wednesday and I want to incite you to come out and have these conversations, but I am very concerned given my five years of sweat equity that these issues are not being addressed in terms of policy so I'm here today to compel you to please take the time to read these reports, invest in the disparities, not just fight them and make the city favorable for everybody. Clearly we see the numbers coming here and black folks leaving, that should get your concern. That's the same question we had in 2005, that african-americans are leaving because they are not being given proper treatment and more importantly fair treatment and chances for equity. I guess I will pause there and take some questions from the council. Mayor.

Mayor Leffingwell: Questions? Councilmember.

Cole: Cole first of all, lender, I want to thank you for your sweat equity not just with the african-american resource commission but also with the naacp. And given both roles, i would -- I think you have strongly charged us to develop policies to increase the overall welfare of african-americans. And I think it's very difficult for the city, myself and all our colleagues to really move specifically forward on that without a larger history preceding 2005. And the reason I bring that up is because I think that there are distinct differences in how even the african-americans view their situation based on their age group even. But there is sort of one sort of central experience that is out there. And I just wish you would kind of lay that out.

Well, I would say that there are several reports that came out done by the shock report office in 2000. The austin equity commission as well. So the report is not new except for the specificity. I think it's pretty

much the same thing talking about black folks in austin, texas, police and protection, lack of employment opportunities, lack of culture infrastructure. To me that's been here for 30, 40 years. I think that surpasses any generation. I would think the issues are more important. Surely based on the city's growth, populations have been shifted, but overall the lack of education in the east austin schools is still the same. The employment issues are still the same. Let's not let the history give us an alibi because it's not. The factors are the same. Unemployment rate has been a constant issue here. And once again we're like everybody else, if you don't have strong job growth in this city, you are not going to be able to address poverty. If you have the right kind of industries that pay a higher wage, you can reduce some child poverty, treat more opportunities. That has never happened in the city. So I don't think the history for the most part it's not a barrier because it's pretty much the same thing.

Cole: Let me stop you because I think I asked a bad question.

Okay.

Cole: What I was really getting at is the fact that many african-americans are often accused of being weak on crime. And I think that that accusation is often -- not only is it wrong, but it's a understanding of our slave history, and that goes across income levels when we feel that we have been discriminated against, and that often it's a coalition building incident regardless of what happens, whether it's lack of jobs or whether it's police brutality. And a lot of times we don't start with that in terms of understanding that there is a deep-seeded historical reason for a fundamental distrust of authority. And that has really not been experienced by any other racial group.

Well, let's examine that because you said perceived as being weak on crime.

Cole: I wanted you to address that but I wanted you to know what I was getting at when I asked the question.

That's a very simple question. In america, 70% of all crimes in america are committed by white folks so that's not even a real issue. Black folks are not the folks with the most crimes. We have to address that. That's part of this racial stereotyping we need to deal with. Most crime in america is committed by white folks. Beyond that we're still humans, and because we are, we all need jobs, we all need good schools and opportunities. In the city you are not sharing the wealth. Regardless of your color, if you don't have good schools, good jobs, good health care, you are not going to make it in america. So I think that's where we are. We're saying that as the city progresses, by the way, as one of most prosperous cities in america, african-americans are not part that process. And I want to challenge you, let's get rebond the rhetoric because there's certain things that are basic fundamental principles. The policies here are not catered for all people. Knowing there are basic principles, you can address that. Start with the young identification. Start with providing programs that give kids jobs in the summer. Like in new jersey where they are doing the same thing, corey booker, I think he's the mayor. Investing in young people, acknowledge disparities. I can't change slavery, i don't even want to anymore. This is 2010. All folks need opportunities to make sure when we do things we include everything, not just certain select populations. If you do that, black folks will come and want good jobs, great schools and opportunities.

Cole: I want to ask this question and the only reason i brought this labor issue is because the things you are talking about whether it's good jobs or education or lack of police brutality, I wanted there to be an appreciation why the lack of those things is not just a problem, it is a major problem because we perceive it as not just a problem but also as a major problem because of that history. Now, I believe that you were involved in the creation of the police monitor office or connected with it. Will you talk about that?

Sure. That office was -- came out of the cedar avenue incident that happened in 1995. Folks like captain white, dr. terry nethers. I got in on later half of that. When I got involved in 2002, the office was created in 2002, I was very supportive and let me tell you why. If you look at police brutality in 2002, some of the

shootings, some of the location, there is no comparison to the kind of investigative response we had in city and the end result in 2002 and every case since then whether it's Sophia Owens or others, there have been proper investigations. We have the F.B.I. involved. Prior to 2002 when there was a shooting here, you had outrage but no investigative process. So that office since it's been here has done a great job of getting involved and giving insight after oversight, but let me tell you about that office, I think it's very important, but it's not the police chief. To the police chief here a consistent policy and until begin to prosecute folks we're going to have the same questions. That office was designed to give you oversight and involvement in these shootings. It does not enforce the law. We cannot make that office a scapegoat for others. I love it, support it and I think it's educated a lot of people. I would be surprised by the fact until the system works we need checks and balances we will not solve this issue. In all fairness our chief has done a great job overall. But he's also made mistakes. When you make mistakes about consistent accountability it's going to cost trust. I would challenge everybody here to look at the numbers. They are improving. But when you do things that are not right, whether it be in terms of a settlement or on the streets, it's going to cost you credibility. I would implore you to be fair, just and look at things from a comprehensive standpoint. Because we all are human beings and we wanted to be treated the same way as everybody else. And by the way, since you mentioned slavery, you might want to look at the master plan of 1928. It's a good document because it talks about how policies affect different populations. Once again, that's not an excuse. We know about East Austin. I think that's an old conversation now. The question is what do you do about it. Now you have a perfect opportunity with your resources, the folks who work here now, the city [indiscernible] use your experience to address the current inequities. I think if you treat people right, they are going to work with you the same way. And what I'm seeing is a lack of accountability in terms of folks addressing the issues that affect black people in this city. We could do a much better job at that.

Cole: One last thing I want to say to you, I don't have any more questions, is that I appreciate the support you have shown to this council when we implemented funding for sickle cell, when we implemented approximately \$15 million for police cameras, and also when we launched a year-long process trying to make a situation better for Texas relays, which I understand had less incidents the week of Texas relays than it did the previous weekend and I don't think I would yet tell that to my colleagues who signed that resolution. Although we have challenges, we are going to move forward and work together and we look forward to your cooperation on that.

I want to thank you for that work that you've done on the relays and other issues as well in terms of being accessible, being available and also showing sensitivity to these kind of issues, councilmember.

Cole: Thank you.

Mayor Leffingwell: Councilmember Riley.

Riley: Thanks, mayor. Doctor, I just want to thank you for all your work on this over the years. This is a helpful reminder of the recommendations coming out of the African-American quality of life initiative and the ongoing work of the African-American resource advisory commission. It's also very timely. In fact, today we have some things on our agenda that I think will directly relate to some of the points that you've raised. Most importantly the point that you identified being the greatest concern. I think it is extremely important for us to focus on that. That the disparity in unemployment rates that have grown over the past decade. I hope you'll be able to stick around for the briefing we're about to have on the small business workforce development pilot program. That is targeted specifically at -- at groups that have been experienced long-term unemployment. We've dealt with the black contractors association and a number of other community groups and I think there's a lot of potential in that, but the project is in its very early stage et cetera and we're going to need help in order to make that achieve everything that -- in order for it to achieve its potential. Also, I hope you will be tuned into the discussion on housing that we'll be having later today when we get to the meeting of the Austin Housing Finance Corporation because there are a number of items in that agenda that will directly address the housing concerns that you've identified. So anyway, this is all very timely. It's very helpful to have the reminder of the work you

and the commission have been done and I appreciate all the work you've gone doing and your being here to present this to you today.

Thank you, councilmember riley.

Mayor Leffingwell: Councilmember morrison.

Thanks for your report, for the work of everybody on the advisory council. I wanted to focus in on one of the issues that you raise and that's general time this morning friday indication and housing -- gentrification and housing. Yesterday people found a great organization, housing and weather gentrification really is the only choice. In some ways my sense is we're much too accepting it's inevitable here. So I haven't -- I don't believe that we've discovered all the tools that we need to really address it, and unless we address it, the city will be not a city for the children of the people that live here now but for, you know, sort of a turnover of people. So I think it's absolutely critical. But the gentleman rick jakobis identified some tools, but one of the key elements of what he had to say is that the tools need to be worked within the community to ensure that it's customized for and serves the community because people outside the community can't know what that is and how to do that. So I felt inspired and I think the group of 75 folks that were there felt inspired that maybe we have some work to do that's really going to lead us forward but it requires working with everybody in the community. So I know you will be here and I know the advisory council will be there.

If I may briefly, I love that word gentrification. It means you are creating policies that have an impact on certain population. You can attack the policies and -- when you create gentrification, you are implementing policies that favor certain projects, people, organizations, certain kinds of investments. If you reverse that and put more into social capital you can reduce gentrification, but too often we don't talk about it because it should be looked at in terms of public policy. Cost of housing, higher taxes, that's really which it is. If you address it from a southeasterly standpoint and humane standpoint you can -- basic every community. We need to go there and talk about what it means as opposed to stand there and kind of accept it, but thank you.

Morrison: Thank you.

Mayor Leffingwell: Councilmember shade.

Shade: Thank you. I echo the thanks that have been already stated for your work and for the community's work and I real do appreciate the effort. I'm curious, one topic we haven't delved into a little more deeply is recommendations around the job training program. You mentioned mayor corey booker and what he's doing in newark and a big part are these family success centers and focusing on especially had the african-american communities households led by grandparents rather than parents and I know that's a prevalent issue. I'm curious, a big part of his strategy since you referenced partnering with nonprofits and community based organization, it's leveraging government money but not government itself running these programs. And he's had a lot more success than we have so far at leveraging state money as well. But which of the groups would you say especially with respect to things related to job training, job preparedness, you know, small business support, which of the organizations should we be doing more with especially when it comes to targeting members of the african-american community?

I think one of the programs I like a lot that's in -- is the job corps. It has an historical experience, and it has gotten proven results. I think that's a good program. There are a lot of small groups like for example the [indiscernible] is very good. I think things like the chamber of commerce can also accommodate to more blue collar type programs in our communities. Of course, the urban league has a traditional role to play. I think we need to do more investment in kids that are dropping out. I think those organizations can include more of folks who don't have. I mentioned richard franklin has a new program called youth unlimited targeting certain population. I think there are plenty of black nonprofits that need support that

don't get support. There's a group called males on the -- addressing people who have substance abuse problems. Too often in this town we find the same people. We don't look for new groups. There are a lot of groups out there like the men and boys organization, urban league, the job corps, give them a chance to do a presentation and take a look what they are doing. I like the job corps model because that model has got even results and it's identifying kids who drop out of school who will drop into prison and they've got the occupation, the skill level and the history. I think that program is a model that booker is using also in new jersey, but more importantly I gave the mayor a behind awhile ago. Booker is the mayor. He led the idea. It has to come from the top. If you are city council, you come out and talk to people and that shows interest. Booker is the mayor and he's leading the program. I think when you have an issue from the city council on some of these programs, it's showing interest in other people. Booker did that and he was embraced. Crime went down. Murder went down. And trust increased. But it's also -- it's a hard issue. He has an interest in doing that because he understands.

Shade: Also I wanted to mention I was yesterday at the engagement center and got a chance to see what you were referencing in terms of the museum which is fantastic. But how do you see tying together that -- you know, where we work with the unit and the culture ---the university of texas and the culture center, how do we get everybody coming to the same places? It feels like they are competing with each other and we have precious resources and I guess that's a weird way to ask the question, but how do we make sure we're not spreading ourselves too thin and trying to help everybody but folk to us places where we reach the most numbers of folks?

When I look at populations not being approached historically, they are mostly in east austin and they are black organizations. I think we should go to them. They shouldn't come to us. You should go to them where they are, make presentations and make a point to include them. People that feel discarded, disrespected, are not going to around folks that have two or three PH.D.s. But go out to east austin, talk to them, get to know them. The great east austin outfoundation has been for a long time. Work with them, be a rapport and invite them to your events and go to their events. Go out to the east austin community whether it be south austin, get to know them individually. But mainly find these nontraditional black organizations who you have not funded and give them an equal opportunity. Do something different for a change as opposed to the same old stuff. It doesn't work. It doesn't work. If.

Mayor Leffingwell: Thank you. I just want to mention that a lot of the issues that you've talked about are being addressed through a special program that the city has been working on now under the leadership of the city manager. I've been involved as well. Actually travis county is involved, the austin independent school district, and their corporate entities also involved in the manchester bidwell project which has been very successful in pittsburgh and other cities around the country. We're bringing that to austin. I'm very confident we'll be successful in establishing a start on that project within the year. Certainly within a year and a half. In is a program that has demonstrated success in dealing with at-risk youth, unemployment, excellence in education and workplace issues, and we -- we want to bring that to austin. The city is supporting it very strongly. I know the city manager spent a week in pittsburgh recently. Him and some of his staff members discussing how we get this thing going. Bill strickland is an outstanding individual. I've met him several times. As a matter of fact, he's a ex-airline pilot so we had several things in common. He flew for united airlines. But he -- he is the kind of man that makes things like this work and I'm very confident he will make it work here in austin, and I hope the opportunity will arise for you to collaborate with him and talk to him about the issues as you see them here locally.

In fact, mayor, if I may briefly, the [indiscernible] is a very good program and he's reached a population ignored historically. In those kinds of programs, money comes down to the top people, never gets to the community. So I would challenge to you make sure when the money comes down, you go out and find folks to do the work and make sure you fund them first. You typically bring in the intellectuals, nothing wrong with them, but let's make sure the money gets to the proper source. Historically not just you, america does a poor job of giving folks the chance to solve their own problems. If the money is there, these are very bright folks. Let them solve their own problems. I think you might find a much better

result.

Mayor Leffingwell: We'll work together to make that happen. Thank you for your presentation.

Thank you.

Mayor Leffingwell: And council, we do have two more briefings, but I don't believe we're going to get either one of those done in eight minutes. And we have no other items to take up since the remaining item was tabled until after 12:00. So without objection, we'll go into recess for eight minutes and come back at noon for citizens communication. And just for folks planning purposes, after citizens communication we'll go into executive session and then resume our normal business, the briefings and item 21, which we have not yet addressed. So we are in recess.

Mayor Leffingwell: We are out of recess and will now take up our 12 noon citizens communication. The first speaker is stanton strickland. Stanton strickland? President robertson hill neighborhood association and the topic is marshall apartments. So is stanton strickland here or not? If you are, let me know. Okay, next speaker is chris wilson. Okay. Come on up. Topic is increase of crime this cherrywood neighborhood.

Good morning, mayor and councilmembers. Appreciate you making the time to listen to me a little bit today. I'm here talking I guess about an area in east austin. If you put yourself I guess over the introduction of i-35 and airport, take airport southeast to manor road, take that from there go west to i-35 and back up again to airport, sort of a triangle there east of hyde park, it's about 1500 addresses, 1600 - I guess 1500 single home addresses, 1600 total address for 4,500 people. 12% Of us are over the age of 65. 15% Disabled. About 55% are college educated in the area. It's an area that's had fairly substantial increase in property values over the last 15 years including during this recession we've gone through. We've had a fairly dramatic increase this the crime level in our neighborhood over the last year. Looking at the statistics for january 1, 2009 through november 17, 2009, halfway through november and the same time period this we're we have 85% increase in burglary of residences. We have a 500% increase in aggravated robberies, robberies involving some sort of weapon, that type of thing. We've had good news as well. Looks like public intoxication arrests are up 255%, which is fantastic. Being an inner city neighborhood and d.w.i. Arrests up 366%. So it's not all bad news. I'm here today to I guess talk about the problem that this -- these property crimes have created and the trouble our neighborhood is having because of those in hopes of seeing if we might get resources devoted to the problem at least temporarily to help us out for it. On my street robinson avenue in the neighborhood we've had two, three homes that have been robbed twice in the last six months. These are full-blown break in the door, load up a car she, pickup type robberies. It's not a smash and grab, taking a bicycle out of a yard. One robber on a neighborhood network, yahoo refer to one robber as the meat chieffer robbery. Then there's the ones who don't sieve any sign of entry, lock the doors and all the T.V.s, RADIOS, MONEY IS GONE Out of the house. We have had such a significant problem some are considering moving. Wonderful neighbors, been written up in the "new york times," musicians, artists, business owners, multimedia company folks and we're starting to lose our neighbors because of the crime problem. And we're also getting a climate where you are afraid to leave the home during the day or at night because it might be broken into when you get back. We've tried the burglar alarms, neighborhood watch, people that walk around the block and big dogs, still we have increase in crime and I'm hoping to get some resources devoted to the problem to do something to reduce that. [Buzzer sounding] we've developed more of a relationship with spd and talked to the latest person assigned to the area --

Mayor Leffingwell: Thank you, chris. That signal was the end of your time.

Thank you.

There's a large group of policemen here today. I'm sure we can get someone to discuss specific issues

with you and related to your neighborhood.

That would be great.

Mayor Leffingwell: City manager, if we could do that, I would appreciate it. Next speaker is Tracy Witte. Tracy Witte in the chamber? John Goldstone. John Goldstone. Topic is East 12th Street. Welcome. You have three minutes.

Thank you, Mayor, Councilmembers, I'm John Goldstone, an East Side property owner and I've been involved in the process 10 years. I attended the urban renewal meeting and I have to say that the process was completely filled with buffoonry and is a nil time this morning. The commissioner resigned following this meeting. Please read his resignation letter. You should be embarrassed, all of you. When I first started getting involved on the East Side it was the year 2000 and 2nd area the area was in full swing. My neighbors and I worked for ten years on the urban renewal plan in the NCCD to turn East 12th Street into a mixed use corridor. We supported heights and supported granting height variances if developers would put some in the additional heights they received. We finally got Ara out of the way. Thank you. The prime reason Ara was a hindrance because they served as intermediary and as an advocate. That meant the Ara always had a dog in the hunt which means they were unable to be neutral as we debated the urban renewal plan and amendments as well as creation. NCCD. I'm happy the Ara is out of the way. However, neighborhood housing is disproportionate. In fact, sweet or dislod as some might say by neighborhood housing. This is 2nd same program as when the Ara was gate keeper of the amendments except it is now neighborhood housing and they appear to be an advocate of certain proposed projects rather than acting as an intermediary or facilitator. An advocate rather than as an intermediary or facilitator. We in the stakeholders are in worse position in that up a new bureaucracy action being tasked with many goes rather than revitalization of East 12th Street. For the Ara it was their primary purpose. However, witnessed the buffoonry and is a nil time this morning in the process at the urban renewal agency over an extended period of time, I renew my call for the termination of the urban renewal plan for East 12th Street and this is critically important attachment of the land use controls from the urban renewal plan to the NCCD. There will be no laws or protections to the neighborhoods if this were to occur. I've been told by staff this attachment of the land use controls cannot be done. Well, just attach the controls to the NCCD as appendix and put in language the stricter version controls in the event of a conflict. Let's get this urban renewal agency and with it the additional larry of bureaucracy -- excuse me, this additional larry of lender frightening and bureaucracy out of the way. Ura get out of the way. You are Ara get out of the way. OO, you've heard and hear arguments without this he rehab these section 8 units will go away. [Buzzer sounding] nothing could be further from the truth. The steady rental is way too good to terminate the section 8 so don't believe that lie when you hear it.

Mayor Leffingwell: Thank you. Next speaker is Joe Wheeler. Joe Wheeler, topic is Jollyville transmission main. Welcome. You have three minutes.

Thank you, Mayor and Councilmembers. My name is Joe Wheeler. I live on Spicewood Springs Road. Water is arguably our most precious resource, and just ask anybody that's been without it a few days. They will understand. I'm not here to talk about the water treatment plant number 4 because Council has made very clear they are going to build the plant. What I am here to talk about is the risk involved to my neighborhood in execution of this plan. As it stands now, water utility has all the money that they are going to need to do this plant. We're losing oversight of the construction activity. We -- the neighborhood has gotten together and has been at many meetings and we have gotten a list of proposals or conditions that we think are very reasonable and that will help protect the Bull Creek environment and our neighborhood from things that may go wrong in the construction. The last thing that I think any of you want to have is to have water utility come back and go oops, we're sorry, we didn't know this was going to happen. What I'm afraid of is that they are going to get a kind of a gold stamp, we can do no wrong direction from the Council that will allow them to not comply with any of the environmental regulations that we have in this city to try and protect the creeks and the environment that we have. This is a very sensitive area. They came and told you there were no alternatives. Our

neighborhood groups studied it. We came up with alternatives that their millions of dollars didn't come up with. They've adopted one of those. There's a few other alternatives that are viable and should be considered. And when we come to the chapter 26 hearing next week at the meeting, I hope that we can have some type of an agreement that we can get our proposals that are reasonable, cost effective as part of construction constraints on this shaft site at the corner of old lampasas trail and spicewood springs road. Our children will be the ones who will find out if wtp 4 is the right or wrong thing to have done. I don't really care about that. I care about what's going to happen in the next three years while they construct this project. That will be immediate and there is significant risk in the proposals that have been brought to you by austin water utility. Thank you.

Mayor Leffingwell: Thank you. Next speaker is norma a. Walker. Topic is the impact of community tax centers services to the city council.

Good afternoon, mayor and city councilmembers. My name is norma walker. We are a program of foundation communities. The community tax centers offers free income tax preparation to low-income individuals and families of various locations throughout the city and surrounding areas. I'm here to briefly speak to you regarding our impact to the services of the city of austin. Last filing season community tax centers with the help of over 600 volunteers that committed over 29,000 hours helped austin residents file 13,000 tax returns and claim more than 21 million federal income tax refunds of which 14 million was due to the earned income tax credit and that was 15% more than what was claimed in 2009. More importantly, residents 7 million in tax preparation fees by using our free i.r.s. Supported services. As much as our clients understood the need to claim all of that you are hard earned money, other taxpayers are unaware of both their eligibility or the cost savings for such services. But that's a critical component of this economic environment. Therefore with this mock debit card which represents the money given back to the city of austin residents we thank the city of austin for the continued support in promoting free tax preparation services. Thank you for helping hard working families and more making the city of austin a better place for taxpayers. Thank you.

Mayor Leffingwell: Thank you. Next speaker is alpha balde, balde. Not present. Okay. Same topic. Next speaker is scott e. way. Scott e. way. Not in the chambers. Renee valadez. Renee valadez. Topic is contract and grant administration. Welcome, you have three minutes.

Thank you, mayor and council for your time of time. Renee valadez and my topic is contract and grant administration and more specifically contracting and grant monitoring. When you were in grade school, you remember having your best friend grade your homework. Or worse, you remember grading it yourself. As an employee, did you ever complete a self-assessment? Were you particularly hard on yourself? If there's an administrator that's tasked with evaluating his own administration, what would you expect? In each -- in each instance, the evaluator has a dog in the fight. There is no independence so there is bias and prejudice. It's simple human nature. So with the public outcry for controlling government spending and more accountability, there's one simple adjustment that elected officials at all government levels can make. They can have their dents to to the extent possible embrace systematic and ongoing and most importantly an independent grant and contract monitoring system. Government can embrace monitoring that is not performed by the contract owner, monitoring that is not performed by the grant officer, monitoring that is not performed by the administrator because all of those persons have a dog in the fight. Any performance evaluation is best done when it's independent. No one should grade and report on their own homework. Constituents and your citizens and your communities and the country will be well served. Thank you for your time.

Mayor Leffingwell: Thank you. The last speaker is robert thomas. Robert thomas? Robert thomas is not in the chamber. Once again, stanton strickland? Tracy witte? Robert thomas. Those are all the speakers signed up today. So without objection, council, we'll now go into closed session pursuant to section 071 of the government code for consultation with legal counsel to take up two items. Item 57 concerning legal issues related to fayette power plant, item 58 concerning legal issues related to customer charges for electric franchise fee costs. Is there any objection to going into executive session on the items

announced? Hearing none --

Spelman: When are we going to take up item 21?

Mayor Leffingwell: I plan to to that up immediately when we come out of executive session and then we'll go into our two remaining briefings thank you. Briefings.

Spelman: Thank you f [rumbling] Announcer: What if a disaster strikes without warning? What if life as you know it has completely turned on its head? What if everything familiar becomes anything but? Before a disaster turns your family's world upside down, it's up to you to be ready. Get a kit. make a plan. be informed today.

Mayor Leffingwell: We are out of executive session. In executive session we took up items number 57, legal issues relating to the fayette power plant. And item 58, legal issues relating to customer charges for electric franchise fee both items were legal consultation with counsel. No action was taken. So we're out of recess and we'll take up item number 21. Council, item 21 had a number of folks who were signed up to speak. They have already spoken. It was pulled by councilmember cole. So councilmember cole, do you have something to offer on item 21?

Cole: Yes. Mayor, I am prepared to make a motion and I understand we've already had all of our speakers and that the stakeholders have met and come to some agreement. I do want to ask miss glasgo to come to the podium and explain basically what that agreement is. But I am going to make a motion to approve the agreement.

