

Closed Caption Log, Council Meeting, 03/01/12

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[09:45:06]

>> Mayor Leffingwell: Good morning. Good morning. I'm austin mayor lee leffingwell. And we'll begin today with the invocation, from the reverend linda elsord, crestview united methodist. Please rise.

>> Let us pray. Holy god, we do not pray to invite you to be here today because you are already here. We could not keep you out if we try. We pray instead that you help us to open our eyes to your presence and to know you as a god who does not just care about saving souls, but saving bodies and minds, families, communities, this whole earth, that you created. Send us your spirit, of courage, and wisdom, and love. In your holy name we pray. Amen.

>> Mayor Leffingwell: Amen. Please be seated. A quorum is present, so I'll call this meeting of the austin city council to order ON THURSDAY, MARCH 1st. we're meeting in the council chambers, austin city hall, 301 west second street, austin, texas. We begin with the changes and corrections to today's agenda. And they are add to item no. 28, Not recommended by the parks and recreation board. Item no. 37, is withdrawn. 54, without objection, is postponed at the request of councilmember spelman. UNTIL MARCH 8th. Items 68 through 76, at its time certain, a postponement until march 8th, 12, WILL BE REQUESTED At staff and likewise at time certain, item 77, or -- a postponement of that will be requested. Our time certain items for 30, at -- first we have a briefing on the 11th and 12th street redevelopment study and second an on the week design competition. At 12 noon general citizens communication, at 2:00 p.m. We will take up our zoning our public hearings. 30 live music and proclamations the musician for today is chris brecht. Consent items today is 1 through 55 with several exceptions and show councilmember riley voting no on items 30 and 31. 33, which will remain on consent ... item no. 33 is our appointments to our boards and commissions. Before I do that, add to our 00 we will have a discussion and possible action on bond sales. So to the downtown commission, richard McKENNAN REPRESENTING THE Urban transportation commission as councilmember tovo's nominee. Josh spearman, representative of the austin music commission as mayor pro tem cole's nominee. To the early childhood council, laura koenig is mayor leffingwell's I don't mean knee. To the ethic -- nominee. To the ethics review commission, peter

[indiscernible] is councilmember riley's nominee. To intergovernmental bodies, the housing authority, chuck bailey and karl richie, junior, are nominated by myself, mayor leffingwell. Waivers for today, approve a waiver of the attendance requirement in section 2126 the city code fordy anne johnson's service on the airport advisory commission, the waiver includes absences through today's date. Approve a waiver of the attendance requirement in section 2126 of the city code for mark lynn's service on the comprehensive plan citizens advisory task force and this waiver includes absences through today's date. Again, the consent agenda items, 1 through 55,

the following items will be pulled off the consent agenda. Items 2 and 46 is pulled by -- are pulled by councilmembers morrison, tovo and martinez, they will be considered together at a 6:00 p.m. time certain. 7 is pulled by staff. That item will be heard due to a posting requirement. 26 is pulled off consent by councilmember morrison. 41, pulled by councilmember riley. Item 48, will be heard after executive session as will item no. 50. 51 is pulled by councilmember morrison. Items pulled off of consent -- and add to the items pulled by councilmembers, mayor pro tem cole is pulling item no. 4. The following items are pulled off the consent agenda due to two or more speakers. Those are items 23, 28, 32, and 34. So that is the consent agenda for today. I'll entertain a motion. Mayor pro tem cole?

>> [Indiscernible]

[no microphone]

>> Mayor Leffingwell: Add number 47 to the items pulled off the consent due to speakers.

>> Cole: I also pulled number 4 and number 7.

>> Mayor Leffingwell: Item 7 is already pulled and I read item no. 4.

>> Cole: You did. Okay. I also pulled 30 and 31, which may be pulled for speakers on taxicabs?

>> Mayor Leffingwell: Items 30 and 31 have not been pulled. I'll show those pulled by mayor pro tem cole, also. Any other items to be pulled off consent? Councilmember spelman moves approval. Seconded by chairman cole. Is there any discussion? Again, councilmember riley voting no on 31. 30 And 31. They are off consent now. All in favor say aye.

>> Aye.

>> Opposed say no? Passes on a vote of 7-0. So that takes us, the first item on the consent agenda is item no. 4. Before we go to that, though, we need to allow several speakers to speak on items. Where there was only one speaker. These speakers will get three minutes to speak on all of the items they signed up on. Ronnie reeferseed is signed up to speak on 3 and 23 and you have 3 minutes.

>> Thank you, sir. Welcome back. Where have you been? No, I -- all right. No, about number 3, of course. It's -- it's all a part of agenda 21, which is this evil plan to take money from you and me and all citizens and reduce our country to a third world status. Out of this do gooderrism. We think that we have to pay more money for water so, you know, there's so many people and blah blah blah. It's hog wash, it's just a way to destroy our country. So -- so we have to -- we have to look at this big hunk of cash given to them as -- as an assault on all of us. It's really a -- a negative idea. And so I'm speaking as harsh as I can against it. And of course with this wacky new system I have to switch to I think number 26, is that the one that you said that I could speak to?

>> Mayor Leffingwell: You can speak on any item on the consent agenda, any or all, but you only have three minutes. Now one minute 55 seconds. well, briefly on the -- that one is such a biggy. Unfortunately you are putting off the other real biggy. But I think we should all take the time to look into agenda 21. Just type it in, search engine, like start page for example, that doesn't track your identity, and just type that in, you'll be amazed at the years and decades really of evil that have been -- this kind of plan has been rolling around and people -- power figures know little bits about it. They think that it's good. So they feel like they're in on it. It's nothing but bad news for everybody. We need to halt it, agenda 21, in every way that we can. Of course so-called president peace prize's work, that should -- is for it, that should say something to everybody. He's trying to destroy our nation. Briefly, I'm happy to be able to speak here and I'm sorry to say that I'm ashamed of my mayor who doesn't seem to understand first amendment -- reeferseed you are speaking on items that are on the consent agenda. Neither one of those items are on the consent agenda.

>> Oh, okay. So I'm --

>> Mayor Leffingwell: You can say that during your citizens communication.

>> I lost track there. Okay. All right. Again, agenda 21 is something that we need to find in every way we can. I guess that I said as much as I can on that particular item thank you, sir.

>> Mayor Leffingwell: Uh-huh. Gus pena. You have three minutes. You signed up on item 15.

