

## **Closed Caption Log, Council Meeting, 02/02/12**

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[10:06:03]

hb good morning.

>> Good morning.

I'm mayor lee leffingwell.

We'll begin today with the invocation from pastor a.w.

, pastor of mount sinai missionary baptist church.

Please rise.

>> Shall we pray?

Oh, lord, our god, how excellent is your name in all the earth, and in your presence humbly now we bow.

We thank you for this day that you've made, and in it we will rejoice and be glad.

We pray that the opening of this session today, that ullman fess your spirit, use all of these men and women as your servants, cause them to think with your mind, feel with your heart.

May all that is said and done by those that will come before them work for the purpose that all citizens who live in this wonderful place will be blessed to live to the fullest that you would determine.

We pray that you will keep them safe, keep them in health.

We pray that as this day goes forth that it will be according to your will and that you will bless will efforts this day.

In jesus' name I pray, amen.

[10:08:00]

>> Mayor leffingwell: amen.

Thank you, pastor.

Please be seated.

A quorum is present so I'll call this meeting of the austin city council to order on thursday, february 2, 2012 at 10:08 a.m.

We're meeting in council chambers, austin city hall, 301 west 2nd street, austin, texas.

Again, with our changes and corrections to today's 11 is postponed to february 9, 2012.

On item 17, delete the word "feel" and insert the word "

item no. 35 is withdrawn.

For time certain items for 30 morning briefing will be a briefing on proposed electric rates.

00 noon we'll have our general citizens communication.

00 we'll take up our zoning matters.

00 our public hearings, 30 live music and proclamations.

The musician for today is cass brostad.

The consent agenda for today is items 1 through 19, 12, which is nominations and waivers for our boards and commissions, there are none today.

Items pulled off the consent 5 and 6 are pulled off related to executive session item no.

22, And also related to 25, 26, 27, 28, 29 and 30.

7 is pulled off the consent agenda by mayor pro

[10:10:00]

tem cole.

14 pulled by council member morrison.

17 pulled by council member tovo.

13 and 19 are pulled off consent due to speakers, and we do have several items with one speaker only, so we will allow three minutes to each one of those speakers who has signed up on a single item.

First is clay defoe, is signed up on item 13 and 14.

You have a total of three minutes.

And before we begin this, correction, I called off 13 as being pulled off the consent agenda due to speakers.

There's only one speaker, and he'll speak now.

So item 13 will remain on the consent agenda.

>> Thank you, council.

Item sp 13 is a resolution authorizing a \$1 peak hour surcharge that will be added to the initial rate of fare for each passenger in austin cabs.

Now, we saw what a disaster it is when the city controls the permitting process for cabs on december 15 when lone star cab came before you to try to get 50 more permits.

It's just another example of the city using government to place corporations in special privileges.

We have a big problem in this city with city monopolies.

Just like austin energy, when you raid the operating fund of over \$100 million and expand

[10:12:00]

massive wind contracts to foreign contractors and then push a rate hike that will affect the lowest users.

Again, austin city council is out of control with these corporations.

We do not need this new peak surcharge.

I know last week you considered an item that i 50 additional for just when you jump in the cab.

This is another hidden tax on the people of austin, and it's most heavily going to affect those that are low income or middle class, and I don't see this as being helpful to our city.

It just shows how the power of government is used to oh oppress us with these special deals.

And you guys need to change this up.

We need to let the free market work with our cab fares and the permitting process.

I don't think austin city council knows the cab industry well enough to be setting the rates and to be adding a surcharge for peak hours.

It's only going to hurt our economic.

It's going to restrict our own citizens and it's a hidden tax on the middle and lower classes that we don't need.

So please stop paying for these extravagant projects that you spend on every single council meeting, mr. mayor.

Stop this monopoly ownership that you have in the energy and the cab sectors and let's get through this and please, if you care about us and our money, you'll vote no on this item.

Thank you.

the other speaker on the consent agenda is gus pena.

Welcome.

You have three minutes.

>> I believe that's item no.

15 And 17?

>> Mayor leffingwell: 15.

>> 15, All right.

Thank you.

17 is pulled off the consent agenda.

>> Okay.

Thank you.

Mayor, council members, gus

[10:14:00]

pena, proud united states marine corps veteran, served in vietnam.

I want to just briefly comment on this resolution as having to do with community development commission representative, we heard me speak this for many years, especially now with -- I don't care who says what, you go out there in my community, our community throughout the city.

We're in a recession still.

It's not as bad as other cities.

We're in a recession.

We have a lack of affordable housing here.

Daily we're losing people to the homeless rate.

Again, the apartments, the last bastion of affordable housing projects on riverside drive are being torn down and according to some people affordable housing is not affordable.

It's apartment/condo -- excuse my bad english, that ain't affordable for a lot of people that need housing.

So when you're dealing with these chotos, insure please that the best interest of the public is at heart and take into task that we build affordable housing for a lot of people, and I'm talking about if you're going to build rental housing or houses, 60, 70, \$80,000 per home that's affordable, a lot of people cannot afford these monstrous overly priced houses.

That's not good.

But anyway, it's a good idea, good issue.

Just make sure that the people that are working on various commissions know what affordable housing is and the needs we have out there.

We have a lot of veterans that are losing their homes, a lot of homeless veterans with families.

Kathie, tovo, you know about that issue, I told you about it already.

And it ain't good.

Thank you very much, and improve the housing situation and have a good day.

thank you.

>> Morrison: mayor?

council member morrison.

just briefly, pena, I want to thank you for your concern and for highlighting this.

I think that what we're doing here with the community land trust is adding another tool to the toolbox too that the chotos have stronger affordable housing.

So I appreciate everybody's work on this.

Entert entert ain a motion on the consent agenda.

>> Mayor?

council

[10:16:00]

member riley.

I would like to pull item 13, if I can.

I think we ought to talk about that.

item 13 is removed from the consent agenda.

Is there a motion?

Council member spelman.

Council member spelman moves approval, second by mayor pro tem.

Further discussion in all in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

7, pulled by mayor pro tem cole.

>> Cole: thank you, mayor.

This is an item that I am delighted to bring.

It is involving this willie mae kirk, a long-time civil rights activist.

She was appointed to the library commission in 1971 by then mayor jeff freeman -- friedman.

She served as a member of the library commission for 12 years, as a commissioner.

She has been involved in numerous social justice issues involving all of austin and in particular the schools and east austin, and was a staunch supporter of neighborhood libraries.

And so I am renaming the oak springs library the willie mae kirk library, and I also believe her daughter, sandra kirk is here, and would you stand up, sandra?

Thank you.

Do you want to come forward?

I want to recognize that there were three pages of signatures at the library commission for renaming the library after ms. kirk.

Sandra?

>> Good morning, mayor, mayor pro tem and council members.

I'm delighted to be here this morning to represent my family, and as many of you know, my mother will turn 91 years old on saturday.

[10:18:01]

So she gets up a little later in the morning than this meeting, so I didn't pull her out because i thought it was going to be on the consent agenda, but I'm delighted to be here to thank you so much for considering this resolution.

It's something that we in the family and in the community believe are well-deserved by my mother.

She has really served this community with her heart and with all of her resources for so many years, and this is well-deserved.

So you have my heart-felt appreciation, and in her stead I will wish you a blessed day, because you know she would if she were here.

But thank you so very much.

The library commission hearing was like a love fest.

There were so many people who came to speak lovingly and honorably about how she had had an effect on their lives.

There was somebody who sang.

There was somebody who told jokes.

It was really quite a meeting.

So I'm sorry we didn't get to replicate that for you, but I think your time is going to be better served today by moving on to your other items.

But thank you so very much.

sandra, let me ask you, are you planning a celebration in the name of -- for the renaming?

>> Yes, we are.

We have -- you know, we can come up with a guest list that would astound you all.

In fact, we could have filled this hall.

We declined to do that.

We kind of held back, but we are prepared to submit a guest list and to work with the city on having a ribbon-cutting ceremony of some kind when that's appropriate to do.

>> Cole: okay.

We --

>> and I think one treat for her birthday this saturday will be to be able to tell her for certain that the ribbon has been wrapped on the present, and this would be -- this renaming will be her birthday gift for this year.

>> Cole: okay.

I brought that up not because of the rest of the world that will be coming but because I wanted to make sure my colleagues are

[10:20:00]

invited.

>> Oh, absolutely.

Yes.

Absolutely.



so I want to also recognize council member martinez, and I believe it was either mayor lee leffingwell or kathie tovo, who brought this item with me for any comments that they want to make.

well, I -- I would like to make a very brief comment.

Obviously, as you stated, your mother well-deserves this honor.

She has served this community well for so many years, and one of the ways that she served this community well is by teaching her children so well to participate in community service.

Sandra, of course, has served our city on the planning commission and still does, for some time now, but also her son, ron kirk, former mayor of dallas, now has a very important position in the commerce department of the united states government, and I met with him just recently and he is certainly a edito the state of texas and to our community.

>> Actually he is the united states trade representative and those departments have not yet been merged, but they will at some point.

So he is also a cabinet appointee.

thank you.

I was close, anyway, wasn't i?

[Laughter] at any rate, a very important person, and thank you both for your service too.

Council member tovo?

I don't have much to add except that it was really a privilege to be a co-sponsor on this item, and your mother has been such an extraordinary community leader in this city, and, you know, I certainly appreciate all of her hard work for austin.

council member morrison?

I just want to add my congratulations and kirk to please pay on to your mother for me, and I'm sure many, many people in the city of austin, not only happy birthday but thank you for

[10:22:00]

being such an inspiration and model for serving this community.

thank you all.

thank you, again, thank you, colleagues, thank you, sandra.

We'll see you at the party.

and mayor pro tem, would you make a motion?

>> Cole: move approval.

motion by mayor pro tem.

I will second.

Further discussion in all in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no?

Passes on a vote of 7-0.

I yield to council member martinez on a point of personal privilege relating to an item that we've already passed on consent this morning.

thank you so much mayor, and I'm sorry -- we were moving along so dwik quickly.

We did pass on consent an item and I want to recognize and thank the folks who have worked so hard to bring this event forward.

No society tros tejano parade on march 31.

In association with unveiling of the monument on the grounds of the state capital.

We have our local organizing committee that's here with us this morning.

They have been working on this parade.

It's going to be three days of wonderful events and commemorating the tejano history to the state of texas, and of course our own history here in austin, texas, and we will certainly have more information and be inviting the entire community to come out, but i want to do thank the local committee for all their efforts, specifically dan ariano.

Dan, if you'd like to come forward briefly?

What this does, council, as you all know, it provides fee waivers for the parade for street closures.

I want to thank the city manager for working with us on this to help make this event as successful as it possibly can be.

That is a rendering of the actual monument that will exist on the grounds of the state capitol.

thank

[10:24:06]

you all.

I appreciate that.

thank you, mayor.

I'd also like to recognize and thank my good friend dan ariano for his work over the years in recognizing the role of hispanics in our united states military.

Thank you, dan.

So now we'll go to item no.

13, Which has one speaker who has already spoken.

Council member riley?

>> Riley: thanks, mayor.

This is an item relating to peak hour surcharge for taxicab.

We talked about this at length at our last meeting and passed something on first reading and asked the urban transportation commission to take a look at it, which I understand they did, and I just thought it would be helpful to get a report from staff as to what went on at the commission's meeting.

>> Good morning, gordon dur, assistant director with the transportation department.

We had a special meeting of the urban transportation commission.

We also had an open meeting with drivers and franchise holders on tuesday, the 31st.

After discussion of the options there generally seemed to be a consensus that the dollar per passenger was a better way to go.

There was a couple of drivers who had concerns about it, but the majority of the drivers who participated and the franchise holders and the utc were supportive of the dollar per passenger.

Now, there was a secondary issue which is mentioned, which is the number of passengers in the vehicle.

I think we -- and the city attorney's office is here about that.

I think we need to bring back to you a separate ordinance/amendment for that particular piece, but we could certainly move forward with the peak hour surcharge

[10:26:00]

at this time.

this will be approving the peak hour surcharge, and that was recommended by the urban transportation commission.

>> Right.

and we'll revisit the issue of caps on -- on the number of passengers later.

>> Right.

>> Riley: okay.

Thanks.

and council member, we do have one speaker.

Our rules say that even spoke the speaker lineup is 45 for an item pulled off the consent, other speakers can sign up.

So we have an additional speaker, and that would be edward cargelo.

>> Welcome.

You have three minutes.

Good morning, mayor, mayor pro tem, council members, i just wanted to report back to you guys that we said we'd bring some information back to you from last week.

We've provided that to all of you.

Thank you very much.

thank you.

So council member riley, did you want to make a motion -- actually, ed, could I ask you a question about that?

Could I just ask you to summarize the information you provided?

You're referring to the this map that shows the yellow 00 from may through december of last year.

Can you just very briefly summarize what we see in the map?

>> Yeah.

What you guys have available to you is a map, and then on the back of that you also have information to go along with that that explains that 85% of the trips dispatched 00 may 9 through the end of the year were trips from outside of downtown, so it's -- you know, it's consistent with the point we were trying to make last week, that city-wise service is still needed during that time.

And then the information that comes first is 42% of all trips dispatched were to

[10:28:00]

metro access passengers, and the eligibility for metro access is the elderly community, lower, fixed and middle income folks, and just demonstrating that those -- that community does utilize taxicab transportation at those times also -- at those times also.

I'm hoping that next week when the issues from the 15th -- from december 15 come back to you guys, that in the rounds of discussions that the ground transportation department is heard, the holistic solution is to encourage more drivers to drive at night, but [inaudible] story yesterday and got some passenger feedback, and, you know, the message we tried to communicate is that there are people hold like to utilize taxis but because there aren't enough cars on the road at the times that they want them, they use other means of transportation, and so we're hoping that their green peak permit demand proposal, which suggests adding alternative fuel vehicles to the taxi fleet and utilizing those in a daily capacity, helps solve that problem also.

So getting more drivers to drive and making more vehicles available for drivers who don't own their car to be able to meet the needs of the passengers.

but until we get to those measures the drivers and the cab companies do believe that adding a dollar per hour peak hour surcharge will help?

>> Yes, sir, I think this is one -- one of many steps in the right direction, and there was unanimous support at the urban transportation commission meeting, ground transportation and all the franchise owners.

>> Riley: thank you.

>> Thank you guys very much.

>> Tovo: mayor?

council member tovo.

I just wanted to add to that.

You know, we had received a proposal from the taxi drivers association to increase the drop fee to 50 and that was really what gave rise to this resolution that we have before us that we're talking about today that has been tweaked to the dollar per passenger.

But it's my understanding based on going back to the

[10:30:00]

taxi drivers association and hearing from the drivers that they do now support this dollar per passenger fee and they feel that that strikes a good compromise between incentivizing drivers to get back out there but also making it still affordable for passengers -- affordable enough that they'd exercise that option.

So I expressed some concern about it last week, but based on that feedback from the taxi drivers association, who again had suggested this alternative, I do support this measure, and with that I will move approval.

motion to approve on second and third readings by council member tovo, second by council member riley.

I want to note that also dee ann johnson was signed up for this item but not wishing to speak.

Further discussion, all in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

14 pulled off consent by council member morrison.

thank you, mayor.

I want to thank my colleagues, council member spelman and martinez, for bringing this item forward, which is an item to shift some funds from something that was called the -- let's see --

downtown venue relocation program to now become the music venue assistance program, which i think is a terrific idea because, as everyone knows, we're really struggling and trying to make progress on finding a balance between residential and music venues downtown, and this, as i understand it, is a loan program for music venues to be able to implement some mitigation.

And so I wanted to pull it off consent because I do support it, I wanted to get a little bit of clarification on a few pieces of the language in

[10:32:00]

here.

So if I could direct you to the be it further resolved that says the city manager -- well, first of all, just to clarify, it's about changing the name, changing the fund, and then it's about doing a case study dedicating \$40,000 to a case study.

And then to work with the music commission to develop recommendations to mitigate sound from music venues and report back to council.

And in terms of the recommendations to mitigate sound, I think that there are probably a lot of issues that can be considered, and I just want to make sure that the intention was to be broad in the kinds of recommendations that come back.

For instance, how -- how we would select the different venues to actually work with, and criteria for funding.

For instance, do we want to consider target areas, perhaps like the red river district or something like that?

Do we want to -- and I think this is an important one to consider -- should we be looking at venues of a certain age as opposed to new venues?

Because my thought is that if we're building new venues at this point, we should be smart enough to be building them to appropriate -- appropriately mitigate noise.

So I hope there's some consideration for that.

And it's not quite clear to me here, but is the intention just for live music venues or is it for any music venue, or maybe that's still open.

Would you like it -- council member spelman.

on details, council member, I'm happy to defer to don pits who i believe is out there and can answer those questions at a greater level of specificity than I can.

But the idea on the resolution is we take a representative case of a

[10:34:00]

music venue, live music, canned music, less important than -- we have a music venue, which is producing a lot of sound.

And find a representative case and see what can we do about that sound problem.

So so I don't have specifics for you as to the right way of selecting a venue other than whether it's live or otherwise is less important than how many decibels it produces and that it be a representative case because what we're trying to accomplish here is a demonstration project.

Let's spend \$40,000 or less, we may not need to spend it all, and see what we can do with one of the many venues we've got which produces very high decibel levels.

If that will work in a representative case, presumably it will work in other cases like that, a specific case which is like one of the many cases we've got to deal with.

I'll defer to don, however, on the specifics.

so, pitts -- council member morrison.

>> Morrison: thank you.

You or staff, if I could ask a couple of questions?

I guess the first question is, is this a loan program or is this a city investment in the property?

>> I think the resolution we're looking at is more of a case study for a sound mitigation test for up to \$40,000, and then come back to you in another 80 days but the initial recommendation from staff back in november to mayor and council was create a low-interest loan program much like the vre.

>> Morrison: okay.

So the idea is that it would be a loan program.

Is that actually -- is this initial case study a loan -- a loan or is this going to be just a case study where we're actually going to invest our funds?

>> It's a case study that we're still, I think, looking at the criteria as far as I think we would like some type of buy-in, so that if the venue that we choose has some skin in the game as well.

>> Morrison: I see.

So that makes a lot of



[10:36:00]

sense.

So it's more of a partnership.

>> Yes.

and I was listing off some other potential criteria when the recommendations come back and not necessarily that I'm suggesting an answer to what the criteria should be, but just the areas that the criteria might -- might address, and I wonder, is that your understanding of what your recommendation might include, sort of broader how to run the program?

>> Yes, it would.

It would be all-inclusive.

okay, great, because I think that there's a lot of real useful criteria that we could discuss to make sure the money goes -- our money goes as far as it could.

And could you talk a little bit about the -- I'm sorry, the name of it is the downtown venue relocation program, right now.

Is it currently funded?