Mayor Leffingwell: Miss glasgo.

Good afternoon, councilmembers and mayor, mayor and councilmembers. Sorry, my -- I had it back words. The agreement we have is also reflect understand a resolution that has been updated and is in front of you. I will read the letter that the developer has signed. pursuant to the applicant providing affordability as prescribed below, then the subject tract shall be exempt from height, density and compatibility requirements of the plaza saltillo ordinance. four units at a minimum of 600 square feet per unit at a value of \$300 per square foot by unit to be discounted at \$28,500 per unit to serve households earning 80% or below of median family income or if the development serves the rental community, then the developer will provide four units at 80% mfi. And there's a qualifier below that addresses that, there's a concern about the 60% mfi. In either case sales prices or rental rates must achieve a target not less than 20% below market value to be established at the time of issuance of a certificate of occupancy for a term of 99 years in the case for sale units or 40 years for rental units. And it's signed by steven portnow, who is a partner in this project.

Cole: Let me basically point out that this is, i believe, the first project that is going in to the , is that correct?

That's correct.

Cole: Go ahead.

And the proposal in essence, we're doing both things, we're providing units on-site. This is contemplated to be a full sale development, mixed unit development with condos. And also you're getting -- you're getting two things. You're getting units on-site that are affordable and at the same time the fee is discounted. When you multiple 28500 by 4, that's \$114,000. I believe it's a win-win. It would be the first project. We've been working on this fee in -- this proposal for over a year. The developer long before i got involved had been working with city staff in trying to get some certainty so he can go

ahead and get his team to begin site development work for the project.

Well, not only is my understanding that -- and as I recall, this is the first project that is going in plaza saltillo, it's one of the few that have actually been in the station area plans. So we finally get to move forward on that and we get both density and affordability. And you have committed to give the four units on site in addition to the fee in lieu, and so I think that that is a reasonable agreement between you and the various stakeholders. So mayor, I'll move approval.

Mayor Leffingwell: Motion by councilmember cole to approve. Seconded by the mayor pro tem. Ms. glasgo, not so fast. [Laughter] just to make sure, i understand the motion is to approve item 21 with the fee in lieu as described in the letter you just read to the council. Is that a correct interpretation?

That's correct.

Mayor Leffingwell: You will furnish that to the city clerk?

Correct.

Mayor Leffingwell: Councilmember, is that your understanding and second?

Cole: Yes.

Mayor Leffingwell: Discussion? Councilmember morrison.

Morrison: Thank you. I do have some comments, but I guess I have one question for clarification. This might even be for you, betsy, if you're the -- it's been interpretation of -- if we're talking about -- if we are in the situation where we're looking at reaching the target of 20% below market value to be established at the time of issuance of certificate of occupancy for 99 or 40 years, depending on ownership or rental, how do you figure out what the rents -- let's say it should be rental. How do you figure out what the rent should be, what that target is 10 years from now? I'm a little confused because there's that reference to certificate of occupancy.

I'm going to assume that we would use some structure like we would h.u.d. issues rent at 30%, 50%, 60%, 80%. So I would assume if it is a rental unit we would utilize mechanisms that is national and use that as a 60% rent for a rental unit. Does that answer your question?

It does. I think maybe we just need that clarification on the record. I get a little confused when I see the language 20% below market value to be established at the time of issuance of certificate of occupancy. I guess the point is it also needs to be updated. They're not going to be tied to that.

I believe that 20% probably would really reflect more on the home ownership side if it were to be an ownership unit. Then they have committed to sell it at 20% below market. If it's a rental unit, they will rent to 60%. Did I say that right?

The problem is I think it's set at 80% mfi for rental, which is generally higher than we ever do, but as long as we also have the requirement that it be 20% below market rate. Because the problem is -- the problem is that often times 80% mfi for rental is market rate. So it doesn't do us any good if we end up with that.

You're right, it is sort of -- the 20% below market versus your position of the 60% rent.

Morrison: If 80% of mfi is market rate for rental, we will be doing something less than that.

Yes. That is the commitment, correct? Yes.

Morrison: To 60%, that's what this means. Even though it says we're just going to do it at the time of issuance of certificate of occupancy? Each time -- at any time it's being rented, it has to be 60%.

At the present time.

Morrison: At that time that it's being rented. Is that really what the language says? I'm really --

[inaudible - no mic].

I'm going to invite misswise to come up and speak, she was part of the negotiations.

Councilmember, as kelly is making her way behind me, I also want to state that at the end of the process when the building is built and before the certificate of occupancy is issued, that's a point at which if you were paying a fee in lieu or you were going to provide the affordable units, then the -- then you get a team up -- we were going to team up with people. People trust would be the recipients of the for sale units or the units that are going to be rented, they would be responsible for marketing and handling all of those aspects. And now kelly can explain what her role would be at that point.

Morrison: Thank you.

Good afternoon, council. Thank you. To clarify your question, the intent of the 20% below market was really put in there as a back stop to make sure we weren't in a position where we had affordable units essentially priced at market rate, which is not what we want at all. On the for sale side we want to make sure we're priced well below market so that we don't run into a situation where we have affordable for sale or rental priced above market. So it was really put in there as a back stop to prevent your exact concern from happening. That 20% of market, I don't know what it will be when co is issued. It may be a 62% rent, it could be a 70 -- but it was put in there to say okay, market value is this. Betsy was exactly correct. establishes those market value rents. What this says is it's 20% below those market value rents that h.u.d. would set.

Morrison: Etcetera say it's -- let's say it's rental and at the time that certificate of occupancy is done, we determine that it is 60% of mfi. Is it always 60% of mfi from then on?

I would say the affordability for rental would run for 40 years.

Morrison: At 68%? If that's what it was at time of -- is that what that means?

Yes. So 20% below market. So it is a different way of calculating that rental, but I would also add that those rental requirements that were contained in the on-site portion of the density bonus is -- this is above and beyond what's required under the ordinance. So in other words, we're getting the fee in lieu plus on-site. It is contemplated to be a for sale product, but i think any developer would want the option to be able to weigh for sale versus rental to be able to adjust to the market. So we tried to build in the flexibility to reflect the market conditions at the time of co.

Morrison: I appreciate that. I think this is probably a really good -- and I'm just trying to get clear. So if it were calculated to be 68% at the time of co, that means that for 40 years it wil 68% mfi or are you going to look at the market rate and always make sure it's under by 20% every time it rerents?

Well, I would defer to the city. And I'm -- if I were the city, I would want it to be stable. I wouldn't want to have to recalculate it. I'd let betsy answer on the administration side.

Morrison: I think that's significant and it would be good to know which way we're going to -- what this legal language means because it's ambiguous.

I'm thinking as I'm looking at you. I concur. It would be best if we establish a consistent rate at the time of certificate of occupancy. A unit can turn over a number of times over 40 years, and that administratively would be a tremendous amount of work to do that every single time a unit turned over. So my concern is it is difficult, though, to lock into something other than a standard of 80, 60, 50 percent, which is -- we have market rents that -- there will be rents that will be published. It would be my preference that we tie it to something that is published and consistent versus something in between that. And I apologize, I'm talking off the top of my head weaz speak.

Is this language as it's written allow you to do that? It sounds very reasonable, but this language sounds sort of specific, but ambiguous. Maybe the attorney could -- we have a city attorney ready to comment.

Mayor Leffingwell: City attorney?

Councilmembers, as I read the language, it doesn't sound like it changes. It sounds like it's locked in at the time of the issuance of the certificate. And if that's not what we meant, we could clarify that.

Chad shaw, law department. I read it the same way, but if there is -- I would have to seek a little help from some of our expertise behind me. If there is a way to clarify this and if it's necessary, we might be able to come up with something. But I do read it the exact thomas reads it.

Morrison: Okay. Because frankly I'm fine with it either way, I just want to make sure we understand what it is. And it sounds like it might make sense to put our heads together for a couple of minutes and figure out some clarifying -- some clarifying language that you think is the most workable from an administrative side. But I do want to say that i really appreciate everybody's comments on this and I think that one of the concerns I had in the beginning is that this is the first one, the whole issue of precedence and all is very important, and we need -- in the t.o.d. Ordinance we need to have a compelling reason to do a fee in lieu. And that was very, very important that we not just be doing this willy-nilly. So I wanted to evaluate it in terms of what is the compelling reason. And I think this being the first exercise we've gone through with this has really demonstrated that we have things a little bit out of whack. As I understand it, if you're doing on-site, then it's 10% of the total square footage, whereas if you're looking at an option of fee in lieu, it's 10% of the density bonus. So those vary widely. There's a disconnect and probably something in between is more appropriate. So I do see that that's a compelling reason. [One moment, please, for change in captioners]

Mayor Leffingwell: The motion is by councilmember cole and I believe you were second.

Mayor pro tem.

Mayor Leffingwell: Who was?

Cole: Mayor pro tem.

Mayor Leffingwell: Councilmember riley.

Riley: I'm not sure where we are on wording. Are we going to have some further adjustment to the

wording to address the ambiguity that we've identified or go with -- and I'll just say --

my first thoughts are to keep it at 80% hoping folks below 80% would -- no, administratively you want it -
- okay.

Riley: I do think this wording does pose some problems. The reference to the time of issuance of the certificate of occupancy, with locking that in for 99 years. Another grammatical problem I think when he we said must achieve a target not less than 20% below market value, that in itself is ambiguous. I think what we'll mean is 20% or more below market value is the most it could be and we expect the rents and sales price to be lower. I think that's the intent, isn't it?

If I may, the developer has offered he will do the four units at 60% rent and just lock in at 60.

Riley: So we could say no more than 60%.

The original ordinance says if it's going to be home own ship, 80%, rental 60. Even though the developer is not required to, he will commit to the home owner ship at 80 and rental at 60.

Riley: Great.

Cole: I will accept that as a friendly amendment if councilmember riley wants to offer that or councilmember morrison.

Riley: So moved. Friendly amendment. And then -- okay, so are we all okay now with the wording? I think we all understand what we're talking about. I guess just before we vote, just along the lines councilmember morrison was raising about the concern of precedent, I would ask one question before we get too far away from this. Is there anything that we've learned from this conversation about -- about how we might approach this -- this issue in the future, when someone is asking for a -- a -- additional density in the and we look back to this as an example, clearly we -- this was not simply a literal application of the ordinance that was in place. Is there a simple way of describing how this resolution compares with the language of ordinance and what can we -- what can we -- how should people view it in terms of the requirement that has been imposed on someone seeking additional density in ?

Hello, molly scarbrough, planning and development review department. The -- compared -- so I think one of the questions was compared to what would be required under the existing ordinance currently. So currently the way that the ordinance is set up for this particular project in this for the product type and the location where they are, they would be required to provide 10% of the entire square footage of the development as what bitable, affordable, habitable space. 80% For -- or 60% mfi or rental for 40 years. Or they may request of council to pay a fee in lieu of 10% -- I'm sorry, \$10 per square foot of the bonus area granted. What is being proposed is that they still pay the fee in lieu that is required by the ordinance of \$10 per square foot of the bonus area granted, and they are offering in addition to that an additional four units at the mfi level. So we're actually receiving more than the ordinance currently requires.

Riley: And how would one arrive at the number of four units?

The -- the developer is offering those four units, so they arrived at it through evaluating the economics of this particular project. So how it may help us in looking at future adjustments to this, I think it can be used as a case study. A very real world case study of they've done the analysis both of what is economic -- economically feasible as to whether or not they could provide the amount of on site affordable housing that's required by the ordinance, they came to the conclusion that they could not, which is why they asked for the fee in lieu. But in doing this case study, they are able to provide the fee in lieu and four units. And so I think we as staff would be looking at this as a case study as we move

forward with the creation of other density bonuses in other parts of town and then potentially looping back as councilmember morrison stated, taking those lessons learned through this case study, through the east riverside corridor, public process for development bonus, and then looping back and potentially doing a public process for a code amendment for the t.o.d.

Riley: Okay. So at this point we don't really have a formula that would lead to a particular number of units that reasonably be expected on site, but what we've seen is just that a real world analysis of what's economically viable, that that is what it comes down to, and that may vary from case to case depending on the circumstances.

Correct.

Riley: Okay. I want to thank everybody involved in this. I know it's been a lot of work. And I think the work we're seeing now reflects a recognition of the community's concerns at stake and that it's a very commendable effort to arrive at a solution that works for everybody, so i really appreciate everybody working on this.

Mayor Leffingwell: City attorney for a clarification.

I just wanted to make -- make sure that we were all clear that although the resolution that was handed out says rental -- says sales or rental 99 years, it's rental at 40 years. Is that correct? And that we will be changing the rental to 60%. Thank you.

Mayor Leffingwell: Does everybody understand that? You know, I think this whole discussion and this whole -- 00 this morning really points to the fact that evidently we have a flaw in the affordability portion of the t.o.d. Ordinance, and I would like to ask staff to go back and make a recommendation to change those so we don't have to go through this discussion, evolving discussion every time we do this because we got several more in the pipeline. So I would just like to add that as direction to staff to the motion on the table. Further discussion? Councilmember spelman.

Spelman: I'm a little uncomfortable given our view of the current language as being ambiguous, voting on a [inaudible]. Do we have any language we can actually talk about the last line of this thing?

Law department. I believe the 60% change clarified the issue that was presented before betsy may be able to back me up on that.

Spelman: That clarifies that change. I wonder whether we need any more language to clarify the 99 years for sales and 40 years for rental.

I think -- well, and what --

Spelman: We've got it verbally, I understand.

And we are going to make those changes in the resolution, and I believe that alice has said that her client will make those changes had the letter that you have in front of you.

Spelman: The procedural question is whether we need the exact text of a resolution as we do for an ordinance.

And we can make these amendments on your direction so we will have the correct resolution for the appropriate signatures. Okay. Thanks.

Mayor Leffingwell: All in favor of the motion say aye.

Aye.

Mayor Leffingwell: Opposed say no. That passes on a vote 7-0. Councilmember shade.

Shade: I think the comment has already been made but I do want to recognize the work this developer has done, especially in light of all the confusion and everything else. I think he's setting a great example and I wanted to make sure to point that out. Thank you, alicia, for your hard work too.

Mayor Leffingwell: Okay. 30 morning briefing beginning with item 54, austin energy resources plan and affordability forecast. Welcome.

Good afternoon. Mayor and council.

Mayor Leffingwell: You have three minutes? Just kidding.

Well, it's going to be very ambiguous. [Laughter] well, I'm here this afternoon to talk about the long awaited discussion on the implementation of austin energy's resource generation and climate protection plan. And I've got a lot of slides. I'll try to go through the I believe you all have been given a paper copy of this presentation. And the background and history is that in april 22 of 2010, the city council approved a generation plan in combination with the 2007 climate protection plan with the goal of 35% of all of the energy we supply to austin energy service area coming from renewable resources by 2020. The plan was designed to be flexible and dynamic and emphasized the affordability. The council at that time said that they wanted us to come back, and this is where we are today, to come back and talk about how much this is going to cost and bring some type of -- a way, a technique to measure affordability going forward. Since I've arrived here in the end of september, this has been one of my primary tasks to figure out a way to do this. There is really distinctly four pieces of implementation of this generation plant. First of all, the bench marking. The bench marking that was asked for us, austin energy to provide was to be done by an outside independent source, consulting firm, in this case. We do have some that we've done ourselves, but the benchmarking to determine where is austin energy in rates relative to rest of the state of texas in particular. The second piece is an aforwardability forecast. There was discussion of a my tricks. There was discussion of how we want to measure whether or not this plan can be affordable for our consumers. That's the second piece. Those first two pieces along with what I'm going to suggest about the annual updates of the five-year forecast, those are what I'm really presenting today. In 2011, we will begin and we will have discussions with you in january, as soon as january about the state of where we are with retail rate design. Fundamentally austin energy must go through a retail rate redesign and look at our cost of service studies for different classes of customers, and we have a public involvement process for that and we have other policy issues such as the general fund transfer. In early 2011 this is one of our major tasks. In early -- or excuse me, in late 2011, then we will do rate prizing and implementation. So that will be the action of actually setting prices for rates for different classes of customers. So with that, I will first start with benchmarking. The benchmarking rates for the comparable utilities, again, was done by texas utility -- with other texas public utilities, also done with the retail electric providers in the deregulated part of the texas market. And our bench mark will be updated every year with our financial forecast. That's our plan that we're bringing to you today, that every spring we will come back and do another benchmark, look at our forecast and see where we are and produce those results. The data was prepared by r.w. Beck, and as we look at this data, will you see that it's not 2010 data, it's 2008 in some cases and 2009, and that's because we're relying on federal government reports and other date that that has to be officially produced. There is always a lag in data, but we moving forward will be doing some of our own benchmarking. Looking at our 2009 revenue and customer profile, and as we look at a test year for our rate design, 2009 is the year that we will look at in terms of types of customers we have, types of loads we have, so forth. This is where the numbers of customers at austin energy reside, industrial, government, commercial, residential, and then in up ther right-hand corner you have the revenue by customer class. And then finally in the middle you have the sales. And

these are in gigawatt hours. And the residential and commercial fairly evenly matched. Large industrial load that we have at austin energy, and we serve a lot of government. We serve a lot of state facilities, for example. The bottom line is how does austin energy sit with the rest of the state average. And the -- you can see that reliant and some of the others behind them, those are retail electric providers and then we have other public utilities down, city of san antonio's electric utility, is always a measure to look at and for us to them. So austin energy and residential rates, this is average residential rates. This is where we sit compared to the texas average, in pretty good shape. This is 2008. This information comes from the federal government. In benchmarking residential use, austin energy average residential electricity use in 2008 relative to the texas average. The residential bill, the dollars that flow. Austin energy relative to average of other providers in each one of the years. And this is current, up to 2010, july 2010. I want to go back to that slide for a second. This is at 1,000-kilowatt hours per month. So they are going forward some -- at least in my mind we want to be look at larger chunks of energy usage per month in some of these cases. Here again, average electric bill in 2009. These are neighboring utilities, that -- municipal utilities that serve and also some of the competitive areas. In the competitive areas, notice there's three price tiers. Those are the variations between the high average and low as to the consumers that can make choices in those areas. I will make particular note at this time that with respect to the retail provider market in texas, we find ourselves in a very unique situation today because in retail markets where it's deregulated, their gas prices for power production and how they float with the market, their with daily, pretty much what's happening out there. We run a gas hedged risk management program with our gas supply for our generation. So if we're doing pretty good in this environment, we're going to be doing really good if gas prices go up I think is the point because right now the deregulated market has excellent performance because natural gas prices are so low and there's a predominance in the state of texas dealing with natural gas n benchmarking residential bills against major texas cities, another way to look at it, we've got corpus christi, houston, dallas, and austin and san antonio. We have using thousand kilowatt hours in 2010. In benchmarking low-income, now, this is an area where we are going to get a little more granular and make sure that we're doing this analysis because there is a specific goal of ours to make sure that as we move forward in our rate design that we are adequately providing our rate program for the low-income consumers. And so we're going to pay special particular attention to the benchmarking data that's in this category. Austin energy's rate structure today provides an excellent -- an excellent low-income rate as it compares to around the state. You can see that. The -- this chart is another way to look at it and there's -- there's lots of ways that we can and we're certainly up to suggestions. But this shows on a percentage basis in austin how we compare to the rest of state and what percent of the consumer base is in different income levels. So 100% being the poverty -- the definition of the poverty level and then below that, so like example zero to 50, they are twice as bad as austin's regular poverty level. So you can see that we have the numbers of thousands and the percent in austin service area on the left. On the right is the rest of the state of texas. In this slide, this is a graphic form of showing the electricity burden as a percent of the poverty level, the federal poverty level. Notice that in houston, what it's saying there is in houston that almost 70% of the financial burden for a household is electricity bill for those -- for those people in that poverty level. Commercial rates. Another important sector. And as we look at our utility, we look at the residential sector, and you saw before it's about half the system and the other half of the system is commercial and industrial rates so we'll go through commercial and industrial comparisons here. The commercial rates, austin energy along with cps, other publics in the state of texas, we have a very good rates. And this is average commercial rates. And when we have commercial rates, we usually have, you know, as many as ten different rate schedules. And so when we talk about averages, there are big differences, but this is the best data that we typically produce. And we can get more granular if we need to. Industrial rates, austin energy has very, very good industrial rates, the best in the state on average industrial rates at the present time. So as we look at benchmarking and look at history, we have gone back, and this is very interesting chart, but what it's showing is that the gold line is where austin energy's rates have gone since 1994. Up 27.9%. Since 1994, where are some other metrics you can measure? If you look at cpi at 2% -- excuse me, just at 2% annual increase, hypothetically that's the blue line. We would be at 34.6%. If you looked at the electricity index, the cpi electricity index, it would be at 50.6%. So overall in the past we've done pretty well. We've done pretty well. We've performed below the 2%. We've performed below the index. You see the bump in the gold line, the 2000-2001, that was an energy crisis primarily caused in the state I come back and 2007 that was large runup in natural gas and oil prices and those are the two big

blips in that market. So benchmarking conclusions is that -- I mean there's no real surprises in here. What these are are tools and we want to bring these tools back every quarter, every year. We can bring them back as often as you have the tolerance and the patience to look at them, but these are reports, and we want to bring these reports back constantly to show you where austin energy stands relative to the rest of the state of texas in the electricity markets. We will be doing this ourselves too. Now, you -- as I understand it, what was asked in spring time is this needed to be independent. We are certainly capable of doing this ourselves and not having a consultant do this for us. So we will be doing that in the future going forward. , Now we get to the bigger job and that's implementing the affordable generation plan. The generation plan that was adopted, this was on the cover slide so I won't spend a lot of time on it, on april 22nd it was approved by council. These from goals. And there was a methodology to be determined, and what I'm trying to do today is bring to you -- the largest item I'm bringing to you today is methodology by which you can measure as we embark on this renewable energy plan and generation plan that you can measure us and we can do it frequently. We're planning to come back to you every spring with a five-year forecast and with a measure of where we are, our plans, anything over ten megawatts we're trying to you. That's a matter of policy as well. In our power supply portfolio today, this is -- this is our mix of generation that austin energy has today. The bottom is the renewable, the green choices that we have, and the top is the existing. With the fayette power plant, the south texas plant, decker station, sand hill, gas generation, and we have some small dell hospital. That's our existing of megawatts of capacity and you can see in the capacity factor, that's how often over the course of the year you figure we run those facilities. Below there are several wind projects that we have, and this is our current portfolio. There's several wind projects we have. We currently do not own and operate any wind projects ourselves. That's a strategy that we're going to start looking at. The next slide is from your april presentation. This is the balance of the score card going forward out to 2020 of the types of generation resources that we would acquire as a part of this generation plan. I would predict that this will change. We will come to you as we take different choices, and I think flexibility is a word I heard in your approval of this generation plan, but as this -- if we want to make this an affordable goal that we want to attain, we're going to have to have some flexibility in these numbers. What that flexibility is i don't know. I don't know right now. Maybe it's, for example, maybe it's 170 megawatts of solar instead of 201. That's what I'm talking about. As far as the balance goes of what the resource mix would be up there, not looking at a big change in that. I think wind will be our primary -- primary resource as it's shown up there for the future of renewable energy. Our generation resources and our 2010 forecast, it gets a little crunchy at the top of those -- of our bar gravel so you can see what the resources are, but they are pretty well laid out down below. You can see we load the south texas project and the fayette project and our natural gas up and all these other resources show up on top. I want to point out you don't -- you possibly wonder why I'm not talking about energy efficiency. Energy efficiency is very, very important part of this plan and it was in that slide before, but we have incorporated all of our energy efficiency into this. So this is all net of whatever energy efficiency goals that we have. So it's built into here. And that's what the top comment is about in that slide. As we move forward, this is our estimate right now of where our energy is going to come from between now and 2020 with respect to renewable additions. A large part of it is wind. A large part of it is current WIND PPAs. So over half the energy is coming from wind resources. We entered into a contract for a biomass facility, and that biomass facility will be online in total by 2012, and that is a big part of our renewable portfolio and also part of our co 2. In the climate protection component, I'll have a slide coming up that talks about where we are on that goal too because that's a part of what our renewable objectives are about. Here's our renewable portfolio in cost. The wind projects in 2009 running around 4 cents. The solar, we don't have the current solar projects on that. Now, we do acquire solar net metered from customers right now. We count that as renewable resource, but this is looking at from the standpoint of the utility project. The biomass facility, once it comes on, its cost and -- relative to this chart is going to be between the 9 and 16 cent area with respect to the biomass facility we have. That's where we are with our current renewable portfolio costs as of 2009. We've had very good but expensive wind contracts in the past. Our projected -- and here's where we are with our projected. In the solar we're looking at 16 cents, wind we're looking at staying down there in some very good numbers for wind resources. The biomass jumps up to around 9 cents by the time it's fully running in 2015. So as a total, we add up all the energy that comes from these project, we're looking 2 cents a kilowatt hour for our renewable resources in 2015 is what we're projecting. Costs for a new generation. We've gone asked to put this together. We've had a lot of input