>> Mayor, councilmembers, city manager, gus pena, east austin night, proud united states marine corps veteran. 15 is dealing with the run tex foundation dealing with the trail of lights, outstanding. Mayor I want to thank you paul carroza bringing this to fruition, i believe it will happen, good for the city, good for the kids, involve the kids more in this process, it will be a worthwhile please. carroza, I also want to thank him and the foundation for helping the needy out there for shoes. A lot of people don't know this, they are low key, but we thank you, paul, I saw carroza, carroza, also, briefly, I'm not going to speak on this, but mayor I wanted to let you know that we're not allowed to sign up for items 30, 31, the computer doesn't reflect an opportunity. I just want to let you know about that. Thank you very much for everything.

>> Mayor Leffingwell: Well, items 30 and 31 have been pulled off the consent agenda by mayor pro tem cole. We've already voted on that, we can take those items up right now if you would like, mayor pro tem.

>> Cole: Mayor, I simply wanted to note on these items that we've been considering taxicabs for a while and we are considering making some major changes with them and the -- the utc has been looking at it closely. I think that it's important that we really delve into the formula. I'm hoping that we will be able to do that on third reading.

>> Mayor Leffingwell: This is for second reading only.

>> Cole: This is for second reading only.

>> Mayor Leffingwell: All right. I have no speakers signed up on 30 and 31. I will entertain a motion. Mayor pro tem?

>>

>> Cole: Move approval.

>> Mayor Leffingwell: Mayor pro tem moves approval. Councilmember martinez seconds. Discussion in all in favor say aye.

>> Opposed no. Passes on a vote of 6-0 with councilmember riley voting no. So now we'll take up item no. 4. Mayor pro tem cole? No speakers are signed up now.

>> Cole: Thank you. I just needed to ask staff about the municipal election day polling places. We've closed the polling places at city hall and at the courthouse. And let me give you a chance to get to the mic. Shirley or who would that be? I always get concerned when we are closing polling places, especially when we have done so in some minority neighborhoods and especially downtown in the central city. Can you explain why we did that?

>> Let me tell you what's in front of you today. You called the election back in october when we had all of the direction. At that time we didn't have any sense of what to put in front of you for polling places, judge, all of that, which are typically a part of the call for election. What you have in front of you today is the list that we used a year ago. Because in the confusion over the redistricting, the county has not yet locked in the polling places. We will be back in front of you again before the election to have you repeal and replace these because we know they're not accurate. But we noticed to submit something to the doj. And so we're explaining to the doj that we don't have a clear picture of what the election is going to look like yet. What we're giving you is last year's. And part of our doj submission is to always compare what we had in the previous election to what is being proposed. We clearly understand council's direction from your discussion last fall that you do not want a reduced size of election. When you took the vote, you wanted the full voting places. So we'll be back to you with a much more accurate picture of what that's going to look like, but what you have in front of you today is really sort of meaningless because we just don't have that yet.

>> Cole: You understand it's a little concerning when we have something that's meaningless. But during the process of all of confusion about the voting times, locations, when, where, I can understand that. Is it normal procedure to go to doj even though you know that you are going to have to amend your submission.

>> It's all a matter of timing. The doj submission is supposed to be 60 days in advance. Every texas city is facing the same kind of confusion that austin is looking at. They are fully expecting that there will be another repeal and replace, so we can give them a more accurate picture at that time. We're just complying with the law that we submit this in advance and so we're trying to meet their deadlines, but we're just unable to give them a clear picture right now.

>> Cole: Okay, thank you, move approval, mayor.

>> Mayor Leffingwell: Mayor pro tem moves approval 4, seconded by councilmember spelman. Any discussion? All in favor say aye.

>> Aye.

>> Opposed say no. Passes on a vote of 7-0. So we have to skip item no. 7 Until after 10:30. Go to item no. 23. Which -- which earlier had several speakers, still has two speakers signed up. Laura presley.

>> Hello mayor, councilmembers. I would like to talk a little bit about item no. 23. It is a contract that is 1 million going to an austin company, which I want to applaud. There are on this agenda that we're going to look at 6 million worth of contracts going out of the city council budget 5 million of that is going to companies outside of austin. And I spoke about this on december 15th last year. Regarding the city council really needs to focus on buying local. Here in austin. There's millions of dollars going out of our city. If we want to continue to keep jobs here, this is one direct way the council can do that. I brought this issue up DECEMBER 15th. And councilmember spelman had gotten with byron johnson, the procurement officer, he was asked why so much money is going out of austin. His comment was there's a new rule that the legislature passed this summer that we can give credit to local companies. And apparently that was just implemented today. It's been two and a half months, four and a half million have gone out of our city, we cannot implement this any sooner than two and a half months. The second issue is on the agendas for the city council meetings, the location of where our dollars are going has been removed. That was removed in january, ON JANUARY 26th, THAT WAS The first agenda over -- over the last several years that did not have the location of where our money is going. And so I would like to make a formal request that they get put back on the agenda, so as we have transparency of where our tax dollars are going and which amount is going out of austin and which one is staying in. So that's a request. Thank you.

>> Mayor Leffingwell: Second speaker is ronnie reeferseed.

>> Thank you, sir. I would like to just agree with ms. presley. In fact I was -- I thought that I was donating my time to you, but maybe on some other issue. And -- but she's so very articulate and a lot better to look at, so you can review what she had to say. Thanks.

>> Mayor Leffingwell: Okay, those are all of the speakers that we have signed up. I will entertain a motion on item 23. Councilmember spelman moves approval. Mayor pro tem cole seconds. Further discussion? All in favor say aye.

>> Aye.

>> Opposed say no. Passes on a vote of 7-0. 26, pulled off consent by councilmember morrison. One speaker signed up.

>> Morrison: If we could hear the speaker.

>> The speaker it's laura presley. Item 26.

>> Yes, this is the largest item on the budget, on the agenda today that's going outside of austin. It's to -- over two million dollars and I would like an answer from the council on why was the location of where we're spending money outside of austin not on the agendas anymore when it was on there for years and years and it got taken off in january. I would really like an answer and I -- I make a formal request that we put that information back on. I made that request several weeks ago. ott and i talked with the legal representative from the -- i went up to the third floor and talked with them. They said yes it was removed. It was a request by the council to remove those to streamline the agenda. I would like to say please put it back on. We want transparency of where our money is going and -- it's just a basic question of why it was removed and what's it going to take to put it back on there. It was on there for years.

[Applause]

>> Mayor Leffingwell: Those are all of the speakers that we have. Councilmember morrison?