>> It currently has in the documentation that we sent to mayor and council in november, it states that it has \$224,000 in the fund currently.

and -- and the idea is to bring it up to \$750,000.

Is there some -- any background on how that amount was chosen?

>> No, ma'am.

are you through, council member morrison?

I'll probably have some follow-up questions but I'd love to hear from council member martinez.

I think I can provide some information.

That was what the original funding was.

It has since been spent down to the current level.

This item, all it does is allocate \$40,000 for a case study.

All of the things that you've brought to the table I think are great suggestions.

That's why we want to work with the music commission and with all of the departmental staff to come up with the best potential recommendations for a program that is yet to be funded and yet to be stipulated as to guidelines, rules, loan program, grants

[10:38:01]

assistance.

And pretty much everything is on the table, in my mind.

The bottom line is we have this interaction with music venues, whether it be live music or just sound in general, that is kind of converging with our booming population downtown, and we wanted to put this item up, one, to put it on notice to council that we would have to fund this in a budget cycle, but two, let's get -- let's get all the information out there and possibly create the program and then come to council with a potential financial request during the budget cycle.

And so that's -- that's really what this is about, trying to get this case study done, get as much information as we can, as well as input from the music commission and council members' staff, and then come forward with the final program recommendation.

I appreciate that, and I think it's a really good step.

The question -- the kind of questions I might have eventually are, you know, what would our target number of venues be, how many venues do we have that could really benefit from something like this?

What's the amount that really makes sense for each one of them?

And is \$750,000 -- how far to our goal would it get or would it take us way beyond or nowhere near?

So I guess my hope is just that we can be -- it's rather prescriptive, the resolution is, in terms of the funding.

It talks about -- it says subject to council approval and availability.

The city manager is directed to add the amount of 100,000 per fiscal year to the downtown development fund for music venue assistance program until the amount available for the program is 750,000, and my point would just be that I hope we can be relatively -- we can be open to other recommendations also if -- you know, as the information gets spelled out.

Would that be acceptable?

actually more than that, council member.

If we do a -- case study

[10:40:02]

will give us a sense how effective we can be at what different level of funding.

If it turns out we can accomplish our reasonable objectives for \$20,000 we may not need as much money in the fund.

If it turns out it costs more we'll have to go back and rethink the program.

All that is on the table as far as I'm concerned.

okay, and i guess my question to staff is, is that relatively open direction clear to you or does the resolution just need an amendment that says at the bottom, "or other funding recommendations"?

if you would like to add or other funding recommendations pending, result of the case study, i would consider that to be a friendly amendment.

I would like to add that.

add it at the appropriate time when there's a motion on the table?

>> Morrison: I will.

and we do have one speaker, by the way, and that is clay defoe.

And I'll just say that it's been my experience that these studies come back often in a much different form from the way they went out.

>> Item 14 is a resolution to approve funding of a sound mitigation case study of music venues in the amount of \$40,000 from the downtown development fund.

Also you're looking at, as you've just discussed, adding \$100,000 per the fiscal year, each year, to the downtown development fund until you get this \$750,000 balance.

Now, this is not even part of the funding for the loan program that's going to come after, so this is a small portion, perhaps, of what you guys are going to spend on this program.

This is only for a case study.

Now, I know the city council likes to do studies, but i have to remind you, that's one of the ways government grows and the real economy shrinks.

We do not need this.

I find it deplorable that

[10:42:01]

council member morrison has talked about targeting certain areas, such as red river street.

What we've seen with the downtown austin plan and the attempt to rezone a lot of these areas around sixth street and downtown is there's a strong disdain on this council for what has been termed cocktail lounges, as what we've seen in the downtown austin plan, and what I believe it really is an underhanded effort to undermine the music scene downtown, change the zoning, get the music out of downtown entirely and open the door for corporate developments to come in and get subsidies for highrise apartments or hotels, or what have you, that you guys have done plenty of.

Part of the resolution states that some complaints to the austin police department has facilitated the need for this resolution.

I don't believe that's the truth.

If we look at what's happened recently in the news, there is a story on club deville and how they were being harassed by the police and cited for noise complaints even though there was never a complaint made by citizens or anybody in the area.

So what this council is doing is they're using the austin police department in this way not for real law enforcement objectives to help our public safety, but rather they are wasting our resources to pick winners and losers, push out the live music and pretty much destroy the downtown austin music scene.

martinez has termed this resolution just an interaction with the music venues.

I don't think it's an interaction.

It's a way to use your bully pulpit power on the city council to close music venues, and I don't think it's fair at all.

And we do not need this program.

This is micromanagement of the downtown austin scene, and people are not going to be happy when they see how you're using your power at city council to change the zoning.

I find it deplorable that you would even do this.

I think the former name of

[10:44:01]

the program, the music venue relocation program, is a more adequate name for it because that's what you guys are striving to do.

This is not an assistance program to help them out or their expenses.

It's a way to close the music downtown and change downtown radically.

I oppose it.

Please vote no.

those are all the speakers that we have signed up.

I'll entertain a motion.

>> Spelman: mayor?

council member spelman.

I suspect there are some people who feel defoe does, and I feel a need to mention defoe mentioned is the opposite of what we're trying to accomplish here.

When you have people living and trying to sleep and you have a bunch of music venues playing into the middle of the night you'll have some difficulty and what we're trying to do here is to help venues continue doing what we want them to do, is to play live music, canned music, doing what they want to do up until the legal hours, but in such a way where they're not going to keep people up at night and not generate complaints so that we can keep both the venues and the population and the resident population downtown at the same time.

I want to keep the venues open.

I want to be able to make this a good place for people to live as well.

And I think we can have both of those things happen at the same time.

This program is oriented towards seeing what are the limits of our ability to make that happen, and I hope that we will find that there are a lot of things that we can do to have both of those things at the same place at the same time.

Mayor, I move approval.

motion to approve by council member spelman.

Does that include the friendly amendment previously offered by council member morrison?

I would feel more comfortable if council member morrison would make that specifically, because i didn't catch all of her words.

second by council member martinez, and council member morrison.

>> Morrison: thank you.

I'd like to suggest a friendly amendment at the end of the -- at the end of the last "be it resolved" to add, or other funding recommendations pending results from the case study.

[10:46:00]

iep happily accept that as a friendly amendment.

>>> Council member spelman?

Council member martinez?

Any further discussion on this item?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

Before we go to the next item, council, we have a time certain for a briefing from austin energy.

There has been a little bit of confusion in the public about exactly when that would be held, and I kind of feel like it's -- number one, it's in our interest to hold it later rather than too early for people who might have been expecting it later, for whatever reason, I don't know, and in addition we're not going -- we're going to have a hard time squeezing it in before noon anyway, so if there's no objection, I would like to set a time so that people , that we're going to have that briefing.

Is there any objection or another suggestion?

So council member tovo.

this is, you know, maybe a little off the wall, but I see as I look out in the audience some people who I think are here just for today's briefing.

I wondered if we might, mayor, just get a show of hands of how many people are here right now to see the briefing.

yeah, I think the point is we likely won't be able to complete it before noon.

I see, because of the consent agenda has been pulled?

>> Mayor leffingwell: yes.

So we will hear it this or sometime shortly thereafter.

So with that we'll go to 17, pulled off the consent agenda by council member tovo.

and I can make this very snappy and I would say if the rest of the consent agenda items are as quick, i would suggest we just blast through them and have the briefing.

I hate to make so many people come back.

With regard to this issue, i

[10:48:01]

apologize for raising this yet again, however, it's a good opportunity to talk about the fire academy and our fine program one more time.

So when we talked about it on tuesday I was working with an amount of \$300.

It turns out we actually have a total fee that needs 20, so my office is putting in \$120, mayor pro tem cole has kindly agreed at the work session on tuesday to sponsor it at a level of \$100.

Council member spelman has agreed to sponsor it at a \$100 level, and so I have an additional \$100 sponsor who I am requesting here today, and I think council member -- I'm counting up -- council member martinez had co-sponsored this item on the agenda.

I'm more than happy to fill in whatever gap is there.

>> Tovo: I appreciate it.

Thank you very much.

And again, I think this is a very worthwhile program, and I move approval.

council member tovo moves approval of item no. 17.

Second by council member martinez.

Is there any further discussion?

Do we have a speaker on item 17?

Okay, gus pena.

Declining to speak.

>> [Inaudible] [laughter] oh, i thought you said forget about it.

>> I'm running to get fru here.

Mayor, council member, item 17, I want to make these couple things known, and thank you all very much for the support on the other items.

Back in 1994 randi moreno, who was a member of the austin fire department approached a couple of us from the east austin community saying, hey, would you help me in locating

[10:50:00]

certain schools that want to sponsor any type of, for example, cadet class or any students that are interested in becoming firefighters?

So I just wanted -- it would be remiss on my part if i didn't let the public know randy moreno had started these initiatives in east austin.

I don't want credit, I don't seek t but randy moreno deserves to be credited for these types of issues.

Mike, I don't know if you remember that time but he was very instrumental, president of the hispanics firefighters association.

And again, I spoke to the superintendent, the I will thrust trust -- illustrate rus, mayor cars cars -- car star fen, I wanted to say if there are any more items that need funding.

I was irs, and I think I'm very asubstitute and they're not in an emergency situation.

I believe now it is 179 million, and where they got it we'll find out.

But anyway, they have the money to help out on their part also, any type of joint issues like this.

But mayor, council members, thank you very much because this is very neat.

I do want to remind the public of the passing of mr. dominguez.



He was a student, and he was murdered by a coward as he was going out there to see who have messing with his vehicle, and frank dominguez is his grandfather.

I am a fellow graduate of johnson high school, along with mr. frank dominguez.

I offer condolences to the family, happened last month.

Keep the kids involved with issues, involved with things in the community positive for the community, positive for the family and for themselves.

Thank you very much.

motion on item no. 17.

Council member tovo, council member martinez seconds.

Further discussion?

All in favor say aye.

[10:52:01]

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

19, pulled for speakers.

We have one person signed up and one person donating time, leslie ossenman.

Leslie osse nman.

Sally burrchet.

Sally burchet.

Neither one is in the chamber.

So I'll entertain a motion on item 19.

Council member martinez moves approval.

Second by mayor pro tem cole.

Discussion?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

That completes our consent agenda for today, except for items 5 and 6, which will be held after executive session.

So we've got about an hour.

Without objection the city council will now go into closed session to take up two items pursuant to 071 of the government code, city council will consult with legal council regarding the following items, item 21, discuss legal issues related to open government matters, item 22, discuss legal issues related to the southern walnut creek hike and bike trail.

Is there any objection to going into executive session?

Hearing none, council will now go into executive session.

The fliers on the screen there, which I've distributed to you as a handout are quite attractive with bright kid colors and an appealing layout.

Unfortunately they're also grossly misleading.

The very first sentence is just plain wrong.

So-called optimally fluoridated water poses many health risks for infants of which you're all aware.

The last paragraph contains an egregious contribution.

After telling -- contradiction.

After telling mothers how to minutenize an infant's exposure to fluoride, then it says that a doctor may begin those at age six months.

And he may not, but the wording has been made deliberately vague.

The doctor may recommend supplements beginning at six months.

Then he may not.

Either way such a recommendation would be faulty.

The up shot is to plant doubt in the parents' mind and to promote the bogus notion of a nutritional need for fluoride beginning on a baby's sixth month birthday.

Why six months?

When milk or formula is a baby's primary sustenance for the first year and both the cdc and ada's cautions about mixing formula with fluoridated tap water plainly reference the first 12 months of life.

My best guess is that infants cut their first tooth on average around six months.

So even the fluoride pushers in their frenzy to sell their product recognize the absurdity of trying to peddle a supposed cavity fighter for at&t centerless beings.

But the moment that the first tooth erupts, voila, a new customer is born.

The new warnings pertain to dental fluorosis and babies over six months of age are no less susceptible to those conditions than those under six months.

Fluorosis develops in teeth as they form beneath the gums and the six to 12-old-month is still living largely on liquids.

So why should a doctor want to prescribe any fluoride at all?

We've tracked the language of this strange final sentence to the document from which it was cribbed word for word.

A february 2010 newsletter written by one jay hawker, md, was mayo clinic clinic, ironically the mayo clinic has withdrawn its endorsement, so it shouldn't even be there.

>> Cole: Thank you, mr. olenick.

Next?

Next we have heather fazio.

I haven't seen heather.

Heather, are you here?

No?

Okay.

We'll come back to heather.

Carlos leon?

>> Thank you, mayor pro tem.

My name is carlos leon and I'm here to speak for what's right.

Last week on january 26th, 2012 I spoke to the city council for the third time about the dangers of poisonous chem trails that sometimes appear in the austin skies.

Each time I address the council I disseminate new information, therefore between january 26th, 2012 AND TODAY FEBRUARY 2nd, 2012, Here's my often chemical trail update.

Thursday, january 26th, sunday january 29th, there were sunny clear skies with no visible chemical trail patterns.

Excellent warm winter weather for austin.

I thank the south san for whatever part you played in defending our austin skies from chemical trail attacks.

Attacks which should have never started to begin with, so that austin's air and skies were in their natural healthy states for four executive days.

Consecutive days.

Unfortunately on monday, january 30th and tuesday, JANUARY 31st, THE CHEMICAL Trails appeared again overhead.

They were grouped in the shape of x's.

Some were long parallel looking lines.

In addition, I observed another new chemical trail strategy.

This time the spring jet appeared to fly into, through and out of a natural cloud, so there was a white chemical trail that entered and entered the god made cloud.

I believe this attempt to mix man-made chemical trails with god made clouds is intended to lead the public to erroneously think that man-made chemical trails are natural, non-threatening and if an unsuspecting austinite did not see the jet fly into and through the organic cloud, but only the

resulted chemical trail cloud combination, they might mistakenly believe that the man-made, potentially harmful chemical trail was part of the naturally made helpful cloud.

So watch out, it's another strategy to try and distract us.

Overall, though, this new spraying strategy is a visual metaphor for how evil lying leaches like the chemical trails often attempt to mix with, attach to and bleed out the good and the truth like god made air, clouds and sky.

In a healthy, sane, god fearing society, clearly distinguishing wrong from right is necessary for identifying evil and keeping it away from good.

Like removing the fluoride from austin's drinking water.

officers who attack, falsely arrest and falsely charge the law-abiding austin nights they are supposed to protect and serve.

Like keeping chemical trails out of austin's air, water, soil and sky.

By eradicating chemical trail attacks here in austin, we can win the battle in this evil, long-term, ongoing national spraying campaign against humanity.

According to a 2010 report entitle chemical trails, a consequences of toxic metals and chemical aerosols on human health, she explains, quote --s about buzz.

I'll continue more next time.

Thank you.

>> Cole: Thank you for your presentation.

Next we have linda greene and then we'll have heather fazio.

Linda, please come forward.

Linda greene is speaking on fluoride.

Fluoride resolution.

>> Do not put a warning label, unanimously voted not to put a warning label on our water bill, and this is extremely disturbing to me.

It's one of the issues we ask that you resolve a year ago.

And there are facts here.

One, two, three, four, five, six -- six government issued studies, center for disease control, national academy of sciences, lowered iq in children, and the fact that this is hex seafloor row is a list sick acid that you are adding to our water.

So it's disturbing to see that you're telling the public water that is fluoridated and a level optimal for oral health as is used in austin poses no health risk for infants.

How can you possibly say that the acid that you add to our water is safe for infants, let alone anybody else, or pets, when that same acid also has arsenic, lead, cadmium and radio knew collides in it because it comes from a phosphate fertilizer quarry in florida.

It's not calcium fluoride, it's not sodium fluoride, it's not pharmacy level fluoride.

As you know the most effective way to treat your teeth is to topically apply it, although I wouldn't get near it with a 10-foot pole as it's been used for rat poison as well.

Suffering from thyroid disease, as you do, chris riley, I have acute and chronic insomnia.

Anybody else here up there got insomnia?

00 this morning i was listening to the radio and I heard one of your ads on the anti-smoking campaign.

Millions of dollars the cdc has given to y'all for the anti-smoking campaign, land it goes, cigarettes are full of arsenic, lead, cadmium and other toxins, a thousand toxins.

People have a choice to smoke.

I would choose not to and i don't want anybody getting secondhand smoke, but we're not given a choice.

When you add to our drinking water an ingredient that is toxic to our health just like cigarettes are, you have no right to medicate us and we want you to, as per se of this resolution this year, to vote an end to the practice of artificial water fluoridation with hexofloral salicic acid and issue a moratorium this that you have done a study on at millions of dollar of cost.

[ Buzzer sounds ]

>> Cole: Thank you, linda.

Next we have heather fazio on city issues.

>> Good afternoon, council.

My topic is city officials.

Specifically I want to talk about the militarization of our local police department.

There was a time in the country when peace officers were honored and respected, but as we move forward in this post 9-11 world, a world where the illusion of security is held at a higher value than the liberty of the free people of this country, we find ourselves fearful and resentful of law enforcement.

And it's because our -- men and women in uniform have become just that, enforcers of the law, regardless of what they think is right.

They have become just cogs in the wheel of the military industrial complex.

This is how a police state similar implemented.

It's done soily and done by good people not speaking up when it's happening right before their eyes.

We want peace officers that operate in a manner consistent with this peaceful community that we have here in austin.

Austin has one of the lowest crime rates in the country and we should be proud of that.

Last week the council passed -- authorized a contract that is \$350,000 and it's grant money, of course, which is as you know printed by the federal reserve and it's further crippling our economy and putting us into more and more debt, and what this contract does is it is a full scale training exercise called urban shield.

It is comprised of city of austin, round rock, travis county, williamson county and hays county.

I know that there was a little bit of discussion done during the working group, but there was not substantial discussion to this issue.

And what they're doing, they're not focused on preparedness for natural disasters.

It is specifically for terrorism.

It will involve personnel including regional emergency managers, fire and emergency medical services, law enforcement and related government and corporate partner personnel.

I think that that is key.

What they highlight is the fact that the city of austin would be working with different jurisdictions in central texas, but what -- a down play is the fact that there's going to be related government and corporate personnel.

When you look at the execution of this exercise around the country, you will see that our police officers are going to be training military and foreign troops are doing this.

And they're doing these in countries in the middle east.

That's absolutely terrifying.

These things are designed for war zones.

Is that what america has become?

Is that what austin is is a war zone and if so who is the enemy?

We have reports coming out that people like myself could be targeted as a potential domestic terrorist.

00 ideas about liberty times.

I bring up the constitution.

I disapprove the direction of government and I support the candidate for president ron paul, which they said is a potential threat to law enforcement.

That's scary to someone like me and it's a scary direction that our country is going in and this city in particular.

And what makes sigh tell group even more disgusting is they're facilitating the war profiteering of their sponsors.