from other folks in the service area, and this is the levelized cost per kilowatt hour for the different resources that are out there. There's been question about whether there's any more nuclear in our future, all kinds of resources in our future, but I think it's important to understand where they all fall relative to cost and this is where we are with that. A generation versus CO₂. Right now the black line is the total CO₂ emission. And the base megawatt hours is in the blue. I think that what this chart is really telling you is that we're getting to be pretty close to the goal, but we need to do some more work to make sure that we achieve the goal. And that's where we are with the CO₂. A large component is what's out there maybe beyond 20 in terms of our types of generation resources that we acquire in order for us to meet the climate protection goals that were set by the council. Some national trends to watch, I think when the council was presented with this generation plan there was a pretty good likelihood there was going to be congressional action with respect to renewable portfolios and climate change going forward. And that has changed a lot since November, but we're still watching it very closely and that's -- that's very important. Growth and renewable investments has slowed down a little bit, but it represents an excellent market for us to make investments in additional new renewable resources. And we're continuing to full steam ahead on our energy efficiency programs. And natural gas right now is such a record lows that it has the energy markets dazed and confused. It seems that it's good out there and it's anybody's guess when that is going to change around, but my opinion it's not going to be too much further down the road before we see higher gas prices. I don't particularly know what's going to cause it. It's just a trend. So forecasting the generation plan's affordability, which is the primary reason for this presentation and the benchmark to deliver those to you. What I'm proposing we would have a tool and come back and be updated every spring with a five-year forecast, we will show you where we are, where we've been and what we're forecasting for the next five years to be all of our costs. And the early years of the forecast are more firm and the later are more difficult. I've been engaged with a lot of customer groups. Solar advocates to renewable advocates to climate change advocates to industrial customers who don't want to see a lot of things change, but one thing that comes through and clear from everyone, they want something that's predictable. They don't want rate shock. They don't want anything that is volatile, and that's really important for us to deliver. So the revenue requirements driven by forecast assumptions, we assume there is inflation, we have renewed emphasis on cost reduction strategies, and I haven't even opened that piece of business planning at Austin Energy yet as far as cost reduction strategies and others. That has to be built into here. And rate review where we reset the revenue requirements. What I mean by that is that once we design a new rate for electric rates and we get approval for that, we will have to price that. And when that's priced, that will be a one-time reset to put every customer category in the rates they are in whether commercial, residential. And as we do our cost of service studies over the winter and roll those out this spring, that will become more clear exactly what we intended to and that will reset the revenue requirements the day or the time in which we implement those new rates. So this slide has been misinterpreted a little bit, but let me make sure I'm very clear about it. In 2011 we show our revenue requirements as a total for system energy at 1.1 billion. In 2020, our best estimate to achieve renewable target of 35% by 2020, we will need 496 billion of revenue to run the system. This does not translate to a 35% rate increase. This is an increase in revenue of 35%. And in that revenue of 35%, that's assuming new customers. That's assuming 80,000 new customers to our service area. That's assuming we have to build wires and operate the system to all that. So this is not -- and I can't -- I didn't come up with the numbers so I have to apologize, but it comes out 35% renewables and 35% revenue requirement. That's just a coincidence. I want to you know that. If it was 34, I would have been a little happier, but that's just the way it came out. So in the pie charts on both ends of that, and I apologize for those in the audience trying to read that, it's very difficult, but the generation component is the big blue component up there. That's the big piece. And then we have debt service and operating costs, which is the red component. And that's our best look today. So what I'm proposing is that because this is an equation that has really two fixed points in it right now, we want 35% renewable by 2020, and we are in the business place that we are today, and so all we can do is forecast with our best knowledge and are generated from resources that we plan to acquire over the next ten years, nine years in fact now, to get to where we need to be. Now, there have been a lot of folks that have said, Larry, why don't you put a line in there that says you will not have any more rate changes than 2% per year going forward. In other words, it's very predictable. This plan will be fine as long as you don't raise retail 5% or some percentage number per year going forward. Well, the difficulty in that is that I got to have wiggle room in one of those three numbers. I can't fix that and say that 35% and 20 number are

hard fast. That puts us in -- that puts me in a position that -- as austin energy staff we're going to be wrong to start with because we couldn't predict. If the year slips and amount of percentage -- if one of those numbers can move a little bit, then we probably could do something that's been suggested. And I've had the very healthy and lively discussions with members of our community and our service area about such a goal like this. And short of doing -- short of doing that, this is the best methodology that I feel that we can come up with to assure the council that we're going down a path where you can check off every year to see where we are, and in fact you just passed an rca where we're going to come back to you every quarter with reports. So I would imagine that we will be putting together these reports every quarter to capture a piece of this whole plan. And that -- I welcome that. That's what I believe the governing board of this utility needs to have is -- governing board is frequent contact and knowledge about where we're going with this plan. So that's -- that's the template, if you will, of making sure that we contain our costs out there. Now, you were shown studies early in 2010 from outside consultants for austin energy on what the right exacts were for residential bills, and I believe there was a number around 20-some percent for residential bills that was projected. That is consistent with what's inside this 35% revenue increase. So if that question comes up, that's what we've determined. So the benefits to this generation plan, why is it a benefit to everybody? First of all, it achieves our climate goals. We lower CO₂ emissions, we demonstrate and lead by example as an outstanding public utility that austin energy is that we will lower our emissions, increase renewable energy, and we will be leaders in energy efficiency. The rate design will even send I haveize energy efficiency. We don't have rate designs done yet, but I've made it very clear to the staff and consultants that we need to develop rates that encourage energy efficiency. We need to have a cleaner environment for our consumers. And the utility benefits and lower emissions, also as we make generation choices going forward, energy efficiency makes it so that we don't have to invest in generation. So it all works out. And the affordable and competitive rates maintain. We need to maintain those with careful timing of our renewable additions and we need to be clear and up front with our consumers that we don't decide next month we're going to invest in a renewable project that we have a good strategy going forward so we know in the next year exactly where we're going to go with those renewable acquisitions. So in summary, we've shown you benchmarking. I've given you a version of an affordability forecast. That's a pretty simple vision of one. It can be made more difficult as you can imagine. We will plan on annual updates with our five-year financial forecast and that will be April of this year. In January of this year we are due to come back and give a status report to council on austin energy and I don't exactly know what's going to be in that presentation in January. The question is now is that we have this generation plan, and until we've brought some type of measurement tool or methodology, we needed approval for that plan. And that's where we are today, and next week we are scheduled to bring something back to you for your approval of going forward. And that's, I believe, all I had in my presentation except that I had this council communication time line, and in January the one item that we did want to present to you was a master schedule for our whole rate design and implementation. So we would be working this through the EUC first and then we would be coming to the council with that. And the rest of it is as reported before. So with that, that's all I have. Some questions?

Mayor Leffingwell: Well, thanks, Larry. Very good report, and I believe this is your first time before this council to give a --

first time before council.

Mayor Leffingwell: Great job. We're on our way. I really think we're missing something yet though and I'm going to talk about that in a couple of minutes. And first take you back to the mission statement of austin energy, to deliver clean, reliable and affordable energy. And I think adherence to these three core values really is key to sustaining austin energy as a viable and competitive enterprise. And we really do have to pay equal attention to all three of those, and I know your presentation addresses that fact. We talked about the goals. And I want to actually split that one goal up into two parts, and I think you alluded to that, that we have adopted a policy to deliver 35% of our portfolio as renewable energy by the year 2020. To me those are really two separate goals. I mean 35% is one goal and 2020 is another goal. But I think we're missing the critical goal, the goal of affordability. We talked about how we're going to analyze it, but we haven't set a goal for it and I really think we need to do that. My suggestion is that

we ask the staff at austin energy to take what they've learned over the last few months, six months actually is when we directed the good evening of this process to develop the affordability forecast and come back to us as soon as possible with a recommendation for a hard and specific affordability goal to be included in the other goals. To be included in the overall generation plan. I don't have any strongly held convictions right now. I want to hear your input and others input interest what that goal should look like. It could be, say, 2% increase in rates attributable to a renewable energy contract, or it could be -- it could be more or less than that. I don't know what the right number is. I just threw that number out there. Or it could be created to main tear our position as below the texas average in overall rates or both of those or a combination. What I want to see is a hard look exactly what that goal should be. And you establish that hard goal for the percentage, we've established the time line, now we need to step back and establish our aboardability goal. I know we've talked about how we're going to continually come back and address it and keep tonight mind and all that, believe me, I've been talking to people for a couple of years about this and said i am absolutely going to keep affordability in the back of my mind, it's going to be a guiding principal, and it doesn't have much effect until we set it forth formally and adopted by council as a goal. actually what wee need to do. So I know you are scheduled to come back next week for an approval of an aforwardability forecasting method or whatever you want to call that, I don't think there is any great rush to do this. I don't think there are any specific prongs that are coming down the pike for several months. If I'm wrong, just let me know. But I think it's very important given the time of year it is, that we take the time to set forth more mally and council adopt as part of the plan wha affordability is. They are all different and you made that point strongly and i appreciate that. I have to say that in my behind as least if we take those -- put those three goals up on the wall and we say we're going to do 35% and we're going to do it by 2020, and we're going to maintain the supportability goal, whatever it turns out to be, that if those three become incompatible and one last to sheriff's deputy, to me the one that has to slip is the 2020. Because we certainly want to maintain our commitment to be a green city, to be a city who puts renewable energy firs and foremost and we have to maintain it not only as a moral duty bus to our customer as a municipally owned utility, but I think it relates directly to our survivallability in the long turn. If we're going to deliver that at some point, we've got to make sure we are affordable. Those are my comments and I'm going to suggest if you need LONGER THAN DECEMBER 16th, And I suspect you might, come back in mid january for a recommendation what that affordability should be.

Before I get another question, I want to make a comment and clarification to that. So what I'm understanding is that we've been hearing this from a lot of our customer bases, so that we come back with a limit, if you will, neither one used the word cap --

Mayor Leffingwell: It's a goal. 5 per of the rates to meet the renewable. That's what you are talking about as being one of those affordable goals. Is that correct?

What I'm talking about is something that addresses our affordability over time. That could be on a project by project bay is going to, an annual basis, I'll look for your input on that.

Okay. Councilmember riley. Marry, I want to also thank you for the excellent presentation. It was very helpful. Just a few questions. First with respect to the 35% revenue requirement increase that we're expecting over the next ten years, 35% sound -- sounds like a lot, but I just want to see if we could put that into context. If we were to look back at the past ten years and look at the revenue requirement increase that we saw over these ten year,, do you have a sense what that would have been.

Well, there's a lot of spending strategy going forward that's different from the pass and I would have to got elaine hart up here. There's been a lot of capital improvements projects that have been financed out of cash. So those have been large expenditures that weren't put into detective service. Now, whether these are right or wrong, it changes the past in terms of the revenue requirements. All of our renewable are shown in that. Therist no ownership of take silts. If we entering into where we're duly going to own and operate which means we probably would enter into debt service on those. That would change that strategy. But I don't know that I am answering your question about the past. Maybe bring elaine up

here.

Riley: Comments like this, we have seen significant spending increases over the past two years or so. Some estimates have that up around 85%. And that assumes -- let me let you take a stop then.

Thank you. I don't know the exact dollar increase from ten years ago, when you look at bat history that has the actual economy and the actual new customers, new businesses coming to town. It also has the convert effect on revenue. We also used cash funding of projects, drew down some of our reserve, so that would have school district the total revenue requirements of history compared to forecast. As you go forward in the forecast, you have a very concerned economic outlook. You do not include weather effects so that your forecasts are normalize. As Larry said, in this particular forecast, all of the renewables were purchase power ingredients or the assumption was we would have a financing vehicle that looked like a ppa in the first receive convenient years and because we do a five-year forecast, the debt service was beyond those years, but this one ran out with ppa loads. We can get you a change for the last ten-year history. I believe it will be much higher because of the some of the economic as and the weather.

Over the passing years we show a revenue increase that was greater than 35%.

I believe. If you -- if you -- the closest slide that does that is those that we had the cpi. And we had actually a bill changed, but that's not the same thing as revenue requirements, and that was the slide to show we were below the 20% and below the electric. But we can get you the revenue requirement history.

Riley: Okay. And then if we look to the anticipated growth over the next ten years, now, bit into that are a couple of come opponents et cetera that are unrelated to renewables. Some of that could be act for by inflation. Some by the growth.

Spelman: And inflation is built in there.

Riley: Inflation we might expect 2% a year. So if you take out the inflation, say 2% a year, and then you take out the growth in customers that you expect, say 20% growth in customers, where does that leave us in terms of our anticipated increased costs attributable to renewables?

When this presentation was done in april, the residential number for that was about a 22% increase residential. As far as the rest of the utility goes, if we were to strip away those pieces i would have to get back to you on that. We would have to get back to you on that. The best answer I have right now inside this packet, if you look at the graph on page 32, you can see that in the pie charts you can see how much additional generation cost there is going to be with the blue. And debt service actually goes down a little bit, and we have o&m expense associated with new customers growth, but i can get you that detail and that's what we plan to do is bring more detail in these reports before council.

Riley: Okay. That would be helpful. I want to ask a question about our -- our peer cities. That was very helpful information that you provided about other -- other electric utilities around the state. I was interested to see that cps energy in san antonio is right at the very top in terms of having the lowest rates both -- both for residents and for businesses. If we look on slide 8, and then on slide 16, you see that they are fairly significantly lower than any other utility in texas in terms of the rates that they are charging. Now, cps energy in san antonio recently announced plans to invest \$5 billion in sustainability initiatives by 2020. As we project out to where we will stand in relation to other utilities over that same time period, are we taking into account the -- the plans that other utilities may have to make similar investments in sustainability efforts?

Wel I'm not intimately familiar with their plan but i believe theirs is 20%. So you are going to see a

widening of that metric depending on our rate design, you are going to see a widening of that metric probably going forward because benchmarking against the utility, they are quite a bit larger than austin energy so there's going to be different statistics when you do analysis and they also serve natural gas retail. But when you compare the metrics of the utility that's going to be at 35% renewable versus 20, I could guarantee more expensive in that scenario just generally because of that reason.

Riley: Even with their \$5 billion investment in sustain ability?

Even with theirs?

Riley: Yeah.

I don't know. I don't know.

Riley: One other city i wanted to ask about is el paso. If you look at slide 15, el paso kind of stands out. And if I'm reading that correctly, I believe what that's telling us is el paso is keeping the electricity burden on their lowest income residents relatively low compared to other cities around the state. Is that -

yeah, you are on slide -- oh, yeah, el paso. Right. Well, first of all, they have a slightly different climate there in el paso so their load characteristics as probably maybe not even appropriate to use although a private utility serve that is part of texas. But we have a lot lower humidity, they have a different weather environment and they have a different makeup. That's primarily why they are so much different.

Riley: Okay. And then last question is about how you would anticipate this affordability tool being applied going forward. As I understood your presentation, you were suggesting we have essentially an annual report on affordability to make sure we see where we stand and supplemented by quarterly written reports. But the full-blown presentation once a year and quarterly presentations. If we were to go forward on that basis, then -- then that would establish a general framework within which the utility could move forward in making its investments in accordance with a plan. And with that sort of model, it would seem that we wouldn't really need to stop before every particular significant investment and assess the impact on affordability of that particular investment.

Right.

Riley: Instead, we would just have a general sense where we are and be moving forward in accordance with that plan. Is that your understanding of how --

well, that's true, but the difference would be that -- let's say it's by next april. Maybe by then I have directed staff to come with an actual generation investment. Right now other than the webberville solar project and the purchased power that we have and the biomass facility, I know of no other firm investments in renewables beyond those right now. And I think, you know, I've been here two and a half months and it's going to take this winter and this time next year before I strategically get the staff going on that. The answer to your question is yes. When we start plugging these new resources in, we're going to have to figure that out. And to the mayor's point is if we have one of the three variables of this equation fixed like we're going to have a fairly rigid line about where we take costs annually at a percentage so it's predictable to consumers, then we're going to have to figure out strategically how to make sure we don't get above that line, if you will. That's going to be tricky, but I think it's doable.

Riley: I can't speak for the whole council, but I would expect our focus ought to remain on the bigger picture of where we stand in general. I assume we will be making significant investments in utility scale assets going forward. But I would not expect -- and it may be that as we make any such investment, there may be a spike, depending on how it's financed, but I would think that our focus ought to remain

on the big picture of where we stand on, say, an annual basis as opposed to the particular affordability implications of a specific investment. But we can talk about that when you come back next time with the particular tool. Okay. Thanks, Larry.

Mayor Leffingwell: And if I could just respond to that a little bit and say that, first of all, any affordability goal that we established, establish, would be, you know, subject to something wild that happened. And that's why we're talking about staying below the Texas average because anything that affected us to drive us above that that was not controllable by us would also drive everybody else's rate up and we would stay below that -- I think we're this the 40 percentile right now among Texas utilities. So I'm not suggesting that rates could never go up. There could be a lot of other facts to drive them up. I'm just saying we want to establish the goal that we're not going to dry them up by positive -- drive them up by positive acts we can take. Again I reiterate I think we have to have that as a goal along with our other goals so that people who live here, people who do business here will have some predictability about what we're going to do.

Well, I appreciate that and I will be honest and tell you in trying to figure out the solution to this, it's -- it's frankly I was working with the presumption that the year taken 35% were carved under stone and we weren't ever going to move those, which made it very difficult to put down something that was going to be predictable in terms of how far we go. But with council's approval, I think what I would like to do is come back in the end of January and we have some time to figure out how to put this together. And I think that the work we've done so far, we've got most of the major pieces and I think we could do that.

Mayor Leffingwell: And that would be what I would suggest, being that we have no projects on renewable energy or anything else in probably the next six months or four to six months at least. Councilmember Cole.

Cole: Thank you. Larry, I want to commend you for being so honest with us, with the point that we have to look at our renewable energy goals and that what you have so far done has shown that there is a tension between that goal and our affordability goal that you are trying to work on, potential affordability goal, and also the long-term health of the utility. And you understand that all those things are very important. And so I don't want to try to press you on any particular questions right now, but to just echo what the mayor has suggested and that is that you come back with the recognition of how much we value all three of those things and that we need to see scenarios that you may potentially recommend to get us in a positive position over the long term, say five years, so that we are able to present that to the public. And I guess the only thing I would ask you is this is probably something we need to discuss in a work session and bring that to council because I leave that to your prerogative simply because we have more time.

Mayor Leffingwell: Let's think about that over Christmas.

Cole: I'll let you think about that over Christmas.

Mayor Leffingwell: We have some better idea how much is going to be involved in a few weeks. Thank you very much. Look forward to seeing you sometime again soon. We'll go to our last morning briefing, which is a briefing on the small business workforce development pilot program.

Thank you, Mayor and Council and Mr. Manager. I'm assistant director with the city's economic growth and redevelopment services office. And this is a joint presentation. The secondary department to this initiative and our health and human services department is our lead department. Just to kind of reset the button and go into the chronology, in June -- earlier this summer in June Council asked staff to develop a workforce development program that would incorporate classroom learning and on-the-job training in Austin's small businesses as well as to research funding opportunities to implement such a program. In October staff returned and provided an interim report on our progress to date on that project. From the beginning of the project we developed three goals for this particular initiative. The

first goal was to connect individuals to employment opportunities with small businesses. As all of you know, there are more than 32,000 small businesses in Austin and about 26,000 of them employ less than 20 employees. So small businesses are a great source of employment opportunities for our citizens much we also want to be able to provide small businesses with a motivated workforce. A recent study that was conducted by our office, EGRSO, concluded that there were more than 37,000 unemployed individuals in our community. Both these are official as well as unofficial numbers. So it's a really good project to kind of connect the dots. Those that are looking for work and those that want workers, if you will. And then third goal is to make available a business education curriculum to those that are interested in self-employment. The next part of the presentation will be presented to you by Vince, our assistant director at health and human services.

Hi, assistant director with the health and human services department. And I wanted to talk first of all about how we gathered stakeholder input. HHSD, with Susan Gearing in the lead worked with staff of Vicky Valdez and Randy Jenkins to develop the system to gather stakeholder input. Participants in the stakeholder process included the Travis County Health and Human Services Department, local small business owners and alliances, as councilmember Riley already pointed out, that included the Chambers of Commerce and the Black Contractors Association in that group. And then workforce development contractors and the local workforce board, the Austin Community College, and then unemployed job seekers, which we identified through the local workforce board. The steering committee met a couple of times and then we had a meeting that was focused on small businesses. A meeting for workforce development contractors. Three meetings for unemployed persons. And then a meeting with Chambers and business associations. The conclusion of those meetings based on the input from the stakeholders was that many people enter the workforce lacking some very basic workplace competency skills. And that, you know, small businesses in particular need to be confident that the workers that they are hiring are ready to work and able to work. Some of the things that people need to be aware of seem fairly basic, but many times are lacking, including things like personal hygiene, showing up for work or calling in if they are unable to come, and basic communication skills as an employee. The idea from the stakeholders is that if there could be a certification program where workers could be certified that they are ready to work and they have these basic skills, then the small businesses would be more likely to be able to enjoy their work. They also determined that the paid internship is a critical consideration in affecting the ability of small businesses and job seekers to participate. The reasons paid internships are critical is because they remove the risk on the part of small businesses for other employee liabilities like workers' compensation and unemployment insurance which could be disincentives to participate in a pilot program. And for the workers, it provides them with needed basic wages while they learn how to be successful in the workplace. The job seekers can become employees then. They can maintain connections and have-maintain connections with the workforce development providers and be motivated and develop the skills as employees of the -- of a small business. Interested individuals could be identified also as a show of promise in participating in possibly the small business education curriculum, which is offered by EGRSO, for possible self-employment or business ownerships themselves. The determination was if they could provide funding during a modest pilot program, then that would provide hard data to provide -- to obtain long-term funding, particularly larger grants for larger, more extensive programs. So the components of the recommended pilot program which council asked us to develop was that there would be -- initially there would be a common assessment tool that all of the workforce development organizations could use to assess the skills and the suitability of their clients both for this program and for other workforce development programs so it can have a broader applicability than just this pilot program. In addition, the pre-employment training in general competency would lead for a workforce readiness certification, and then the certified job seekers could be placed into an internship with a local small business who are participating in the pilot. And some of the things that can be helpful here is that the workers would also be matched with a small smallbusiness mentor which would advise them on how they will react in the workplace and they can vet some different issues and concepts that are coming up with them that they may not be comfortable vetting in their -- directly with their employer. The internship wages paid by the project, as I said before, would be an incentive for the small businesses to participate. And the job seeker's connection to the workforce development agencies could be maintained throughout the program. One of the things that we have in our current workforce development programs is that we're really looking to provide assistance to as many people as

possible. And as we do that process, what happens is that the providers tend to try and work with the larger employers where they can get the most people placed, but it doesn't really help with the development of the small businesses and so this would be a pilot program that could bridge that gap and really do something that addresses small businesses. [One moment, please, for change in captioners] although as we know, local workforce boards have access to federal and state funding for workforce programs and educational activities are available through various sources. So it doesn't have to be necessarily city of austin fund for this pilot program, but that part hasn't been established at this point. Once we have the pilot in place, we can evaluate the pilot to determine what kind of changes can be needed in the pilot in order to apply for larger scale grant funding. If judged effective we can seek and secure the larger scale funding and work in conjunction with partners in the community to make that happen. Overall the fact that we had this interface with the small businesses and the workforce development agencies and the employees themselves that have been long-term unemployed and identify what their needs are, I think it's a good first step in any case. And hopefully we can continue to build on that relationship. If you have any questions, I would be happy to answer them.

Thanks, mayor. And thank you, vince, for the presentation. I really appreciate all the work that you and rosie and other staff have been investing in this project toment me it's one of the most exciting things we have going right now. It offers significant benefits for our individuals who have been unemployed for a long time, I think it offers them an opportunity to gain workplace skills and experience and job references and so on. For small businesses it offers the possibility of having some extra help at a fairly minimal investment. For the city it actually allows us to address our unemployment issues. We're doing pretty well on unemployment. We do still have a lot of people who are unemployed, particularly in certain populations, as we just discussed with dr. linder. And this would provide an opportunity to have a real impact on those numbers. So I'm excited about it. I really appreciate the work that staff has put into it. I have just a couple of questions about it. First, I know you mentioned the possibility that it may be that a private organization, a private sector organization would be in the best position to actually apply for funding. Have you considered the potential grants that are out there and whether -- what would make the most sense in terms of who would be the lead applicant on grants? Or other funding sources?

Well, there was some discussion, but I would say that the local workforce board, you know, has access to grants, federal and state grants. The educational community could access various grant opportunities. We didn't really -- weren't able really to talk about more specifics at that time, but once we're free to have an open discussion with the providers and the other stakeholders in the future, then I think we can come up with some suggestions.

Riley: And I totally understand that would be easier to have those conversations once we get through the r.f.p. But a related question is about the size of the pilot that we're picturing. Obviously we're hoping for something that would be scalable beyond a very small population. Have you given thought to what we should be expecting in terms of the size of the pilot?