>> Morrison: If -- if councilmember tovo has a question --

>> Tovo: I have a quick question. I wonder if we could get an answer from staff about whether a change was made, if so when and why that change was made.

>> Deborah thomas with the city of austin law department. The change probably was made presley, the day she identified the end of january. The reason we made the change was because we were going through a streamlining of the postings. As you will recall during one of the appropriate work -- during one of the recent work sessions the item came up about the postings, the law department started going through them to try to streamline them that information is in the rca below the line so we took it out of the posting.

>> Thanks. This brings to mind that we did have a conversation before december I think it was earlier than the december 14th meeting that presley just talked about. But there was a discussion about the change in law and municipality's ability to prioritize local companies or give special consideration to them. I believe that we are awaiting a memo to that effect; is that right?

>> That are.

>> Tovo: Great.

>> That is true.

>> Great. I just wanted to be sure i hadn't received or missed it.

>> That hasn't come out yet.

>> Tovo: Great. I look forward to reading it when it's available. Thanks.

>> Mayor Leffingwell: Councilmember morrison?

>> Morrison: Thank you, mayor. This is an item that is to select a vendor for some janitorial services through austin energy and the issue that had come up at our work session, I would like to continue a little bit of conversation about, the question that arose for me is whether or not it makes sense instead of contracting this out to actually make these city staff members working for instance for building services who does this kind of work, since we know that city staff get benefits, nice, stable jobs and also it's good for the austin economy if we can actually accommodate that. On the other hand if contracting it out is a huge cost savings, obviously we seriously need to look at that. But I wonder if I could ask some austin energy staff a couple of questions. I know that we got an analysis of this. And some questions and answers.

>> Good morning, carey overton, austin energy.

>> In the question and answers, you all provided some information that says that basically building services provides janitorial services for city locations, but not for austin energy locations. And for the past 18 years we've just been in this mode of contracting it out; is that correct?

>> Yes. My understanding is that the city uses a combination of some particular services depending on the type of services used and the employees that are used within the cities in their various departments. They have some -- some of those individuals hired and managed by the city. There are other contracts like in our case, janitorial services at our plants, and some of our other operations, we use these janitorial contracts and as we did an analysis, I think that we put forward, that it brings us well over on this end -- in this contract, over \$820,000 worth of savings over five year period. So over the years, we've done cost analysis and we've looked at it as a way of augmenting our staff and finding the operations that would be most cost effective for us to use a combination of staff in some areas, but in this case contracting it out became more cost effective.

>> So -- so the services that need to be provided, are they actually services that our building services department has the capability to provide? Just a matter of cost from your perspective?

>> Some of those services, building services, do provide those and as part of our cost analysis it would, though, be at a higher cost.

>> Morrison: Okay. It actually says in the answers maybe there wasn't a complete connection of people that have been involved. It says in the last 18 years, we, austin energy, have not looked at this option. That's neither here nor there. The cost analysis that you did, assumes that we would be paying a minimum salary to -- of \$11 an hour. Do you know if -- if the vendors that we use pay benefits to their employees?

>> I may have to direct that question --

>> I'm pat [indiscernible] with austin energy. They do pay some benefits and the wages are what is required by the city, which is a living wage and so the estimate that we made was that the lowest entry level, which would be a grade 1, at the very entry levels, which is \$11, so most

likely in our employees they would probably be earning more. But we estimated at the lowest level to see how that would work out.

>> Morrison: Right. Then you also included, i appreciate it, the cost of benefits.

>> Yes.

>> Morrison: Are the benefits that the vendors provide relatively equivalent, do they provide health care give leapt to ours -- equivalent to ours?

>> I don't know for sure that they do. The estimate that we made is ours, you know, the seven thousand dollars, but i don't know if the estimates on benefits would be equivalent to those that the city provides.

>> Morrison: Then another question that I have is do they -- do the vendors have standards for environmentally sustainable products and methods that are equivalent to ours?

>> Yes, they do. It's part of a contract that they comply with.

>> Morrison: So they are equivalent to what we would require?

>> What we would do, yes, ma'am.

>> Morrison: I guess my last question, did you all work with building services in doing this cost analysis? Because I know that there's some pretty big chunks of change for estimates on cleaning and paper goods and things like that?

>> We did not. We did that analysis on our own. The paper goods, the reason that we know that that's the amount, because we were paying for that prior to this contract or this proposed contract. So we knew what we had spent in the last year in paper goods. That's the only -- that's the dollar amount that we know for sure that's what we had as a cost. That's included in this proposed contract.

>> Morrison: So we were paying for it, even though we were contracting out?

>> No. In the previous contract, paper goods were not included. So we were providing that. In this new contract the vendor will be providing the paper goods. So that's why we included that as an additional cost other than the labor and some other management costs and equipment, things like that.

>> Morrison: So this is a million dollars, \$800,000 estimate savings over five years. That's a lot of money. And so do you have any idea why it costs just in general perspective, why does it cost the city so much more to do this work if somebody else can do it? Are we just that inefficient at the way we run things?

>> No. I don't think that's it. I think, for example for us since we haven't done this before, we would have to incur the initial cost of buying equipment, buying vehicle because you have 13 employees you would have a supervisor, and that's not included in the -- we have included that in our estimate so the cost of one additional supervisor, plus a vehicle to drive around because our facilities are scattered throughout the city. And the cost of cleaning supplies, cost of equipment such as vacuum cleaners, polishers, things like that, and then the cost of paper goods. And -- and to tell you the truth, really, in the cost of labor, that cost for us, as the city, would go up because employees would get occasional pay increases, so we estimated at the lowest level of \$11. But over a five year period, that labor cost would probably go up.

>> Morrison: Okay. I do see we have some one-time start-up expenses of \$70,000.

>> That's correct.

>> Also, councilmember morrison, the -- it's my understanding that the -- that the contract services, those operations are also able to get price breaks in their contracts for those goods. That they buy in the market because they have contracts even beyond the city. And so there are price discounts on volume will be much greater than ours.

>> Although, we as a city, do have contracts --

>> we do. They have services even beyond that. One other item that -- to take into consideration is that in -- also in dealing with the personnel, the scheduling, we don't always have those facilities where a staff would be on our side, employed, for the entire eight hours of the work and oftentimes the cleaning and improving the conditions of the facilities, they go in spurts, in intervals, by going through the contract, that was much better than having a city employee who would have been hired for the eight hours on a regular schedule, but not having work during those down times.