They do vendor shows which offers access to the latest gadgets and tools and one of the vendor is l 3, the very corporation that spent five million dollars on federal lobbyists last year and that we have their machines in our airport and our prison now.

We have a body scanner in travis county jail.

[ Buzzer sounds ] I'd like to see more discussion on this, please.

I'd like to see us work with only local personnel rather than the military and we can do this through the public safety commission.

[ Applause ]

>> Cole: Thank you, heather.

Without objection, the city council will go into closed session to take up one item, 071 of the government code, the city council will consult with legal counsel regarding the following item.



Item 22, to discuss legal issues related to southern walnut creek hike and bike trail.

Is there any objection to going into executive session on the item announced?

Hearing none, the council will now go into executive session.

>> Mayor Leffingwell: We are out of closed session.

We discussed legal issues related to item 22.

So with that, council, we can take up our zoning items.

And when we get to items 25 through 30, after we deal with those zoning items, we'll go back and pick up the related items from the morning agenda, items 5 and 6.

So mr. guernsey.

>> Thank you, mayor and council.

Greg guernsey with the planning and development department.

These are the zoning ordinances around restrictive covenants.

The first items for consent, item 23, c14-2011-0127, bluff springs road.

To approve a zoning change to general commercial services, conditional overlay or cs-co, and this is ready for second and third reading approval.

Item 24, case c14-2011-0136.

To zone to lr-co he combined district rezone, ready for second and third reading.

>> Mayor Leffingwell: And i will announce as with the first time we heard, I'll be abstaining, recused on item 24 as I was first reading.

But the consent agenda, then, for those items where we've already held a public hearing, just approve a second and third reading, items 23 and 24.

Councilmember spelman moves approval, seconded by councilmember morrison.

Discussion?

All those in favor please say aye.

Opposed.

The vote is 7-0 with the exception of my recusal on item 24.

Go to the next part.

>> These are the public hearings that are open and possible action this evening.

First item I'd like to offer for consent is item 25, npa-2010-015.01.

This is an amendment to the east mlk combined neighborhood plan to change future land use designation to recreation and open space.

The planning commission recommendation was grant and this is ready for approval on all three readings.

Item 26, case c14-2011-0086, located at garden view drive.

This is to change the zoning of the property to public neighborhood plan, combined district zoning.

The planning commission recommended the zoning and this is ready for consent on all three readings.

Item 27 and 28 involve a map change and I'll talk about that after I introduce item number 28.

01 for property located at 5702 1/2 jane lane, to change the go valley/johnston terrace combined neighborhood to open space.

The recommendation was grant and this is ready for approval on all three readings.

The related item, case swef 0082, for the property located at 5702 1/2 on jain lane, combined district rezoning and the planning commission recommendation was to grant the zoning.

I just want to note on 27 and 28, we have a change to the map.

The parks department has reduced the area to be considered for the change to these cases.

Originally when the property 1 acres approximately more or less have been deleted, remaining 26 acres, more or less, that would remain, there are happens that have been amended.

This would pretty much allow only the area for the hike and bike trail to be rezoned tore changed.

The remaining portion would be left for discussion for another day.

So with that we can offer this as a consent item if you desire to go forward.

Item number 29, case 02, located at 5909 and 5609 Stewart Circle.

This is the change to change the land use map.

The recommendation was to grant recreation open space designation and this is ready for consent approval on all three readings.

Item 30, case c14-2011-0083, for the property located at 5509 and 5609 Stewart Circle, to rezone the property to public or p-np, combined district zoning.

The planning commission recommendation was to grant the p-np zoning and this is ready for consent approval on all three readings.

And that concludes -- no, wait.

There's one more item.

Item 33, case c14-2011-0065.

Staff is quick postponement of this item that is yet to be heard by the commission to your March 8th agenda.

That's item number 33.

That concludes the items I can offer for consent.

Or postponement.

>> Mayor Leffingwell: So the consent agenda for those items where we have to hold the public hearing is to approve both public hearing and approval on all three readings 25, 26, 27, 28, 29, and 30.

And to postpone item 33 until MARCH 8th.

Consent agenda.

Moved and seconded.

Councilmember Martinez is recognized.

>> Martinez: I just want to make a few brief comments regarding the southern walnut hike and bike trail.

I appreciate staff doing all the research and trying to answer questions.

What we have before us is amended zoning request that's a fair compromise that it allows the trail project to tip and move forward but at the same time allows for broader discussion as to remainder of that tract of land and what its best use to what the neighbors are requesting.

Whether that ends up being affordable housing or not is yet to be seen.

There's a lot of legal issues and questions that have to be asked, but I really do appreciate staff working with it and getting to this point so we can rezone the property that's necessary to move forward.

>> Mayor Leffingwell: Further discussion?

All those in favor please say aye?

Opposed say no.

Motion passes on a vote of now we need to pick up items 5 and 6 and then we'll come back to zoning.

We do have two speakers.

Clay dafoe.

Clay dafoe.

Is clay dafoe here?

Not here.

Mark williamson.

Mark williamson.

You have three minutes.

Signed up against.

>> Thank you.

My name is mark williamson, president of [indiscernible].

I'm in favor of the southern walnut creek trail.

However, I'm against -- in november 2009 this council ordered -- which is why -- the northern portion was bid as a shovel ready project and had federal stimulus funding attached.

Our project contract was for \$3 million.

After numerous delays by the city of austin, west star started construction june 2010.

West star immediately noticed the plans and specifications are inadequate and no one requirement and nonbuildable.

We reported these issues to staff and richard wayne accused west star of delaying the project --

>> Mayor Leffingwell: Mr. williamson.

Could I ask you not to use names?

Don't criticize anybody by name.

>> City of austin remained steadfast and plans and specs.

After numerous attempts to -- under the supervision of the city, it was determined plans and specifications could not be completed.

In may 2011, west star filed a delay claim with the city.

In june 2011 west star was terminated.

The project architect was terminated for cause later that month.

A subsequent open records he length west star learned although the city was admitting the city management and design issues were at fought, he continued telling west star [inaudible].

I have provided email data to the may 2011 in which the city official [inaudible] in the email it states walnut creek trail is problematic.

Claim submitted and is valid.

Plans are unclear and incorrect.

City goes on to state such department of transportation has indicated they will remove funding if significant production is not shown shortly.

The city then went to west star and asked them to continue working knowing that they cannot work.

I recommend that the contract be allowed to expire.

This is a writing from one city member to the other.

I recommend that the contract be allowed to expire and the city fight the submitted claim.

This email was written is same day west star met with the city of austin to discuss how to get the project back on track.

City of austin was being untruthful to west star and wasting our time.

If his intent was to end the contract, west star has many other internal city emails that show the city of austin untruthful and not worthy of running the project.

City of austin -- excuse me on the name.

[Buzzer sounding] led to the city wasting well over a million dollars.

>> Mayor Leffingwell: Thank you, mr. williamson.

Councilmember spelman.

Councilmember spelman moves approval.

Seconded by councilmember martinez.

Councilmember morrison.

>> Morrison: Mayor, I wonder if I could ask staff to give us some context for the situation.

>> Mayor Leffingwell: I think so.

I think you can.

>> Morrison: Thank you, mayor.

Staff, I would like to -- some context for this issue.

>> Mayor Leffingwell: [Inaudible] questions on 5 and 6.

Or 6.

On your screen.

Got it.

>> Richard will come up, but i know we're going to have someone from law probably step up because we may be fairly limited in terms of what we might be able to respond since this is involved in some litigation.

>> Yes, sir.

>> So richard, I don't know what you can share because i know we're -- unless judd has something.

>> I understand gordon is on his way down.

I think it's best if he --

>> council, judd [inaudible] law department.

This case is in mediation and I think it's best not to speak about it in open forum.

To the extent there are questions that can be answered in open forum we need to see what [inaudible].

>> Mayor Leffingwell: Councilmember, do you want to go back into executive session on this item?

>> Morrison: Yes, I think i would like us to do that because I think this [inaudible].

>> Mayor Leffingwell: There's a motion on the table with a second.

We're going to suspend further discussion and action on these two items pending a discussion in executive session.

So without objection, the city council will go into closed session to take up one item, 071 of the government code, city council will consult with legal counsel regarding the following item, item 22, discuss issues related to the southern walnut creek hike and bike trail.

Is there any objection to going into executive session?

Hearing none, the council will now go into executive session.

>> Mayor Leffingwell: We discussed legal issues related to items 5 and 6 which will included in item 22.

We have a motion and a second from the table to approve items 5 and 6.

Is there any further discussion?

All those in favor please say aye.

Opposed say no.

Passes on a vote of 6-0 with councilmember morrison off the dais.

guernsey, we'll go back to our zoning items.

thank you, mayor and council.

Our last remaining items, item 31 and 32 and these are related items.

If I may, council, I'd like to introduce both items and discuss them.

That might save us a little bit of time today.

Item 31 01 for neighborhood plan amendment and -- [audio difficulties] the change to the map is from an office planned just designation.

The planning commission recommended to grant the neighborhood mixed use designation.

The related zoning case, item 32, is case c14-2011-0087, again for those same two properties at 6500 and 6502 manor road.

This is the zoning change from for limited office neighborhood plan zoning to general commercial services neighborhood plan or cs-npt planning commission recommendation was to grant neighborhood commercial mixed use, conditional overlay or lr-mu-co-np.

4 of an acre, about 17,600 square feet presently.

And it is bordered by some sf-2 zoning, single-family duplex type uses to the east.

To the north is sf-3 zone and single-family homes and duplexes.

To -- the south retail south to grb zoning and pretty much all on the south side of manor road.

When the planning commission rendered their recommendation for the neighborhood plan amendment and the zoning cases, they basically adopted the staff's recommendation for the change to future land use map.

The commission voted on a 7-1-1 motion on the zoning case.

They did add some additional conditions beyond the staff recommendation of the 2,000 trips.

They added additional condition that the site is type development regulations.

Prohibit off site parking and restaurant general uses and limit drive-through uses to a single one day with access restricted to manor road.

And that's on the zoning case.



The university hills neighborhood association, i believe, the contact team, are opposed to changes to the future land use map, and the zoning change itself.

And we do have representatives here from the snead family and also from the neighborhood are present.

If you would like I can answer any questions at this time.

>> Mayor Leffingwell: First I want to clarify we're holding the briefing and the public hearing on items 31 and 32 together, but we will vote on those two items separately, the zoning case and -- so we'll merge the list of speakers to speak on 31 and 32 together.

>> And mayor and council, i just want you to be aware, we have a [inaudible] in the backup but is only for first reading.

We were in receipt of a petition filed yesterday and staff has not had the time to verify whether the petition is a valid petition or not.

That would require a super majority vote or six out of seven vote on city council.

[Inaudible] the validity of the petition.

>> Mayor Leffingwell: Got it.

Is there a representative of the applicant that wants to make a presentation?

If you would state your name and you'll have five minutes.

>> Excuse me.

My name is kenny sneed.

I'm one of the property owners of the property in question we're talking about here today.

A little history about [inaudible] my wife and i purchased the property way back in 1977, I believe, and we went through a zoning change at that time.

We put a real estate office there and we've been there 33 years serving the community, selling houses, building houses, supporting different organizations.

We would like to retire and oh, about a year ago we put the property on the market.

Had two tentative buyers, excuse me, one young man wanted to put a music studio and there was another who was interested in putting a clothing store, upscale clothing store, I'm sorry, I'm a little hoarse.

We couldn't accommodate either of them because of my zoning.

would not allow them to do what they wanted to do.

So in july we decided, well, maybe we need to move up our zoning so we could offer the property to more potential buyers and that's what we did.

In july we filed an application.

And they suggested that we meet with the university hills association and see we could come to some type of compromise and if we were all in agreement we wouldn't have any problems and that's what we did.

We have met about four times with them and I don't think we ever came up to a compromise, an agreement.

[Inaudible] so we finally took it to the commission and they voted.

The only other thing I want to say is this -- did we already show this?

>> Mayor Leffingwell: You can put it on the screen for us.

>> Okay.

I just want to say my property is here to the west of the property, as the young man stated, is lr and all of this is mixed use with the excep of all the other running the businesses as mixed use.

Seems like mine is the only one being left out as l.o.

After 33 years.

I think if we do a change i think it would be good for the neighborhood if we can get something better than what the l.o. is.

I don't think bed and bath is going to come on manor road.

I don't think the studio is going to come out and put something.

Whoever puts a business in there is going to have to be able to sell something and that's what we need to try to achieve.

And I have heard people talk about sandwich shops, coffee shops.

One lady mentioned a beauty shop.

Cleaners.

Stop off and drop off clothing.

That would serve the community.

So that's kind of my statement.

I would like -- I would appreciate it very much if the city council took [inaudible] staff has recommended and the [inaudible] and allow us to [inaudible] the zoning.

>> Mayor Leffingwell: sneed, you will have another opportunity after the speaks opposed have a chance to speak.

We'll call you back up.

>> Thank you.

>> Mayor Leffingwell: And we don't have any speakers signed up for.

We'll go to those against beginning with lou hanalin.

Donating time is eve MacARTHUR.

So lou, you have up to six minutes.

>> Thank you, mayor, councilmembers.

I'm chair of the contact team for university hills.

We're here in the interest of the university hills portion of the windsor park unit hills neighborhood plan.

Each planning area of the neighborhood plan has its own contact and I'm the chair of the university hills contact team the neighborhood plan process was two years in the making from 2005 to 2007.

It was adopted by city council in august of '07.

Many of us attended almost every meeting with city planners during that time period and we took off work to attend the zoning planning meetings since many were held during the day.

As you can imagine, much negotiation went into the planning phase and compromises were made during that time.

Our planning team and the community's wishes were direct -- were to direct higher density to the commercial areas closer to ed bluestein to allow neighborhood commercial at the intersection of loyola and manor.

And there were up zonings to

[14:54:01]

accomplish that goal.

In addition down zonings occurred at the property directly adjacent to the east of the sneed property from lr to sf-2 and the convenience story on the loyola and manor was down grind from cs to lr.

The point being the community has already done quite a bit of compromising in order to establish a balance of zoning in the area.

Also at that time in 2007, the city planners agreed that the zoning was most appropriate for 6500 and 6502 manor road due to the commission the community had for the area and the complexity of that particular intersection.

We have had several contact meetings on this matter since receiving notice in august and sneed have attended a few of them and heard everyone's comments.

We've had a public meeting with notices being sent by city staff.

We've discussed this at the university hills neighborhood association.

Votes were taken at two contact team meetings and the neighborhood plan meeting -- excuse me, and the neighborhood association meeting, and it became clear that the community does not see the necessity at this time to make a change in our plans for this purpose.

The applicants have stated they have no intention of selling to a business that would be a detriment to the neighborhood, but as they know as real estate professionals and as we know nothing is certain unless it is in writing.

And at the end of the day by their own admission, the applicant simply wished to make the most money on the sale of their property and leave the area.

They have maintained a business in our neighborhood for many years, but they do not live in our neighborhood and would have no personal investment once the business is sold.

Further -- further, there is no investor at this -- at this

[14:56:02]

rezoning application and it's based on pure speculation as to who might buy it.

During the several meetings we had with our neighbors, they expressed concerns about bars and pawn shops and any business that would sell alcohol, due to the traffic.

Convenience stores and most recently a pet boarding business or businesses that would cause noise and additional traffic on northeast drive.

Also the property has a very small parking lot and there was concern that customers would be forced to park along already busy northeast drive.

We do not wish to deny anyone the best investment on their property, however, we ask for the same consideration and ask you to deny any up zoning of zoning at this time and under these [inaudible].

Thank you for your patience.

>> Mayor Leffingwell: Thank you.

Next speaker is -- councilmember spelman.

>> Spelman: Thank you, mr.

Mrs. ohanlan?

>> Yes, sir.

>> Spelman: Riley and I are frequently mistaken for one another.

You said you don't want a change in zoning.

I understand.

Pardon me.

I understand.

Part of this seems to me is you would be buying a pig in a poke.

You don't know if this were , what the shape of the building would be, what the use and some of the uses you look at the list looked pretty scary, noisy, trafficy.

Do any of them look like they might be okay?

>> Well, we actually went through the exercise, councilman spelman, during a couple of our meetings and actually listed out the additional -- the additional

[14:58:02]

zoning from because it was our understanding during this and sneed agreed to come off their c.s. to l.r.

That's what the subject of the discussions have been.

>> Spelman: Right.

>> And the community still voted to -- to keep the l.o.

Zoning.

They just didn't see anything that they just had to have under l.r. zoning.

>> Spelman: I understand.

I'm asking hypothetical, you have no idea what the buyer would want.

If there were a buyer now and somebody owned the property without the sneeds and were proposing some kind of retail use, is there any retail use out there that you could conceive of your neighborhood saying yeah, that one we can live with, but there's a whole bunch of the others that we can't?

>> There were comments made during a few of the meetings from some of the community members that if they only knew what -- who the people were, what kind of business would go in there, someone who would work with the community as far as design standards and that sort of thing, then they could look for closely at accepting l.r. zoning.

But as far as specifically we didn't get to, well, I would take this if I knew the owner or I would take this.

>> Spelman: That's what i need to know.

Thank you very much, ma'am.

>> Mayor Leffingwell: I just have a quick followup on that.

Of course no matter who it is or what they say they are going to do, the zoning is the zoning.

The way to address that kind of problem is have the restrictions in the zoning.

But you don't -- you don't have any other way of knowing for sure who is going to do what with that property in the future as long as it's in the zoning restriction.

So this is up for first reading only and maybe it would be possible to go back and look about -- look at what kind of restrictions you could put within the zoning.

You could say certain uses within the zoning category are not permissible, just a suggestion.

>> Thank you, mayor.

>> Mayor Leffingwell: I think that might be a good way to approach it.

Councilmember tovo.

>> Tovo: I have similar questions.

There are a fair number of uses in both categories, some of the office uses and there are a couple that jump out that based on our conversation probably would raise concerns among your neighborhood like service station, I know that was one of the exclusions.

Restaurant, alcohol sale, that was another recommendation and a few others that you might want to consider recommending not be there, but I guess i would like some more information about what the conversation was like as you went through the neighborhood plan because, you know, this is a commercial corridor and there are other retail uses up and down the street.

What was the conversation like among your neighborhood planning team that led you all to recommend that it remain ?

>> The conversations had mostly to do with the -- the high number of residences that were directly behind this property and we didn't find that in really any other areas.

On the south side there are -- there are no -- south side of manor road, there are no residences and so there is an auto zone there.

There's a convenience store.

There's loyola business park is up at manor road and loyola where the library is.

But this was so heavily -- it was so heavy with residences directly behind this property that the people who lived in that area who went through the neighborhood plan process said let's keep this.

I'd like to see a cpa office or it's great for a real estate office there.

It keeps the traffic down and it's safe use.

And, you know, no business after 6:00.