Well, I think in general it's probably fairly scalable, already from the get-go. But my rough guess, you know, 75 to 100,000 probably would get a fairly decent size pilot going.

Any idea on the number of individuals we would be talking about?

I don't think we've gone that deep into how that would come out. That's why it's really hard to come up with any rough estimate of what the pilot would be at this point. We really would have to have more extensive discussions with the stakeholders and the workforce development agencies in order to come up with those parameters.

Okay. I'm certainly looking forward to those discussions and I'll look forward to meeting with you guys as we make additional progress on this. Thank you goan all your efforts on this. And I look forward to talking about it again soon.

Mayor Leffingwell: New further comments? Thank you very much for the report and I'm gratified to see two city departments working together. Great. Thank you. Just kidding. So that completes our morning briefings, and now we can go to our zoning cases. It should be short and sweet today.

Mayor and council, greg guernsey, planning and development review department. And I'm going to go through the public hearing items that I can offer for consent at this time. The first item I would like to offer for consent is item 59, case npa 2010-0005.01. This is the montopolis neighborhood planning area. This is an amendment to the plan to add a montopolis tributary trail network map, the text of the plan and also to renumber the plan as it was recommended to you by the planning commission and I can offer this for consent on all three readings.

Mayor Leffingwell: Could you hold right there, greg? We do have one citizen signed up to speak on item 59, speaking in favor. Pam thompson, are you here? Do you wish to speak or do you want us to pull this off consent? Okay, pam. Go ahead.

It was recommended to you on consent by the planning commission. Item number 60 is case npa 01 for the property at 5810 burleson road in the southeast neighborhood planning area. This is a plan amendment item. This is to change the future land use map to industrial. The planning commission's recommendation was to grant the industrial use that was also recommended to you on consent. And this is ready for three readings. The related zoning item is item number 61, case c-14-2010-0116 for 2810 burleson road to rezone the property to li-co-combined district zoning. The planning commission's recommendation was to grant the li-co-np combined district zoning on a consent recommendation. And this is ready for consent approval on all three readings. Item number 62 is case npa 02 in the southeast combined neighborhood planning area. This is another plan amendment for 4720 frederick lane. This designate the land use as industrial land use. It was recommended to you by the planning commission on consent and this is also ready for consent approval on all three readings. Item number 63 is a related zoning case, c-14-2010-0123, 4800 frederick lane to zone the property limited industrial service neighborhood plan combining the planning commission's recommendation was to grant limited industrial service conditional overlay neighborhood plan combined district zoning with conditions and this is ready for consent approval on all three readings. Item number 64 is case c-14-2010-0165 for the property located at 7337 manchaca road. This is to rezone the property to multi-family residence, low density the zoning and platting commission's recommendation was to grant multi-family residence, and this is ready for consent approval on all three readings. Item number 65 is case c-14-2010-0156 for the property located at 2609 and 2701 daze drive. This is to zone the property general commercial services, mixed use join '89ed district zoning. The planning commission was to grant csmuco which stands for general commercial services mixed use conditional overlay combining district zoning. This is ready for consent approval on all three readings. Item number 66 is case c-14-2010-0164, for the property at 8610 mopac expressway. This is to zone from community commercial gr district zoning. The zoning and platting commission was to grant gr-co combining district zoning with conditions. This is ready for consent approval on all three readings. There was a restrictive covenant that has been executed and received by staff. Item number 67 is case c-14--h-2010-0023 for the property located at 2414 harris boulevard. This is the zoning property family residence historic landmark or sf-3-h combining district zoning. The planning commission's recommendation was to grant the sf-3-h combining district zoning.

Mayor Leffingwell: Councilmember shade.

Shade: I would like to ask that we remove 67 and 68 from the consent agenda since they are historic zoning cases.

Mayor Leffingwell: 67 and 68 will be removed from the consent agenda.

Item number 69 is case c 814-2008-0145 for the property located at 801 barton springs road. Save town lake has asked for a 30-day postponement which would take you to your approximately january this 13th, 2011 meeting. I understand the applicant would agree to whatever council would like to postpone

this item to. Item number 70 is case c-14-2010-0034 for the property located at 2500 west william cannon drive. The applicant is requesting a postponement of this item to january 13th, 2011. This is to do further outreach with neighborhood stakeholders. The neighborhood supports this request. We would offer item number 70 also as a consent recommendation for postponement. Item number 71, 72, and 73, all three are related to the heritage hills, windsor hills combined neighborhood plan or planning area rezoning item. Staff is requesting for a postponement of item 71, 72 and 73 tow your january 13th, twoarch meeting. Let me do one correction. On item 70 the applicant's request for postponement was to the january 27th 2011. And that's for item number 70 on stonegate two.

Mayor Leffingwell: Okay. Since there is so far no preagreement on a postponement date on item 69, I'll pull that for discussion postponement.

Very good.

Mayor Leffingwell: The rest of it is to close the public hearing and approve on all three readings items 59, 60, 61, 62, 63, 64, 65, 66, and to postpone item number 70 until january 27th, to postpone item 71, 72, 73 until january 13th. I'll entertain a motion to approve the consent agenda. Councilmember spelman moves approval. Seconded by the mayor pro tem. Discussion? All in favor say aye. Opposed say no. That's approved on a vote of seven to zero. So council, without objection, let's go to item number 69 since agreement is on postponement, I believe, by both sides. And we just want to get a recommended date from council as to the date that's it's postponed to. Councilmember spelman.

Spelman: Greg, who is of record requesting the postponement on item 69?

Item 69 we received a letter from save town lake, and they have requested postponement for 30 days of this item, which takes you to your first meeting in january, which would be approximately the 13th.

Mayor Leffingwell: Did we also receive a request for postponement from the bouldin creek neighborhood association?

I don't have one in my possession, but they may have.

Mayor Leffingwell: I do. I've got one. And I thought it was forwarded to you.

I don't have it in --

Mayor Leffingwell: I think the entire council got one. The entire council got one, yeah.

Spelman: I don't have the bouldin creek request in front of me, but greg, since you have the town lake request in front of you, can I ask you what -- i understand they're asking for a month. I'm wondering why they wanted a whole month?

While the representative of the developer of the project has met with members of the save town lake board, the board was not aware that the project was coming back for consideration before the council. And this was sent late last week. As the board, they have not had access to all the council backup material. They haven't had the opportunity to review the staff recommendations and see how the project relates to waterfront overlay ordinance. So they would just like an opportunity to have additional time to review this material. And I guess talk with staff and possibly the applicant.

So they will be talking to the applicant, they're saying?

It says requesting postponement will allow thorough review of the project, opportunity of the full board of

save town lake to meet and consider a condition of the proposed project. That's their words.

Spelman: They basically want to look at the backup materials and make a decision. I understand. Do we have -- I have not got a copy of the bouldin creek request in front of me. Do you have a copy?

Morrison: I do have a copy.

Mayor Leffingwell: Councilmember morrison.

Morrison: It's a 30-day postponement request.

Spelman: Do they say why they need 30 days?

Morrison: More they had not received any communication from the applicant since february nine and they learned there have been substantial revisions to the proposal since that time. They're requesting a postponement so that we may receive and review all the materials regarding the current proposal.

Spelman: If there's -- mayor, if I may, I would like to ask if there's somebody from the bouldin creek neighborhood association who could speak to this request and see why they need 30 days.

Mayor Leffingwell: Is someone here representing bouldin creek neighborhood association?

Spelman: Yes, sir.

My name is mark (indiscernible). I live on west johanna.

Mayor Leffingwell: Say your name again, please.

Mark cancart. I'm a resident on west johanna. I came to speak against the proposal originally. I haven't received any communication from the neighborhood association that they intended to request a postponement. So I don't know what that was about. But the neighborhood association, we're as you know against the original proposal.

Mayor Leffingwell: Well, both sides have agreed in principle to a postponement. We're just discussing a date. So we don't have any input from a representative of either of the two parties who requested a postponement? Nobody here? Would you like to speak to the issue of postponement?

My name is dennis cut on the board of save town lake. We wanted to address the materials in a similar fashion. We have not seen the new proposal. Regardless of what has come before this, we feel it needs to be reviewed in the context of the waterfront overlay.

Spelman: If you were to have only one week and not four weeks to review these materials, would you be able to review them?

It would be very difficult this time of year to get everybody on board both from our organization or any neighborhood association together in one week at this time of year.

Spelman: Thank you. Mayor, I move approval of the postponement as offered by mr. guernsey.

Mayor Leffingwell: What was that, january 13th?

Spelman: January 13th, twoarch.

Mayor Leffingwell: Motion by councilmember spelman to postpone 69 until january 13th. Is there a second? Seconded by the mayor pro tem. Discussion? All in favor say aye. Opposed say no? Approved on a vote of six to zero with councilmember cole off the dais.

Thank you, mayor and council. At this time I would like to steve sadowsky that will present the two items that you've pulled regarding historic homes.

Good afternoon, mayor, mayor pro tem, members of council. I'm steve sadowsky of the historic preservation office planning, development and review department. We have two magnificent examples of european influenced architecture today. The first one is number 67, the knippa huffman at 2414 harris boulevard. This is a 1928 house built in the italian renaissance revival style. This is a villa that was very much designed for the upper class as it came directly from the -- copying the villas of italy that were built during the renaissance in europe. This house was built in 1928 and it was originally a spec house for pemberton heights. Here is a sketch of the house as it was first designed. And then here it is appearing on an advertise -- very early advertisement for pemberton heights. The house originally had the door right in the middle and that round arched area to the left was a sun porch. If we go back to what the house looks like today, the entry has been moved to where the sun porch was. However, the current owners who purchased the house two year ago are currently restoring the house. They still have the original front doors for the house and they're reinstalling those in their original location. And then restoring the sun porch on the left as well. This is the schematic for the restoration of the house, which as I mentioned is underway right now. The house as I said was built in 1928 by the austin development company who were the developers for pemberton heights. The first property owners was -- were jb riley and mrs. finley riley. He was the sales manager for the austin development company. It's not known whether they actually lived in the house or just purchased the property, but they purchased it for \$15,000, which indicates that the house is already built when they purchased the property. They did not live here very long and in 1929 the austin development company sold the house to adolph and margarita knippa. They lived here until 1952. He was a pioneer in the grocery business here in austin. He was from swiss alp, texas originally which was in fayette county and moved to austin while still a teenager. He opened the first grocery store at has now manor road and i-35 in 1910. He went out on his own in 1913 and then when piggly wiggly and a and p introduced the concept of the self service grocery stores and a grocery chain, he opened first local chain of grocery stores. The first was on congress avenue and he then moved into various sections of the city. His stores were unique in austin in that they featured everything. Before piggly wiggly and knippa's chain of cash and carries, you would have to go to various stores throughout the city to buy what you need odd a daily basis. The whole concept as we know of going a grocery store was not the same as it was in 1918. If you wanted fresh vegetables you went to a vegetable store. Fresh fruits you went to a fruit store. He was the first person in austin to combine all of those functions together under one roof and was really a pioneer in the grocery business. The knippas lived here from 1929 to 1952. They sold the house to earnest jackson, who was a -- he was the vice-president and general manager of the steck company. They sold the house to john and donna van cronkite. von cronkite was governor sliver's executive assistant. Then in 1958 the von cronkite's sold the house to the huffmans. huffman was originally from eagle pass. He was elected to the texas house of representatives in 1940. Moving to austin at that time he was instrumental in the designation of big bend national park. So staff, the landmark commission, the planning commission have all recommended the knippa huffman house for landmark designation. First of all as an excellent example of italian renaissance revival architecture that is being restored as we speak to its original and historic appearance. And because this was a spec house, one of the houses that the developers of pemberton house expected every house in pemberton to look like, they even put it on their advertisements, as well as the home of adolph knippa, and calvin huffman, who was very prominent in the designation of big bend national park. Thank you.

Mayor Leffingwell: Questions? Councilmember shade.

Shade: Thank you very much. And this is definitely a beautiful house, and as you said an excellent example of this particular style. My question is tell me about the inventory we have of houses like this. This is a house in pemberton. As you said, there are others like it. Can you give me some sense for the inventory that we have?

Right now we have 10 buildings that we would classify as italian renaissance?

Shade: How many?

10. The other -- two of those are commercial, austin history center would be one of them. There is another one also on harris boulevard, the goodfriend house, which is also a very good example of this style of architecture and also has very significant historical associations. The other italian renaissance revival are not nearly as pristine as this or as grand. I shouldn't say pristine. As grand in style and scale as these. These are really good examples.

Shade: Do the others that you say are a little less pristine or whatever word you want to use, are they already zoned historic?

Yes.

Shade: And again, that must mean there's seven of those kind?

There are eight.

Shade: That are less -- that are not as good of examples?

It's not that they're not as good examples as this one and the goodfriend house. These are the two grandest. Grandest examples that we have.

Shade: Okay. And so it's -- I guess it's -- I guess it's not rare, but it's a good example is what you're saying, an excellent example.

Yes.

Shade: Tell me again what the value of the abate meant would be on this?

I'm sorry.

I know it's in here somewhere.

I was going to mention that. The abatement would be \$2,145. For the city portion of the abatement.

Okay.

Shade: Are the owners here?

I did not see them earlier, but we've shuffled this hearing around so many times that they may have gotten confused about the time of the hearing.

Shade: Thank you.

Mayor Leffingwell: Further comment? I would just say I agree it does appear to be a very good example of a truly historic building as opposed to a lot of stuff that we see. And also I believe I heard you make a comment about restoring efforts that were underway at the -- that the owner had taken this expense on already to restore it to its original historic appearance and condition? I think that has to be taken into account when considering an historic designation whether we're actually compensating an owner for maintaining the historic appearance. That there's actually work to be done. And I hate to preempt councilmember riley on this, but I will say that given those facts and given the fact that we are currently reconsidering exactly what the historic designation rebate will be and with the realization that that could change from 2145 to something substantially less, I personally would be supportive of any motion for historic designation -- designation in this case, although there's not been a motion at this point. Councilmember spelman moves approval to close the public hearing and approve on all three readings. Is there a second to that motion? Seconded by the mayor pro tem. Is there any further discussion? All in favor say aye. Opposed say no. That's approved on a vote of seven to zero.

Thank you. Okay. Councilmembers, next one is the wilder house at 1412 with a then avenue. This is a 1950 house, also an incredible example of european influenced architecture. This was the city's only historic version of french provencial architecture, and it maintains its historic metal roof. The hall marks of the french provencial style are the french doors that also serve as windows, the one story brick, one and a half story brick construction, the parterre gardens, pitched roof and dormer windows. And we can look here, here's a closeup of the entry showing that this is a very exact replication of french provencial houses from europe. And here's an example of one of the parterre gardens in the front. This is also a hallmark of the style, a very formal landscaping plan. The house was the home of the wilder family, harry and alice wilder. And they purchased the house -- purchased the property in 1950. Here it's showing you some photographs of them outside of the house so you can see that it has maintained its historic appearance throughout the years. There's an aerial version -- aerial view of the house taken in 1952. The principal thing to notice here is that that metal roof is original to the house and the parterre garden that I showed you earlier is all part of the architecture. The wilder house was designed by arrest manned may bring, which was a very prominent architect in houston, designed many houses in river oaks. And this is his only austin example. He came to austin to teach architecture at the university of texas. He had been trained in architecture in paris, , was here for a very short time. As far as we know this is the only house he ever designed in austin. He is particularly well-known for all of his work in river oaks in houston. The wilder family purchased this house -- purchased the property in 1950, built this house. Harry wilder and his wife alice lived here. Harry has since passed away. Alice still resides in the house. The house has remained in the same family since the date of its construction in 1950. The wilders were most prominent in austin for developing rose dale and the family business continues to date. The wilder's daughter diane howard, besides being a very noted syndicated columnist for both the statesman and other newspapers, is also continuing the redevelopment of rose dale. So has taken a very active role in new urbanization in that part of the city. Alice wilder was the daughter of hilare wilder, who was a very prominent building contractor in town. In fact, her father chose the materials for this house and was very instrumental in its construction. They were also -- she was also descended from the ramsey family. Her mother was a ramsey, the daughter of the frank ramsey who owned ramsey's austin nursery. So you can image thain a lot of the landscaping here took its genesis from ramsey's austin nurseries. The house as I said is an excellent example and a unique example of historic french provencial style, designed by a very prominent architect from houston. This is his only known example in austin and it's associated with the wilder family who are prominent in austin for their association with the development, historic and continued development of rose dale. Thank you.

Mayor Leffingwell: Comments or councilmember alvarez? Councilmember shade.

Shade: So you mentioned that the -- this is the only one in austin, but there are several of them in houston designed. Are they all historically zoned?

No. Houston does not have the same type of program that austin does. They don't -- they are much more concentrated on districts in houston. In fact, their program is undergoing change just as ours is right now, or contemplating change. So they don't -- they have a very limited number of individual

landmarks in houston because up until very recently, houston had no zoning whatsoever. So they've never really taken on the preservation program. It's been much more of a voluntary type program in houston, but when they started losing large chunks of the inner city to redevelopment, people in houston started taking preservation much more seriously.

Shade: They're using a district approach as opposed to an individual home by home. Is this a house that could be in a district? Is this a home that could be in a local historic district?

This home is on wathen and pemberton heights, so yes, it could be.

Shade: So I understand what you're saying about the style of the house, but the historic associations are that it's -- it's the same family and the rosdale development role that they played is the primary historic significant association? Okay. I'm sorry, I'm very horse. Hoarse. Okay. Thanks.

Mayor Leffingwell: Anything further? I'll entertain a motion on item 68. Mayor pro tem martinez moves to close the public hearing and approve on all three readings item number 68. Is there a second? Seconded by councilmember morrison. And I'll just say I intend to support this. This is in my opinion, my unschooled opinion, truly a beautiful house and a great work of architecture. Again, we will have an opportunity at a later date to revisit the actual dollar figure. I think it's important that it be preserved as an historical house. Councilmember shade.

Shade: I'm going to be voting against this one. Again, I agree it's a beautiful home. I don't believe that it rises to the level that we're hoping to achieve when we make some of the changes that we're talking about making. And until we do make those changes, I think it's just important to -- again, there's a lot of subjectivity here, but I don't think that this one rises to the level of the one that we just looked at and some of the others that we've discussed. So I'm going to be voting against it. But again, I think it's a beautiful home and I don't think it's in any danger of disappearing. So I appreciate the opportunity to hear more about it.

Mayor Leffingwell: Nothing further? All in favor say aye of the opposed say no. I believe that's a vote of six to one aye's. So the motion is approved a all three readings. And thank you very much, mr. sadowsky. I believe that completes our agenda for zoning. So without objection, council, we'll recess this meeting of the austin city council and call to order the meeting of the board of directors of the austin housing finance corporation. And with that bring spencer forward to make the presentation of the consent agenda.

Good afternoon, board of directors, betsy spencer, acting treasurer of the austin housing finance corporation. Before I begin I would like to let you know that we have invited an individual from each organization that we are recommending funding for, and they should be in the audience in case you have questions. I'm prepared to address each item individually or offer items on consent that are not pulled for discussion. However you would like me to proceed, sir.

Mayor Leffingwell: Well, I will say that items number 2, 3, 4 and 5 and 6 and 7 and 8 and 9 have folks signed up waiting to speak; however, items 6, 8 and 9 only have one citizen wishing to speak. And so we can take -- we can leave 6, 8 and 9 on the consent agenda and hear our speakers before we take a motion. So the consent agenda will be items number 1, 2, 6, 8 and 9. We do have citizens to speak on some of those. Before I entertain a motion I'll call up -- well, sabino renteria is here in favor if there are questions.

Spelman: Mayor?

Mayor Leffingwell: Councilmember spelman.

Spelman: Perhaps we could add item 7 to the consent agenda as well? Because the two people signed up for 7 are also speaking on other items and they're all in favor.

Mayor Leffingwell: I agree. Okay. So item number 7 will be added to the consent agenda as well. Mayor pro tem.

Martinez: Is item 10 on consent since there are no speakers?

Mayor Leffingwell: Yes.

Martinez: You didn't say 10. I wanted to make sure.

Mayor Leffingwell: Maybe I should reread the consent agenda. Item 1, 2, 6, 7, 8, 9, 10. So we'll begin with item number two, sabino renteria has also signed up, but not wishing to speak. Only if there are questions. So we'll go to item number 6. Greg gibson has signed up in favor. Greg, do you wish to speak? This item is on the consent agenda. Not seeing greg. We also have charlie betts. It's got some extra characters in here. [Laughter] charlia betts, 45. He is in favor, not wish to go speak, as are richard troxell, diane johnson and sabino renteria. So 7 is again greg gibson. Not here. Sabine know if there are questions and the same four people, for, but not wishing to speak. 8, Same group of people, sabino renteria, for if questions. The rest of the folks, charlie betts, richard troxell, dean johnson, agness sacowsky, in favor, but not wishing to speak. No one wishing -- and becca doabberful has signed up in favor if there are questions. Same group signed up neutral or for, but not wishing to speak. So I'm assuming we have no speakers on that item. I believe those are all the speakers we have on items on the consent agenda. I'll entertain a motion to approve it. Motion by councilmember spelman. Seconded by the mayor pro tem. Discussion? All in favor say aye. Opposed say no. It passes on a vote of seven to zero. So that leaves us, council, with items 3, 4 and 5. And before we -- before we begin to take public comment, I'm going to remind everyone that this is not a public hearing. We're simply taking public comment as a tradition and courtesy, so we're going to take public comment on 3, 4 and 5 together. So if you're signed up on all three of these, 3, 4, 5, you will only get to speak once. And we'll make sure that everyone who has signed up on any of those items gets three minutes. City clerk, if you would help me keep track of that. All right. So going first are those folks signed up on item 3. Which is marshall affordable partners limited. Do we need to have a presentation on -- I want to further clarify, we will not vote on these together. We'll vote on items 3, 4 and 5 separately. Would you like to give a presentation on all three of these at this time before we take public comment?

I do not have a presentation for you. I can either read the items into the record or be available for questions.

Mayor Leffingwell: Does anyone have any questions for staff before we take public comment? Okay. We'll go directly to that. Scott way. Scott way has signed up against. Before you begin, jill ward, is jill ward in the chamber? Okay. Joy pot aleman? Ethan horn? Andrew roberts? So scott, you have up to 15 minutes.