>> Morrison: Yeah, i understand. But it's my understanding that building services can manage that kind of scheduling. Assuming there's transportation. I -- anyways, I have -- i would like to -- I would like to turn this over.

>> Councilmember martinez.

>> Martinez: Mayor, I'm -- I just want to continue on with a couple more questions in this line. It seems to me that -- that if we're going to -- if we're going to actually make some gains in creating jobs that aren't -- that don't require technical expertise and don't require high, you know, level of -- of education, that this is exactly where we would want to focus and try to bring those and keep those in house. I realize that there's infrastructure costs. You guys mentioned that. But if we look back even to a few years ago when we consolidated all of the police departments, it literally costs us millions of dollars in the first year. But the long-term benefit of having them on under one cohesive policy, one umbrella, one department, the long-term benefits far outweighed that short-term initial start-up costs. So I'm really not convinced in this particular procurement that the best thing to do is contract it out. Because while you may be able to hold the contract at a static rate for five years, I promise you their cost of doing business and the cost of their employees is not

going to hold static over that five years. So what the contractor may do is by the end of that five year period, we may have less staff members working at austin energy so that they can cover their incremental increase in cost. I don't know what kind of protections we have in this agreement. If there are such that's great. But I just really feel like if we're going to make any efforts to -- to create jobs within the city, that folks -- for folks who are really needing employment, more so than others, this is one area where I think we should try to do everything that we can. As well as, quite honestly, minority outreach. To -- to increase our diversity in the city of austin. There are tons of folks not just minorities, needing employment and whether it's part-time or full-time, i have a feeling that we would find a lot of folks who would be willing to at least try to apply for the job and do a good job for us. So I just hope that we can look into it a little bit more.

>> Tovo: Mayor? I agree. I do have a few other questions. I appreciate the answers that you gave us and the dialogue that we had on tuesday and the additional information. I still am a little unclear on a few things, did you in your answers to councilmember morrison, did you say what the salary level is that the contract workers would be receiving? Do you know if it meets our liveable wage requirements.

>> Yes, it does meet the liveable wage.

>> What you aren't certain about then were the benefits.

>> Were there benefits, exactly, equal to those that the city provides.

>> Does the contract specify the estimated number of work hours? I know because we're comparing it to the -- to the list, to the cost estimate that you have here and you are estimating 13 full-time equivalent, do we have a sense, do you know what the contract company has -- has estimated in terms of number of work hours.

>> What the contract has --

>> it does. It has those provisions in it. It gives them an estimate playing of work hours, also an estimate of the square footage that needs to be cleaned and then specifications of what specifically are the job tasks that need to be done.

>> Tovo: But in terms of the number of hours.

>> Yes.

>> Tovo: They come up with the same number of hours, 13 full-time equivalents.

>> Yes, it's about 13 hours of equivalent of work in terms of comparison, but i think because of the shifting of the employees we actually gain more hours in the contract than we normally would if you do it a straight hour of eight hour full-time employees of the city.

>> Let's talk for a minute about the vehicle. We talked about this on tuesday and there were discussions about needing to move from site to site. What -- who is the vehicle for that you would need to purchase? Is it -- is it employees who are moving from site to site or is it the supervisor?

>> The estimate for the vehicle would be for supervisor to supervise 13 additional f.t.es.

>> Are there no austin energy vehicles that they could make use of?

>> It's possible. We just figured that we would have to add one, but it's possible that there's -- that there's vehicles available.

>> Okay. I think councilmember morrison suggested this, possibly there could be economies realized in terms of paper goods. But that's not an option that you have explored in coming up with the --

>> I think there can always be considered. Again when you look at the contract, our analysis of it, it was part of what was calculated into the savings that was just under one million over the five years of this contract. When we looked at our cost as pat albert mentioned, looked at our costs in the analysis of what we were actually paying in the previous contract, we saw a significant difference that this contract would improve the savings to the city.

>> I want to let councilmember morrison make a motion. I would suggest if she's inclined to, but I want to suggest that -- that I think it would be very useful if -- if the staff from austin energy sat down with building services at least over the next week and reviewed these costs and get a sense from them of what their estimate would be. Also I would like more information about the benefits. Benefit that's the contract employee -- if it goes forward today I'm not going to support but I would support a postponement for a week to see what information we could get.

>> Mayor Leffingwell: Is that a motion?

>> Councilmember morrison pulled it, so I'm going to see what she has to say.

>> Morrison: Yeah, I would like to month a motion we postpone it for a week, specifically with the points that -- that councilmember tovo made to -- to sit down ask austin energy to sit down with -- with building services and also to come back with additional information about -- about -- about the benefits that the contractors would receive and how they compare to our employee benefits.

>> Mayor Leffingwell: Motion by councilmember morrison to postpone item 26 UNTIL MARCH 8th, SECONDED By councilmember martinez. Comal.

>> Spelman: I have a couple of questions, I won't hold things up too much, just very quickly. Is this one of the contracts which we could take into account the location of the vendor.

>> My understanding is that we could not. Byron Johnson, purchasing office, because this is a goods and services that provision applies to goods but not to services. But there isn't anybody else within a 5% that was a local, even if there had been.

>> Let me break that down a little bit. There are some contracts that we can -- that we can take into account the location of the vendor, some contracts we cannot. The ones where we can. Goods and services or goods.

>> Goods only.

>> Goods and services state law does not allow us to take into account the location of the vendor.

>> That is our understanding of the legal opinion.

>> Mayor Leffingwell: Construction also.

>> Construction is a separate piece. I only handle goods and services. But construction has another piece of the law that already has a provision in it that -- that is not applicable to these types of contracts because they don't involve construction.

>> Okay. So construction we can also take into account the location of the vendor for construction contracts. Is that accurate? Byron is kicking it --

>> I think there's a lawyer here who worked on that. Let's see, Jacquelyn, is she here?

>> Good morning, council, Jacquelyn [indiscernible] with the law department. Yes, I was here some time ago, informing council about some recent legislation, which previously excluded the city of Austin to consider local preference because of a population bracket. Last session that population bracket was excluded and so now Austin can take advantage of that. How that works when you are buying widgets, goods, if you have -- it's only applicable to a lowest bid situation. If you have -- if you have -- you have your lowest bidder, if you have the next to lowest bidder, who is the price is within 3%, the council can on a case-by-case basis, make a finding that the combination of that -- that almost lowest price with -- coupled with the tax benefit, enhancement, based on that local finding you will take the next highest bidder. Byron is working on putting together something for council's consideration to make that an official policy for you if you so choose.