>> Tovo: Maybe that's the key distinction because some do have people in and out of them a fair amount.

Art gallery, you might have people coming and going in some of the more counseling related services that are allowable, professional office, things like that.

You might have a fair amount of traffic generate from that kind of use.

It sounds like the main concern was about after hours, that that activity would continue beyond the daytime hours and that was the key distinction between the office use and the retail use.

>> And you are taking me back several years as far as the conversations, but, again, it was that the people who lived in those houses and those duplexes just did not want to see the higher activity at the corner beyond what an office [inaudible] toe and I think i

>> Tovo: I think I heard you say they started asking for and there was some testimony that it was the neighborhood planning team who suggested l.r.

Is there any accuracy in that?

>> There is -- and I regret there is a miscommunication this that regard.

During one of our contact team meetings, actually I think our first contact team meeting even before we had a public meeting with the education that came from miss meredith from city staff, there was a bantering around of, well, are , just an exploratory conversation of , would you -- you know, would you consider anything lower just for purposes of the conversation?

And unfortunately I believe sneed went away from that conversation thinking that we would agree to an l.r. zoning.

But we had not even discussed it as a body at that point.

>> Tovo: It wasn't a formal vote or consideration.

>> No, it was motto it was just a preliminary discussion yes.

>> Mayor Leffingwell: Mayor pro tem cole.

>> Cole: You talked about this process of the neighborhood plan having went on for I think you said two years.

>> Yes, ma'am.

>> Cole: And I'm curious about the residents actually residing behind this property.

Were they involved in that entire process?

>> Specifically, I cannot tell you that, mayor pro tem, because when you have a room full of people, you generally know where people live, but i did not specifically know where certain participants lived, in which house or duplex.

I just generally knew that it was a good representation of the area.

From that neighborhood behind that property as well as all other areas of the [inaudible]



>> Cole: Well, we know the neighborhood put a tremendous amount of effort into the neighborhood plan and then when it's finally done you hope that people will comply with it, but, of course, we can't mandate that that is what happens once they go through the process.

And I don't at this time think that there's necessarily has to be a direct conflict between what the sneeds are wanting and what the neighborhood is wanting, and it's so focused on what the neighborhood residents directly behind the property are saying that they want.

Are any of those neighbors here?

>> I believe there are two people who are directly behind who --

>> Mayor Leffingwell: We have a number of other speakers.

>> Cole: Thank you.

>> Thank you.

>> Mayor Leffingwell: Next speaker is mizo -- correct me if I mispronounce that.

>> Good afternoon, mayor and councilmembers.

I do have a presentation.

>> Mayor Leffingwell: Is it my or may?

>> It's may.

I'm a property owner living within 500 feet of the subject property.

I'm here to provide some information and feedback from the neighbors and property owners living adjacent.

>> Mayor Leffingwell: Donating time is karen MacARTHUR AND ANDREW FIELD.

Okay, so you have up to nine minutes.

>> Oh, wow.

Okay.

I won't take that long.

So we have talked to all the people who are living next to the property, the subject property as well as within 500 feet, and everybody we've talked to have the unanimous agreement that we oppose the rezoning request.

I do have four slides to demonstrate effects.

So as you can see on this map, I have marked of all the neighbors that we have spoke to that live within either right next door to the subject property or within 200 feet of the subject property.

We did a scale and actually i think the -- wendy and staff is validating right now, there are nine properties that's within 200 feet and we have -- we were able to reach to seven owners and residents, and out of that there's 100% agreement on the oppose of the rezoning request.

We actually submitted a value it petition.

Five out of nine owners have signed the petition for the rezoning request opposition.

And neighbors support the rezoning request based on the information we received, we're looking at a bigger scale.

So this is looking at 500 feet within the subject property.

And then now we have talked to 13 residents and owners within the subject property, and as you can see, all 100% are agreed on the opposing the zoning request and zero support the rezoning request.

We also looked at all the supporters who signed the petition or signature supporting the rezoning request, and within a scale of 500 feet there's zero and within a thousand feet, just justbarely there's one supporter living on loyola lane and with the same last name.

So as you can see the position of all the property owners as well as the residents living very close to the property, we all have the agreement that we do not want the rezoning.

And in closing, we already talked about and lou made it very clear that when applicants themselves made it very clear the purpose of their request to increase the sale value of the property.

And we support the neighborhood -- the neighborhood plan that was put in place, voted by planning commission, voted by city council, and clear indicate that no rezoning at this location.

And in addition, once this is rezoned, there's no buffer zone.

And like we talked about, we went through the exercise, looked at those [indiscernible] looked at what we could compromise in terms , and it's just -- it's very difficult for us to come to a compromise when we know there could be after business hour operations, there could be noise concerns, there would be intense traffic concerns, and there's really no solid business plan that the applicant can bring to the table to really help us to have a healthy and indepth discussion.

So you know, again, this property is surrounded by all single-family houses.

Please consider that.

If you look at the more intense commercial spaces, they are across the street and they are in the nearby business -- business park, so there's a lot of vacancy already in place for the commercial space.

And as neighbors living right next door we have very high concerns about what could happen with the traffic, what will happen with the noise and, you know, it's just -- there's so much uncertainty right now and for us to make this compromise.

Thank you for your time.

>> Mayor Leffingwell: Thank you.

Councilmember morrison.

>> Morrison: Thank you.

Can you help me pronounce your last name?

>> Zoe councilmember morrison I appreciate your comments and I wanted to zero in on the conversation, if you could help us really articulate from your perspective what is the difference in the impact on the adjacent neighbors between l.r. and l.o.

>> Okay.

And we do have the adjacent neighbor who is here on his behalf, but what we look at those conditions, the biggest difference is we don't have any [indiscernible] after hours.

Once you extend into the next higher intensity use, then you are beyond the office, the normal office hours of operation.

And each of those categories can extend into late hours and that will bring a lot more concern around traffic, around noise, around, you know, the other may be even crime.

So we just had a hard time to really come to an agreement on each of the categories that can be added to the overlay condition.

>> Morrison: Thank you.

And I just have one other question.

Along manor on the university hills side, the north side there, do you have much in the uses adjacent to single-family?

>> On the north side.

>> Morrison: Yeah.

>> So towards the car wash?

>> Morrison: Along manor.

>> There's a lot of l.r.

Already along that corridor, but as you can see all those mixed use, already some of them have vacancies right now as well as if you can see a lot of them have a bigger buffer zone that's already in place.

But this particular property does not have as much buffer zone compared to a lot of other mixed properties, mixed use properties.

So that's one of our other concerns.

So once the rezoning has been requested, they can build up to right next to the property line and that's another big concern for us.

[One moment, please, for change in captioners]

>> so without us really knowing what actually is going to be there, you really can't make a decision.

It's like -- compare it to this.

If you put a glass of water in front of me but you don't know that's really a glass of water, I'm not going to drink that glass of water.

Unless you really know what that's going to come and understand what that will do to traffic, and you have to know the children that walk in that area as well, what's going to happen there as well.

You really -- again, i invite you to lay down in my bedroom and open a window and hear what's happening in this one corner.

You put more traffic there, you're looking for trouble there, you really are, unless you have -- what other action are you going to put there to let -- we already know traffic is going to be crazier there.

What are we going to do for the children there?

What are we going to do to make sure we don't have as many wrecks in that area?

What are those things we've got to think of?

So I think the biggest thing -- I'm not opposed to anything making money.

I'm that kind of a person as well, but I am -- I am, you know, a person who wants more information to be able to make a decision.

What are we going to become?

And what are we going to do about what's happening there now?

Does that make sense?

I'm just keep it simple.

thank you.

Next is glen thomas.

>> And you have three minutes.

>> Good afternoon, mayor and council members.

I'm glen thomas.

I'm the adjoining neighbor of the applicant requesting the zoning change.

I pose a deed -- the whole request because one, there's not enough detail what can be placed in the matter of the request -- excuse me.

You said you're signed up in favor of the applicant?

>> No, I'm the adjoining neighbor.

And there's already traffic concerns right now as it is and of course we'll be talking about it's not a good buffer zone in that area, and I just feel that, you know, it can definitely draw in more intensification than is already existing if we just don't know the details that can be filed in.

And I already hear quite a bit of activity that goes on at night, and what could be placed there, we don't know what's the closing hours, what could be open.

There's just not enough detail.

And pretty much that's where I feel on that factor that whatever they request, i need to know more, because i already have enough to deal with already.

>> Thank you.

thank you.

Ns?

And donating time to you is joann barks and jean alan.

So you have up to nine minutes.

>> Hello, mayor, mayor pro tem, council members.

And city manager.

I'm vera givens and I'm part of the reason that we're here because I wrote each of you a as well as the planning commission about the presentation of my neighborhood association to the planning commission on january 10.

I'm the president of the university hills neighborhood association.

And as a result of our speaking to the planning commission about the vote that was taken in our neighborhood association meeting, I felt that we had not been treated properly, and I felt that being a neighborhood association regardless to what part of austin it's in, we would have been treated better.

My neighborhood association is quite old, and it is very diverse.

When you see any of us, we 7/10% white residents.

2 african-americans residents.

5 hispanic residents.

We have 1% asian residents, and 1.5 others.

And when we were considered differently from what was there sitting in the audience, I didn't think that we were given the respect of austin citizens, voters, taxpayers, homeowners.

I also mentioned that I am related to mrs. snead.

I am also a classmate of mr. snead.

In my neighborhood association meeting I didn't participate at all.

I did not want to influence anyone's decision for or against what we're talking about today.

So it was the neighborhood association who voted to keep the zoning at lo, but i do think that when you have residents of austin coming to a submission meeting or to a city council meeting they should be given respect.

I know that many of you may have heard that you can't judge a book by its cover.

That's very true.

There have been five african-american presidents of the university hills neighborhood association [inaudible].

When our neighbors come they represent all of the people that I talked about just now.

So I decided I'd write you to let you know that the citizens of austin are very diverse in the university hills area.

As a matter of fact, we've been more diverse -- we're the only as diverse neighborhood in this town, and we didn't just start it.

It didn't just come because of gentrification.

We have been this way from the beginning.

I wish she had signed up and not given me her time, but she talked about the fact that former council member and mayor gus garcia was a member of our neighborhood.

So I just wanted you to know that residents, as I say, deserve to be respected, and when you have people serving on commissions and committees, here's hoping that you will look into the fact that they look at all of austin and take that into consideration when they are making decisions and referring them to you.

Thank you.

>> Cole: mayor?

mayor pro tem.

givens, we received your letter and i just have a couple of questions for you just to try to give all of what you testified about a little context.

How long have you lived in austin?

>> I am an austinite.

I have lived here forever.

>> And your family?

>> And my family has lived here forever.

As a matter of fact, I'm probably related to a lot of you in this room.

[Laughter]

>> now, am I correct that givens park is connected with your family?

>> I don't know.

I've asked my husband that.

He said if he was a good guy, and I said he was, then we're related.

>> Cole: okay.

So since your family has been such a cornerstone of austin -- all of austin and in particular east austin, I'm sure that you have had or know the sneads and the kirk families and that type of thing; is that correct?

>> That's correct.

>> And I appreciated your testimony about just how diverse university hills has been and that you've been active in that association and the fact that they've had an african-american president for a long period of time.

So I just want to ask you if we understand and have read the information that you sent to us about the comments and hurt feelings that happened at the planning commission, and i hope that we can recognize that and at the same time say that we're going to move past that and just deal with the zoning case.

Do you think we can get there and with the neighborhood association and with your leadership?

>> Yes.

>> Cole: thank you.

Thank you very much, and we appreciate the neighbors.

We wanted to focus on the zoning case for now and recognize the leadership that you have made and your family has made and also the leadership that the kirk family has made and the snead family has made in being not just faithfuls for east austin but for all of austin and for many diverse communities including the white community, hispanic community and the asian community.



And so with that being said I have no further questions, mayor.

>> But before I leave, since I have nine minutes, I would like for my neighbors to stand.

well, now that they're standing, I would like to know what is the name of that park that has been the dancing in your neighborhood?

>> Dottie jordan.

>> Cole: dottie jordan.

And didn't we see you guys during the budget process?

>> Yes, you did.

>> Yes, we did.

Okay, well, I need an invitation since we know that you guys know how to find us to the dancing so i can come with council member morrison and tovo and -- can we get that?

>> Mayor leffingwell: ma'am?

>> You're welcome, all of you.

I just want to say, I feel left out.

[Laughter]

>> okay, we'll bring the mayor.

[Laughter]

>> mayor leffingwell: okay.

And thank you, vera.

Appreciate it.

We now have three people who are for who have now lately signed up out of order.

But we're going to do you the courtesy of going back and hearing from those additional people who signed up who are in favor beginning with kenny snead.

That's you.

Mildred snead.

you have three minutes.

>> Mayor, council members, mayor pro tem.

I'm mildred sneed.

I'm one of the owners of the property at 6500 and 6502 manor road, and we've been meeting with the university hills neighborhood association trying to come to terms about getting an lo zoning.

We're not looking for anything higher than an lr zoning.

We're looking -- we were looking to sell our property.

We've now come to -- come to know that maybe the best thing for us to do is put a business in there ourselves.

So we're looking at placing a dry cleaners at 6500 and a cosmetic shop at 6502.

We're not retiring, at least I'm not.

I'm a real estate broker and I'm still selling real estate.

And it's been mentioned in the minutes that we're closing our business.

We're not.

I'm simply looking to work in that business until we can do something else and then work from home.

The neighborhood members seem to think that whatever we do will be detrimental to the neighborhood, and i don't know why that is because we've been good citizens.

The capital city chamber of commerce was started in our living room with five other people and it's now a large organization bringing tourism to austin.

The national business league got its first funding because I met with mayor strahan to get funding for it and we've worked with many organizations, many people in the neighborhood.

We've helped people who need help.

We work right now with any older person who's looking for a reverse mortgage and don't know what to do.

We do that at no expense, and we do several things at no expense for the neighborhood.

What we're looking to do, we're not looking to harm the neighborhood.

We raised our children in that neighborhood.

We no longer live there but we lived there for several years.

We were the first african-americans to sell new homes in that neighborhood.

We also built homes ourselves and have sold hundreds of houses to hundreds of people in austin.

So we're not looking to do any harm.

I've been sitting on that corner to 30 years and i know more about getting drug dealers off the street and prostitutes off the street than anyone in the neighborhood association could possibly know.

And I've gone out and pointed them out to the police to the point that the police said to me, don't point out the drug dealers, they're dangerous.

Just call us and we'll get them.

So we've worked diligently to make university hills a safe place, and what we want to do is not raise more money.

I don't know how that got started, that we wanted to increase our value.

We simply wanted to broaden our market in order to be able to do something with the property other than what we're doing.

The only offers we've received have been with a higher zoning of lr.

We're not looking to go any higher than that.

We have offered the neighborhood association to give us help in restricting some of the things that they don't want, no service stations, no pawn shops, no sex shops.

We are interested in doing the right thing.

thank you.

>> Mayor?

Willie -- council member tovo.

sneed, I have just a couple quick questions for you.

Thanks for your testimony and the additional information about your plans.

I wanted to ask if you or your husband participated in the neighborhood planning process and if you had an opportunity as part -- if you did, if you had an opportunity as part of that to talk about changing the zoning.

>> I was going through stage 3 breast cancer in 0s 7, so that -- 0u 7, and that changed everything about us and that's one of the reasons we're limiting our business now is because of my health, but we were going through a lot of things between 2005 and 2009 before we got things into place, so I was seriously ill and i saw the mailings come in and I looked at the mailings but that's as far as we went with it.

I understand, and sorry to hear about your health conditions at that time.

And something you just talked about caught my interest, and I heard the neighbors talk about, you know, that they might have some more comfort if they knew what uses were planned there.

Do you have businesses in mind?

You mentioned a dry cleaner and a cosmetic store.

Do you have -- I guess i would just suggest, if you have identified particular tenants then maybe there's an opportunity to sit down with the neighborhood and say, you know, these are the tenants and maybe craft some very specific kind of arrangement that would allow for those uses to be part, and then, you know, bring that back to us.

>> Well, what I have in mind is doing it myself, the dry cleaners and the cosmetic shop on our own, and that way we'll have control of what happens there, although there's going to be a huge traffic increase because of what's going on highway 290 east with the toll road and the frontage will right move through manor road and springdale road.

So the traffic increase will not come from us.

It will come from the mere fact that the traffic is going to be directed that way for folks that want too avoid the toll road.

We're trying to take advantage of the traffic, not increase the traffic.

And we have spoken, and i didn't say this before, to the neighbors behind us on northeast drive and we have a petition with 14 people who signed with us within a 200-foot radius of the property saying that they're not opposed to what we're doing, and we've turned that petition in to the staff.

We have 40 people total on our petition but 14 within the 200 feet radius.

>> Tovo: thank you.

I think I saw that as part of the planning commission backup or a document like that.

I'm not sure I saw it as part of our backup.

>> We've added to it since then.

thank you very much.

willie lewis?

Willie lewis here?

Casey calhoun?

Is casey calhoun here?

Also for the application.

And you have three minutes.

>> My name is casey james calhoun.

I'm a native east austinite.

My family and I lived in rosewood subsidized housing 24 years, the rosewood projects, family of seven children, a mother and a father.

I am proud to say we attended segregated east austin schools when we received the books from across town, the pages were out, didn't have backs.

We have attended [inaudible] church, the projects were segregated at that time.

I'm proud to say all seven of us in our family graduated with honors from college.

My brother jeff is a noted doctor in east austin.

He came from segregated schools.

All seven of us are professionals.

We all attended college.

Because our parents stressed to us education, education, education, and god, family and community.

I am proud to say that all seven of us have given back to the community in our respective positions.

When my husband and i decided to move to university hills, it was because of the school systems.

Our children, my girls were educated in integrated schools in east austin.

I am a retired postal worker and I now substitute for aisd aides the schools in the university hills neighborhood are title 1 schools.

It's not because of the homeowners, it's because of the residents.

We have drug houses there.

We have transitional houses, we have low rent housing.

When I moved there 37 years ago we didn't have any of that.

No, I do not shop at h.e.b.

I'm an empty [inaudible] nester and my children would not be living there and going to those schools.

You sit up and talk about brings businesses.

What about those children who are attending.

They're on welfare, they're on section 8.

That's what the residents are but that's not the diversity of the homeowners.

The homeowners who had children there that their children attended reagan and lbj when there was no such thing as title 1, they didn't have to bus their children across town to get a better education.

Neighborhood schools, [inaudible] changed, the neighborhoods changed and those who are coming in are there only because they're given assistance.

Thank you very much.

thank you.

Heather lake signed up against -- rather late signing up is heather burke braxton.

You have three minutes.

>> I'm going to use some photographs and I'm not quite sure -- push the red button when I'm ready.