Thank you, hopefully i won't take that long. Good afternoon, mayor, mayor pro tem, councilmembers. My name is scott way. You've seen me many times in these chambers advocating for the neighborhoods of east austin. I maintain like I always do an open mind when it comes to proposed development in east austin. My goal has always been to understand the facts, to evaluate the facts and to come to a conclusion based on those facts. I apply the same rigorous analysis with the summit project, but a funny thing happened along the way. There have been so many untruths circulated about this project that everyone keeps forgetting the facts. It's time to distinguish between facts and fiction. Myth number 1, we have to do this project to preserve the affordable housing at marshall. It's not true. The value in this property is in the contracts with the federal government. If you look at the debt service or the market potential for this property, there's in question that it will remain affordable housing. I just handed to you what we got two hours ago, which is the couple of pages in the appraisal done for the

developer of this project. And you will notice that the highest and best use for this partial is affordable housing. It will remain affordable housing. The current owner has continued to renew their contract and they will continue to do so. Ask any affordable housing advocate or real estate professional who looks at the facts and they will tell you the exact same. And while I believe there will be little chance you will need to do this, there are other more cost effective, more powerful, more progressive means to preserving affordable housing at this location. Myth number 2, we can't get marshall renovated without this project. That's just not true. The city of dallas and many other cities have sued or threatened to sue negligent apartment owners. Through those actions they have prevented the expenditure of public dollars on private property like this one and forced owners to use their own resources, not city resources, to rehab their properties. All while remaining affordable and subsidized by the federal government. With this project we're rewarding current owner for the deferred maintenance and rewarding the buyer for cleaning it up. 5 million is funneled through this project into private hands, all while getting no new affordable housing units. Myth number 3, summit has skin in the game because they're deferring their developer fee. It's not true. When summit closes this transaction they will earn \$585,000. And 13 months later they'll earn the remainder one-million-dollar developer fee. At that point in time they will have spent zero dollars on this project. Publicly they have tried to fudge this, but the pro forma financials show this and when pushed they will admit this is their goal. Myth number four, summit is paying market value for this property. That's not true. This property wasn't on the market when approached -- when someone approached the owner. The owner will tell you that summit kept bidding and bidding until there was no sense in not selling. Council, \$53,000 per unit for acquisition. \$22,000 per unit for renovation. Plus fees and expenses for a total of 93 thousand dollars per unit, that's not market. Ask any affordable housing advocate or real estate professional. This is grossly out of proportion for what we're getting. We could build an entirely new 100 unit project for that amount of money. Let alone 30 new units for the city's investment. The appraisal that I just gave you, look at that appraisal. \$5.7 Million. That's what they value the project after the 3-million-dollar investment. After the investment. Myth number 5, the tenants are just folks down on their luck and the neighborhood should not be concerned about these individuals. That's just not true. That's a lie that caritas has been spreading in neighborhood meetings and in the press if this was true, what is the strategy all about? Where are we doing permanent supportive housing? The permanent supportive housing strategy is to house folks who are repeat users of the criminal and medical facilities to save us money. That's our strategy. Those types of folks aren't the current residents at marshall. They're not just folks down on their luck. And if this is the plan for this property, council, what are we getting for our \$2.5 million? We're not saving any money if that's the folks we're housing here. Myth number 6, the psh tenants will be required to use the services provided by caritas. That's just not true. Federal housing law on section 8 properties prevent that. A psh tenant will be allowed to remain at marshall regardless of whether or not they utilize caritas' services after they start their lease. Yes, they're required to comply with their lease, but that doesn't prevent them from being lured into 12th and chicon and committing crimes off the property. The only difference now is that the roof over their head will be paid for so they will be sure to stick around. And remember, these aren't likely to be people in central east austin that we'll be housing there. These are folks that will be added to the population we already have that are at risk from other parts of austin and travis county. But let's step back and take a look at the human element of this. We're likely to be moving psh clients with children into marshall. Psh parents who are suffering from addiction and instability right into an unstable environment. Is it right for us to place children whose parents are suffering in this manner? In such close proximity to the very temptations that cause their parents to relapse? I think not. A 2006 study conducted by the philadelphia's psh program identified recommendations for successful psh housing. Number 8 of their 10 recommendations, I quote, careful consideration should be made as to the location of permanent housing and such plan should avoid placing permanent housing in neighborhoods with high crime rates and drug activities that inadvertently increase the risk of relapses for residents. Myth number 7, this project complies with urban renewal. It's not true. The urban renewal plan calls for housing opportunities on this property. It calls for mixed use, pedestrian friendly, dense development. The city is using its funds to perpetuate a development that does not comply with the redevelopment plan for 12th. That doesn't mean that the apartments have to go away and we don't expect them to go away. They're grandfathered. What it means is public dollars should not be spent, used for promoting a nonconforming use. And this project is the antithesis of urban renewal. Just ask downtown austin. And that brings me to myth number 8. Downtown austin says they

would welcome psh or single room occupancy downtown. That's not going to happen. We can't even get a hotel downtown. Come on. Downtown developers will pay fees in lieu, but they're not putting psh downtown. The whole psh strategy is their baby to clean up the downtown streets. Council, what about cleaning up east 12th street? Method number 9, rejecting the project somehow violates the fair housing acts because it discriminates against psh clients. That's just not true. This project is fiscally irresponsible. That's all the reason you need to reject it. And speaking of fair housing, what about the 4,000 working class poor on the section 8 waiting list that are being displaced by the city's psh strategy. Myth number 10, 12th and chicon will be cleaned up and won't threaten the psh clients. Council, we've been working for 10 years to clean up 12th and chicon. What this this project is going to change that? Last year there were over 500 drug offenses in that area. Does that sound like an appropriate area for psh clients? The fact is council this project is financially irresponsible and it's socially irresponsible. In partnership with the relationships you created an urban renewal plan, a covenant to redevelop east 12th street into a vibrant corridor serving the communities. A covenant to reverse the lingering effects of segregation. Before one dollar is spent in this area on projects such as summits, we need to fulfill that covenant. Don't waste our money. Build new affordable housing. Take the property that the city already owns on east 12th street and let's do something with it. These funds do not have to be spent this funding round. There are great projects in the pipeline. The life works project, just to name one. This project is a net neutral at best and an opportunity lost. If you set this money aside targeted to projects on east 12th street in the urban renewal area, you will find worthy projects in front of you in no time. I've heard folks say this is a tough one. It's a tough decision. If it's that tough, then it's wrong. Let's promote projects that are no brainers. This is not one of them. Thank you.

Mayor Leffingwell: Thank you. Next speaker is tracy witte. Signed up against. And is andrea bowen in the chamber? Andrea is here. Robert rayford? Robert is here. So tracy, you have up to nine minutes.

Thank you. Mayor, mayor pro tem and council, I'm tracy witte, president of sweet hill neighborhood association. My neighborhood voted unanimously to oppose psh and marshall apartments and here's why. A progressive city implements policies and strategies that balance social and economic inequities. The plan to make marshall apartments a site for 20 plus permanent supportive housing units is anything but progressive for all parties involved. It further concentrates poverty in east austin, stops the intent of urban renewal. Skirts zoning laws and places vulnerable people in places of lower opportunity and higher risk. Our city's psh strategy aims to stabilize homeless individuals who have struggled with severe mental illness and/or long-standing substance abuse issues or are at risk of homelessness after exiting a prison facility. Placing them just a few minutes walk from the drug, crime and prostitution at 12th and chicon is reckless and contrary to hud's recommendation that psh be sited far from drugs and crime. There's nothing progressive or forward thinking about housing 20 vulnerable I am impoverished people and their children next to crack or the people who sell it or commit other crimes to acquire and use it. These are real people we're trying to help. Where are we providing them housing is a critical decision that can make or break their chances for successful recovery or re-entry. Second, pairing psh to a section 8 rehab this warts the goal of sections throughout the city. Subsidized housing is clustered in east and some parts of south austin thanks to the segregation policies of the 60's and 70's and all the larger psh communities you're considering funding are sited in east and southwest austin thanks to the scoring criteria in place for funding rental housing developments. You allocate so many points for section 8 rehab with psh that no proposed integration of psh units into market rate complexes for new construction in west austin could ever compete. Is that the idea? To move all the homeless out of downtown and east of i-35 into section 8 and low income properties? To prescreen those with disabilities out of west austin neighborhoods and into east austin neighborhoods. If the idea is truly to afford psh clients the best austin has to offer in order to break the cycle of poverty, stress, despair and isolation, why aren't we first spending millions to house people in higher opportunity areas with great schools, transportation, job opportunities, disability, low crime and community amenities. Where are we spending 3 million to move them next door to crack, alcohol, prostitution, violence and an empty urban renewal corridor. Third, psh on 12th street is in direct contravention of the property, the urban renewal plan and texas urban renewal law. Defining to define it as a land use does not mean you can pretend it isn't a new use or a variation of transitional housing. Yes, there are leases that create long-term residency, but the reality is a significant number of residents leave psh within one

year. The impact of such use is closest to that of transitional housing. If psh is just housing and not drug treatment or medication management or guidance counseling or any other thing but housing, then anywhere in this city that we have an apartment complex or condos zoned mf 3, 4, 5 or 6, anyone with the means and inclination can move in 20, 30 psh clients and no one else has anything to say about it. Is that right? On west lynn, duval, exposition or south first, is that the rule? Psh is a legal use in any residential property. Shouldn't a progressive city have a public discussion about what psh is and isn't as regards the land use code before spending millions to implement what is a very worthy strategy? Further, the urban renewal plan calls for pedestrian friendly mixed use development along east 12th street. Nowhere in the controls or the text of the urban renewal plan will you find a cry from the community for transitional housing, residential treatment, guidance counseling or group homes. Your set to spend millions to establish a use at odds with the development controls not just for the marshall block, but for the entire corridor. Violating texas urban renewal law at an astro no, astronomical price to place vulnerable people closer to drugs and further concentrate poverty is indefensible and regressive. The whole point of urban renewal is to undo the troj policies of 60's and 70's and their ill effects. You have an affirmative duty to further redevelopment as articulated in the urban renewal plan, spur commercial activity and generate rather than deplete wealth for all the stakeholders of this area, black, white, hispanic, newcomers, long time investors, pillars of the community and pains in the derriere alike. Fourth, you cannot seriously be telling central east austin as I heard yesterday in meetings that maybe you will clean up the drugs at 12th and chicon somebody so don't worry about more drug users coming in and maybe somebody you will affect the millions of dollars in infrastructure and street improvement years from now. But in the meantime take us at our word, accept this psh experiment and hope for the best. We no longer have vast stores of hope and we've had enough of vigilance projects to last 11 years. We deserve better than yet another dose of nothing like what we planned or hoped or worked for along this corridor. Downtown austin alliance's plan to help caritas house the hlts is is part of their strategy to purr development and enhance security in their neighborhood. It's only fair that you give our neighborhoods and 12th street a chance to fulfill their promise. Please pass on this project or remove the psh component from it. Find a way to incent the current owner to affect improvements to the apartment without adding psh. Please show us that you're committed to getting 12th street done right because you respect the financial resources, time and effort that blocks and blocks of stakeholders have invest understand your promise to revitalize central east austin. Thank you.

Mayor Leffingwell: Next speaker is stanton strickland. John filo. Is john here?

Thank you for the opportunity to speak today and I want to also thank you all -- each and every one of you for your service to austin. We really do appreciate it. Not on just this issue, but each and everyday you handle very difficult issues. And this is one. It seems like we've certainly kicked an ant bed here and you've heard an earful. I represent robertson hill neighborhood association and it sits is squarely within the boundaries, the middle of the boundaries of the urban renewal area. And I own a house and make that neighborhood my home. The geographical boundaries ARE EAST 11th, EAST 12TH, Comal, angelina and i-35. The demographics, it's a diverse community in every sense of the word. The old, young, poor, moderate means, multiple races, people who have lived there a year, people who have lived there a long team, 20, 40 years or more. I'm here to just relay to you the majority of the robertson hill residents point of view, what they've conveyed to me. I've gone door to door, took out a whole saturday and sunday trying to reach those people who don't have computers. I've monitored our listserv. And I've ultimately culminated in the meeting that I called among the members and they voted unanimously against this current proposal. We want to make it clear to you and one of the main reasons I'm here is that we thrive upon diversity. We support strongly support affordable housing. We've said that many times. And we support effective permanent supportive housing for the homeless that makes sense and that's a product of meaningful collaboration with the community most affected by proposals such as this one being proposed for the marshall apartments. We applaud your initiative to address the very important issue of homelessness in a citywide integrated strategy; however, among other things we do not feel that the necessary degree of community engagement and collaboration was achieved with the marshall proposal. To reach the optimum result for everyone involved, the homeless, summit, buyer, the city of austin, the lend.

The current robertson hill residents living in the apartments and all the other stakeholders that you've heard from today and will continue to hear from. Today we're asking you to pass on your vote related to this proposal and postpone it until such collaboration can occur. And this is why in part. Some of the first assertions that were made in my meeting and among my numbers were what you hear all the time with permanent supportive housing. It's the same concerns that I imagine most people have when they hear permanent supportive housing is going to be integrated into their neighborhood. The safety of their children and family. The master plan thing here is although there are assurances from caritas and we proficient those that they will conduct some degree of client screening and provide supportive services, there is no requirement like you've heard that the most severely afflicted permanent supportive housing clients participate in these services. They're struggling with the drug and alcohol addiction and especially mental illnesses. They need strong support and an environment that will offer them the best opportunity to survive and recover to a normal life. We in robertson hill don't feel and don't think that the marshall apartments is the appropriate location to facilitate those goals. The financing questions. Some of the things that you've heard scott way articulate, he did it much better than I could. They're real questions and we came up with those two in our meeting independent of anyone else. Under the proposal summit an alabama for property company will have no hard money investment in our community. It's offered what experienced developers in the area consider to be an inflated purchase price for the marshall apartments. The price seems to be extremely high for what work is to be done and the entire deal is facilitated through federal and city monies. Summit stands to make up wards of a million dollars if the deal is approved, in addition to deefg \$2.5 million from us. Us, the city, in the form of a forgivable loan and up to another six million dollars from the texas private activity bond program. There is no clear commitment to the community or to the marshall residents from summit to carry through with its guarantees and assurances. There is certainly not the history of community commitment that we've seen from so many of our own homegrown nonprofit austin-based companies. One thing you have to understand that is underlying all of this is the uniqueness of the urban renewal area. And you all are familiar with it. It came about before any of you were on that dais. It's been here, it's been a problem. There's a long-standing history of distrust among the residents of the urban renewal area toward the city stemming from past promises, stalled and dysfunctional urban renewal efforts. This central east austin area is a unique area carved awe under texas urban renewal law and is designated for revitalization. And as you've heard, it's been more than a decade in the making. Residents of all demographics have voiced their frustrations with it time and again because the plan that was the product of many, many years of community consensus input, the urban renewal plan, with this and so many other instances it seems to be long forgotten and dismissed. There are other things that just override what the communities have voiced for so long. 34 million to an out of state for profit company and to get so little in return and without generating any additional affordable housing is very disappointing. The city owns vacant land within three blocks of marshall apartments that's been shovel ready for years. [Buzzer sounds] I've got about 20 seconds more.

Mayor Leffingwell: You need to finish your sentence unless somebody wants to donate time to you. And your name?

[Inaudible - no mic].

Martinez: Windy heart. Are you signed up? Go ahead for an extra three minutes.

Thank you, mayor.

Mayor Leffingwell: I don't see your name on the list, but I will double-check it.

Thank you very much. In addition to the vacant land within three blocks of marshall apartments that's been shovel ready for years and it's owned by the city, there's almost a dozen vacant houses that are boarded up owned by the city in my neighborhood, robertson hill. They've been boarded you and vacant for years and years. Everyone in the neighborhood asks me about them and i don't really have anything to say to them because there's no plan for doing anything with them that is in the immediate future. It is

certainly a blight on our immediate neighborhood and it's so much potential with those houses. Surely we can find another way to get more bang for our 5 million away to a large out of state profit, for profit company that stands to make millions off of this proposal. Those scarce resources can be directed to more suitable projects that will more appropriately address the psh or possibly incentivize the current marshall apartments on it to renovate the complex or go to creating additional affordable housing by building new mixed use structures that are consistent with the vision of the community for the urban renewal area and east 12th street. For these reasons robertson hill asks that you please pass on this application today. Thank you very much for your time.

Mayor Leffingwell: Thank you. James morris. James morris signed up against. Welcome. You have three minutes. And for future reference, winfred and others, if you're signed up not wishing to speak, you can't donate time. Okay.

Thank you, mayor. Thank you, councilmembers. My name is jim morris. I live on the east side at 1,000 east 13th street. I have listened to my colleagues in arms and they have all been very, very specific with our joint objections to this project going forward. I hot thought it would be interesting to find out just exactly what type of landlord summit is in some of their other projects. So I did some research and talked to some people and found out just exactly what type of input I could get from their current and past residents. Summit has told us in meetings that they are a benevolent developer committed to enhancing lives and making good neighbors or being a good neighbor in neighborhoods where they build. They've heard many touching stailz from summit personnel about how they've made vavment improvements on people's lives, but summit property residents may have another tale to tell. And that's what I found. And here are a few examples. In 2004 summit purchased and rehabbed villa aamericana, which is a project in houston. It's also section 8 housing. In april of this year they sold it after a six-year tenure. It's been described by some of its residents whose comments I will now share with you. And these are quotes, so forgive me for reading them directly. Murders, drugs, run, run, run and don't stop. This is the worst place to live, and I guess it's because if you don't have a job your rent is free. That means everybody over there has no job. A person was just killed over there and the body lay right down my surveyors to five hours until the coroner came and one of the bullets hit my front door. This is from betty wright, a resident. Drugs, gangs, shooting and heavy traffic and to add to it no one cares because it's black on black crime and the owner is getting paid regardless of if they kill one another or not. Something needs to be done. Another one by clara elliot. This project is drug invested. A lot of community guns, dice games, dog fighting, fighting all the time and i fear the staff. Summit has told us at sweed hill that if a problem has problems -- if a property has problems they will sell it and the reason they're selling it is because they're going public next year and they can't afford the bad press. Here are a few other comments from summit project residents. I've lived here for a few years now. When I moved in it was a great place to live. Now not so much. The office staff turnover rate is horrible. The office never answers the phone. They always let the voice mail pick pickup. They constantly lose work requests. The manager is nice, but the other office personnel could use an attitude austment. So on, so on. We believe that by taking an active role in -- this was good. It went from a nice family atmosphere to a damn get tow. People sell drugs in the parking lot. On the sixth of july of this year a family was robbed at gun point at 11:00 p.m. The apartment sent out a letter to all the residents the next day. [Buzzer sounds] the letter dates, and i quote, we believe that by taking an active role in your own security, you can help avoid any unnecessary problems.

Mayor Leffingwell: Thank you, james. Your time is up.

I have a video. Could I show that? I think it would be instrumental in demonstrating what I've been --

Mayor Leffingwell: Not unless someone who is signed up to speak donates time to you.

Thank you very much.

Mayor Leffingwell: Next speaker is randall ward.

[Inaudible - no mic].

Mayor Leffingwell: Are you randall ward? You may.

[Inaudible - no mic].

You lose all your minutes, but you can run your video up to three minutes.

Again, I will not take up the time needed for the video because I think it's important, but I think what I've demonstrated here in these brief three minutes is that there is a second side to this. It's not all fairy tails.

Mayor Leffingwell: Are you going to show the video?

Yes, I am.

Mayor Leffingwell: Go ahead.

Thank you very much. [One moment, please, for change in captioners] test test

in the children who live -- [inaudible]

you can treat them with medications but over time those medications, especially the steroids, have a lot of horrible side effects. Their bones become thinner, their skin will become thinner. Their immune systems become resistant to the effects of those medications and then what do they do, when they become steroid resistant asthmatics, as adults, it's tragic, and some of those children will die.

After we started looking into these -- into this story [inaudible] manager [inaudible] moved her family into another apartment. Another manager [inaudible] about complaints, but this week each tenant received this letter stating that [inaudible] inspections will begin. thank you. The next speaker is -- is michael young. Michael young signed up against. Welcome. You have three minutes.

Okay. I'm a business and property owner at 1200 to 1210 east [inaudible]. The business has been there for the past eight years. I have been a part of the whole urban renewal process. I helped write the -- informed the ncc working with my neighbors and urban renewal board and the ara. I have a long-standing -- I'm a long-standing member of the 12th street business and property owners association. And -- which opposes this -- officially opposes this support -- or this funding. And [inaudible] the funding to caritas and summit for the marshall arms and their many reasons, but I do not support this funding -- support this funding. But what I would like to focus on is two primary reasons. This street is front and center to the urban renewal plan, and the city sanctioned and created this urban renewal plan, and in that plan 12th street was to be a commercial corridor. The city of austin has not followed through with the commitment to help promote and foster the business development that was promised. They have not got the infrastructure development put in, as they talked about. And what this street needs is a lot of -- what this -- what this street needs is a lot of the -- the basic kind of primary services that are -- that are needed for -- to help -- to help the neighborhood thrive, like stores and laundries and post offices, just various things that we do not have. And when the mcc was being written, the community and the surrounding neighbors, neighborhood group and 12th street business owners went through a slow process -- this is a hard process to go through in a neighborhood to, you know -- debating and deciding what they would like to see and not see in their neighborhood. In other words, all the developing, the zoning and the appropriate uses for this area. This is not -- this is not an easy thing to go through. This is urban renewal process. This is for the people who really believe in their neighborhood and are willing to work for it. But I believe, you know, through that process we became a stronger neighborhood group.

And with -- and a lot of people feel that it is not right for the first expenditure of the city to be put into -- to be given to a private company to, you know -- that's a very risky proposition for this -- you know, a lot of people feel this really would not work. The second reasoning is that -- so, michael, that beeper was your time.

Oh. thank you. Next speaker is john goldstone and after john will be christopher bowen. Christopher bowen, if you want to get ready at this microphone we can save time.

For a change I'll be brief. I didn't realize it was going to be three minutes. That's a big bonus. My name is john goldstone and I am here as an austin taxpayer and east austin property owner. When I purchased my property, the marshall apartments were there. This speech is not intended to offend or upset those current residents. I love my neighbors, and i support their fight to get improvements to their substandard housing, whether it's through code compliance or whatever. I've started a volunteer list for labor and materials in case this bond proposal fails. However, don't waste our limited money in bonding authority. Build new affordable units. It's a very simple argument. The proposal before you does not provide any new units of affordable housing. Let me say it again. The proposal before you does not provide any new units of affordable housing. Don't waste our money. Build new units. The proposal will allow homeless to leapfrog those on the section 8 waiting list. Is that fair? Don't waste our money. Build new units. While the proposal does provide for the rehab of the existing 100 units at a total cost of 3 million or \$93,000 per year, can't we rehab the units using other means? Don't waste our money. Build new units. The applicant stated that \$22,000 is going -- per unit is going to rehab. \$71,000 Per unit, in other words, \$7,100,000, is going to what? What is it going to? This is a classic giveaway or earmark to the property owner and the development. The worst of government incompetence without even helping the problem of creating more affordable housing. Don't waste our money. Build new units. They have said that if this rehab is not done the section 8 will go away. This is a lie. The income stream is all that is important. I'm in that business. I don't do deals in austin, though. Don't waste our money. Build new units. This is the first proposal and spending of funds since the termination of the ara as a gatekeeper. Don't waste our money. Build new units. Or underground utilities at least. The gatekeeper and supposedly neutral facilitator, as I mentioned earlier today, neighborhood housing, is an advocate. Don't waste our money, build new units. This is not a use approved throughout the ten-year process for east 12th street. The urban renewal plan at nccd. The keeling approval letter is full of untruths. I've asked for the resignation of the drafter. The vote was 17-13 against -- excuse me, for. This applicant has told untruths in the meetings i attended both by omission commission. Don't waste our money, build new units. This waste of money is haunting both morally and politically. Don't waste our money. Build new units. Thank you. [Applause] thank you. And next speaker on this side will be aid rothmom, so if you want to get ready, just for your information, we still have over an hour's worth of public comment, so if all -- if everyone signs up to speak we will not 30 and we'll have to recess this item until after our live music and proclamations, just for your information. Go ahead.

Hi, mr. mayor, council. My name is christopher bowen. I'm here on behalf of myself and my wife, andrea bowen. We moved to east austin back in may, and we moved in reliance upon what the city's plan and promise was for this particular area. We live one block from the marshall apartments and instead of going out and celebrating this holiday season, my wife and I hit the streets to inform our neighbors about what's going on in this particular case with this psh on 12th at marshall and salinas. My wife and I drafted a form opposition letter and met with several of our neighbors and discussed this at length -- at length with them, and degree a -- andrea will attest as well the majority of people we spoke with oppose psh on 12th at marshall and salina. The main point that I want to make is essentially that I've worked with officer antoine harb erk r police department rep regarding statistics for alcohol violations on 12th at chacon, and I'd like to hand you statistics. hand it out from that end, will be fine.

What the statistics will show for 12th and chacon only is that there were 516 narcotics violations and 161 alcohol violations between december 1, 2009 and november 30, 2010. Keep in mind the current psh proposal for marshall apartments and salina are located near a middle school, and shockingly -- shockingly, the psh proposal does not require those that are accepted to remain sober. Sobriety is just suggested under this psh proposal. That's shocking and that's something that needs to be talked about

and relayed to the council. Do you really want this on conscience if you're going to put this near 12th and chacon and near a middle school and not require sobriety as a requirement rather than a suggestion. I don't want it on my conscience. I know the council doesn't want it on theirs. I think we've talked ad nauseam about the money argument, but I'd like to just make a few small points. Essentially it doesn't make economic sense. The proposal to spend 5 million in city funds to rehab, not build new, but rehab, a privately owned apartment complex, then spend an additional 5 million in bond financing to purchase it, with the balance of the project coming from \$2 million in tax credit financing and no money spent by summit, that's unacceptable, and that's not what people want in this particular area. The marshall apartments have significant deferred maintenance, but the current owner does not have to discount the price -- the time is up, but we vote no on ph, and I hope you do too. Thank you. thank you. Next speaker over here will be julian mejia, and this is abe rothbomb.

I'm abe rothbomb, a realtor, familiar with apartment complexes in central and east austin. I looked at the marshall property as well as other properties on the market, and the price of \$53,000 a door is not consistent with market value. Just as an example, similar properties near ut campus have sold for less with little or no deferred maintenance. Property in the area of marshall should be worth about half of that. I have apartments here to show current true market values in various central austin neighborhoods, apartments west of 35, at least two of which are higher neighborhood value than marshall. Just as an example, 7200 duval is 64 units, 125 a unit. Hasn't been sold at that price. Other apartments sold in hyde park and west of hyde park have sold west of \$50,000 per door. I know we can find a way to spend this money better to create more affordable housing, and to get balanced integrated neighborhoods all over the city. I just hope we pursue finding properties for less money in other areas. Thank you. julian julian mejia is not here. Kerry slater? And after kerry will be rob sidenberg. Rob, are you here?

Yes.

Mayor leffingwell: okay. You'll be over here next.