>> How about construction contracts?

>> I'm not going to be able to speak to that. That's part of the problem, we have to mold those two concepts together so we don't confuse you. You.

[10:48:05]

>> Spelman: We'll just ask you lots of questions. Construction projects you still don't know, basically.

>> I would prefer that mr. Boman speak to you about that.

>> Spelman: Widgets, goods, contracts, we can do it, only if the second lowest bid were for some other bid is within 3% of the lowest bid.

>> That's correct.

>> Spelman: If it's more than 3% we can't take it into account. For rfq like this one, we cannot take into account the location.

>> That's correct. There's a well established attorney general opinion about professional services. Okay. It says --

>> the opinion states that -- that in most cases, in most cases, when you are -- when you are securing the services of a professional, you want to make sure that you get the most qualified professional, so all of these other factors are not appropriate.

>> Spelman: Okay most cases sounds like a loophole there. Can you describe that for us?

>> What cases do you -- would this be allowed?

>> In the case of professional services, i don't believe any -- the reason I'm hesitating i beauman's input on the architect part of it. The general rule again, well established says it's not appropriate.

>> Sounds to me like it doesn't apply in this case in any case because this is a goods and services contract, clearly outside of the law that we're dealing with here.

>> It could apply again if the 3% were applicable and the council made a finding, every instance, every time that you utilize that statutory provision, the council would have to make a finding that again the pricing coupled with the other factors, that the city is getting a benefit and -- in the taxes and in the employment. So I believe what -- what byron is working on is perhaps some type of resolution that would allow the -- that would instruct staff to let council know when these instances arise if you could take advantage of that statutory provision.

>> Even in a goods and services contract like this one, we could still do that?

>> Byron johnson, purchasing. What jackie was saying is when you have what's called a best value. If you don't have the price consideration that is that 3%, it would not be applicable to any best value. So you have to make a decision as to your procurement method up front, whether you go with a straight low bid situation, in which case it can be applicable and in fact we have already worked on acm garza and I worked on that, we have put that in the solicitation, then notify all of the bidders. But when it is a best value, you can't then use that as the price point.

You have to make a decision up front. In this case because the service is very important to know very key factors such as safety factors of the company, the experience and that, an ifb, an invitation for bid best value is used, it's typically used for those type of situations because you have other factors that you want to consider. When you do that, the law then does not allow you to take that price piece and then apply the 3%. So you have to make a decision up front. Which method that you are using. But when you are using the ifb best value you can't apply that price portion as the local presence has.

[10:51:41]

>> Spelman: We could not for example take three point out of 100 and assign them on the basis of location. That sounds like it would be about the same thing as 3%, but that's joust not allowed.

>> What we do, because we can't ascribe a local presence preference, what we do is require certain things. For instance, in this contract although the company is main company that is out of state, they must have and have to work this contract through a local office. It must be a local office. We need to define response times, so in case there's either an incident they need a supervisor or manager, so what we do is we put in there that it requires them, mandates it, so it's no the a preference, it's a mandate that says you must service this contract through a local office and in this case, even though it's a national company, they have a local office, all of the staff is local, their management is local. So we put that as a direct, relevant, factor in there, we make it mandatory in those cases. In other cases where it's a best value, what we say is we have response time and you must meet it within certain time periods. For instance, 30 minutes, if it's a security system or those things like that. But then you can't apply what we do, so we think that we have value to do that one and in this case, in most of the cases, the service contracts, they are local offices. In the definition of local presence that we have that is the convince that we're using for the good sides. By the way we just implemented that effective march 1st for all of the solicitations, we put it in the solicitation first so it gives fair notice to all of the bidders to be able to do that way. It defines it within the corporate limits. It sets two criteria out. One criteria is that this is your corporate office. You're set, you're within the corporate limits. The second one says that this is, defines a regional office and some factors that we have that are very specific that says you have to have these type of activities, you have to get that local preference as part of that one, we have that defined very specifically and then what has taken us a while, we had to work out the fact that we have to then look at all of the vendors and make that determination on them where they are and whether they meet that criteria or not. And we have set that up, we have those forms established, and I'm very happy to say that we have kicked it off effective march.

[10:54:09]

>> Spelman: That does not show up in this bid, that just predates.

>> The best valpro could you value -- procurement, it does mandate they have a local office, must be serviced out of the local office, all employees in fact must be in the local area.

>> Spelman: I hate to ask you guys to do any more work, please don't do any more work. But I bet somewhere looking around a rock you have a memo that you could send us a copy of. I would love to see if i could.

>> There's two poses to it. There's -- two pieces to it. There's a legal opinion that the attorney's office said they would provide. Mine is a process opinion memo that would go out today. In fact we were working on a press release that you are kind of pushing us from the press release, we are going to say we've already done this, we've defined this in our processes.

>> Spelman: Okay. I look forward to seeing both of those things, looking at the total bid amounts for this particular contract, even if this were not a best value, if we were just buying widgets, iss facility the second lowest bidder at least in one of these packages is nowhere close to 3% of lowest bidder. So even under state law had we been able to apply that state law to the best of our capacity, we would not have been able to pick the local vendor in this case. But at least the guys from alpha have a local office.

>> Yes. In fact because they have a regional office they would have met the criteria as being defined as a local. So they would meet the criteria so you couldn't apply it to somebody else.

>> I don't mean to belabor the point any further, but i do feel the need to mention that some of the benefits of being locally owned are where the profits go which is not embedded in the local office. Back office operations probably not engaged not connected to a local office, accounting, legal work, advertising, that stives probably going to be at the -- that stuff is probably going to be at home rather than local office. But we would get substantial benefits with respect to this individual contract with respect to having a local office. I understand the response time and reliability issues. At some point we will probably have a further conversation about whether it would be permissible under state law in the ag's opinion to include that back law office operations as part of our definition of local office. We don't have to belabor that point now. Thanks.

>> Mayor Leffingwell: Like I said earlier, I'm pretty sure we already do this, have a local presence, criteria in our construction contracts. When you write up the memo, you can include the options for local preference and all different types of contracts. I think the city manager wants to --

>> mayor, you are correct. That is already out there. And the definition to -- that we are using is the mirror of construction.

[10:57:06]

>> We started that over a year ago.

>> Yes, sir. 2010, Sir.