Is that it?

Okay.

My name is carol burke braxton and I'm -- and I've lived in this area since 1972, went to windsor park in 1972 and in '77 moved into university hills and have been there ever since.

My kids were raised there and there are a lot of us who have been there all these years, so that has not changed for us and I'm not seeing that change actually with the people on my street and in my part of town.

-- My part of the neighborhood.

One of the things I wanted to point out was that these two particular parcels of property, the one owned by sneed at 6500 and sneed at 6502, are both relatively small pieces of property.

The one on the corner is just a little over -- well, it's 9,500 square feet, and the other one is only 8,000 square feet.

So they're both relatively small, and I wanted to give you something of an idea of what it is we're talking about.

In the photo that you're seeing, you see both of the properties together and I'm not sure how I can draw attention to these, but on the left you'll see the real estate business with the dark group, and right now there's a fourplex at 6502 in the white building.

I'm going to just kind of take you around this facility.

You see the houses in the back of the properties?

We're going on around.

You see the -- as we go you can see more houses going up the street.

It's all single-family residences.

You're seeing, as we go on around, you see more.

This is on the other side of the northeast which actually is in the windsor park area, and in this particular yard, this next photograph has been taken in this last yard looking back towards that business, that property, which you see kind of in the center of the photograph on the other side of the trees, you'll notice that there is a single-family residence immediately behind it.

In their driveway there's a car and the next photograph then picks up from where that car is.

I wanted you to be aware that this is not a flat area.

It's an area somewhat of hills, so even though some houses might be a little further away they're going to be very much affected by what's going on on that corner.

Going on back now towards the business at 6500, this is the single-family home that is right next to that, and standing straight out from the fence between the two properties you can see there's a minimal amount of distance.

Now, I would not want to have invested my money in that home and suddenly find that that is going to be a commercial kind of enterprise now.

So it goes on.

These are both relatively small and houses all around.

thank you.

I think those are all the speakers that we have signed up for or against.

If there's anyone whose name I didn't call on items 31 or 32, please let me know now.

Okay.

So now we'll hear three minutes rebuttal from kennie sneed.

>> I'm kennie sneed.

I wish I had the pictures she had just showing about the property that's going to be lost with my building.

All of the houses -- this is evidence.

This is my petition.

Those people on that street [inaudible] from here to here but we put it up yet, street by street, with no opposition to what we want to do.

They're saying that they talked to people, five people around them was posing.

I've got 15 here for, and also one more thing.

They've mentioned two or three times about a vote, the people in the neighborhood voted.

The planning commission had [inaudible] they asked to postpone it to another date.



We all agreed, and they said, we're going to have -- the planning commission said why don't you all go back and have a large community meeting and get some input from everybody in the community.

They planned it on -- that they were having a christmas party which was I think december the 17th and they had their people and we had people that were for us, not opposing it.

There were like 20 people there.

We never heard this side of it coming from them.

There were 20 people there, and they made a motion, let's take a vote.

Everybody who opposes raise your hand, and I think they had like 12 people from members raise their hand posing.

I think we had 3 that agreed with my decision to change it, and then they said, okay, let's take a vote of the people who is for this, and before my people could raise my hand and vote out of 20 people they had 12 or 13, they says, no, no, no, no, no, only members can vote.

So my people that the planning commission said get together, take a look at everything you've got and let's see if everybody can participate.

It wasn't allowed.

All they said is they took their vote and [inaudible] and they mentioned it two or three times that there were a lot of people in the neighborhood who were all opposing.

That's not necessarily true.

These are the people, like i said before, that have no resistance to what we want to do.

Thank you very much.

thank you.

So council member martinez?

are we ready to begin discussion on the item?

we're ready for a motion, it's -- or discussion, and remember, it's ready for only the first reading.

yeah, I think, you know, this has been a long, tough case and i certainly appreciate givens and the contact team's efforts in this, you know, and certainly the sneed family has been around for a long time in austin, being a part of this community.

You know, we got letters and we heard about what happened at planning commission.

I think this body, and even the planning commission, for that matter, can put personal differences aside and personal things that are brought up and do what givens said, and that's represent this community to the best of our ability.

There were some comments made, though, that I think hopefully will lead us to continued efforts to try to come to an agreement.

This is only on first reading so nothing is final today.

What I heard from the property owners is that there were two specific uses that they are now focusing on, and I don't know if that is in any way even an option for the contact team, but at least we need to go back and see if that is something that is worthy of consideration before we bring it back on second and third reading.

And hopefully we can come to an agreement and if we can't ultimately this body will decide whether or not to rezone this property.

So based on the overtures of the property owner and their at least openness here today to say that they are focusing in on specific uses and are willing to have that conversation with the contact team, I'm going to support this on first reading -- first reading with the caveat, though, that if we can't come to some agreement, you know, that's kind of the process that we have in place, and it sounds like there's going to be a valid petition on second and third reading, so again, those things will all factor into whether or not ultimately this zoning case is approved.

So I will move approval on first reading, mayor.

council member martinez moves to close the public hearing and approve on first reading.

>> I'll second.

mayor pro tem cole seconds.

>> Cole: I will second.

I've been tracking this case for a while because especially as it rose through the planning commission and have visited with the neighborhood and of course appreciate all that you do not just with this case but with the entire neighborhood, because i don't think that that neighborhood would have been as successful as it has been without those activities.

At the same time, of course, I've known the sneed family for many, many years and respect all the work that you've also done in the community and the fact that you have narrowed down your particular uses to, I think it was real estate and dry cleaning, and I am hoping that you can go back with the neighborhood and work together and reach some type of compromise that you can

bring to this body because the -- that entire neighborhood is very important to this city and i believe that all my colleagues recognize that.

and to clarify that this is a motion on item 31.

We'll consider item 32 separately, and I'm going to support the motion for first reading only, only because i want to give the parties a chance to ti to get together and -- try to get together and restrict the uses and to check the validation of the valid petition.

So we'll see what happens on second and third.

Is there any further comment?

Council member morrison.

>> Morrison: thank you.

Commented that university hills is a special place and it certainly is a unique neighborhood, and i appreciate everybody's investments, emotional and passionate investment in their community.

I know that there is an interest in, you know, revitalization of that area.

I had some great conversations with the neighbors there and hope that they can sort of get involved with some of our small business development folks to figure out ways to revitalize it, and the question might be, well, wouldn't some more retail be great for revitalizing.

And I think the thing is that it's clear looking at the zoning map, there is already some retail, and the comments and concerns about the difference in the activity patterns between retail and office are significant.

I think that retail does have a different impact on the adjacent single-family and that that is a decision and a conversation that was had during the neighborhood plan effort.

And my interest, then, is in respecting that effort that was done some years ago.

I think it would be terrific if an agreement could be reached and some limited retail could be accommodated, but at this point I want to signal my deference to the work that was done and my understanding that retail would have a different consequence on the adjacent single-family than office does.

So with that I won't be supporting the motion, but I'm certainly interested to see if agreements could be made.

council member tovo?

I just wanted to say that I appreciate you coming down here today and the testimony that's been given on either side of this issue.

I did have an opportunity to visit the site and to listen to the planning commission testimony online, and it is -- I want to say that this is not an easy decision before us.

I will not be supporting today's motion, but I am really going to think hard about this, and I really do hold out some hope for the continued discussions between the neighborhood association and the applicant.

I do think that we want to create communities where people have stores and neighborhood-level services within, you know, an immediate adjacency to your residences.

I think we're carving out better communities when you have the services closer to home, and so I do think there's the potential for retail services to be of benefit to the retail around here and not the -- community and not a detriment.

I'm happy they're considering uses that would be primarily daytime uses, a dry cleaner, cosmetics store would tend not to have evening hours.

So I think I see potential here and I would encourage both groups to work hard at arriving at a solution that respects the neighborhood plan and the neighborhood planning team's concerns about increased traffic, increased uses that might decrease safety in the area but would respect the tenants of a plan that encourage local residents that support the local neighbors.

Thanks.

and i would just say that I agree entirely with the sentiments expressed by council member morrison and tovo but without an approval on first reading there is no opportunity to explore that option.

And again, restating, that is the reason I said I would support this on first reading, so we'd have the opportunity if we all took -- if we all took that position that we would not support it but we would like to see what the options were, that's something that can't happen.

And so we can't have that option unless we give it the opportunity to come back on second and third.

Council member riley.

I agree with those comments, mayor, and so I'm going to support the motion for the same reasons.

I did want to ask one question of staff, just for clarification.

Greg, I know that -- I think I heard comments from the neighborhood about their fears about -- related to the proximity of development on the site to the single-family homes nearby.

I have visited the site and I realize that the existing structures are very close to the property line, but the site would be subject to compatibility standards for new construction; isn't that correct?

>> That's correct.

That's correct.

If the buildings were demolished and reconstruction occur, they would be.

However, they could still utilize the existing buildings in the existing location, with just simply a tenant change and remodeling structures, and we would allow those buildings as being legal noncomply even though they might not comply with the compatibility setbacks.

>> As long as any use occupies the structures those can stay, but if we're talking about a use that would replace -- any new construction that would replace those existing structures, then those could not be so close to the neighboring houses?

And, in fact, there would be a 25-foot setback?

>> That's typically what the setback -- is 20-foot.

If they were putting in new dumpsters it might have to be 20 feet away although i think there's dumpsters -- the building is already there, so those locations would be grandfathered to where they already are.

if there were a new construction for retail use that couldn't take place within 25 feet of those existing homes.

>> That's correct rife rife so we would have a buffer that's similar to the other ones nearby.

>> Actually it might be more than some of the adjacent ones nearby because most of those were built before we had compatibility standards.

>> Riley: okay, thanks.

any further -- council member spelman?

mayor, or guernsey, when will this case be coming back for second and third reading if this motion passes?

>> I think if it's the council's desire to have a meeting, we'll probably ask contact team to hold another meeting.

We would not bring them back until after they've had that ability to meet.

Otherwise what I understood from your discussions, it would serve no purpose to bringing it back without having that occur.

So my staff will be contacting both the sneeds and the neighborhood contact team about having a meeting and we would probably schedule it.

There's not a public hearing notice that's required.

It would be sent for second and third reading but we would make sure that both parties, the neighborhood and the sneeds, are aware of when that meeting is.

so the earliest would be march 1.

That's the earliest possible day, right?

>> Like I said, I think we would get in contact -- neighborhood planning contact team and the sneeds to see when we could find a date that would be mutually beneficial for both of them to meet and then it may be beyond that meeting -- as early as possible --

>> might be earlier than that but it might be actually later than that, depending when they can meet.

I'll support the motion and look forward to what happens at that meeting.

Thanks.

all in favor of the motion to approve item 31 on first reading only, public hearing closed, say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no?

>> No.

so it passes on a vote of 5-2 with council members tovo and morrison voting know.

mayor, I hate to do this but I wanted to leave the public hearing open.

so you want to reconsider the motion?

sure, I'll move to reconsider.

council member martinez moved to reconsider.

The mayor pro tem seconds, and all in favor of the motion to reconsider say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 7-0.

Open for new motion.

move approval on first reading and keep the public hearing open.

council member martinez moves to keep the public hearing open and approve on first reading only.

Second by mayor pro tem.

All in favor of that motion say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 5-2 with council members tovo and morrison voting no.

Open for a motion on item no. 32.

>> Move approval.

council member martinez moves to leave the public hearing 32 on first reading only.

Seconded by mayor pro tem cole.

Discussion?

All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye.

Opposed say no.

Passes on a vote of 5-2 with council members tovo and morrison voting no.

>> Thank you, mayor and council.

That concludes our zoning map amendments today.

that leaves us with the last item, the flag lot public hearing and ordinance/amendment.

We have no speakers signed up, so can we go ahead and take that quickly?

In that case they just signed up so we'll go ahead and take our -- council, if there's no exception we'll take our briefing now from austin energy.

I recognize the city manager.

>> Thank you, mayor.

weiss gets into his presentation I want to just briefly offer a couple comments.

First, simply to both acknowledge and thank weiss and his staff for all of their hard work with regard to the rate recommendation that has now been before council and the community for a number of weeks.

I certainly recognize that there's work yet to be done, but I wanted to acknowledge all of the work that has already occurred and been done by you and your staff.

So thank you very much for that.

I think it's been anticipated that we're going to offer some revision to our recommendation that has been the subject of considerable discussion and debate and questions and so forth.

I want to acknowledge that in terms of the presentation that you're about to receive weiss, it is certainly based upon all of the input that has been -- that has been given by a variety of stakeholders and customers and so on to date.

Having said that, though, notwithstanding what you're about to hear I want to emphasize that in terms of weiss and austin energy, as I do with all city departments, to determine what is the best business decision relative to the range of issues that they face, that I continue to support and believe that that is what was offered in terms of the recommendation that has been the subject of discussion for a number of weeks now.

The presentation, again, weiss offers today and the revisions I think still maintain the integrity of the fundamentals associated with the original recommendation, but certainly take into account all of the things that we've heard to date.



weiss, I'd like to hear your presentation.

>> Well, thank you, mark, and good afternoon.

What I'm about to present today are modifications to the rate proposal that was presented to you on december the 14th in 2011.

And before I get into that i want to remark that this is the one-year anniversary of the last time we were here, we had rolling blackouts on that date in february last year.

Pretty chaotic time.

On the agenda today -- there we go.

On the agenda today I'm going to talk about three fundamental areas of change to our rate proposal.

First of all there's a a two-step rate increase.

Second is the general fund transfer.

And the third is some rate design changes in our actual rate design.

The recommended modifications are as follows, and I'll go into more detail on each one of them, but the two-step rate increase.

The first phase would be this year, now.

The second phase would be with fiscal year '15 or in october 2014, it would be within the budget process.

The second is the general fund transfer.

We're proposing to cap the general fund transfer at \$105 million.

That's what was in the 2012 budget.

In the general fund transfer the outside city of austin -- or austin energy customers that live outside the city of austin, we would be reducing their transfer amount by 6.1%.

That's our proposal.

In the residential bill, in the minimum bill the first \$12 -- \$12 customer charge, there would be 200-kilowatt hours in that customer charge.

This summer we had a proposal that was close to that in one of our rate options.

This is a little bit different than that, but it accomplishes the same thing.

And lastly in our rate design changes we are going to withdraw demand charges on commercial customers that are less than 10 kw.

This eliminates the demand charge.

We're going to remove the electric delivery charge and have an optional time of use rate for worship facilities.

Let me talk about the two-step rate increase.

The increase overall is that -- that we asked for in the initial business case was \$126 million, out of a budget of about 1.13 billion.

In fy '12 we're asking for \$88 million.

And then we would defer until fy \$201,538,000,000.

So the percentage increase, 7% overall and the deferral until 2015 of 3.8%.

Let me talk about phase 1 and phase 2.

Phase 1 would defer rebuilding revenues.

It's effectively how we got to the number of 88 million.

The billing we're planning to commence by june 1 of 2012.

And here is a breakdown of our total operations and maintenance budget.

The debt service capital from current revenue, the contributions to reserves, and other net revenue in the general fund transfer of \$105 million.

So that matches up to 1.116 billion.

Phase 2, we would begin rebuilding reserves with the billing commencing by october 1 of 2014, and decommissioning reserves of 5 million, contribution to reserves of 24 million.

All of these -- the recovery of this would be [inaudible] to the rates and the revenue requirement of phase 1, a 1.116 billion to match up with our total revenue requirement of 1.145 billion.

Some other aspects of the phased approach is that effective october 1 of 2014, in between this time austin energy will do a serious look at our capital improvement program, our reserve levels, our nonnuclear reserve site studies, a fee study on connects and disconnects and a line extension fee study on what we charge to hook up to our system.

And also exploring the general fund transfer in an interim analysis.

And it would be adopted in the budget process.

Again, the general fund transfer would be capped at 105 million and would be 1% for outside city of austin residential customers.

Talk about the residential rate design changes.

In the first -- in the minimum bill, which would still be \$22, for the \$12 charge that would be included 200-kilowatt hours.

This addressing low-using customers who had concerns about their bills drastically going up, and this addresses that and puts that 200-kilowatt hours in that customer charge.

The electric delivery charge is the distribution wires charge.

It is associated with the cost of delivering the power over a distribution grid.

So the 200-kilowatt hours would be in the customer charge.

In the phase 1, the 88 million of total revenue, we would maintain the five tier rate structure, inside, outside austin residential bills will look the same except for gft for outside.

1 for outside residential customers.

The pha 2 provides the remaining revenue requirement.

Here is a chart that explains in every one of the tiers what the proposed phase 1 rates would be.

Note that in the first 200-kilowatt hours the cost is zero, because that's included in the customer charge.

But I'm not going to go through this chart, but I'm available for questions on any part of it.

The next chart is -- simplifies it a little bit, and that is that we have a general monthly increase for the difference different types of customers.

In the appendix that we've handed out to you today, there is a more detailed -- I think it's the very last page, which is very busy, and it has an analysis of these very same customers on a month-by-month basis, which is important to do when you have tiered rates because of the shape of usage over the course of the year by a customer.

So you really have to look at it month by month.

But from a simple optic level this chart really does the job on an average monthly increase, if you look at these consumption levels in the left-hand side of the chart.

This chart talks about the removal of the demand charge for small commercial, and there's 32,000 customers in this category.

We feel this addresses the impacts to small commercial, to worship facilities that fit into also the small commercial category, and we're still going to be offering a time of use type structure for the larger facilities.

The -- I think I covered this already.

The rate mitigation for small workshop and school portables, we have also, still whip our rate proposals -- rate proposals, within our rate proposals a 10% for school districts and our rate structure is similar to current, and the costs are not recovered by other customer classes.

The recommendations on exact rates are here for general service nondemand, and proposed secondary voltage in our commercial rates.

I realize a lot of the emphasis has been on residential rate design, but this was an important area that we needed to address.

Some small houses of worship examples.

This is their existing bill, and what the new bills would be.

I remind you that we had a long ways to go to reach cost of service for this class of customer, unfortunately, and -- but i believe that this mitigates it to the best level that we can.

And lastly, we have our customer assistance program.

I want to emphasize that our rate design only gives the amount of money -- identifies the amount of money that we would associate with the cap participating.

The actual program design and what we're going to do with it, we're going to take a deeper dive with our stakeholders and try to develop exactly how we deliver what we do for programs, but let me say that the source of funds for this program, and I think you've seen this before, this is not a change, but the source of funds for this program is that we have a dollar a month coming from the residential customers, which is 54% of the revenue, and 65 cents per megawatt hour for the commercial investor customers that would contribute to that.

This does not include the contract customers who would have to voluntarily contribute to this if they were going torques because their -- going to, because their contracts do not allow us to add this into their rates.

So with that, the next steps on this is to give everybody a chance to digest what i just went through.