Mayor, mayor pro tem, council, thank you for having me. My name is kerry slater, i live on new york avenue, which is one street south of east 12th, approximately 300 feet from the intersection of 12th and chacon. I support permanent supportive housing and cannot comprehend the struggles the homeless deal with on a daily basis, but that said, a stone's throw away from 12th and chacon is one of if not the worst place to house psh clients with a history of drug abuse. We are setting them up for failure. On a regular basis I will -- sales use, prostitution, and even on occasion defecation. My neighbor recently found a syringe in her backyard. I have lived in this neighborhood for almost ten years and nothing has been done to clean up 12th street. The city is either in denial or simply does not care. If 12th street were half as developed as 11th street i would not stand before you, but knowing this project will be the first significant funding to come to 12th street saddens me. The city is sending a clear message it will only invest in 12th street if the ultimate goal is to keep downtown business people happy. After ignoring, the funding of it psh on 12th is adding insult to injury. We know in austin it could only happen on the east side, a corner such as 12th and chacon wouldn't exist in clark ville or hyde park. Moving to 12th street is convenient for the city. Instead of addressing the problem downtown they can move it east, localize it and ignore it. The city is continuing to marginalize east austin and no end to it our neighborhood has enough problems. Clean up 12th street before creating yet another obstacle. Under the best of circumstances mpmple would be rehabbed, the psh clients would flourish and the city would be closer to its goal of 350 supportive housing units. However, the reputation of 12th street would stay the same or be further tarnished and development would be further delayed. If the city were creating new units, I would have slightly more understanding. However, no new units are being created. This is clearly a misappropriation of funds. Summit is an out of state developer. Their only incentive is profit. They have no incentive to help austin or east 12th street flourish. There is very little neighborhood support for this project. Most of the support seen comes from residents who say our neighborhood doesn't get a dime so we may as well take what we can get. However, if we take this measly crumb to smooth over how ill-conceived this project really is, we send the message that this is all we're worth and crumbs will be all we ever get. Again, please clean up 12th street before introducing new challenges.

We have enough on our plate as is. Thank you for your time. thank you. Rob sidenberg. You have three minutes.

Thank you very much. At the most recent anc meeting council members cole and morrison said that the city's psh strategy needs to be discussed and better formulated before being put into effect, yet here we go again, running full speed into a wall of dynamite. Despite strong community opposition and the fact that adding psh to marshall flies in the face of the still unrealized plan for east 12th street. Nearby residents have suffered from decades long neglect of the street, and now you are about to make this your first significant investment on the corridor. So this is the idea. While studying the negative and positive effects of placing psh into neighborhoods still unknown, we'll just try this little experiment and if it fails, well, it doesn't really matter because there's nothing over there anyway but a bunch of empty lots and junkies. Does that sound cold and crass? We think so. But it appears that that may actually be the way our area called home is viewed. How about this for an experiment? Let's rid the area of the drugs and prostitution first that continue to thrive that. I think that's a far nobler idea. It's hard to imagine that you really believe that the marshall proposal will help kickstart development along 12th street. Do you honestly believe, as spencer actually offered to the press, that adding psh to marshall would be a, quote, great investment for east 12th street, because those who live there beg to differ. Do you want to know what would be a great investment on 12th street? Here's just the top of a adding urban rail, burying power lines, improving bus stops, assisting small businesses, incentivizing the relocation of a large company on to the corridor, adding salt to the wounds, those opposed are not even treated as responsible citizens who take pride in their city and community, as people who have struggled for years to help revitalize our neighborhoods. Instead, we're painted as heartless obstructionist and cruel, quote, gentryfier, and not just by uninformed public but by people in the government, members of the urban renewal authority and by the chairman of that organization himself, and we're tired of that. It's not only inaccurate but it's highly offensive. By the way, no east austin neighborhood was an organization that passed an ordinance forbidding panhandling within its borders. Affordable housing is part of our neighborhoods. We welcome it. It fits within the notion of east 12th street as a mixed use, mixed income corridor, and we want the marshall apartments rehabbed, but isn't it more than just a little insidious that the only way that these units apparently can get the badly needed rehab is by dead nateing an entire -- detonating an entire plan for a significant portion of the city? Meanwhile we just wait, still, for somebody in this building to actually respond to the needs and desires articulated by the urban renewal plan and by the 12th street and ccd. Thank you very much. [Applause] thank you. So also signed up against but not wishing to speak, ryan davis, jessica davis, jeffrey harris, jackson williams, juan viladus, jose gomez, christina rayford, richard ferrus, lee sherman, andrew claimen. So now we'll go to folks who are signed up in favor, beginning with archie kelly jr. Archie kelly here? He's not here. Kennedy junk young. Kennedy young not here. Steve witch erd. Okay, you're signed up in favor and you have three we're not starting your time yet, so -- we'll let you get there.

I appreciate that. My name is steve wicher and I'm here to speak to this important topic before the city council. Homelessness in austin is growing, and as the economy flownd flounders as we try to get out of this recession there will be even more homeless in our fair city. It seems anytime any group proposes setting aside a few more places where homeless people can finally have a home, everyone screams, not in my backyard. This is totally pathetic and goes against everything this city tries to be. We are an open mippedded open-minded city where everyone is allowed to be them and no one judges others and yet we're willing to allow men, women and children to live on the streets, under bridges, in cars and in camps, because no one wants them in their neighborhood. The people opposed to allowing more apartments or homes for the homeless say they will be criminals, or god help us, they will have mental problems. Does anyone here know everything about their current neighbors? Do you know if they were ever convicted of a crime or are dealing with mental illness on their own? If you found out this, would you turn against your long-term neighbors? I don't think so. You would remember that they have been good neighbors and have never caused any problems in the neighborhood. But at the same time you want to close your neighborhoods and your hearts to those less fortunate than you. I say shame on you. The people at greendoor, caritas and the other organizations in town who are trying to help people who have fallen on hard times and need a hand up. They are not asking for a hand-out, they just want a home to call their own and the services available to low-income families in travis county. The apartment

complex to be renovated is currently section 8 apartment complex. Well, the section 8 waiting list has been closed for over two years. Travis county or austin housing authority has another list with over 5,000 people who are low income, disabled or both, waiting for housing of some kind, yet people say, not in my backyard. It will lower property values, it will bring criminals and the mentally ill. That was said about all the foundation community apartment complexes, but they have not destroyed neighborhoods or lowered property values, neither have they stopped businesses from coming to austin. So please don't use that excuse. I understand all neighborhoods want multi-use complexes with apartments and businesses to turn their neighborhoods around, so please drive through austin and look at all the so-called multi-use buildings that have storefronts, condos and apartments sitting empty while people are still homeless in austin. Yet people still scream, not in my backyard. Thank you. thank you. [Applause] carl thomas muscleman. Carl thomas muscleman, and next on this side, greg gibson. Is greg here? After greg is deann johnson. Deann, you'll be on this side after carl thomas.

My name is carl thomas muscleman. I think it is fitting today that in chicago the last remaining tower of the cabrini green development was announced that it will be closed and demolished. To listen to some of the arguments made here today one would think we're proposing that style of tower, rife with drugs, crimes and murder in the middle of east austin. Nothing could be further from the truth. I live on pennsylvania avenue two blocks away from both of the marshall apartments developments. I live in the keeling neighborhood association, which encompasses the marshall apartments and all the residents within that association live within a thousand feet of either complex. Last weekend over 50 people met as part of a neighborhood association meeting for keeling to discuss, hear arguments, impassioned on both sides, and vote on the matter. Our neighborhood association vote indeed favor, a resolution to support this proposal. Many people don't think about the incredible power that a home provides, and everything starts from that point forward. To have the opportunity for services to be located in and on-site, available to those members of the marshall apartments as well as those that are in the community I think is a tremendous benefit for the area of 12th and chacon. Living near 12th and chacon is not as scary as it is often portrayed in the media and by other members. I often bike through there 00 in the morning. I have yet to be shot at by cross gang fire and I have yet to step on broken needles. It is not a pleasant place to be, but it is nowhere near the worst neighborhood you could possibly imagine. It is not like it is in l.a. Or atlanta or new york. If 12th and chacon is representative of the worst that austin has to offer, then I think that we are pretty well off. As such, I support this effort, the members of our neighborhood voted a majority to support this. That is representative of black, hispanic, anglo, asian, under 70, under ten, renters, tenants, landlords and members of the marshall apartments themselves, all of whom are in support of this program. If you ask them the biggest issue they have and the biggest question they have is is this going to affect my housing, will I have a place to live? We are much disconnected from that base of concern for so many people in this community who are asking simply, do I have a place to live when I go home at the end of the day? It is easy to say we should put it someplace else. Great. Let's do that. I have some suggestions. Pemberton heights, travis heights, canyon creek, circle c. The list could go on. [Applause] but my point is it's easy to say that we should have this someplace else. Where? We have a neighborhood association that says, we do want it, and we're willing to have it. Take it when you can. Thank you. [Applause] after deann, on the other side will be agnes sacowski. Is agnes here? Okay. You'll be over here. Deann.

Good afternoon, my name is deann johnson. I'm the branch manager of the legal aid office here. I'm a member of the basic needs coalition, and I've lived in the historically zoned house on east 11th for a decade. So I'll see you guys next week on another controversial issue. That's about all you ever get to see me on. I am also an affordable housing advocate, and I am concerned about the fair housing implications of the people zoning that we've been talking about here. And I know that some of the people have been told in the apartments that they would be evicted once this rehab started. I wouldn't be in favor of it if that was going to happen because it would be my office, most likely, that would be represented the tenants that would be evicted from a public housing unit. I'm familiar with caritas. I know the good work that they do. I'm committed to prioritize the legal needs of any of the clients in the public - in the psh that need legal assistance within my office, and I think the around services are very helpful to anybody who's trying to stabilize their lives. This doesn't give you a by on what's happened on 11th and 12th street. The neighbors are frustrated. We don't want to see airport boulevard prioritized over what's

happened in our neighborhood. We do want to see 12th and chacon cleaned up, and we want neighborhood housing to get out of the way and maybe work with nonprofit organizations that do have a track record of fixing up those boarded up houses, doing something with the vacant lots, listen to the business owners on 12th street. They are frustrated, and we have good reason to be frustrated because we have been neglected in that area. And so you're hearing a lot of opposition for good reason. It's time for you to make a commitment back to us, but in the meantime I want to tell you that I am in support, I will do what i can and through my office to be supportive of this particular project. Thank you for your time. thank you. [Applause] agnes on this side and then sabino rentrea over here. Be ready over here, sabino, and after sabino is thomas 80s.

Welcome. You have three minutes. I'm agnes sakowski hill and I have lived in the neighborhood association -- I live in black share. I've been in the area for a several years and this has been quoted as an unstable environment where I walk and ride my bike also and I'm not scared ever. I don't think it's as scary as people make it out to be. I guess in the time that I've been there almost all the -- I've seen a lot of changes happen in the area in the neighborhoods, and almost all the changes I've seen have actually adversely affected low income east austin residents and i have -- I could assume also the homeless in the area, from my run-ins. So I want to say I am for this, because it's at least a small step and I'd like to emphasize that it's a very small step because 20 units of -- contrary to people's aims of this being like trying to clean up downtown, just making 20 units on the east side isn't going to clean up any downtown homeless problem, but it's a small step in the right direction of addressing this kind of social equity question. So I'd like to just read -- oh, and also to the point about everyone being against rehabbing an old complex and building a new one instead, I'd like to see how many of those people have not done any rehab or maintenance work on their homes in 50 years, which I think is similar to some of the apartments at marshall. So I don't know, I -- if we build lots of new affordable housing we're going to have to rehab those in 50 years too, so I don't see that argument making a lot of sense. But I'd like to read a quick excerpt from something that I found on the statesman in answer to an article called people zoning and the homeless, written by sheila. It says, 26 years ago I was one of austin's homeless. I do not now, nor did I they hope, drink, use drugs or participate in criminal activity. I was homeless because i foolishly quit a job I hated only to have my husband lose his job one week later. Neither of us was able to find new employment before we lost our residence and i was pregnant at the time. We lived in our car. We pan handled or sat on a corner. We worked until we were able to get on our feet. Our experience was no different than many are living right now. I hope this becomes a reality. Everyone deserves a place to live. thank you. [Applause] [applause] sabino on this side. Thomas aids. You'll be next.

I'm sabino anthony. I'm a lifelong resident of east austin. I grew up off 11th street there and my friends lived -- my black friends lived in 12th street, 13th street, all the way up to 19th, which is now martin luther king. You know, I -- growing up i visited and went -- and hanged out on 12th street. They used to have a theater there, and, you know, we need to realize, you know, these -- there's a lot of people here that are speaking about diversity, you know, and -- you know, there's homeless people that, you know, they're our I have lot of friends that are homeless. They're living with their parents. There's a few that live out in the street that, you know, are -- pay represent to stay in a garage. You know, it's -- if we really want diversity we have to include the homeless. We can't just leave them out there hanging out in the street. You know, come on, people. You know, homeless are humans. You know, they're people, you can't just be treating them like not in my neighborhood. I mean, we have worked so hard to -- to bring diversity. You know, my god, diversity, you know, that's including homeless, that's including black people. That's including hispanics. You know, that's diversity. We need to support projects like that. I have questions about the finance. You know, it bothers me to see that we're going to spend this much money on it, but, you know, we need an answer to the homeless problem, and if we don't face it, then we're going to have -- they're still going to be there. They're not leaving over it. They're still going to be in the street, and the way they've been described, you know, like you can't even walk down 12th street because there's crack cocaine, crack, murderers, prostitutes. I don't know where you see all of that. I don't when I travel that area, and I still live in east austin. Thank you. thank you. [Applause] is angela atwood here? No? Rudolph williams? Okay, you'll be next over here, rudy. Thomas 80s. Thank you.

Hello, I decided to come down here, mainly because i saw the article and I guess my family is from east austin, and the complex and all of that, I've always known that. It's home. I never thought about it. And I guess -- I guess i just want to say that that east austin -- I talked to my grandmother actually really about a week ago, and I kind of -- we were just talking about all the changes and stuff, and she likes some of changes, but then -- then she -- you know, we would just talk about, you know, the housing and so forth, and she said, well, you know, east austin has always been the place for that, and the reason why it's always been the place for that is that everyone needs a place to live. And my -- when I heard about the news, that's when i thought about that everyone needs a place to live. And so it kind of bothers any you have people who don't think that way or -- and so it -- I kind of feel it's like amazon from the moop. -- Moon. They look at people like they're from another planet. Everyone deserves a home, a place to go. So I came down just to say that. So anyway, please support this, and it's not going to bother anybody -- it's not going to bother property values. It's -- you know, they keep going up. It's -- you know, austin, to me, is -- the reason why austin works is because everyone has pulled together to make it a nice, creative, small-town-feeling place, and what is happening now is we're getting people and attitudes that belong in plano or in. [Laughter] -- or in lakeway or in sugar land or in -- you know, it's not -- you know, they're in the belly of the beast. The east side is the belly of the beast. I don't know why they came here, to be quite honest, if they have these type of attitudes. Suburbia. This is the inner-city. We rise all together, we fall if we're not together. So please, we've done a good job before. Just approve this project. Thank you. [Applause]

mayor leffingwell: okay. Rudy williams and then next on this side peter wahl. You'll be over here, three minutes.

Mayor, city council members, my name is rudolph williams. I'm the president of blackshire neighborhood association. We have not taken a position on marshall apartments, but I want to say as a former president of ocean and as a president of blackshire neighborhood association we are glad to see that keeling has become an active neighborhood with a neighborhood association that is more than willing to step up and stand up for their particular interests. I think it's important that we take keeling's recommendations since they are the ones where the marshall apartments exist. Along with that the marshall apartments is 50 years old. It should be refurbish. It should have been refurbished a long time ago, and if we have an opportunity to refurbish it without necessarily displacing the people that live there, then that is a good thing. About three to four years ago I believe the austin housing authority was considering reconfiguring all of the affordable housing under the -- under the -- I call them housing projects, and at that time we -- we brought a lot of pressure to bear to ensure that if these housing projects that are in blackshire, that are in keeling, that are throughout east austin are refurbished, that they make sure that the people that live there stay there. We do not want to turn it into mixed use with high-end housing. We want to make sure that poor people have a place to stay. These people are part of our community, and we accept them as part of our community. We've also accepted as part of our community those people who live in upper income, high-end housing, but we're not complaining about them moving into our neighborhood. [Laughter] maybe some of us are. But anyway. [Laughter] nobody is talking about pushing any of them out. And as far as 12th street goes, 12th street, if 12th street looks like 11th street does now, there would be no minorities on 12th street. 12Th street has been -- i mean, 11th street has been almost totally gentrified, small businesses for minorities are basically nonexistent, and on 12th street there's a lot of small minority businesses who are not here. I don't even consider them to be part of the so-called 12th street business association. They're concerned about being pushed off of 12th street. Marshall apartments has been there for 50 years. They deserve to stay. They deserve to be refurbished, and we have no problem with accommodating the homeless. thank you. Thank you, rudy.

Thank you, rudy. [Applause] peter wahl.

Hi, I'm peter wahl. I lived at leona and 13th, which is just west of 12th and chacon for the last 12 years and as a project volunteer I worked at 12th and salina for a couple years and interacted with a lot of homeless people and people with various drug and mental problems, and I think that permanent supportive housing in that neighborhood would be a wonderful thing. And I would be very proud to say

yes, in my backyard, and to tell people that I live in austin, which is a wealthy city that is not afraid to spend money on its poorest people. Thank you. [Applause] thank you. Also signed up for but not wishing to speak, charlie betts, chelsea tia sunny SKIES, McDONALD, SANFORD Lyle, laura donaghy, zachary gibson, adriana adams, megan fidowski, amy clich, adriana gonzales, hermea ramirez, connie stogner, amy dunham. And I believe ampy kelly jrm's name was called but he was out drinking coffee or something, I guess, so -- okay, we'll give you the opportunities to take your time. Three minutes.

Thank you for giving me the opportunity. My name is archie lee kelly jr. I grew up at 1157 salina, apartment 143, whh ishall apartments from the age of about 3 years old to about 18. Marshall apartments have always been a home to me. I went to blackshire elementary and keeling junior high. The reason why we were there was because I think about the age of -- when I was in the fifth grade my mother was a diabetic and had both her legs amputated, and so marshall apartments gave us a chance to be there. During my years of growing up I didn't have the best of any -- anything, so i started selling drugs and went to prison for about -- federal prison for about nine years, but I came out a man of god, and now I pastor for christ's ministry. I go back to rosewood, I go back to 12th street, I go back to different places like that to show them and show people that a person can come out of the ghetto, come back into the ghetto and pull people out. I started for cries's christ's ministry in 2001 with seven members at the holiday inn off of woodward. We outgrew that -- the first place that god blessed us with a building was on rosewood and angelina. Well, right now I think it's a legic store or whatever it is. Now we're on manor road, but it would have to be people like caritas and different programs that are willing to go back into neighborhoods and pull out people like me and myself. I don't consider myself a victim. I consider myself an overcomer, and I thank god for marshall apartments and all of the different housing authority housing projects, because again, it gave low income people like me. At first when I got out and god blessed me to get on my feet, we moved to pflugerville. Then we moved back to the east side because that's where my ministry and that's where I have been called. I thank god for homeless people because I reach out to them. Those that use drugs, because you never know, sometimes -- we push people away, but what if it was someone in your family that was on drugs? What if there was someone on your family that had mental health problems? What if it was someone in your family that was homeless? You would have compassion for them. So if it was -- if it was your treat everyone else family like it's your own family. That's all I have to say and thank you all for giving me the opportunity. thank you. [Applause] the only speaker that I have signed up on items 4 and 5 who has not already spoken as a part of the public comment period on item 3 is mathilad flores haynes. Matilda flores haynes, are you here? Is there anyone else signed up to speak on 3, 4 or 5 who has not already spoken? In that case we'll go ahead and take up item no. 3. Council, mayor pro tem martinez moves to approve item no. 3. Is there a second?

Second. council member cole seconds. Any further discussion? Council member cole? mayor, I'm going to -- if it's okay, I can limit my discussion to items 3, 4 and 5. we're just -- we're talking 3 now, but if you w to talk about the others now and not talk later, that's okay. I think you're emphasizing that not talk part. [Laughter] there was rob from anc, is he still here? Rob shiedingberg? Anyway, rob, I wanted you to know I came to anc and so did council member morrison, and the resolution I passed along with council member shade and riley was done in the late spring, and when we were at anc I believe someone mentioned the fact that this project was coming up, but because we have a city manager form of government, we don't direct all of staff's activities, and that resolution did not set forth any specific process that we were going to go through to educate the community, even in general, about our psh strategy for helping to end homelessness. I took a group of people to san antonio with several other council members and have also visited other cities, miami in particular, where they have reduced their homeless population from 8,000 to 1,000, and being a longhorn, I'm just a little competitive about some things. And so that really set with me that we could do a whole lot better in austin. And I have the view of many of the speakers who spoke in support, and even some of the speakers I understand that spoke not in support with particular concerns that I'm sure we'll be able to address, and that's that we are not a city of simply developers or neighborhoods or drug addicts. We are one city, and more importantly, we are not a city of east and west austin. Today we approved projects for not only east austin but south austin on 35 and also west austin, and we have every intention of placing this housing throughout the city of austin and also doing a better job of educating the public on exactly what it means, but it is a

sincere effort to move people to self-sufficiency, and that helps the entire city. And I know maybe today or in a few years what this city is made of, and we can do this. And so council member -- i mean, mayor pro tem martinez has already made the motion and I second it, the motion, so that will be the conclusion of my comments in light of the mayor's statements. [Laughter]

mayor? mayor pro tem.

Martinez: thanks, mayor. You know, I wanted to make a few comments as well. I certainly understand concerns that are raised, but I think many of them are ill informed or misinformed, specifically because I have permanent supportive housing right around the corner from my house. In fact, the green door is also the nonprofit that we voted on today to invest further with, is the nonprofit that built the permanent supportive up, 16 of them, and there's eight more that either have come on-line since this report or are about to. Crime has decreased 58% in one calendar year, from one year to the next. There were six drug houses on sweeney circle. There are zero. It is a community of -- a thriving community of families and children, and it's permanent supportive housing. It's the model that you want to employ if you truly want to affect homelessness, not section 8 vouchers. Section 8 vouchers is a component, but it's not a true wraparound services that some of these folks really need. So I see it right around the corner from my house every day, and if you know sweeney circle, and if you saw sweeney circle before green doors took over that area, it was really, really bad. And so I think, you know, once we get more educated about this and once we understand what it is, we're dealing with the same thing with mobile homes and fishers. You know, everybody wants us to do something about homelessness in austin but nobody wants it done near them or around them. The first project for mobile homes and fishers I proposed in my own neighborhood because I knew nobody would want it. Guess what, my own neighbors didn't want it either, but it's something that we're going to have to continue to address. This is just a minute tip of the iceberg. We have so much more work that we need to do, and hopefully we can come together and have a better level of understanding as opposed to constantly butting heads on this issue, because while you may have concerns, I also do believe that you do want to address this issue. Those of you that may specifically be against this project in some way, shape or form, I truly do believe that you want to help and want to solve homeless problems, and you want to create affordable housing. We need to join together on how we do that, because this issue is not going to go away, and it's going to go in all parts of austin, not just east austin. So I hope that we can start a conversation that leads us down a pathway of understanding that this is just the first step in trying to address a very serious issue here in austin, and I do appreciate all the comments and concerns, and they didn't fall a deaf ears and we do listen. Sometimes we just don't always agree. But I'm happy to support these items and I hope that we can come forward with even more projects to truly address this issue. Thank you, mayor. other coms? All in favor of the motion say aye? Council member morrison. thank you, mayor. I appreciate mayor pro tem and council member cole's comments. I am going to support this motion. It's been a lot of very intense conversation, and i do believe folks have been listening to it, but I think that our commitment -- I can speak for my commitment and I think it's -- for the rest of the council it is an adopted council policy that we will have geographic dispersion, and we need to figure out how to make that work in all kinds of housing in all parts of town. And this is one part of it. I do think that this is, for me, one of the particular items that's so important about marshall is that it brings us 99 years of affordability. Preservation of affordable housing is one of the biggest challenges that we have in this city, and this is an opportunity to be able to put a stamp on some preservation of real affordable housing. So I want -- I just want to express that I think that that's an extremely important element of this, and that I know that austin is an amazingly compassionate town, and we have a lot of work to do to really sort through all these issues, but I think that we're on our way. council member shade. it sounds like we're making all of our comments associated with these items, I'm going to also say that I'm going to be supporting this item, but I would like to make a couple of comments. I think that it's been stated, scott made the comment but others also made the comment about the number of myths and misinformation and lots of acronyms that get thrown around and lots of government tools that are very complicated, and i think that there is -- i think it's the heartiest part about this job is to get the best information you can, make the best decision you can with the information that you have at that time. And I do think that the tools that we have at our disposal are not yet what we want them to be. In 2006 when the citizens of austin passed affordable bond -- an election with a bond proposal that included

affordable housing as part of it, we had a lot of people who participated in the process of creating the scoring matrix that was used to bring forward these proposals and the others that we voted on in earlier years since that bond program became available, it actually caused us to pause last year and earlier this year to take a look at what had we been funding, and I think that the phrase psh has now gotten thrown around quite a bit, but the fact of the matter is we have been funding proposed ideas that do address psh as is defined, but we just didn't number it and we didn't count it and we didn't use that acronym. But the fact of the matter is, is that we have several examples of funded projects that do include that, but what we found when we looked at the portfolio of what we had funded so far and looked ahead at what we had left to fund from that bond proposal was that -- and we had also done a market study and some other work in between the time that the 2006 initiative began, we found that where the biggest gap is in the really -- in the 30% and below mfi, the lowest income. We had more units at market rate and at 60% and other rates. We had 40,000 units too few for the very, very vulnerable the most poor and poverty-stricken in our community. Not all of them have done prison time and not all are homeless and not all are disabled. Not all of them are the result of domestic abuse and all the other social service organizations that you've heard talked about today. All kinds of circumstances have contributed to it, but the fact of the matter is we have too few units that people can rent on an ongoing basis, not as temporary shelter but on an ongoing basis, as long as they can pay their rent they can stay here, and that's in that lowest income bracket. And so that was what the commitment was from council when we revisited this issue, and that became the acronym psh because what's become clear is that it's much easier, I think all of us recognize it's easier to live and make your rent payments or your mortgage payments if you're in close proximity to the services that you need to have a successful life, schools, you know, places to buy food, places to get education and fire stations and whatever other services you need, and different people require different services, but clearly people have the most chance for success when they're near those services and that is really the definition of what we're trying to create. I also live in a neighborhood that has several homes in my neighborhood that are caritas clients, and they're part of our neighborhood, and their children go to our elementary school, mathews elementary school. I really understand people's concerns, and I agree that there are -- that the tools that we have at our disposal for funding these kinds of complexes and the way we do our scoring is not yet perfect and I hope that as we continue this effort we improve it. And again, we really need to think a lot about helping the people, not the people who build the -- build the homes or the people who provide the services but the actual clients, and they all have different needs, they're all individuals, and so again, I think -- I'm going to be supporting this, but I still recognize that we have a lot of work to be done, so thank you. sorry, I just ran out of batteries here. I had to switch. So we have a motion and a second on the table. All in favor of the motion say aye.