>> I just want to be sure we are clear on what it is that you want us to conduct the analysis on. Are you wanting us to look at in-house versus -- versus external? Or you are limiting this to just

this particular issue on ae or are you wanting us to look at it enterprise-wide? I just need to be clear exactly what you are wanting us to take a look at. My intent was to ask you to look the at alternative for what we are looking at. Also to --

>> today.

>> To work basically to see what building services we bid for the same project and to get that comparison of benefits that -- that contract versus city employees would have.

>> Okay.

>> Thank you.

>> We could do that.

>> Councilmember martinez?

>> Martinez: Chief, if we could get a breakdown of the potential infrastructure costs but also, I guess, with the notation that -- that if we were to find this piece of equipment within our existing fleet, that that could be an assumption that's eliminated from the impact. Thank you.

>> Okay.

>> Mayor?

>> Councilmember morrison?

>> If I could just make one more comment. I noticed that -- that of the -- in the first contract, that -- that six of them were to be located at one place and then the others were more scattered. So -- so I guess that i would like to ask you also keep in mind the possibility that -- that six -- that the ones that are all co-located if they were the -- if they were the staff, that it might help to minimize things. An alternative.

>> Yeah.

>> Councilmember tovo?

>> Just -- just to be very clear, I'm sure that this was the intent of -- of -- that this is something building services would do anyway, but I don't want them to be wedded to the 's that are in this proposal, I want them to assess the square footage and take a fresh look at it. Not be wedded to the -- to the assumptions that are built into it.

>> Yes, we will, we will give you --

>> all in favor of the motion to postpone say aye.

>> Aye.

>> Opposed say no. Passes on a vote of 7-0, go to item 28, pulled for speakers. First speaker is -- all of the speakers are for. So -- so first speaker is gus pena. Gus pena. Christianberg, christian berg. Camille job. Camille job declines, how about mark eaton donating time. You decline, also? And marcus irvin. Also is not here. Hamilton richards. And sarah strantmon. Regina, those are all of the speakers that we have signed up wishing to speak. So I will entertain a motion on item 28. Councilmember martinez moves approval. Seconded by councilmember morrison. Discussion? All in favor say aye.

>> Aye.

>> Opposed say no. Passes on a vote of 6-0 with councilmember riley off the dais. 7, which was pulled for a time certain of 10:30. We have one speaker, clay defoe.

>> Good morning, council, thank you, item 7 is a nature designation by the governor's office of economic development and tourism as a single texas enterprise project. This is in addition to what the couple approved in december which was to create an economic development for u.s. farathane. farathane is a company that offers technologies take basically creates the plastics that are then put inside of vehicles, the interior of automobiles, as far as I understand. This resolution here will nominate them for the enterprise project, which will make them available for assistance through the state's economic development bank. When I was here in december, opposing the item to create the economic development program through the city, i talked about how it's not the city council's job to grant exclusive privileges to exclusive groups as we're seeing with u.s. farathane. It's not creating a level playing field for all businesses. Basically I looked into what the economic development does, on the state website it talks about how it offers a variety of financial incentives to help communities and businesses compete and exceed in the globe marketplace. This includes searching for investment capital and potential investors and to inform lenders of economic development plans and strategies for each region. So it's kind of a setup there. Chapter 380 of the local government code under which this is being provided allows for moneys, loans and city personnel and services to be granted to this company. And in the ordinance you passed in december, you are farathane 40% of all new incremental real and personal property city taxes generated by the project for a 10-year period, until 2021. I don't think that's fair. I don't know what small businesses and companies get those kind of sweetheart deals that you give to major corporations like u.s. Farathane, I don't think it's the duty of this council to promote economic development in that vein. It actually distorts the free market and it creates a situation where big corporations expect to get handouts from the government. And that's not a fair playing field that we need to be supporting here in austin. .. I really hope that you guys reconsider this item. Think about it seriously. And really ask yourself what is the role of government in this field. And I don't think it's to give a huge grant to this company or designate them an enterprise project for the state for more grants in the future. So let's keep it fair, local and let's not give away this ridiculous designation. Thank you.

>> Dave porter signed up in favor not wishing to speak. Those are all of the speakers that we have. Mayor pro tem?

>> Cole: I certainly defoe's comment, but I would like to point out that this is one of the -- one of the incentive deals that we have that has truly made an outreach effort for the disadvantaged and low income and dropouts. So it's different. I want to extend my congratulations for ergso and all of the partners that they worked with. We have -- dropout rate is at the state average, even though we are thought of in the number one city, we are not thought of in that regard as to teenaged pregnancy or dropout prevention. We do not want to become two austin's and not become an austin that focuses only on the well-to-do or bringing a high price paying job, but all kind of jobs to all types of citizens. And although this business is not going to be located in an enterprise zone, it is dedicated to having 35% of its workers be disadvantaged. So with that, mayor, I move approval.

>> Mayor Leffingwell: Mayor pro tem moves approval. Councilmember martinez seconds. Further discussion? Councilmember morrison?

>> Morrison: Thank you. I am going to support this motion. You know we had quite a bit of conversation about approval of the city's part of the deal. But one of the things that had been committed to -- by farathane was to reach out to -- to folks in -- on parole and reentry and all. While we didn't have any numbers attached to that, i was really pleased to see that this designation will in fact have a -- have a contract requirement of 35% disadvantaged and that includes not only people that are -- that are in the reentry stage of their lives, but, you know, people that are homeless, foster child, have been unemployed for three months, physical or mental disabilities, so I'm glad to see that this actually adds a lot of teeth to what I think this council's intention was.

>> Mayor Leffingwell: Again, we've already approved that economic agreement. This is merely a nomination for state recognition. Further discussion? All in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 7-0. If we go back to our morning briefings, and staff requests, we'll take up first the update on the waller creek design competition. Mayor, mayor pro tem, city council, sue edwards, assistant city manager, the purpose this morning is to bring you an update on the design competition for the waller creek conservancy. As you know, we are in a partnership with waller creek conservancy. It's my privilege to introduce don stassney the design competition manager. He has been before you before as we began the design competition, I wanted to say a few things about don. He's been a practicing architect, urban designer and process facilitator for over 40 years, rebuilding communities physically and culturally. Don is recognized as one of the preeminent competition advisors in north america. I would like to introduce for you don't stassney. Don stassney.