Is next week we would have a public hearing, on february the 9th, and we would put on the calendar, again, on the -- the next city council meeting would be march the 1st to conduct an oh consider an ordinance, implementing a rate schedule implementing knew austin energy electric rates.

So with that also i mentioned it before, I've got some supporting information in your packet, some important charts and documents that you've seen before, but I continue to refer back to these from time to time, and with that I'm done with my presentation and I'm open for questions.

any questions?

Mayor pro tem.

mayor larry weeks, you did an incredible job looks like in very short order of listening to a lot of our comments and bringing them forward to us for consideration and I want to thank you and the city manager and all your professional staff.

Where is elaine?

Is she here?

I'm sure she's here, but for all their hard work crunching numbers and trying to get close to what we can possibly do for the city.

But I still have a couple of questions.

I'm trying to understand how this general fund transfer would work for the citizens outside the city of austin who we service.

>> The residential customers 1% discount on their bill.

They would still contribute 3% of their revenue would be contributed to the general fund transfer.

they would receive a 6% discount on their bill?

>> 6.1%.

>> Cole: okay.

And that would be directly on their bill, not a sum that we're giving directly to the cities that they are from.

Is that correct?

>> That's correct.

That's correct.

so we know every resident receives that.

Okay.

When you talk about the two-step rate increase deferred until 2015, I'm not sure if that is going to also require council action in 2015.

>> We're -- we're projecting that what we would do is make that part of the budget process.

So in other words, right now you're adopting a rate design and a revenue that comes from it, and that in 2014 the expectation is in fiscal year '15 budget, that we would come back, as you do right now with the water rates, you can come back and as part of the budget the additional revenue would be put on to those rates and it would be increased that way.

can you comment at all about best practices?

Because I thought that you said there were some municipally owned utilities, and private utilities, that had built-in automatic, you know, small rate increases from 1.5 to 2%.

And so the situation where we see ourselves in right now having not raised rates for 17 years, that just doesn't happen.

And so can you comment on that?

Because this is still a big jump in 2015, and if we're going to make a difficult decision I'm trying to balance those two interests.

Do you see what I'm getting at?

>> I do.

I believe we have time between now and then to work that out.

>> Cole: okay.

>> And my expectation is I'll be working with the city manager and we'll develop a business plan to address that as a part of this, among a number of other items that I've pointed out too.

>> Cole: okay.

And then you listed off a number of items that you would do some more work kind of investigating into, and i thought that was very good, but I just wanted to talk to you a little bit about where you see that work going.

You called it an interim analysis, and you focused on ae capital improvements program.

Now, what do you mean there?

>> Well, austin energy has a very robust capital program where we billed a lot of our system out, and frankly from my point of view I haven't had the time since I've been here to really -- outside of this rate work, to really sit down and address it with from a real capital line by line study of our system and where our capital spending is.

I'm not saying there's anything wrong with it, but I'm saying that this provides us the time to -- before we come back, to make sure it's right.

but just so we're clear for the public, when we talk about capital expenditures, what do we mean?

>> We're talking about major power lines.

We're talking about other generation assets we build, land we would buy, big improvements that we make in distribution system, substation improvements, a variety of different -- a variety of different things.

but these are the fundamentals.

>> Fundamentals.

the fundamentals that we have to have.

>> Right.

and you're just suggesting that we could do more planning for that and you would like to have the opportunity to do that?

>> Yes.

now, why are you talking about that in the context of this rate case?

>> Because there's been a lot of questions about the equity ratio that we have.

It's a 50/50, and generally speaking we use a lot of cash for -- on an annual basis we use a lot of cash for our capital.

So that cash is a large part of our operations, and we need to make sure that that's right, and so, you know, if we can plan better and we know we can stretch that out, we can use more debt -- we can -- this is going to give us time to do some planning on it, really.

I don't have the answers now, but this is going to give us time to do the planning.

but you're putting this item here, and i appreciate the fact that you recognize that you need to do some planning with it and you are fully ready to do that and take the time to do that and help us try to figure out the financial situation in light of that lack of planning.

But -- so at this time would you or would you not be recommending a particular change in our 50/50 debt ratio?

>> No.

>> Cole: okay.

What -- when you talk about the nonnuclear decommissioning site studies, it was my understanding that the reserve numbers that we saw were based primarily on holly and that we still needed to do work at -- is it fayette and decker?

>> Decker.

>> Cole: decker.

>> Uh-huh.

and so what are some of your preliminary thoughts there?

>> Well, the question is whether we need to hold a reserve fund out for -- depending what we plan to do with decker, and another piece of business that we have to deliver this fall to council is what are we going to do about some long-term generation, including the fayette power plant.

So we have work going on right now to decide what are we going to do with our long-term base generation resources, and maybe that includes what are we going to do with the decker power plant.

It's very old, and it -- it's still -- it's still a -- makes wholesale money for us in the fleet.

It's still a reliable power plant, but it's very aging, and so the thought there is that if we replace it with a different plant we're going to have to go through what we did with holly, and we don't want to be caught in a place where we don't have the cash to do that, because it hits us when it does.

when you said that I had two immediate thoughts, and one is that holly is essentially in our central city, and decker is out in the city limits, not surrounded by any households, so that what



we would put into holly in terms of a capital investment or improvement or decommissioning would be very different than decker and this would give you an opportunity to really look at what I think are apples and oranges.

Is that a fair analysis?

>> I agree that we need to take a look at that, yes.

>> Cole: okay.

What do you mean by a line extension fee study?

>> When a -- all utilities have a schedule of rates they charge when a building comes -- when somebody wants to build a building, like the previous subject you have, you have a potential development or a new building that would go in, there is -- there are fees associated with connecting to your utility.

Frankly, again, austin energy, I don't exactly know what those fees are, but we have heard from electric utility commission and have for years, I understand, that we need to really address that fee schedule because new development should probably pay for hooking up to the system.

And so I have a study that's ongoing right now to take a look at that.

It is not a tremendous amount of -- source of money, but it is -- but they all add up, and that's -- that's what we're looking at right now.

>> Cole: okay.

Thank you, mayor.

just a couple of questions.

First of all on the outside of city of austin customers, when you said their bills will look the same in the proposal that you have as they do now, what do you mean by that?

Same rate tiered structure or what?

>> Yes, it will be the same structure.

Just they'll be discounted by -- same structure they have now?

>> Pardon me?

same structure that they have now?

>> No, it would be the new rate structure.

The new rate structure, but they would be discounted by 6.1%.

>> Mayor leffingwell: okay.

So if you discount everybody 1% and some of the -- we're also paying 3% franchise fee to several small cities that are obviously outside the city limits, and the rest of the entire rate structure is basically absorbing that cost, right?

That 3%?

>> What we're planning to do is -- what I'm saying is, we're 1% in the incorporated areas that are in our service area outside the city.

>> Right.

that's the bottom line, is it not?

>> Yeah, let me make sure i understand -- explain it right.

The city of austin customers, anybody inside the city limits of austin 1%, but the gft would be frozen or capped at 105.

So as austin energy's revenue grew over time, let's say it was \$2 billion ten years from now, that percentage of transfer would be lower.

yeah, but all I'm saying -- I'm not getting into that, but as far as what it's costing the utility, those customers in an incorporated area that we're paying a franchise fee are essentially costing us 1% and those not in an incorporated area are costing us -- I wanted to be clear on that.

I just wanted to understand what it meant.

We talked a little bit in the work session about the revenue requirement and a part of that being the rate of reserve replenishment.

Has there been any more attention paid to the idea that was brought up in the work session about extending the replenishment time and how that would affect your revenue requirement?

>> Well, this -- this plan right here, what it does is in effect do that.

It extends the time in which we replenish those reserves, and, you know, I know it causes us some concern if something should happen, but I feel like we have time between now and '14 to rebuild them, or at least put a plan together to rebuild them, and that we should be okay.

that's all I have for now.

Council member riley?

larry, I want to make sure I understand the 6.1%.

Where does that figure come from?

>> Well, it's common for -- in fact, the city of austin does this.

We have franchise fees of about 3%.

So, for example, the outside cities that we collect franchise fees for, those are at 3%.

So if you will, austin energy is a utility operating outside -- outside of the city limits of austin.

We effectively are collecting a 3% franchise fee from those customers.

And that's -- that's the logic behind where we ended up with that number.

how did we get from 3.3% to 6.1%.

1% for everyone, okay?

1% to end up at 3%.

That's effectively what we did.

[inaudible] outside city of austin customers will receive a 1% of the general fund transfer.

It seems a little different from saying there will be a 1% --

>> yeah, I see what you're saying.

I see what you're saying.

But it -- at the start it will be a 6.1% adjustment.

so you can look at your utility bill and if it otherwise would have been at \$100, it will be a little 1% off their bill.

>> Right.

is that -- have we seen other cities take that approach?

>> Well, I can't speak for other cities, but I do know that -- and from experience, frankly, that having different types of service areas within a utility and different types of rates is common, very common.

Depending on circumstances.

on slide 4, the -- I notice that the contributions to reserves after phase 1 will now be \$1 million, and I think previously we had been looking at something more like 20 million, and I know the mayor just asked a question about whether we'll be okay with that -- with the level of reserves contemplated by this phased increase.

Do you feel that the \$1 million contribution to reserve in phase 1 will be enough to maintain the utility's financial integrity and preserve our bond ratings?

>> Yes, if -- again, this is a two-part.

They're connected.

If we come back in '14, are assured we can do our reserves as a part of that effort, then yes, we'll be fine, anymore.

on the -- -- in my opinion.

>> On the next slide, slide 5, you first mentioned that between now and the time of the phase 2 rate increase we would undertake a rate increase analysis of the general fund transfer.

Would that -- would that analysis encompass things like the inclusion of -- the treatment of fuel costs in the general fund transfer formula, or what -- what all do you expect to be contemplated by that analysis?

>> I don't know that we have -- I think that's a general topic, and I think that that is -- we've put it there because we know we have to look at it and do some work on that, and i think that I would take direction from the city manager on that as to how we want to address that.

So I guess there isn't anything specific that we're thinking about there.

It's just we need to address some of the issues we have, like egrso and some other issues that have come up and we need time to address some of those.

but even as of the time of the phase 2 rate increase, the general fund transfer, you expect would still be capped at \$105 million?

>> Our proposal is that it would be capped at 105 million.

and where does that number come from?

>> Pardon?

>> Where does that come from.

>> 105 Is this year's transfer, in this fiscal year.

help me upside down the logic of imposing it at a fixed cap rather than a percentage.

>> Well, I think as you know, there's been a lot of concern about it, and -- but at the same time I -- you know, working again with the finance folks here, we have -- there's a lot of impacts to the city.

I think that if we move this number around too fast and too quick, and the idea is to leave a cap on it here.

Concern has been about rising fuel costs and other costs.

This removes that problem as that -- as our revenues would climb, we would not be asking for a larger gft, which would then be an additional rate problem, if you follow that.

my last question relates to the general structure of the rate increase we would see in phase 1.

As I understand, we would go ahead with the original proposal for a total of \$22 charge per customer, per customer, and then the five tiers for the rate structure, and there's been some discussion about whether we need to go that whole distance immediately as part -- right now.

Can you help us -- as we consider that, do you see any way that we could phase this in with a reduced -- by bringing that 2 \$2 down, and various numbers have been kicked around as to what we could do, is that a possibility?

>> In my opinion we wouldn't recommend that.

I mean, let -- let me get back to the fundamental reason why.

We're trying to unbundle our rates.

This is not unique to the electric utility industry.

It might be unique to texas, but I think that professor webber did a very eloquent job when you had a workshop in here explaining that.

We need to take apart all the costs associated with delivering energy to our customers if we're going to use energy efficiency and the other programs that we have in the way that we do, because if we don't get away from using the volumetric sales of energy to support our revenue and we're going to do energy efficiency at the same time, those are in conflict with each other, and so we need to separate those costs away from each other.

So we can be economically viable as a utility and do all the energy efficiency we want and the customers want without affecting the utilities' revenues and having to raise rates just to do that.

That's the -- that's the mission, and it is -- and i will have to tell you that I'm sometimes surprised that if you just sit down on the internet and type in "tiered rates" and the whole philosophy of it,

it's all over there by many states, many utilities, but it's always with utilities that are using energy efficiency as a source of resource for generation.

And that's where the adoption of it has come from.

So it's nothing that we're inventing, I guess is what I'm saying.

It is a very common modern industry trend and it is not fashionable.

It is good science, good business, and that's what we're trying to apply.

[One moment, please, for ]

>> Riley: Can you just address that concern from the customer's perspective as opposed to the utility's perspective?

How does -- that high fixed cost have a negative effect on the customer's interest in efficiency?

>> Councilmember, it really comes down to the type of customer you're talking about.

You want to talk about somebody in an apartment, somebody in a home, somebody that has a home with electric heat or gas heat?

The list goes on.

Typically in a home, using 200-kilo watt hours in a home is -- I don't know that I could do that.

I'm sure people do and it's very rare.

We have a lot of statistics on our average use.

Our average customer uses a thousand kilo watt hours a month.

And that translates into what I would characterize as normal.

Again in the open text we have examples of customers, we have a lot of data.

We've taken it apart, we've looked at it.

The unique part of austin energy's service area is that we do have a lot of small users.

We have a lot of customers moving in or out or maybe a lot of rentals.

We would have to do an astronomical amount of work to really truly know what that statistical database is.

But we have enough to know that this 200-kilowatt hours really covers that.

The idea that this doesn't incentivize energy conservation frankly astounds me because tiered rates are all about that, inefficiency.

That's what it's about.

And putting 200-kilowatt hours in the basic charge for small users really solves the issues that they're talking about.

>> Riley: So you're saying that for the majority of the customers who are above 200-kilowatt hours that the tiered rate structure will provide the right incentives.

That it will -- they'll get so much gain from reducing the usage that it will offset the fixed charge.

>> Let me be clear about the tiering too.

You can design the tiering to be very steep, very -- very damaging to the large users.

This is not a steep tier.

We started out purposefully with this being as what i would characterize as very mild.

That is the rates aren't that far apart from each other.

But you can do some research and find other parts of the country they're quite steep, the tierings are quite steep.

What we've tried to avoid is demand meters like we do in the small commercial, not have demand meters on the small commercial.

We're not interested in putting the demand meters on a residential home.

Very confusing to customers.

But that's what we're trying to capture.

Statistically if you look at the tiering, it's trying to capture the demand as well as the incentivizing efficiency.

Larger homes, three air conditioners put a bigger demand on the system than homes with one.

That's what we're trying accomplish with that as well.

>> Riley: Why wouldn't we want a steeper structure for the tiers?

>> Well, we've tried to design these tiers to be fair, reasonable.

Utilities that have steeper ones are doing that because they're -- we want to incentivize their customers with their programs to do even more energy efficiency.

They're trying to keep their customers out of those top tiers because it's very expensive power to the utility, very expensive to the grid, a variety of different -- that tends to be regionalized around different parts of the country.

>> Just a quick clarification.

You said the average is about a thousand kilowatt hours a month.

And so I guess that's an average throughout the year?

>> Yes.

>> Leffingwell: How much would that vary when there's -- we obviously know it's going to vary a lot, winter to summer?

>> Well, I'll get to my -- in the appendix at the very back there is a very busy chart.

I tell the staff these are Larry's charts because I refer to them all the time.

But if you look at an average home with gas heat, which is the third one down, their kilowatt consumption hour ranges from 797 for 530 in February to 2,000-kilowatt hours in August.

So the tiering effect really doesn't hit them until they get to August.

The rest of the time their rates are down out of that.

And that's -- that's the important part of really when you look at the tiered rates you can't use averaging you can't use it by year.

You have to do what you're asking, Mayor.

That's look at it month by month.

>> Leffingwell: Yeah.

So --

>> Mayor Leffingwell: Yeah, I guess another thing to consider when you're dealing with this is if you're an average user in August, what is going to be the impact on your bill that's going to be a lot different from what the average -- throughout the year is.



Not only because of the usage, but also the exaggerated by the tier structure.

So somebody with a large home and as you said, three air conditioners, may be in the month of august -- they might see a very huge monthly cost in electricity.

>> And we pulled some of these real data, but at the bottom of this we have a large home with gas heat uses '10 thousand kilowatt hours in the month of august, which is really an enormous amount of energy for a home.

And the increase is \$154.

In proposal, in their bill.

But they're paying \$9,700 a year for power, and what they did before is they paid \$7,900 in this proposal, for their existing.

So I don't know that I'm answering your question, but I think it really is a case by case.

And we also have a lot of customers who do not have gas heat.

Everyone assumes that gas heat -- that gas is available for heat, but it's not.

There's a lot of electric heat and that affects the customer bills in the wintertime.

>> Mayor Leffingwell: But when you throw that number out, rate increasing cost of 8 percent, in a lot of cases it's a lot more than that.

>> Yes, it is.

>> Mayor Leffingwell: Councilmember spelman.

Pell spell I have a lot of very detailed --

>> Spelman: I have a lot of detailed questions that i will defer to a private meeting, if it's all the same to you, but I want to back way up just for purposes of our discussion here in this first blush examination.

We won't see this until you start presenting it.

Roughly what you're doing is you're backing off on the revenue increase from what it has been up until now to a slightly lower number.

Spreading that revenue reduction around so that the residential commercial and industrial customers would all be paying slightly lower rates, keeping the fixed charges in place.

That's fundamental change in the rate structure that you've been talking about all along is keeping that increase in fixed charges to so that stays in base, but the rates are all going down a little bit and making some adjustments to the general fund transfer, to houses of worship, increasing the cap program and so on.

What's going on is the structure is pretty much staying the same, but you're backing off on the revenue requirements.

>> Yes.

>> Spelman: Okay.

I think that's probably the right way to handle that.

Generally speaking, I think I said something about this earlier, and we've had a discussion I think is it the right general approach.

I'm happy (indiscernible).

I want to be sure i understand where we are with the -- with that revenue reduction part of this.

On your slide 3, you remind thaws the increase you've been asking about all along is \$126 million.

And in fiscal year 2012 the new two step program is asking for an increase of \$88 million.

>> Yes.

>> Spelman: And we're going to defer until 2015, the other 38 million?

>> Yes.

>> Spelman: It was my understanding that we were going to be deferring until fiscal year \$201,525,000,000 because we're locked in to long-term contracts with industrial customers.

>> Yes.

>> Spelman: And we were going to be taking \$101 million in increases in revenue in the next fiscal year.

So the net effect is to go from 110, which is what you were asking about before, so 88, roughly 13% reduction in revenue requirements, is that right?

>> Right.

>> Spelman: Gotcha.

Good.

That means we have to be making up \$38 million in fiscal year year 15.

>> Right.

>> Spelman: Got it.

And it leads to an average overrule percent increase of 7 percent and another 3.7 percent coming in 15.