Aye.

Mayor leffingwell: aye. Opposed say no? Passes on a vote of 7-0. So --

[inaudible] mayor pro tem, we can take 4 and 5 together. I know I previously said separately, but 4 and 5 are closely related, so you move proafl on 4 and 5?

Cole: second. second by council member cole. Any discussion on that? All in favor say aye.

Aye.

Mayor leffingwell: aye. Opposed say no. Passes on a vote of 7-0. [Applause] so I believe that covers all of our items on our austin housing and finance corporation agenda, so without objection we'll adjourn that meeting and call back to order the meeting of the austin city council, and now we will recess this meeting of the austin city council for live music and proclamations.

Mayor leffingwell: okay. Folks, may we have your attention? It's time for live music and proclamations. And joining us today is the austin children's choir, founded in 1986 by the late dr. bernard gasler. This choir focuses on the growth of music abilities by allowing children of all ages a chance to work with

some of the best professionals in the industry. Choir performs at several large concerts each year and will be performing this year's holiday concert on december 19 at christ chapel. Excuse me. Directed by kelly glover. Welcome to austin children's choir. [Applause] [applause] thank you very much, and before you leave, we actually have a proclamation, an official city proc for you, which I would like to read. 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're pleased to showcase and support our local artists. Now, therefore, i, lee leffingwell, mayor of the city of austin, texas, the live music capital of the world, do hereby proclaim december 9, 2010 as austin children's choir day in austin, texas. Congratulations. [Applause]

mayor leffingwell: okay. My distinct privilege tonight to recognize a local businessman who has just been awarded the malcolm baldrige award, which is a national recognition for small business entrepreneurs. We're very proud of him. I'm sure you've heard a lot about it in the news during the course of this past week, and for those few of you out here who don't know, the reason he was given this award, the businesses that ken operates are two that i am, of course, well familiar with and patronize often, mighty fine hamburgers and rudy's barbecue. [Applause] so well-deserved, and I can personally attest to the quality of both of these businesses, and we're very proud of that. So I'd like to give ken schiller an opportunity to say just a couple of words and congratulate him on this distinction and read the certificate of congratulations to him. For having won a 2010 malcolm baldrige national quality award, k & n management is deserving of public acclaim and recognition. The company owns rudy's country store and barbecue franchises in austin and created mighty fine burgers, fries and shakes. Ken schiller and brian nolen's restaurants are only the second restaurants to be recognized with this prestigious national honor. We are pleased to congratulate this fine local small business on its amazing commitment to excellence and the collective effort of their 500 employees required to qualify for this award, for innovation and creativity. The city of austin is extremely proud of you, presented this 9th day of december, the year 2010, by the city council of austin, texas, signed by myself, mayor lee leffingwell. Thank you very much, ken. It's all yours. [Applause]

thank you very much, mayor leffingwell. It's truly a great honor, the highlight of my professional career, to represent austin as the first business that's based here in austin to be a malcolm baldrige recipient. We've been in the austin community since 1994 and have grown from one location now to location now to seven and as he mentioned, 500 employees, so austin has been very good to us and supported us and now we're just proud and honored to be able to represent austin in next year when we go receive the award from the president. From what I understand he is quite a hamburger enthusiast, so I'm going to invite him to come to austin and have a mighty fine burger. take some up there with you when you go. [Applause]

we also have a small token of our appreciation we'd like to present to you now. Oh! I need to get these in the refrigerator right away?

No, you can have a late night and be safe. oh, wow. Great. Fantastic. All of the secret sauce. Great. [Applause] welcome. We have eight distinguished graduates of the small business success schools school that the city of austin puts on. We have diplomas, certificates of that graduation nicely framed for all of them. I'm only going to read it once, and then I'll let vicki valdez, from our small business section and economic growth and development department explain a little bit more about the program. But the proclamation reads, be it known that whereas the city of austin, through its small business development program, fosters job creation by providing education and assistance to aspiring entrepreneurs and established local business owners, and whereas, in support of this mission the city partners with the university of texas at austin's professional development center to offer expert cost-effective training to area small businesses, and whereas the city and the university jointly recognize participants who complete a series of classes to build a core set of business skills, and whereas the purpose of the small business success skills certificate is to lay the groundwork for further success by existing and and aspiring business owners in the city of austin, texas throughout the year. Now, therefore, i, lee leffingwell, mayor of the city of austin, texas, do hereby recognize the fall 2010 small business success

skills graduates in austin, texas, and may I say that -- I said this many times when I talk about small business in austin, how important it is. 90% Of the businesses in austin have fewer than ten employees, 75% of our jobs are with companies with fewer than -- fewer than 100 employees, so truly here in austin, texas small business is big business, and I want to congratulate and thank all of you for your efforts. So vickie? [Applause]

thank you, my name is vicki valdez and I'm the small business administrator for the city of austin. It is with extreme pleasure that we are here tonight to honor our first graduating class. Our affiliation with the university of texas professional development center began about a year and a half ago and has yielded positive results. The partnership yielded -- a short time we've had 26 different classes, we've had over 800 individuals, business owners attend classes, and we delivered over 4,000 hours of training. So it is a great -- I'm honored that tonight we're honoring our first entrepreneurs who have taken six classes to achieve the small business success skill certification, and I'm going to call each one of them by name. Jessica cortez, owner of capital of texas hardwood floors. Jessica? Michael crane, owner of crs inc. John elzy. -- Waiting for michael to come up. John elzy, owner of supernatural marketing. Eli hadad owner of hadad consulting. Rosemary jimenez, owner of roz enterprises. And patty rigs, owner of health now. Well, again, as always, I thank mayor and council for their continued support for the small business development program. Also to kevin johns, our director, and our assistant director for their continued guidance and support. And last -- well, not last, but I've got the sbpd staff who are here. Congratulations, this is a huge achievement not only for the business owners but for us. This is a big one. And also claudia darling, she's right behind you, with the ut professional development center. Thank you and congratulations to you again. [Applause] now it's my privilege to present a certificate of appreciation to one of our citizens involved in that most critical endeavor, education, here in austin. We know that we have great needs in education. We're looking for innovative, productive solutions to the difficulties that we have here in austin and around the country in comparison with other countries. We know where we stand. We got to make progress. Joe gonzales is one of those who's helping us do that, and so I'm very proud to give him the certificate of appreciation for his three years of leadership as principal of austin can Joe gonzales is deserving of public acclaim and recognition. Austin can! Is a charter high school committed to providing a second chance for at risk youth to achieve economic independence and hope for a better life through education based training. During his tenure the school has seen a steady improvement in taks scores, a dramatic increase in graduation rates, and an 80% jump in college enrollment. We are pleased to recognize gonzales' work with austin can academy and to thank him for the impact his efforts have made on the lives of students at the school. Presented this 9th day of december, the year 2010 by the city council of austin, texas, signed by myself, mayor lee leffingwell. Congratulations, doctor, and would you like to make a couple of comments?

Well, I'd just like to say a couple words. I'd like to take a moment to thank the mayor and the council for recognizing education, particularly the education of some students who many times have given up on themselves. It's our job, and it's a big job all across our nation to get these students back, open the doors, show them what they can do and insist that they do it. That's what we're trying to do at austin can, and we're taking students that have a third grade reading level. Our staff has done a tremendous job. A dropout of two to three times and they're graduating and that's really all we need to say. And it's been 49 years of good time in education for me. But thank you all very much. [Applause] so our last event for today's live music and proclamations segment is a presentation of graduation certificates to the graduates of the cityworks academy on december 9 today, 2010. So on behalf of the austin city council, the city staff and our community, I'd like to thank and congratulate each of you for your dedication and commitment to your city. I spoke to you on the day you first began this class, and it's my privilege to see how fast time goes and you already completed the entire course. 28 Of you have successfully completed the city's -- the city of austin's first cityworks academy, which was designed to provide an inside look at about how municipal government works. Very few people actually knows that. You're one of the privileged few now. I'm next, perhaps. During the past three months sessions on tuesday evenings, you were all provided a window into what we do as a city and hopefully what we don't do as a city. You have had a chance to interact and to get to know those who provide our city services, and you had a chance to understand, hopefully, that we take our jobs as public servants very seriously. We set up this program as part of our commitment to making city hall more transparent and conclusive,

and I think the city manager -- -- I thank the city manager for his hard work in putting all this together. In that respect I think city works and the city staff under the leadership of the city manager deserves an a for this entire effort, and so now I want to give the rest of you a postgraduate assignment, if I may suggest. stay involved, share what you've learned, and always remember, city hall is your city hall, and it belongs to you. So before each of you step up to receive your graduation certificate, we'd like to share a recap of your experiences in the city work academy. We have it all on film. We're selling it to the highest bidder,. [Laughter] and I'd like to recognize via real, a channel 6 producer who captured 11 weeks' worth of video, but we're only going to see three minutes, we're saving the rest for blackmail purposes later. Thank you. [Laughter]

we had close to 300 citizens apply for 30 seats for this year's cityworks academy, which is the same level of enthusiasm as we received the first year. [♪♪ Music playing ♪♪] [laughter]

well, I wouldn't say we're killing the tradition. I would just say right now it's in a hybrid state, just like a bear hibernates in wintertime, we're hibernating the trail of laits right now. Lights right now. [Laughter]

this is my seventh week at the cityworks academy. I should climb down from about three-quarters of the way up a fire truck, ladder truck, and it was -- my heart is still racing. It was exhilarating and interesting and I learned a lot about what the fire department has to go through. [♪♪ Music playing ♪♪]

you know, I'd like to thank our austin residents for participating in the 11 weeks in the cityworks academy. They had great enthusiasm and great excitement but I'd also like to thank the 30 plus department that really put their energy and efforts into providing an engaging opportunity for these austin residents.

So far I've learned so much information about how the city of austin runs and I would highly recommend this program to anyone who is interested in learning more about the resources that the city of austin has to offer.

I'm here to learn more about the city. [Applause]

I want to do something a little different and do reversal fa bet kel order. -- Alphabetical order. So we'll start with olga weiss. [Applause] I'm happy to report that olga had perfect attendance, all 11 weeks. Didn't miss a class. Next graduate, kerry watson. [Applause] patricia vey. [Applause] sheryl vasquez. Jason thurgill. [Applause] maria salis. [Applause] alan peters. [Applause] tiffany patterson. [Applause] michael miguel. [Applause] margaret melancholia. [Applause] susan lininger. [Applause] jonathan lee. [Applause] justin lanier. [Applause] where did justin go? Rick kevorcek. [Applause] sonya kitechsa. [Applause] linda guerrero. [Applause] joseph gossling. Victoria garza. [Applause] sarah gamble. [Applause] phillip kyle edwards. [Applause] annie doe. [Applause] marvin cheney. [Applause] vincent calderon. [Applause] alicia butler. [Applause] and our last graduate is susan armstrong. [Applause]

Mayor Leffingwell: Now we have the graduation speech from your value tick torian, susan armstrong. Welcome, susan. [Applause]

actually, I think it's just because my last name starts with a. But I know that I speak for a lot of y'all that I think we really enjoy this had class. We were really empowered as citizens and also learned about a very transparent city. So hats off to the mayor and the city manager for your work on this. But especially a big thanks to patricia and as well as abel. [Applause] for all the work they did. And I know I was always looking forward to whatever food we would have that week. [Laughter] so as a citizen of austin i have to say I had no idea how big the city was and how many departments. And just getting our binder on that first day with 30 different tabs and hearing from every single one was very interesting and very empowering as well. We learned about the code compliance, we learned about the enforcement of the police department, the arts, the environment and so on and so forth. So I hope each one of you stay as

active in the city as I will. And look forward to seeing y'all involved. And thanks again to everybody who played a part in this. I hope we can all get together as alumni later and make a better city of austin. Thanks. [Applause]

Mayor Leffingwell: Is that milk and cookies in the conference room? Cake and coffee. Milk and cookies for the younger group. Okay. Thank you very much.

Mayor Leffingwell: We have out of recess. And we will begin with our public hearings for possible action. Beginning with item 74. And we do have a number of folks signed up to speak. If you have a brief johns, go ahead. mayor, just to -- we do not have a presentation. I just wanted to say this is the second meeting, the public hearing for the economic incentive for sunpower. And we have with us the representatives of the company, the president sheer, james pate. The director of global corporate relations is here, kerry smith, and the director of corporate real estate, colin herd is here. So either the staff or the representatives would be happy to answer any questions.

Mayor Leffingwell: Thank you. Any questions for staff or any of the company officials? Let me just say speaking for myself I'm very proud to have sunpower become a part of our community. And I look forward to seeing you around austin often and seeing you even at city council if you care to come down and join us. Signed up to speak, tim crowley is first. Tim is signed up for. Welcome. You have three minutes.

I'll be brief and not take my three minutes. I am tim crowley with frost bank. I am here as chair of opportunity austin. On behalf of the investors of opportunity austin and the austin chamber, I'm encouraging council to consider favorably the investment you have in front of you as it relates to sun power. I hope you will see this as an extension that the promise that the business community really made to this city in 2004 when we convinced opportunity austin to continue to really solicit and advocate for companies that really meet the criteria that we all agreed upon. I think we're looking for companies that are quality companies, providing quality jobs for families and targeted industries that will diversify this economy around the wonderful assets that we have. I believe that you would agree that sun power meets that in every category. I think we've seen a history here, especially in the technology industry, I was here in the 1980's as a banker here in austin and i don't think we could have imagined the packet that a few of the companies in the early 1980's and 19 90's have made in this community over the years. We may very well be looking at something like that again this evening. With that said I want to thank council, mayor, councilmembers, mayor pro tem martinez for your consideration of this. And again, I would encourage you to please vote aye tonight on this.

Mayor Leffingwell: Thank you and thank you for opportunity austin's efforts to bring sun power and others here. Russell smith? Signed up for. Welcome. You have three minutes.

Thank you, mayor and councilmembers. I am russell smith, executive director of the texas renewable energy industries association. We're a trade association with 600 member companies and organizations involved in all the renewable sources, solar, wind, bio mass and hydro. While it may seem that it goes without saying that such an organization would support this, I still want to say something. We support it, we're excited about it. It speaks well for this company that they've spotted austin. And that they want to come here. It's a coup. It's a major coup for a city like austin to have sun power. We look forward to having them officed here in austin and serving more or less as the anchor for solar energy's restaurant row. Thank you.

Mayor Leffingwell: Thank you. Paul robbins? Paul is for this item. You have three minutes.

I can tell. Council, I wanted to surprise you tonight by supporting something. [Laughter]

Mayor Leffingwell: Duly noted, mr. robbins.

Thank you for bringing green jobs to austin, council. There's no punch line here, I'm quite serious. Austin has one of the most educated populations in this part of the country. It has always been my hope that we could use this gift to solve some of the world's problems, environmental problems, while making a living in the process. They say hindsight is 20/20, but far sight can also be perfect. In the 1970's a group of people questioned whether money spent on the south texas nuclear plant could better be spent on conservation and renewable energy. They stated that many local jobs could be created in the process. We were ignored, attacked and ridiculed, but we did not go away. And here we are today with another solar company that wants to locate here. Why austin? One of the reasons clean energy companies decided to move here is that austin has promoted the cause for decades. Austin has the longest running energy efficiency programs in the country, the first green building program in the country. It was the first to give incentives for rooftop solar cells. And it has one of the largest photovoltaic installations in the country being built. All this counts for something in green businesses that want to move here. I will leave you with one final thought. What if we decided to take the \$600 million that will be spent on the water plant that we don't need and spend it on conservation instead? In addition to saving money, it could be a magnet for green jobs -- magnet for green jobs. We could be the water conservation capital of the world. Thank you.

Mayor Leffingwell: You were doing good up to a point there, paul. [Laughter] mark baker. Thomas ortman? Welcome. You have three minutes. Three minutes.

Thank you, mayor, councilmembers. My name is tom ortman, president of concurrent design, an engineering design services firm here in austin and we specialize in product development for solar energy. I'm also highly involved with several trade organizations in support of engineering and scientific sectors. And I am here to speak on behalf of the business community, engineering and scientific communities. For 30 years I've been studying solar energy and to me it is absolutely clear that our future is a solar future and as a city and as a promoter of the city the idea of having sun power here is in fact a coup to echo russell's comments earlier. The idea of having this anchor tenant is so important and so key for us to do what we in the business community have been trying to do for some years is to build this solar energy, clean energy center of excellence, this cluster here in austin. We have all of the skill sets, engineering, scientific, technical, semiconductor, entrepreneurship. We are positioned so well to do this. And this anchor tenant is so key to doing that and therefore I urge you to approve these incentives. Thank you.

Mayor Leffingwell: Thank you. Michael hernandez. Signed up for. You have three minutes.

Thank you very much, council. I just wanted to come out. I'm a local resident of austin, texas. I recently moved here from los angeles. And I work professionally in the solar industry. And I had the fortune of working for a premier sun power dealer in los angeles, which sun power has a very large market share of. And I heard the news when i got here that sun power may be thinking about coming. And I was really excited to know that this was going to be a possibility. And one of the reasons that I did move back to austin being a native of texas, is because I know that the technology sector as well as the renewable sector here in austin is growing and it's apparent that sun power would like to come and be here because of everything that we have and everything that is shaping up at this point. I would say that above and beyond sun power having the planet's most powerful solar, they have the best customer service base I've worked with. The company that I was with in los angeles, we serviced other distributors as well. We worked with others. But at the end of the day the customer service and the efficiency that sun power has within their products and their business model is second to none. I appreciate that you guys are taking a look at the -- at all the possibilities that sun power has in coming to austin. I would like to say first and foremost thank you to jose bersearo from the chamber for all his hard work in bringing them and many others. I'm sure others have done lots of due diligence in bringing sun power to the table here. I hope to be a part of this community and everything that's happening. And

I'm very much for this. Thank you so much.

Mayor Leffingwell: Thank you. Larry coker? Larry coker is signed up neutral on this item. You are on the wrong item. You might want to get that changed.

[Inaudible - no mic].

Mayor Leffingwell: Dave porter is signed up twice in favor. Not wishing to speak. Is so he's really in favor of it. [Laughter] so those are all of the speakers that we have signed up to speak on item 74. Mayor pro tem martinez moves to close the public hearing and approve item 74. Seconded by councilmember riley. Is there any discussion? All in favor say aye. Opposed say no. That passes on a vote of five to zero with councilmember cole and councilmember spelman off the dais. Thank you very much. [Applause] that will bring up item number 75. Before we start the public hearing, are there any questions from staff or any comments by councilmembers? Hearing none, we'll go ahead with the public hearing. And the first speaker is james collins. James collins is not in the chamber. Alan roddy. Alan roddy is for, and i just want to say I will be off the dais for a couple of minutes. I have to go back, but I'll be watching the comments on television. And mayor pro tem martinez will take over.

I'm alan roddy with edgewater neighborhood association. First of all I would like to take an opportunity to thank our military families for their hard work and sacrifice so we can be here exercising our democracy. To get back on the issue, i would like to suggest that improvements to the proposed ordinance changes concerning docks, bulk heads and shoreline access, trams, staircases and any other structures built on cliff formations should be required to be painted green or an earth tone color so the structures blend into our natural surroundings. Although the new ordinance requires vegetative screening, it is not practical to plant a tree on the side after 300-foot vertical rock cliff. The scenic vistas of lake austin, bull creek and the colorado river valley are to be protected in the hill country roadway ordinance and this requirement would help preserve the natural characteristics of the critical environmental features stated in ordinance 25-8-281. Does the city of austin really want 300-foot metal structures spoiling the scenic views of our cliffs along the colorado river? Because this ordinance covers lady bird lake, lake austin and lake long, i believe the stricter esthetic requirements of various lady bird lake ordinances should be used as a standard for this ordinance. Would a 300-foot tall metal structure be allowed to be constructed along lady bird lakeshore line across from city hall? Probably not. All three bodies of -- all three bodies of water should be protected with the same rules and standards to ensure that our natural environment and scenic views are safeguarded for future generations. Westlake hills has very strict rules concerning the colors of signs, fences and other structures in their city. So I don't think painting these structures would be a hardship on any property owner. I know the legal staff is -- says that constituent can't require this painting -- constituent can't require this painting on these structures, but I know that if you ask the same question of six lawyers, you will get six to 12 different answers. I would think just for the esthetics values, please require or at least request that these structures be painted in earth tone colors. Thank you.

Martinez: Thank you. I think we can get six or seven answers from one lawyer. [Laughter] now we'll go to the speakers who are against the item. The first speaker is darwin cole. Welcome. You will have three minutes. After darwin it will be michael ruin any if you want to come down to the other vacant podium. You will have three minutes. Welcome.

Thank you very much. My name is buster cole and i own hill country trams in spicewood, texas. I'm a tram manufacturer as well as a tram owner. And I would like to help illustrate to you how our products and services that we provide are important for lake austin, lake travis and the nation. The benefits are not limited to an individual property owner's impacts, but is the community as a whole as well. A little bit about us. Our business represents one of the most competitive tram companies in the u.s. Because this business is a unique line -- [buzzer sounds]

Martinez: Ignore that.

That's not three minutes already.

Martinez: Continue, please.

Because this business is a unique line of work to be in, we're only one of six in the nation. We have successfully assisted property owners in this area and all over the nation to help people have access to the water, remote areas of their property. I'm a native texan. My business was created when a dock builder here in austin, texas saw me doing and building a tram on my property on lake travis. I guess without reading from the script, from a personal standpoint of a tram owner, and that's how I got in the business, having the ability to have access to my dock, I'm older, I have bad knees, and if I look at my parents, they are elderly people that need to have access to their property, it's pretty much a necessity. It's become that these days. From the gentleman that spoke earlier about the negative impact or the big galvanized structures, our company engineered a product that blends in with the terrain. This is the color of austin and this is the color of our product, galvanizing is old school. From the esthetic standpoint if you drive down lake austin in a boat, you would be hard pressed to find our trams on the lake because they're almost invisible. One of the things that stood out as we put this thing together this afternoon, we had a little girl up in ohio and she was an invalid since birth, had been in a wheelchair. Through the american disabilities act her parents helped her get a tram on their property and now she's able to enjoy a normal life-style. From being -- from saying this, the impact of not having a tram, the tram is ugly, it's all of one or two things, but to be denied accessibility to your property to use it, the values that are increased and the real estate, the tax bases that the city receives from the monies that are spent on the properties, the activities that go around the boat docks, there's considerable things to be considered that I don't believe that a lot of people have brought up in the chamber before. I'd vote against it. I don't see any merit in it. Aging young people, physically active older people. We're baby boomers and to me I see no reason for this. If you look around you, this is what I'm going to close with, if you look around you in your own neighborhood or your own family, I will sure you will find at least one person who will never go up and down the hills of lake austin or the areas of lake austin by conventional needs. Thank you for your time.

Martinez: Thank you. rooney is going to be mark roper. Welcome. You will have three minutes.