>> Thank you, sue, mr. Mayor, council. City manager. City attorney. Thank you for giving me this opportunity and for the waller creek conservancy to come and update you on the competition that we are in the midst of running. I can -- let's see. The competition that we are dealing with has some very definite goals to achieve. Primarily on this about reenvisioning the role of the small creek in the context of a densely pop lated urban area. But we also want this to be something that is truly austin, reflects the environmental cultural context. Also because of the

importance of this, we have not found other examples of this anywhere. In the united states of where this kind of opportunity exists. So we really see coming out of this not only things for the city of austin, but also a larger impact on really understanding of paradigms about how to incorporate landscape, public open space and urban design in the -- in the you were baseball environments like this. We have established a rough area about where we will ask the designers to work. We have purposely defined two boundaries, one that in the green line, which says this is kind of the area of waller creek itself, but we have also put a fuzzy boundary around it, because we feel that this has to be integrated right in with the urban fabric, going to ask the designers as well to talk about how this becomes a part of the city and begins to develop a district. So it will be up to the designers about how they want to define within their overall design exercise. With this is all of the various conditions that we have along waller creek, the varying conditions, both environmentally, culturally, socially, economically that we will be proceeding with along that area. Now the competition itself is based on the 10 design principles. You remember the last time that I was here, these 10 design principles really came out of the two years of public process that you all went through to try to define exactly what was expected with the design and with the redevelopment of waller creek. We have maintained these design principles, we have actually began to build upon them in that we have a technical advisory group that is helping us through this with -- with many of the people from the -- from the city staff where we were identifying the issues that need to be addressed under each of these design principles. The design principles are basically what we are asking the designers to although at as we go through. We're going through a three stage competition. Stage 1 which we have completed looking for portfolios from designers trying to establish the level of design excellence, design quality that we were looking for throughout the -- throughout the process. Stage 2, and out of that, we received 31 submissions from all around the world. The jury looked at those, went through a very rigorous examination of them. And selected nine -- nine firms to be invited into stage 2. Nine couples of lead landscape architects and lead design architects. In stage 2, which we were involved in right now, we are asking each of those nine to surround themselves with technical expertise in areas of environmental concerns, engineering concerns, other areas so that they have a complete team to bring before us. Yesterday, we held a networking session, specifically to have the nine teams come in, some of which has local representations, some of which don't and be available philology professionals, local interests to -- local professionals, local interests to meet with them. We had 100 people to show up, to go through, kind of a mixer, get to know everyone. So we have developed a lot of networking, we would hope that each one of those teams, whatever -- wherever they are based also develop a very strong local presence both with -- both with their professional aspect as well as making a better connection to austin itself. We have those submissions, we'll be coming in within about a month. Then the jury will interview those teams, from those will select a group of four. The final four teams then will actually develop the -- the design competition or do the design concepts as we go through. Now, as we've gone through this, I won't go into this in a lot of detail, but very important to understand that -- as we have -- as we have asked for certain things, certain stages, is this a very specific ask. We aren't looking for big volume, we are looking at the quarter inch of detail that comes in. For the stage 1 portfolio notice that we ask for statement the design and intent. It is limited to two pages. I guarantee that you can almost tell immediately in reading those two pages where the passion is. Whether they are there or whether it's being written by a marketing department. They really understand where that particular piece is coming through. In stage 2 we will ask for overall team qualifications and members, but the most important thing about it, i think is the interview. Then they will come

before the jury, they will again to talk about what aspects they bring to the process, what passion they bring to the project and -- and the commitment that they bring to it.

[One moment please for change in captioners]

>> we intend to maintain that schedule all the way through. We will be announcing the stage 2 finalists, the four, on april 16, and we will begin a -- the stage 3 with a briefing -- two-day briefing here in the city on may 15 and 16. So you'll probably see us trundling around the city with them but we're also relying on our good city staff and our technical advisory group to help us both with the briefing and also to make sure that we have the right materials available for the designers, so if they -- that they don't have to spend time looking for material, we give it to them and they're able to proceed with their ideas. The overall structure that we put together includes the conservancy itself, a governance group which is kind of the adjudicating body for me. If I run into any problems going through the process, they make a determination and they ensure that the jury goes through a rigorous process and has adhered to all the rules and regulations as we go through. The technical advisory group is the group I was speaking of that we are beginning to put together, and that is -- that is -- we found in past competitions that this becomes almost an advocacy group for the process after the competition is over, these are folks that help carry the project forward as we go on. The jury is comprised of national people, and competition manager is me and my associate, jennifer manhart. The jury we put together for this has really been extraordinary. We kept it small on purpose and so that everybody's voice will be heard, and what I -- while all these names are probably recognizable, what is more important is what they represent, because we have all the way from john osler, who really deals with economics and development and how open space can incentivize private development. Rich haig, who is admittedly probably the dean of landscape architects at this time, carlos jimenez, who is an architect who deals a lot with the idea of different disciplines working together. Marsha matam, who deals with adaptive reuse and universal accessibility. Darrell morrison, who worked on the wildflower conservancy project as well as is one of the nation's leaders in reconstructing environments. Allen sheer, also from the university of texas, serves as alternate juror for us and help us going along. These are the name of the stage 2 firms that we have. So each of these teams includes a lead landscape architect and a lead architect. And as you can see, they are -- if you kind of know these people and know what they bring to it, they are from all over the world. They are some of the leaders in national/international landscape design. We really truly have a wonderful group that have come forward on this, and why have they come forward? I -- as has been said, I'm very active kind of nationally and in the northwest -- in north america, in the competition area, and I have a lot of contacts with different people. As I've talked to them about this, they said, what is it about this project that brings you here? Well, I can honestly say today that from what I am hearing, this is the -- is the project that people are looking at around the nation. Why? I think that because there is this unique opportunity to change the face of a city through the design competition, not only what can happen on waller creek itself but what can happen as far as the district around it and the development around it. I want to spend just a few minutes on the dollars, because I think that's an important part of it. Actually the science and art of city building has -- we've just begun to understand a lot more about how to do this over the last 20 years. When I first started my career, one of the first projects I see was pinier courthouse square in portland, oregon which was our center square, at that time we didn't know what a public space was in the united states. We knew that there were places in europe, you know, that