Do we have a breakdown by class of that increase for fiscal year '12 for the new proposal?

>> No, I don't have that today, but we can get that.

>> Spelman: Okay.

It's one of the things I'm sure we will all be interested in knowing about.

But it is generally true that this is spread out along all classes and that increase was around 10% is now going to be a little less than that for everybody.

Everybody is sharing a little.

>> Right.

It's the business model we brought to you in december, brought down to 88 million.

>> Spelman: Okay.

Scaled down by about 13 percent.

>> With the changes in the residential and some of the other ones, which frankly doesn't move a lot of money around.

In the scheme of things.

>> Spelman: That's good to know.

It's a lot of money for some people.

>> I'm talking about from the utility's perspective.

>> Spelman: I understand.

On your page 4 you've got the phase one and the phase two.

I want to be sure i understand what the difference is here.

The phase one is incorporating the \$88 million in revenue increases, and you're talking about where it's going to go, operation and maintenance, debt service, capital, current revenue and so on.

And that adds up to 11.16.

In 2014, fiscal year 15, you're talking about adding five million to decommissioning reserves.

That's decker and fayette.

And \$24 million to contribute to increasing the reserves, building them back up again.

>> Operating reserves.

>> Spelman: That adds up to 29.

And I was expecting it to add up to 38.

Where is the other nine million?

>> Well, we have -- if you take the -- if you take the 1,000,000,116, that number on the left, it's down there.

If you have 29 plus that you end up with 145.

And 145 was our original number that we needed to target for our revenue requirement and what we proposed to you on the 14th.

Follow me?

>> Spelman: I follow you so far.

Is there more?

>> No.

>> Spelman: Okay.

So what happened to the other nine million dollars?

[Overlapping speakers]

>> Spelman: No.

We have 1116.

That's what happens when you add \$88 million to our current revenues.

In 2015 we're going to get 38 million more dollars to our revenues, but we're only adding 29 in this chart.

So where are the other nine million dollars going?

>> That's the freeze of the 1 makes the difference.

I had to find somebody smarter than me on the numbers to answer that.

>> Spelman: This is why we have cfo's and accountants.

This is a useful thing.

Okay.

So the effect of the gift freeze is at least in fiscal year 15 about nine million dollars.

>> Yes.

>> Spelman: Okay.

What's the effect of the gift freeze to 105 million for the next fiscal year?

We'll be planning a budget starting soon.

>> Like the 13th?

>> Spelman: Yes.

>> I don't know.

>> Zero effect.

It will be maintained at the current fiscal year level at 105 for 12, so there would be no increase for fy '13.

>> Spelman: Since our gift is every year a rolling average of revenues from previous years, it is awesomely predictable.

What is our best prediction for in the absence of this proposal, what would be our best prediction for the general fund transfer for the next fiscal year?

>> I'm going to have to calculate that number.

I don't have it with me right now, but this would replace that calculation where with the frozen number for the two years.

But we can get that calculation.

Part of it is we're trying to update all our forecasts.

>> Spelman: I understand.

Am I wrong in guessing -- maybe if you need a calculator, go ahead and calculate it.

My guess is that our general fund transfer for the next year, our best guess for that number would be over 105 million.

And therefore this would be a reduction of the transfer by freezing it at 105 million.

>> It very well could be a slight reduction because we had such a hot summer last year.

And that actually will be -- it's two prior year actuals plus the current year estimates.

So you will have fy '10 was a wet year, somewhat wet year, but you will have fy 11 actuals, which were revenues were very high that year.

So we have kind of a plus and minus year, to a lot of it fends on where we land on our current year estimate for the current year.

That's the big question that affects the forecast of that number.

>> Spelman: At what point do you make that estimate?

>> We'll make that for the april forecast that we delivered to the council, but that's usually based on actuals through march, and we've had an unseasonably warm winter, so we're probably neck and neck with our budget to actual.

And as you recall, we are like a christmas retailer, we get the bulk of our revenues in the summer.

On our best estimate will be delivered to you with the proposed budget at the end of july.

Then we monitor our august and september revenues.

>> Spelman: Sure.

Historically warm winters have been followed by warm summers, am I right?

>> I think so.

>> Spelman: It's too early to predict this, but the key issue is that the general fund transfer would be set based on, with your projections as of april.

And in april we'll know by april, but it would not be unreasonable reasonable to expect a light increase in the gft absent this proposal for a freeze at 105.

>> That's what -- don't hold me to it, but that's what I'm looking at.

>> Spelman: None of us have had a chance to put pencil to stuff carefully yet.

Okay.

A last point.

What is the effect on the -- what is the revenue effect of reducing the revenues from outside residential customers by 6.1 percent?

Do we have a sense for how much that's costing us?

>> About five million.

>> Spelman: About five million dollars?

Okay.

I'm inclined to say something which would be untoward and draw some conclusions that the point.

This is way too early for me to be drawing conclusions.

Thank you for moving this general direction.

I think it's very much the most productive general direction I probably will have a lot of questions about the specific details.

I suspect all of us will.

Appeared we'll hear a lot more from the public next week on the subject.

Before we go further, though, what kind of information will be made available for the public in advance of the public hearing?

>> Well, on our website all of this information will be available.

Additionally we have the bill impacts that's in your appendix.

And we have a rate calculator.

So any customer can go into our system, they can look at the rate calculator.

I encourage residents to use their annual consumption profile to do this, not their monthly average, not -- because it changes.

It's fundamentally different when you calculate it than if you just use an average.

It's really important that you do that, particularly if you have a home where your summer use is really high and your winter use is really low.

It's very important you do that.

>> Spelman: Sure.

I know my office and i suspect the rest of us will be spend sending you written questions over the next of the next week.

Will our questions and the answers also be available on the same website?

>> Yes.

And like usual, there are staff right now listening to your questions and we usually write a memo afterwards to clarify a lot of them because I don't have all the answers.

And --

>> Spelman: I'm shocked to find that out, larry.

>> We'll do our best to fully inform everyone and all the issues, all the questions.

>> Spelman: You've done an excellent job of doing it so far.

I look forward to hearing more answers.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: Thank you.

weiss, i appreciate it.

I want to follow up and make sure on some of the general fund transfer questions.



The first question I have is can you provide any background on why this -- why the recommendation regarding the non-city residents and how you zeroed 1% on them paying only -- only three percent basically of the general fund transfer as opposed to 9.1 percent?

>> Yes.

We have been -- first of all, we have been receiving a lot of pressure from outside the city of austin customers on the transfer.

So from that perspective, working the issue, we do understand that a three percent franchise fee is what we're currently paying to the cities of bee cave, lakeway, all the outside cities that we have.

And it is common practice for the cities to charge around three percent for a franchise fee.

So we're going to in effect have those customers pay that franchise fee in association with us serving them.

That's the alongic behind it.

It is not more scientific than that.

We wanted to strike a number that we feel those residents will be happy with and we don't know that until we propose something.

And I -- you know, it's simply where we came from with it.

>> Morrison: It was to align it with the reasoning behind it?

>> Yeah, there's -- we didn't do a polling across the state, but three percent franchise fees are very common.

>> Morrison: And then with regard to a recommendation to fix the general fund transfer at 105 million, which is what it is currently, so are you suggesting that, say, in 2020 with this plan in 2020 it would still be 105?

>> I don't think that's my decision, but yes.

In the planning going forward, we're making the assumption that that 105 would stay there and that we would slowly adjust the gft that way and it wouldn't be a shock to anyone, whether you looked at it from the perspective of the city's operating budget or the perspective of austin energy.

This is a way for us to address it.

But I -- again, I will say that I'll take the city manager's guidance and we will be working on this in the next couple of years to try to address where we go forward.

We're just saying that right now we would address this with a cap of 105.

>> Morrison: Okay.

And I have some concerns about that.

And I'll continue with that in a second.

But does that 105 include, for instance, payments to our other departments that service --

>> no, no.

>> Morrison: So currently we actually -- something like 140 million or --

>> it's about 150 million total.

That's not a part of it.

>> Morrison: So 150.

So it's just the 105 that you're suggesting be fixed.

>> Yes.

>> If I may with respect to the other payments, it is my intent and I don't know how we're going to resolve this or if we will be able to resolve it entirely, but as we prepare our budget recommendation for 2013, [ inaudible ].

>> Morrison: Different considerations.

One of the concerns that i think it's going to probably raise about having a fixed absolute number for the general fund transfer is, you know, essentially that could go to zero percent or two percent or something like that.

I think that some of the reports we've seen around nine percent is pretty reasonable.

On the other hand, i understand that the fact that it's based on revenues and our fuels are pass through that it's a conundrum sometimes and it isn't sustainable.

Has anybody considered looking at the 105 which we're comfortable with and instead of saying it's 1 percent of revenues, look at that 105, what percent of non-fuel revenues that would present and tie it to the 13 percent.

So maybe it would be 13 percent of non-fuel revenues.

That way it could still grow as the -- as our asset grows, and as the number of people in the city of austin grow.

But we wouldn't be in the trouble that we are in when we have the fuel going up so high.

[Overlapping speakers]

>> I think the answer is no, we haven't.

Again, because of the time we'll have between what's being proposed now and 2015 is certainly something that that we give consideration to a variety of other options.

>> Morrison: I don't know if anyone else does that from a conceptual point of view.

I wonder if that might be a way to address the issue that we have on the table.

>> If I may, I think that's what the next two years are about is that we take the time to do the analysis and I believe that part of that analysis is what you just said too.

To see if there is some way to address it in a balanced and again, with the city manager's guidance and how we go about that through looking at it from the city of austin as a whole, i think it's really important.

So that's part of what the work we plan to do.

>> Morrison: And I do appreciate the topics that you listed as needing more discussion and really sorting things out in the interim period that you're recommending, reserve fees, capital investments and frankly I think we really sort of need to think about solar inefficiency as a capital investment too so that would allow us to have the broader conversation there.

Now, there's one important element that I know we've all talked about wanting to talk through on our work session and that's the allocation method.

So with what you're proposing, that would just sort of be off the table.

We would be going with the allocation about what's been recommended.

>> That's correct.

That's correct.

You know, we have analyzed it up and down and I think that you know that it's a soft ship between classes of customers and that's the issue.

And we've tried to mathematically solve it frankly and try to figure out the fair way to do it.

And I think what we've proposed is the fairest way we can go about it.

But there are customer groups that want it one way or the other and I think that's philosophical discussion and nobody is right and nobody is wrong.

We just need to stay the course.

And our staff and our consultants and others have worked this through very hard and I believe we have the right recommendation on the table.

>> Morrison: Okay.

And I appreciate that and obviously you all bring a lot of expertise from the table.

From my point of view as you say it's a philosophical issue and I think that it's really going to be helpful to have the council delve into it in a work session and understand what the trade-offs are that were making me.

Because I believe that there are philosophical policy level decisions there and i think that needs to be carefully considered.

A couple more questions.

If we do this interim -- one of the issues that's been raised is that we use as a test here 2001 and there were suggestions that we use 2011 as a test year because that's the full -- the first full year of the notable market and whether or not that will make a huge difference.

I don't really know.

Would this allow us to actually use 2011 as a test year to recalibrate what was done?

>> If we want to spend the money to have another cost of service model done, we would have another audited year, but it would be 2010.

And if we did a closer to 14 -- we have to have a fully audited year, so we know that the books are closed.

That's why we use nine.

We didn't use 9 because --

>> I understand.

>> There are some people that think differently.

I want to be clear about that.

>> Morrison: Can you tell me how long between the end of the year and when you can have it fully audited?

>> It's almost a year.

>> The audited statements are issued on march 31st following the year end of september 30th of each year, six months.

>> Morrison: So march 31st of this year we could start working with the 2011.

>> The 2011 would have to be normalized.

You would have to take the weather out, just like we did with nine.

You put it in or you take it out, but you have to average it.

And then we also already factored in 2009 for what happens with our wholesale.

We basically made it neutral.

It's not an issue.

We've explained that to several people many times that it is not -- there isn't any hidden money in there.

We took it down to a normal year and that's been backed up by independent financial experts.

>> Morrison: I think that would be another good topic for us to hash through to make sure we can get comfortable with it.

And then lastly, I think it would still make sense to take a look at addressing our residential fixed fees in the same manner that the water utility is going forward.

To follow up on councilmember riley's comment about being concerned on fixed fees, actually disincentivizing conservation, which led this council to make the decision that we wanted to work toward looking at graduated fees.

And the water utility is looking at that.

So maybe we can talk about that a little bit more because I think that -- I'm still tied to the thought that if it's good for the water utility and it's about conservation, why are we doing -- why would we not consider it for austin energy also?

>> Yeah.

I think that you've asked me a question about that before.

And my response has been water rates and electric rates are two different -- we're getting at two different sets of problems or two different sets of revenue needs.

>> Morrison: But there are very many similarities.

>> What we're trying to do here along that line is we're trying to design electric rates so that you can use all the conservation you want and energy efficiency and it doesn't hurt austin energy's revenues.

>> But we also --

>> Morrison: But also to councilmember riley's point, we need to think in terms of the customer and of what our efficiency goals are and are we putting in a rate structure that is going to keep those efficiency goals.

>> That's our goal.

>> Morrison: We have challenges.

Thank you.

>> Mayor Leffingwell: Councilmember martinez.

>> Martinez: I think that holds true what you responded to councilmember morrison, but it only holds true until you hit 200 dels a month and then you can do all the conservation in the world you want, but you will still pay that same exact fee.

So that's where you lose that incentive once you hit that point.

And you know, I totally understand what you're trying to do by getting away from volumetric charges and create some stability, but there is -- there's that small few -- not many, but there is that small few who are willing to take that extra step and go that extra mile.

And I think if they're willing to do that, they shouldn't be penalized for doing that in terms of not having a reduction in their overall utility rates.

And realizing that savings.

But I look forward to the conversation moving forward.

I wanted to talk a little bit about the general fund transfer as well.

While I think that the suggestion that councilmember morrison made is worthwhile suggestion by eliminating the fuel pass through charge as the calculating factor in the general fund transfer

to create more stability, I'm still hesitant about just putting a percentage on it moving forward because we absolutely know that the utility is going to grow.

We know that we're going to sell more power in the future.

Customer base is going to increase.

So what that says to me is the general fund is just going to continue to increase over time.

What I would want is some financial policies in place that say if we want to increase the transfer, not by percentage, but if we want to increase the revenue that's going to the general fund, that there are certain parameters.

And maybe they're one time expenditures as opposed on ongoing structural expenditures like we do in our general fund budget policies that says our reserve funds -- I don't know that we want to create a general fund reserve fund, but creating some policies that say 105 will be the cap.

But here are some strict parameters for if we -- if this body is to decide to increase that cap, if you will.

And maybe that is only on one-time cost as opposed to ongoing structural expeures that will continue to increase that general fund transfer over time.

Iward to having that conversation.

The last point I'll make, because so many good points have been made, I just want to close out by saying we got a little bit of the chicken and the egg argument here with the customer assistance program because you're telling us that you're proposing to increase the -- increase the cap program to \$7.2 million.

But you'll show us the program after you secure the funding.

Well, for me from a policy perspective, I want to see the structure of that program to determine whether or not it's worthy of support in the request for 2 million because we can 2 million, but if we can't get people to qualify it and people can't get access to it and it's not truly affecting our customers, I may not be supportive of it.

So I want us to understand that for me I just can't vote just because we're increasing the budget for cap.

I want to know how that's going to be used, who it's going to impact and how they're going to be affected by it.

So I would like to have a little more conversation about specifics within the program and the structure that you all are creating.

But I do appreciate what you've done today.

I think we're headed in the right direction.

I appreciate you providing these to us and your staff.

Thank you.

>> Mayor Leffingwell: Let me just -- let me say one quick word.

It's obvious that this is a very complex issue.

We're not talking about a simple rate case here.

We're talking about a complete change in the way austin energy does business.

And lots of mitigating factors like conservation and rate caps, increased caps.

And our increase in our renewable energy portfolio all balanced against each other in a complex way.

And I -- I am frankly at the point where it's very difficult for me to believe that we can start hearing a case this complex in january and have it approved by march.

It may be there, but right now it's kind of hard for me to see.

So there may be other possible interim solutions that we could look at before we -- before we get done if there's nothing else to be done, if we can't come to a better understanding of what we have on the table right now.

That being said, if there's no objection from the council, I would like to recognize councilmember morrison on a point of personal privilege and we'll come right back to you.

It won't be long.

>> Morrison: Thank you, mayor.

I just wanted to share with the community that austin has lost a very special woman today, the honorable margaret hoffman, austin's tree lady passed away this afternoon.

And I'm honored that we have her son, steven hoffman, down here with us.

I really appreciate you coming down.



It's been -- I know that she's been ill lately, but she was such an amazing inspiration to so many people and we were -- we named the one-fifth of an acre park across the strtabou a year or two ago offman o park in her honor.

And she -- if people don't know her life story, it's absolutely incredible.

And the public service that she shared and brought to this city started like a lot of ours, just in front of our houses trying to help our children have a safe walk to school.

And it eventually led her to the council and really set austin as the place for being environmentally conscious.

It's a real loss for all of us.

Steven, thank you very much for coming down.

And our best and our sympathy from all of us, I'm sure to your family.

>> Mayor Leffingwell: I would like to express my sympathy for her family as well.

I appreciate what you're going through and the sense of loss that you must feel.

Thank you, councilmember.

So we'll go back tosh discussion on the rate presentation.

Councilmember tovo.

>> Tovo: Thank you, mayor.

I want to thank councilmember morrison and also offer my condolences to the hoffman family and our gratitude.

I'm going to borrow one of my colleague's words from a similar discussion we had, but our gratitude to your family for allowing us to share your mother and all of her wonderful work in our community.

I just have a couple of questions.

I think we've covered most of the general questions i had, but I wanted to talk a little bit for a minute about the church, the recommendation related to the churches.

You had -- I believe the electric utility commission had recommended a little higher threshold for removing the demand charge.

And I wonder if you could address why this recommendation opts for a 10-kilowatt hour.

I believe the utility commission recommended 20, is that right?

>> That's right.

I think they did.

Well, first of all, it becomes a revenue issue in that you have to redesign the rates to recover that revenue.

We wouldn't get without the other.

And the answer is in the rest of the state, less than 10 is very consistent with what is applied and approved for different rate designs.

We're designing these rates for your approval, not the , but we do take into consideration what is common practice in the regulated utility market and that's what's being used.

We felt that going up to 20 and not having the demand charge for less than 20 would require us to really redesign those rates entirely for that class.

I'm not saying that we can't do that, but that's not our recommendation.

>> Tovo: And I understand that it does place pressures in other areas if you have to redesign the rate, but in some ways we're doing that where you're proposing that we do that for your out of city ratepayers.

So I appreciate you talking through a little bit what some of the rationale is with regard to the churches.