Thank you very much. I wanted to thank you first of all for extending the public hearing like you did on your last session. I wasn't aware. My name is michael. I live at farview drive on lake austin. And I wasn't aware until the last meeting that there was this issue was coming up. And I thank you for the time that you've taken to extend this so we can do some research. I'm against it. I'm against it not because I'm against preserving the lake. I am not. I have land on the lake. It's eroding as a result of the waves. I want to do everything i can to protect it. It's the tram issue that I'm concerned about. And it's something that i have been considering doing so that I can access the lake, I can make the use of my property that I pay taxes for. I want to be very, very environmentally conscious as I do this. I'm looking at things that will be very close to the lands that aren't sticking up in the air. It's not clear-cutting, it's blending in with the environment. I have one little problem with the idea of telling me what color I have to paint it. I have no problem on making sure that it does blend in, but I don't see them painting the power lines that go across the countryside, I don't see them painting the railroad lines that go in the city. Basically I understand that some people may not like the looks of trams. I'm going to try to hide it as much as possible and i think the code as it is or with minor modifications could make it work much better than what the words are right now. Again, I thank you very much.

Martinez: After roper we have colin and sherri hodes. You will be after this gentleman. Welcome. You have three minutes.

Mayor pro tem, members of the council. I own a lot at mount bonnell. It's on the channel. Originally the ordinance did not exclude the lots on the channel, which currently has been changed. So I support that.

I just wanted to get into the record that my lot is a man-made channel so that it would be excluded from the ordinance and to protect my interests. And additionally, the problem I have with this ordinance as it stands-- as it affects other people's lots is that by requiring a move back on the retaining wall at the time that the 45-degree angle is added takes away some of the lot. Some lots it won't matter. On others, it can cause a decrease in the impervious coverage allowed on the lot and in the situation such as the lot I own that could have a material impact on the amount of scwairming of the house. -- Square footage of the house. I have a material amount invest understand my lot and I'm sure there are others on the lake that feel the same way. And square footage is an indication of value obviously. And so that's the only real problem I have with the ordinance. I applaud the ideas behind this and the goals of stopping the wave action on the lake. Thank you very much.

Martinez: Welcome, mr. hodes. You will have three minutes.

I would say good afternoon, but it's already nighttime. When you have to postpone like this, it's a great place to go. I'm colin hodes, I live on edge water drive. Our house and dock is actually the midway point between the two dams. We've lived on lake austin since 1990 and have had the lake house in our family since 1969. We along with all the other lake owners have great pride and stewardship of lake austin. We take care of the birds, we take care of the trash, we take care of the branches, we take care of the boaters that are broken down. We take care of people getting hurt. We have a huge pride in this lake because it is our backyard. The people of the lake have a pretty good grasp as to what needs to be done on the lake and we're the last ones to ever want to hurt the lake. However, the way this ordinance is drafted, I'm not sure it's in the best interest of public policy for austin to have it written the way it is. Correct me if I'm wrong, but I think the ordinance started out to be just about trams and then we incorporated the additional bulk heads, docks and restriction on additional boat ramps out of the ordinance. And I'm not sure if that's a good idea. Y'all are completely restricting any future boat ramps to ever be built on lake austin. Think about that. That's pretty wild. All that's there, that's it. There's not ever going to be any more there. And the way the ordinance is written right now, you kind of have to imagine on down the road when everyone has this 45-degree angle and this vegetation shoreline, my grandchildren, I tell them to go play in the lake, but watch out, kids, when you walk across the jagged rocks on the 45-degree slope to get to the lake, and be careful about the vegetation screen we have. There's probably going to be snakes, spiders and other animals in it. But go have a good time in the lake, kids. I mean, that's kind of what you're drawing here, which i think is a bad idea for lake austin. There's various reasons that I don't like the policy completely. City staff comments that the ordinance is to protect vertical bulk heads because they do not typically support environmental water quality in wave abating benefits that naturally sloped and vegetative shorelines provide. Their source for this was , the federal government. And the question that begs to be answered is did the study a lake like lake austin that has very dissting characteristics? I mean, the lake is really a river that has been dammed. It's used by recreational use. It's used by fishing people. It has people that live up and down the lake on its shore. And it has a temporary range from 110 degrees in the summer to freezing right now. And so it's -- the sources that they used when they studied this came from cities from seattle, wisconsin, georgia, north carolina. There was nothing included -- [buzzer sounds] -- that was unique for lake austin. I'm completely against it and I hope y'all agree.

My name sherri and I'm not going to be too repetitive. I get the pleasure of living with him. We've lived on lake austin for 18 years and I grew up there as a child. And I've seen some beautiful things and shared our property with many, many people. What is before us right now is of much concern. This is my first time to speak and it's that important. The work that's being done right now, although we appreciate it, it is unsatisfactory and it's incomplete and inconclusive. The -- what they're doing right now is very cumbersome. It creates a lot of bureaucracy. It creates -- it's at great cost. And it doesn't achieve the main goal. As a matter of fact, the cheapest option that they have slated actually causes more problems. And guys, the reason why i know that is because not only did I grow up enjoying the lake, but for the last 18 years we have taken care of it. We have -- we've cultivated duck weed, we've taken it out. We've helped boaters. We've bought gas. We've towed people. We've taught people to ski. We've taught water safety. We live on that lake and we are stewards of lake austin. So we understand the issues that happen when they lower the lake every two years, we go in and do. You dredge, you

bring in the bobcat. There are certain responsibility things you do as landowners and citizens that care about this lake. So with that being said, i sat there the other at a day and I listened to all of the proposed options that they put forth, and whenever i heard the cheapest option -- first of all, some of those options are very expensive, okay? Which we all know there's always somebody that can afford to move to austin and buy the place and do it. There's lots of people who are successful and have houses, multiple houses around the world. But for us the costs that are involved in that are one thing, but it's not what it needs to achieve the goal. The cheapest option they have, if somebody would have actually asked us, we would have told you these are the problems with that because we've been there, done that. They showed a picture of our neighbors, the johnstons, and said this is what we're talking about that you can actually still do. Nobody bothered to ask the johnstons. We're going to put this up and show it as an example. Is this a good example? What problems do you have of this? Because they took studies from lakes and rivers around the country. We are on a river. Because it bends the way it bends and because it runs the way it runs, my neighbor a half mile down has different issues than i have. This is a unique case and we need to stop and we need to sit there and think, what are we doing? Because what we're doing, guys, bypassing this the way it is all done -- this is all bulk head issue, which it got into the tram issue and it got co-mingled. They're totally different things. The way this all has come together is very costly, creating more bureaucracy and more money. Thank you all for what you do.

Mayor Leffingwell: Thank you. Lynn brooks. Lynn brooks signed up against. You have three minutes.

I'm lynn brooks. And my husband and I have lived on lake austin on bee creek for over 20 years. And the goal of the proposed ordinance is to promote stable shorelines, maintain the recreational experience and to protect the aquatic environment. We are concerned about the tram issue. Regulating the signalling of trams does not address these policies and we recommend that this part of the ordinance should be separated. Also the requirement that the trams go through the site development process is overly burdensome to the homeowners and could be very costly. And it does not address the stated goal of the ordinance, which is the esthetic screening with vegetation. And so we recommend that that be removed from the proposed ordinance. Thank you very much.

Mayor Leffingwell: Thank you. [Applause] larry coker? He signed up on the right item here. Jay --

[inaudible - no mic].

Mayor Leffingwell: Jay chawning. Okay. So you have up to six minutes.

My name is larry coker. I have a lot up on -- on the upper end of lake austin. We're in the extra territorial jurisdiction. We don't have the ability to vote in city elections. But to echo what everyone else has said, the people who I think have property on lake austin are extremely blessed and the term that they used was stewardship. And I tell you, when we go out there and right now I'm building a stone barn and we plan to start a house soon out there, we feel blessed. To grow up fourth generation poor and have the opportunity to own a piece of property on lake austin is like dying and going to heaven before you die. What I wanted to comment about is the procedure. And I'm not here one way or the other on these proposed ordinance, but we received in the mail notice that there was going to be a meeting on november the 10th. The date that was mailed was NOVEMBER THE 3rd. We get to the meeting and there's already on the back table a complete draft of the regulations or the proposed rules without any input from those of us who twoal own property on the lake. And before the meeting, i get online on the website that's referred to research before we go there, and not only looked at what the city had posted, but went and looked at all the citations. And as someone had mentioned, nearly all the citations there are mobile bay, north carolina cost coastline, lake sham plain, lake washington, the largest lake in the state of washington and there wasn't one citation or reference that really talked about the need for this type of ordinance on lake austin. And also I asked staff if they had done any actual search about aquatic quality or anything on lake austin. And there was none. My point is that they need to go back and do more research and specific research with lake austin because I know it is unique. But when you have -- it's anchored three foot long to keep shore erosion on lake austin when you have the wake borders

going up and down the lake, and it's held in place to these wooden stakes with a piece of twine. And when they open five floodgates on lake austin and have you all these in the coconut rolls down here atom miller dam, it's going to be a problem. I think it's poorly researched. The staff needs to go back and conduct some specific studies and come up with something better than a coconut roll tied to two, two by fours and held up with a piece of twine. Thank you.

Mayor Leffingwell: Thank you. Those are all the speakers that we have signed up to speak. Anyone else wishing to speak on this item? In that case, council, I'll explain comments or a motion on item number 75. Mayor pro tem martinez moves to close the public hearing and approve the ordinance amending title 25. Is there a second? Seconded by councilmember riley. Discussion? All in favor say aye say aye. Opposed say no. It passes on a vote of six to zero with councilmember spelman off the dais. Did I hear a question out there?

[Inaudible - no mic].

Mayor Leffingwell: It means we just passed the ordinance.

[Inaudible - no mic].

There were two ordinances in backup. I wanted to be clear as to which one. The council changes and there was a staff changes. I wanted to make clear which one you were adopting. In backup there were two.

Mayor Leffingwell: The latest one?

There was a draft with additional staff changes would be the most recent. I wanted to clarify that that is the version that you adopted?

Mayor Leffingwell: Was that your intention? Yes, the revised ordinance. Thank you. That brings up item number 76.

Good evening, mayor and councilmembers. I'm michael knox with redevelopment and services development office. Item number 76 is part of the annual funding process for the downtown austin public improvement district. On november 18th the council approved the 2011-2012 budget and service plan for the district. The council also approve a 2011 pid assessment rate at 10 cents per \$100 of valuation and the proposed 2011 assessment roll. State law requires a public hearing to consider the proposed assessments. Approval of the assessment rate and roll on november 18th allowed notices to be mailed to the property owners within the pid area to review their assessments prior to the hearing. This allows the property owners to al challenge the assessment of individual properties. Following the public hearing the council will consider approval of an ordinance aon doping the 2011 assessment roll and leveeing of assessments. I'll be available for questions, otherwise we are ready for the pleerlg. -- For the public hearing.

Mayor Leffingwell: Questions of staff? There are no citizens signed up to speak in this public hearing. I'll shane intrain a motion. -- I'll entertain a motion. Mayor pro tem martinez moves to close the public hearing and adopt -- approve item number 76. Seconded by councilmember riley. Further discussion? All in favor say aye say aye. Opposed say no. It passes on a vote of six to zero with councilmember spelman off the dais. Item 77.

Item number 77 is part of the annual funding process for the sixth street public improvement district. Again, on november 18th council approved a preliminary assessment roll and assessment rate of 15 cents per \$100 and service plan and budget for the district. Again, tonight's public hearing is to allow property owners in the east sixth street public improvement district to challenge the proposed

assessments for their individual properties.

Mayor Leffingwell: Questions for staff? There's no one signed up to speak in this public hearing. I'll entertain a motion on item 77. Councilmember Riley moves to close the public hearing and approve item number 77. Seconded by the mayor pro tem. Further discussion? All in favor say aye? Opposed say no. It passes on a vote of six to zero with councilmember Spelman off the dais. Item 78.

Thank you, Mr. Mayor. Mayor, city council, my name is Kevin Shunk with the watershed development department floodplain office. Item 78, the item before you this evening is a floodplain variance request at 419 West Johanna Street, which is in the East Bouldin Creek watershed. This is a residential building permit application. Again, in the East Bouldin Creek watershed. It's an urban watershed about a mile and a half south of us. It's just off of South First Street. The property is partially in the 25 and 100 year floodplains. You can see on the graphic before you the red outline is the property outlined. The darker blue color is the 25 year floodplain with the lighter blue color the 100 year floodplain. There is an existing house on the site. It's about 816 square feet, and that's depicted with the green polygon. The smaller green polygon is a carport that exists on the property. The proposed development is to add a house to the site, to keep the existing house and add an additional house. You can see that with the pink polygon there on the back portion of the lot. The proposed house does encroach into the 100 year floodplain, but does not encroach into the 25 year floodplain. A little deceptive from the figure here you can see that they're actually cantilevering over the 25 year floodplain so the structure itself doesn't encroach into the 25 year floodplain. Again, the proposed house is about 3200 square feet. They're adding a pool, 680 square feet detached garage and a porch area. Here's a picture of the existing house and the carport on the property. The house was built in about 1928. Before we had floodplain maps. It had been -- the property under the first floodplain maps for the city of Austin in 1981, this property was in the 100 year floodplain. And then in 1997 with the floodplain map update, this house -- as it exists today this house is below the 100 year floodplain. This is a picture of the rear portion of the property. Pardon me. In this grassy area here this is the approximate location of the proposed house. They have worked into the design to put the proposed house and minimal impact to these large trees that you see here so the house will be tucked into the back corner that you're seeing.

There are several variance requests before you today. I wanted to address three of them in particular. The first, the code provision prohibits adverse flooding on other property. The request is to allow this development to not compensate for floodplain fill that's being placed on the property. Secondly, the code requires safe access out of the floodplain. The request is to allow the development to occur without safe access. And thirdly, the code requires -- prohibits increasing a nonconforming use of a premises. And since the existing premises does not have safe access in their increasing condition area on premises, we consider that to be increasing the nonconformity. I want to talk a little bit about the no adverse impact section. Again, the criteria for no adverse impact is that the development must not cause adverse flooding impacts to other properties. Obviously the intent of that is to protect the health and welfare of everybody, not only the people on this property, but everybody else within that watershed. The proposed development does not increase flood heights, which is a key point for us to bring up. When we think about no adverse impact, really there's several things that come into play. The most prominent and usually the one that we deal with is increased flood types. If development increases proposed flood height we ask the developer to redesign so they could not increase flood heights. In this case they did that and some of the modifications they've made, the flood levels, the actual flood heights do not increase. However, another piece of the new adverse impact criteria that staff reviews is that development is required to compensate for any fill that they place into the floodplain. So if a development proposes to place 100 cubic yards of fill in the floodplain, somewhere else on that property they have to go take out 100 cubic yards of fill. The purpose of this is that over time the cumulative fill of the floodplain can cause increases in peak flow rates and increases in flood heights. It's not necessarily an immediate impact with one development, but over time in cumulative fill in the floodplain does cause an adverse impact. In regard to the safe access criteria, again, the code requires that proposed buildings be able to get from the building, which is elevated above the floodplain, to a point on the right-of-way in that entire access point has to be one foot above the 100 year design floodplain elevation. This property, the existing house is below the 100 year floodplain elevation, so they

don't have safe access from that house and the proposed house which is on the rear portion of the property, while the house itself is elevated two feet above the 100 year floodplain, there is no -- there's not safe access off of the lot to johanna right-of-way. And the access, once you get closer to johanna that's where the floodplain actually -- you would have to cross the floodplain. 6 feet deep in that area. We did talk to the designers of the property about talking to the adjacent lot owner, which is a vacant lot owned by a church, about having some sort of access easement. And they informed us they did have that conversation and there was no interest in having any sort of access easement agreement between the two. The last item is the nonconforming use criteria. Again, I've talked about the development cannot increase the nonconformity of the premises. And again, the intent of that is to minimize flood hazards. When we look at this criteria, we consider if nobody is putting a house on a lot that has more jairnlg than the existing house and in this case they're keeping the existing house, they're increasing the possibility of occupants within the floodplain, so we consider that a nonconforming use and increasing that nonconforming use. In summary, again, the summary, the findings, there is an adverse flooding impact on the property when staff reviewed the development. And again, that's due to the fill that's not being compensated on the lot. There's no safe access from the house off of the property into right-of-way that is one foot above the floodplain. Additionally there's additional occupancy being placed on the floodplain. I did mention and want to note again that the proposed finished floor elevation, the proposed house is two feet above the 100 year floodplain. In talking with the applicant, their justification for some of these variances is that they're trying to increase density within the urban core. And while staff realizes there are city regulations and policies that do try to do that, we just feel that doing that density within the floodplain is not sound floodplain management and therefore we recommend denial of the variance request. Within your packet you do have a draft ordinance. And I just wanted to bring up two of the conditions of that draft -- of that ordinance is the drainage easement requirement and the requirement to provide an elevation certifica. We've talked in the past about structural certification. They've already done that for this property. So that wasn't included as a condition. The ordinance as it's drafted just has those two conditions. The applicant is here and they can speak as well. If you have any questions, i would be happy to answer them.

Mayor Leffingwell: Questions for staff? I don't have anyone signed up to speak. Does the applicant want to make a brief presentation?

Did staff provide -- [inaudible].

Mayor Leffingwell: Councilmember shade, did you have a question of staff?

Shade: You mentioned the packet. I don't have one in front of me. Do you have the floodplain map? Can I just look at your slide again?

Mayor Leffingwell: I've got a question pending here before you again.

My name is bryan billard, the architect for the property. And the civil engineer is here for the project. I would like to provide a real brief background for the project. The property is a double lot along east bouldin creek with an existing 1928 one bedroom, one bath bunk ga low located close to the street. There are non-protected trees on the lot, seven of which are heritage trees. Several are significant in size, including a 41-inch diameter cypress and 45-inch and 62-inch diameter live oaks. Our client's purchased the property in 2002 and have subsequently lived on the property with plans to one day build a primary residence behind the bungalow. In 2008 floodplain modifications to the east bouldin creek corridor reduced the property's area above the 100 year floodplain to 15% of the total lot size and effectively eliminated -- and effectively eliminated street access above the 25 and 100 year floodplains, which is the darker zone on the map. Our team has been working through the design and variance process for over a year and a half, receiving a variance from the city of austin board of adjustments in october of 2009 to build a primary structure behind a secondary structure. We've worked with the city arborists making modifications to the driveway and foundation designs to minimize impacts on the trees and critical root zones, receiving a tree permit in february of 2010. Our original submission to city

floodplain staff included portions of the foundation that were in the 25 year floodplain. After receiving staff's comments and meeting with several councilmembers' assistants, we pulled our original variance request and redesigned the building footprint to be completely outside the 25 year floodplain. Concerning staff's comments about providing exentory cut in the floodplain, we are unable to completely balance cut and fill largely due to the distribution of the trees on the lot and the desire to not impact their critical root zones. The trees are evenly distributed throughout the lot with the exception of the only potential building site at the southeast corner of the lot. Even though we cannot balance cut and fill, it's important to note that we are not raising the flood elevation on this lot or any of the adjacent lots. I would also like to point out that the clients have taken down one accessory structure and we plan to remove the shed and the carport as well, which are also in the floodplain. Concerning safe access, we are relocating our drive and curb cut to the safest possible location on the lot. This creates a depth of approximately a foot and a half in the 100 year flood event and six inches in a 25-year flood event. I would also like to mention that we've actually raised the finished floor of the proposed structure another foot so it would be three feet above the 100 year floodplain and there's potential access from that lot, from the side. We've explored the possibility of getting some sort of easement, but haven't really gotten anywhere with that. Concerning the development of the lot, I'd like to point out that we're significantly underbuilding what would typically be allowed on a lot this size. The current one bedroom, one bathhouse only 816 square feet would give us a floor 047 out of an allowable .4. Our proposed residence adds a little over 3200 square feet of conditioned space where on a lot outside the floodplain we would be able to allow an additional 7,850 square feet to the property. With both structures -- the existing house and the proposed house, we have a 22, which is roughly half of the allowable .4. And similarly our proposed building coverage is 5 percent, which is half of the allowable 40%. In conclusion, our goal is to add to the property in the safest manner and sensitive manner possible, being a good neighbor, good steward to this special lot. Thamgz for your consideration.

Mayor Leffingwell: Anyone else wish to go speak in the public hearing on this item? Okay. Councilmember shade.

Shade: On the map that you just showed, the brown one, I was curious if you can show the egress out of the site from the structure? Can you just trace like -- obviously it's a safety issue. Explain that to me.

So we're at the very highest point of the site, as you can see the entire street frontage on johanna is currently all at the 25 year floodplain. And so we're kind of -- you have to cross a little bit of the 25-year on to the 100 year. So the driveway runs up kind of along the property line and to the garage. [Buzzer sounds]

Shade: So the new structure is actually safer than the existing structure?

Yes.

Shade: Okay.

Mayor Leffingwell: Further questions for the applicant? Councilmember morrison?

Morrison: Actually, i have a question for staff. I'm trying to wrestle a little bit with the fact that the board of adjustment gave a variance to put a primary structure behind a secondary structure. Which put them in the position -- so they got a variance from the code to do that and then presumably the only way to do that is to build in the floodplain. Did you -- do you know anything about the reasoning behind that variance?

I'm not involved in the board of adjustment variance. I can't answer -- can't answer the question as far as how that -- how the process works or some of the justification for doing that process. I could try to

find some people either here tonight or I could get back with you on that.

Morrison: That's okay. I just feel very uncomfortable building one variance on top of another to create this situation. And am I reading it right that sexually some of the access is -- that actually some of the access is in the 100 year floodplain? [Inaudible].

Yes. The driveway -- if you basically look at the drawing that's there, the driveway goes from the garage and hugs the -- it's the bottom property line straight out to the street. More are more so it's in the --

Morrison: So it's in the 100 year and 25 year floodplain?

At the right side of that page, yes. With the garage itself, and the driveway right at the garage is elevated above the 100 year floodplain by fill. But then as they approach johanna, then the driveway dips down to meet johanna and all of that area is in the 100 year and also the 25 year.

Mayor Leffingwell: Let me just say that the board of adjustment would not have considered in any way floodplain issues as strictly health and safety. No board or commission considers that, the council only addresses variances on floodplain. So whatever they did, it didn't have to do with the floodplain issue. [One moment, please, for change in captioners]

see the overall picture, sir.

I just want to see this one just prior to your recommendation. Summary, yes, so these are what I am loosely calling findings of fact and you were not able to answer favorably to the next questions, so, therefore, that slide recommends denial. And let me just say that i realize that it's difficult to try to put a building on a lot like this, on a floodplain, I understand that. You also understand the community interest in this. Building in the floodplain is something that is a health and safety issue for a reason. It's also an economic issue because these -- building in the floodplain affects everybody's insurance rates, flood insurance rates, its affects future fema flood maps. There are plenty of reasons not to do this and we also have to have an obligation to think about -- as was pointed out in the presentation by staff, that an accumulation of building in the appalachian will floodplain in other areas and impact people that don't have anything to do with this -- for all of the reasons, I am not going to be able to support -- I am not going to be able to support the request for amending the ordinance for floodplain variance. Mayor pro tem.

Martinez: Is that staff recommendation. mayor mayor pro tem moves to close public hearing and deny request or approve staff recommendation, seconded by council member morrison. Any further discussion? Council member shade.

Shade: Point of clarification, I thought you said you were removing structures from the floodplain at the same time you were adding something new to the floodplain. Did I miss?

We removed two accessories -- well, one, an additional shed that were in there that we have --

not anything close to --

no, but hardship wise, i guess the let has to stay at one bedroom, one bath, 1928 bungalo in gratuity because we will never have access to [indiscernible], having such a large square footage of property that it -- that it seems [indiscernible] one bedroom, one bath property value.

Mayor leffingwell: Anything further? You can't speak from the gallery unless somebody asks you a

question. S.

Shade: I will ask a question.

Mayor Ieffingwell: Council member shade has a question for --

Shade: My question is what comment would you make, if you are able to make one right now? come up to the microphone and introduce yourself. And a I point out you did have an opportunity to sign up to speak in a public hearing.

This is my partner and he is my partner and we are the owners of the property. I want to say this when we bought this 8 years ago, we we didn't have the issue today. That by denying this variance, you are virtually rendering our property of no value. We have an 800 square foot home on a half acre lot. It is a beautiful lot. If we can't do this -- we have done everything that we can -- we can't build on this lot. We can't do anything.

I would like to offer a proposal. Would you consider that if we built this home and then removed the smaller home, that we would be giving back to the floodplain? there is a motion on the table with a second that we are considering right now. If another council member wants to take an action, now would be the time, but otherwise, we are past the negotiating stage without a council action.

Mayor.

Mayor Ieffingwell: Council member morrison

Morrison: I don't want to take another action but i want to make a comment that that sounds like a whole different situation and maybes the something you can consider by sitting down with staff and thinking about a different project.

Mayor, I would be glad to pull my motion off the table and make a -- and make a substitute motion to postpone this item next week to allow them to sit down and talk with staff a little bit more. well, is one week going to be enough? I would respectfully suggest that we maybe make it january 13th so mayor pro tem amends his motion to postpone this item until january 13th. January 13th, 2011. Is there a second for that motion? Second by council member spelman. Further discussion? All those in favor, say " aye. Oppose say no. Passes on a vote of 7-0. No further items on our agenda tonight? Without objection, we stand adjourned at 7:20 p.m.