Do you have a sense of how they -- I know we've got this data from some of the folks sitting here in the audience today.

But can you just give us a rough estimate of how many churches fall into those categories?

>> There's about 600.

>> Tovo: 600 Churches, but how many fall into the category of under 10-kilowatt?

>> I don't know that we have that data.

>> Tovo: We can certainly talk about that.

As I said, may have it here and how many would be impacted by the 20.

>> I think you're asking the question.

We can get the answers back on this one.

>> Tovo: That sounds good.

Let's see.

I believe I heard councilmember spelman ask for this, but if I wasn't completely sure what his request was.

Did you agree that to provide some information about the percent increase by customer class?

Is that a conversation?

>> Yes.

>> Tovo: Good.

I'd be interested and of course you will share that with all of our offices.

And I just want to sort of step back and summarize what I -- what the changes are that you've presented us with here.

There is no change -- what some of the changes haven't been.

So there is no change to fixed fees.

There is a tweaking for that -- for the lowest use customers, but there is no change to the 22-dollar per month fixed fees.

There is a change for some of those in the small business -- the small commercial and churches, and then there is a change to the general transfer and for that ratepayers who are out of austin.

But there is really no change to the revenue requirement.

As I see it, the change is really the phasing of the revenue requirements' realization.

So there was a discussion earlier in more specificity about the revenue requirement.

The revenue requirement hasn't really changed.

You've just changed time period over which the revenue requirement will be realized.

>> That's right.

What is offered up, though, is before we come back and ask for that other piece is that we'll have an opportunity to take a look at that and address some of the issues that have been raised.

And I think that ultimately it's up in some follow policy discussions, some others.

So we felt this 88 million is -- will get us on track and we'll continue to operate fine and have the chance to do that.

That's the methodology that we're looking at.

>> Tovo: Okay.

Thank you.

>> Cole: Mayor, I have one last question.

Larry, the one thing that we have not talked about that i consider is one of the biggest elephants in the room is deregulation.

And it's generally my understanding, and help me if this is true, that some of the customers outside of the city of austin limits are particularly concerned with this rate case and us providing them this discount will help somewhat with their potential case with and then ultimately at the legislature.

Can you comment on that?

>> Well, I can.

And the difficulty with deregulation is that we're really talking about a moving point in time about whether a customer perceives they're getting a good deal or a bad deal depending on whether they're in one of those markets or not.

At this particular point and snapshot in time, the deregulated market looks pretty good, but the answer to your question is yes.

This is an attempt to address the concerns that customers feel that they could have a choice and we're trying to keep ourselves competitive.

And I know that this last winter, not this winter, but before we approved an affordability goal with the requirement to keep ourselves within the lower 50% of the utilities.

We're mindful of that and i think that that's what we're trying to achieve as well.

And that's part of the -- that's part of the step as well to our rate increase proposal.

I personally cannot predict or analyze what may or may not happen in terms of deregulation, but we hear from customers just I think probably like you're talking about.

>> Cole: And the reason I'm asking is because i think we need to clearly perfect for the public that the reason that we would even consider a discount for out of city residents is not only because they don't receive city services, but what may potentially happen and the legislature, even though we don't know that's going to happen.

But that that is a very real concern for why we're doing it or else it just looks like it fell out of the sky.

>> Well, let me be clear that we're trying to respond to our customers and we've been hearing for those customers for some time that they do not wish to pay part of the gft.

And we've tried to find a logical way to address this.

And the amount of customers that we have outside and the amount of money involved is not nearly as significant as what we have inside the shipments of austin.

-- The city limits of austin.

>> Cole: I caught your number of five million and I'm applauding you on addressing that issue and hitting the general fund and we've heard from those customers loud and clear and I like the way that you've handled it.

The only other question i had about that, though, is what about the commercial customers in -- outside of the city?

Are they not -- do they not have standing before the ?

>> Well, what we didn't want to do is create an -- create an advantage that the commercial customer would want to move from inside the city to outside the city.

In the commercial business world we're not talking about residents, we're not talking about homes, we're talking about business.

And w of -- somewhat going down uncharted territory here.

We're trying to apply that logic.

So the commercial industrial customers that are outside the city limits of austin would continue to pay the gft.

>> Cole: Thank you, mayor.

>> Mayor Leffingwell: Any other comments?

Thank you very much.

See you next week.

So we have one item remaining on our agenda, which we likely will not be able to finish before 5:30.

But we can begin.

Councilmember morrison.

>> Morrison: I wanted to actually -- we have a public hearing that's still open on the flag lot issue and we wanted to actually begin with a motion to propose a postponement which would defer the speakers until this postponement came back.

So if that were to fly, we actually could finish by 5:30.

>> Mayor Leffingwell: As it happens we're about to consider item 34 and I have a motion from councilmember morrison to postpone the public hearing in consideration of the ordinance until what date?

>> Morrison: Mayor, it would be to postpone until april 26th with some additional direction to staff.

And I've written -- and I've written out the additional directions that I wanted to add to the motion, which i will -- could read now if that's okay.

>> Mayor Leffingwell: I think that would be appropriate and then we'll see if we can get a second.

>> Morrison: All right.

Terrific.

So my motion is to postpone the item until april 26th with the following direction number 1, carry forward the recommendation --

>> Mayor Leffingwell: Just a minute.

Could I ask everyone to hold down the conversation or leave the chambers?

Folks, roger?

Okay, councilmember, go ahead.

>> Morrison: Okay.

So postpone until april 26th with the following direction number one, carry forward the recommendations of the planning commission in an ordinance that excludes the language about deed restrictions.

Just to clarify, that means the planning commission language except the deed restriction language, which is part c.

Number 2, conduct a survey of established subdivisions in austin where deed restrictions might inhibit the use of flag lots.

And number 3, craft language to consider, a, allowing flag lots and new subdivisions where adjustments can easily be made to accommodate safety and infrastructure concerns.

B, criteria that would allow for additional flexibility of the use of flag lots through an enhanced variance process.

The criteria would include such items like accessibility for emergency services, neighborhood compatibility, environment and tree protection and infrastructure.

And then c, still part of the language to consider, submittal of deed restrictions along with applications for redivision for informational purposes only.

And then four, to vet the new language and ask for a new recommendation by the planning commission before bringing the item back to council.

That's my motion.

And if I get a second, i would like to make some comments.

>> Mayor Leffingwell: Motion by councilmember morrison.

Is there a second?

Seconded by councilmember spelman.

And I assume you will give that language to the clerk and to any councilmember that wants it?

>> Morrison: I think we've already passed it out.

>> Mayor Leffingwell: All right.

Any fort discussion?

Councilmember riley?

Rule rule like I said, i asked staff about this.

The motion on the table would direct staff to craft language -- well, to conduct a survey of established subdivisions in austin where deed restrictions might inhibit the use of flag lots.

Do you see any problem with undertaking a survey like that?

>> I'm not certain exactly how we could obtain deed restrictions as they are private covenants.

We would have to do some investigation to see how we can look at the deed restrictions.

>> Riley: Do you know rough hi how many destrutions there are in austin?

>> There are at least hundreds.

>> Riley: At least hundreds.

And these deed restrictions would be on file at the courthouse presumably?

>> Yes.

>> Riley: For each property within those subdivisions, those hundreds of subdivisions?

>> They would be filed for individual subdivisions.

I'm not sure exactly how we could go about locating it other t going through a deed restriction.

I don't know if there's some other mechanism for getting that information.

>> Riley: I have trepidation about that direction to staff.

I'm just not sure how that as a practical matter would be done.

>> Mayor Leffingwell: Councilmember morrison.

>> Morrison: It wasn't intended to suggest an exhaustive survey at all.

And what I wanted to suggest is it's in order to get a feel for sort of what we're dealing with out there.

There are many neighbors that have been paying attention, many residents of austin that have been paying attention to this issue of late, and my thought was that we would be able to do some outreach to -- through our community registry, through the neighborhood plan contact team to get some examples to look through.

>> Mayor Leffingwell: I understand what you're saying and I frankly know to the best of my knowledge that the city has never considered deed restrictions in zoning cases or land use decisions, but at the same time I don't see any harm in actually taking a look at it.



I don't think the wording of councilmember morrison's motion would prohibit city staff from coming back and saying here's all we could do.

We couldn't do an exhaustive study.

>> Morrison: This is not in any way -- I know we've had some hard discussions about can the city just adhere to deed restrictions and what we're trying to do here is just get a feel for them.

And because we want to make sure that if we're going to be able to have an enhanced variance process for subdivisions that -- in consideration of flag lots, we want to make sure that it's got the flexibility so that they are perfectly accessible and subdivisions, that they don't trip up in any of that, only where it's an issue of neighborhood compatibility.

So to have [ inaudible ].

>> Cole: Mayor?

I share councilmember riley's concern on item number 2 about requiring that a survey be conducted in subdivisions where deed restrictions might inhibit the use of flag lots.

And I thought I heard you say that you did not intend that to be an exhaustive process or take up a lot of staff time or drag this on.

So I'm wondering if you would take a friendly amendment to exclude that item?

>> Morrison: Well, i wonder rather than the friendly amendment to exclude it, I wonder if we change it to conduct a sampling so that it's not a -- the survey might be suggesting to people that it's got to be exhaustive.

And if we changed the word to sampling, it's quite clear that it could be a sample of five or whatever is acceptable.

>> Cole: A sample of five, of course.

[ Laughter ]

>> Morrison: Would you like to change your friendly amendment to a sampling?

>> Cole: Yes.

I would like to change it to a sample survey --

>> Morrison: A sampling.

That's acceptable, yes.

>> Mayor Leffingwell: Second.

Does the second accept it?

So that friendly amendment is accepted.

All in favor of the motion say aye?

>> Aye.

>> Mayor Leffingwell: Opposed say no.

>> Riley: No.

>> Mayor Leffingwell: Passes a vote of six to one with councilmember riley voting no.

According to my calculations, that's all the items on our agenda for today.

So without objection, we stand adjourned at 5:25 p.m.

>> Welcome to live music at austin city hall.

Our musician tonight is cass brostad.

Did I say that correctly?

He moved to austin, texas from omaha, nebraska about a year ago, and she has had the pleasure to write a wide variety of -- to play a wide variety of shows and venues all across austin.

You can watch her performances every sunday at the hole in the wall at , put in a little plug for you there.

And she hopes to have a new album out by the end of the year.

You can check her out on facebook.

And listen to more of her music in upcoming shows.

In the meantime, let's hear from cass brostad.

Welcome her to city hall for live music.

Thank you.

[ Applause ] 🎵🎵🎵 [ applause ]

>> Mayor Leffingwell: Thank you.

We're really glad you came down to this part of texas to play for us.

What's the temperature in omaha today?

>> Actually, it's pretty pleasant today, but there is a blizzard coming in on saturday.

So it's pretty cold in omaha.

>> It's a good place to be when there's a blizzard in omaha is in austin, texas.

So in your honor we have a proclamation, which I'm going to read to you.

And it says 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, newcomers alike.

And whereas we're pleased to showcase and support our local artists.

Now therefore i, lee leffingwell, mayor of the live music capitol of the world, do here by proclaim FEBRUARY 2nd, 2012 AS CASS Brostad day in austin, texas.

Congratulations for you.

[ Applause ]

>> Mayor Leffingwell: Well, now we have a proclamation in honor of seniors, and I have a very special interest in this particular area, the field of seniors.

So I'm going to be honored to read this proclamation in honor of the austin group for the elderly.

They served our community been in the same location over on 38th street for how long?

26 Years.

We appreciate what you do and value your service to our community.

So the proclamation reads as whereas austin groups for the elderly has been serving central texas seniors and caregivers with a wide range of programs, including adult day care, computer training and caregiver resources, and whereas eg's largest program, the health equipment lending program, or help, provides assistive devices at no cost to seniors and others who need these items to live safely in their homes.

And whereas age lends out wheelchairs, walkers, shower chairs and electric scooters that have been completely refurbished and whereas with the support of the community, age plans to provide 3500 pieces of equipment to seniors or nonprofits who serve seniors in 2012.

Now therefore i, lee leffingwell, mayor of the city of austin, texas do here by proclaim february 2012 as help for seniors month in austin, texas.

So it's my privilege now to introduce a representative from age, nicole.

Come on out.

>> Thank you very much.

Senior mobility is directly tied to senior safety.

It's an important issue for age and it's a very important issue for the austin community.

The seniors are able mobile and safe, then they're able to stay in the community longer.

They're able to live with their family in their community and prevent premature nursing home placements.

The age health program has frozen extremely fast over the past four years.

Last year we were able to give away for free 2,428 pieces of durable medical equipment to area seniors.

This year we hope to exceed that number and give away over 3,000 pieces.

The equipment is generously donated by the community.

We clean it, repair it, fix it and lend it out for free.

We currently need equipment because we have a waiting list of over 170 seniors who are waiting for equipment that they cannot afford or insurance doesn't cover, such as a shower bench or a transfer bench.

Yet again, equipment that will keep them safe in the home or out in the community.

So we welcome this opportunity to raise awareness this month for the equipment lending program so that we can reach our goal of serving over 3,000 pieces of equipment for free to austin seniors this year.

Thank you very much.

And for more information you can look at our website, age of austin.org.

Thank you.

[ Applause ]

>> Mayor Leffingwell: Okay.

Koop radio's 17th birthday.

We have a group -- has anybody ever been on koop radio?

Because I have.

It's a lot of fun.

A good community venue that gives a voice to a lot of folks in our community that would not otherwise have access to that voice.

We appreciate what you do.

I know you've been through a lot of trials in the last through years, including actually a fire, and survived that.

We appreciate very much what you do.

Let me read this proclamation for you and then give you a chance to talk a little bit more about what you do at your radio station.

It says be it known that has served austin, texas for 17 years with high quality innovative and diverse programming, emphasizing communities that are ignored or underserved by mainstream media.

And whereas koop radio is the nation's only coop actively run radio station.

I didn't know that.

It is owned and operated by its members and supported by 100 volunteers and just a and whereas despite various challenges, the station's listening audience is at an all-time high and membership donations are on the and whereas we urge citizens to catch a wave and enjoy live music, a silent auction, contests and dancing at antone's to celebrate.

Now therefore i, lee leffingwell, mayor of the city of austin, texas do here by proclaim february fourth, 2012 as koop radio's surfing 17 a go-go birthday party in austin, texas.

Congratulations and kim, do you want to come up and tell us a little bit more?

>> Thank you.

Thank you, mayor leffingwell and councilmembers.

And the city of austin for this wonderful honor.

You may not know koop radio is a place where anyone can come and learn the art of radio broadcast and it won't cost awe thing.

You can come, learn how to program a show and potentially even have a show on the airwaves in austin.

We're also, as mayor leffingwell mentioned, the only cooperatively run radio station in the country.

We're mostly run by volunteers, all of our dj's on the air are volunteers.

We have only a few staff.

So we ask you to please come out and join us on saturday the fourth at antone's nightclub to celebrate 17 years of amazing community radio in austin.

You can find us on the dial and on the web at [koop.org](http://koop.org).

And antone's will have an amazing show for you.

Bill kerchief, junior brown and the del vipers are going to play.

Do you want to talk anything else about the show?

>> Hi.

I think you said a lot about it.

It will be a great time and a great way to support the station, all proceeds do benefit our operating budget and I want to say that I'm very happy to be part of the station.

I think it's an important part of the community of austin.

And one thing I often mention to people, austin is known as the live music capitol of the world.

A music community really needs about three or four parts to make it happen.

It needs the venues to hold the music.

It needs the fans to come out.

It needs the print media to support and it needs radio that will support the artists who play.

Not only do we support music, but we support community aspects of our city here and we're reaching out to them more and more.

So we're excited about being 17 years old.

Appreciate the support of our members and our local businesses and the city of austin.

We just want to thank everybody and it's going to be a great time saturday night at antone's nightclub.

[ Applause ]

>> all right.

It's official now, the mayor signed this proclamation just now.

If I could get the mcelhenney's to come up and anyone else that was a part of this project that would like to join them.

I'm honored to present this proclamation.

I will be brief.

I do want to make a couple of recognitions, though.

The reason we're here today is to honor the mcelhenney family for their tremendous and generous gift which was a land donation to the city that will be enjoyed by not only the montopolis community, but our entire community for future generations.

There were a ton of organizations that were involved and that helped to make this donation happen.

We wanted to take a moment to recognize some of them.

And maybe not all of them, but we'll get as many as we can.

The montopolis neighborhood planning contact team and poder for helping to initiate the process when the family came before the contact team regarding a zoning change on this particular tract.

They all worked well together and this turned to you to be a tremendous asset for the city.

The montopolis community alliance and the montopolis neighborhood association for helping move the process forward.

Texas disposal systems for donating their services.

Texas parks and wildlife for giving grants that made this possible.

Veer yaws city of austin departments, watershed protection and many others.

The parks department staff.

And then several countless groups that spent hours cleaning and improving the park.

We most recently were out there on mlk day for a day of service, literally a couple hundred folks from american youth works were out there, americorps.

It was amazing to see the tremendous work that had gone on not just that day, but in the days leading up to that.

So american youth works, austin parks foundation, keep austin beautiful, college forward, be the change.

Anne richard's school for girls and several sororities and fraternities from the university of texas.

Last week this council unanimously passed an item to name the oak grove on the property after the mack he will hen any family.

And I'm proud to present this proclamation and then we'll ask the family to say whatever they would like to stay.

The proclamation -- [ applause ] the proclamation reads, be it known that whereas a 2-acre tract of land in the montopolis area has been donated to stint by the mcelhenney family and whereas the land is forested with many mature trees and other plant life is a home to a wide variety of wildlife from deer and rabbits to hawk and herrin.

And whereas the donated land has a rich cultural history as well reflecting the individual who live, worked and died in the area, including some who are buried in the nearby burr debt prairie cemetery and whereas the city is pleased to accept this donation and to have the opportunity to preserve a valuable natural and historic site for future generations.

Now therefore i, lee leffingwell, mary of the city of austin, texas, in recognition of this general rouse donation, do here by name the grove of oak trees to the mcelhenney track as the mcelhenney oak grove.

Congratulations.

[ Applause ]

>> I'm amy mcelhenney barbie and on behalf of the mcelhenney family I want to say we're proud to leave this legacy of open place to the montopolis neighborhood and the city of austin.



There were many people who helped make this possible.

He also want to say that the property had been our grandfather's, dr. t.j.

Mcelhenney.

We're very honored that his name will continue with the land.

Thank you very much to that.

Also I want to thank a few other people that made this possible.

Steve denar and his team, we could not have done it without him.

They helped us navigate the maze of city approvals, so we're very grateful for their help.

So stephen ray and pam thompson who were diligent in keeping our hope alive that we could make this happen.

Thank you very much.

[ Applause ]