were old market squares or they were crossroads or things like that, but how do you take in western civilization and create a public square. So we realized some very simple truths about it. One, that it's an outdoor room that is defined by the buildings that are around it and the activities that are -- surround it and the space itself needs to be very flexible. What we've also found over time is we thought that cities were built by developers -- or by development. We have found that the thing that gives the juice to cities, or the specific character to cities is their public realm, streets, parks, creeks, that begin to define what the character of a place is. We've also found that for every dollar, every dollar that is spent on public realm improvements, that we can guarantee - - guarantee four to ten times that -- ten times that amount coming back in private investment, and something well done we've been able to leverage that ratio up to 11 to 15 times. So if we have a project where we put a million dollars into it, we can expect upwards of 11 to 15 million in private investment coming back on it. Now, I know you're going through bond issue development at this particular time, and what I want to say about waller creek is if we are able to put bond money into -- into waller creek, that is not going -- that's going to have a bigger impact than just the creek itself. Because of this investment in the public realm, that means that the private investment that will follow after that will be there and be able to generate funds that will go back into the tax base. And lastly I would like to say that as I said before, what gives cities their character is their public realm. You think about great cities you've been in, or great places you've been in, it probably isn't the buildings. It is the spaces in between. And so what we want to do in this particular case is develop an absolutely great design that creates an urban condition within the city of austin that fosters creativity and fosters community. We are well on our way. Everything is on schedule and we're moving along, and I want to thank you for the opportunity to come and updating you. The last thing I would like to say is when we bring in our last -- or when we bring in the winning concept, that will be put before you for your review and approval. City manager is looking at all of our phases as we go through and making sure that we are adhering to the rules and regulations as we go through. Thank you. Any --

>> [inaudible]

>> I want to thank you for your presentation and for all the work on this. It's a very exciting effort, especially appreciate your emphasis on the public realm and the potential for really catalyzing a transformation for the eastern half of downtown. I want to ask just a couple questions about the effort. While this corridor -- the main emphasis is on the public realm in this corridor, there are obviously a number of properties and a number of areas within the corridor that are privately owned. How do you see this competition addressing the issue of private property ownership in a context in which we have interest in seeing improvements on private as well as public property?

>> Council member riley, this -- as you've properly identified, this thing has got a lot of moving parts, and what we are moving towards is sitting down with the property owners that will come forth and talk to them about the competition, how we're proceeding and how their interests could be represented within that. We would hope to have all this together and be a part of the briefing that we give the competitors. So we're trying to integrate in that particular way. We would hope that in the end we would -- we would end up with a better situation for the property owners, but we also would like to make sure that the edges are blurred between private property and public

property property. do you expect that the competition would result in proposals for the form of particular improvements on private property as well as public?

>> I think that we will -- we're going to ask the teams, because each of the teams will probably have an economic development or a development component to them, to suggest different programs or different activities, different uses that might be compatible with the creek itself and with the flow of uses up and down. So there might be some areas that might be more geared towards entertainment. There might be some areas that are geared more towards living, and so we would have those recommendations from the teams but then would be shared with the property owners to hopefully develop their programs in a more beneficial way and more collaborative way. I take it those recommendations would include suggestions for potential code amendments?

>> I don't think we will get to that level with the competition. some questions have come up about some particular design challenges in the area of the corridor around cesar chavez and red river, and in particular there are questions about access to the eastern side of the convention center and across the creek and providing connections to palm park and the property to the east of the convention center. Do you expect that those issues will be addressed within the context of the des competition?

>> Yes, we will ask the competitors specifically to address those areas. how do you expect that request to be made? Is that written guidance provided to the participant?

>> It will be part of the briefing that we give them as the different conditions that they need to address throughout that area. I wouldn't necessarily commit it would be in writing because it might be better just to verbalize it and then work with them throughout the design time to make sure that it kind of -- that everything works together.

>> Riley: okay. And then in terms of timing, I know you mentioned a few next steps. I understand that the competition will result in a -- in some proposals which will be made available on-line. When do you expect that people would be able to actually see any -- any proposals on-line?

>> We will have those on-line about -- notice i said about -- september 20. and then -- and do you expect that the winner will be selected going forward in stage 3, that -- what is the timetable for that?

>> The winner will be announced on october 16.

>> Riley: on october 16. And with a whole set of -- and there will be images associated with that at that time?

>> Yes. so we would be able to see the winning design, essentially, on october 16.

>> Yes.

>> Riley: great. Well, thanks again for all your work on this and thanks again to the conservancy. I see some folks here that have been involved with conservancy and I want to applaud them for all of their ground-breaking work on this effort. And I know that there are many challenges involved in it, and I salute everybody involved in helping us take them on. Thank you.

>> Thank you. council member tovo. well, I want to echo my thanks to you and members of the conservancy. This is a very exciting project and it's really great to be at this stage, so I look forward to seeing more information about the design process that goes forward. I do have some questions, some specific questions about your staff, if I could just get back to that. I'm looking at the stage 2 teams and I recognize some of the architects, and it sounds -- rivera, paige sutherland -- I know those have local and/or regional connections to this community. Of the others, of the other stage 2 teams, do they have a connection to the local area or are they -- I see bigg is in new york city. How about the other firms that have been selected for this next stage?

>> There are at this point a lot of hidden partnerships, because we asked specifically for lead landscape architects and leed architects. I know for a fact that a number of those were kind of assembled by local firms that are -- that now will become part of the teams going through. I would venture to say that I think a majority -- a very strong majority, if not all of the teams, have some local connection that is either established or will be developed. I would be surprised if any one team comes in completely devoid of local -- local partners of some sort.

>> Tovo: right. But of the -- of the leed teams, am I ride in thinking just three -- right in thinking that just three of these are local? And by local I know like plato is in san antonio, but I regard them as local.

>> Yes, I believe you're correct.

>> Tovo: thank you. And as you said, the others will be encouraged or have already put together local partnerships?

>> Yes.

>> Tovo: okay. I guess one of the questions I have is the extent to which -- and I can't remember if it was edwards or if you started out by talking about the couple-year public process that created this document, the master plan, and I had the opportunity to be part of some of those discussions and I know many, many members of the community helped craft this master plan. Could you give us some -- can you talk to us about how the design principles relate to that document? And I guess, for example, the plan begins by talking about of primary importance is setting -- primary importance in setting the direction of waller creek is its natural value within a - - it he visions ecological functions of the creek and emphasizes with unique ma ten ti value that contributes to the significance and livability of the city and the economic vitality of the downtown. And that is a very important principle for so many of the people who participated, and as I understand it, I wasn't involved in all of the process, but as i understand, you know, it really came out of conversations with the public that initially, you know, you know, there wasn't a clear direction but as the public conversations began it was very clear that restoring the

environment -- really the focus on the primacy -- its environmental value was kept in terms of the design. So I wonder if you could just speak to that. Also, the master plan identifies certain areas that seem more appropriate for entertainment, certain areas that more appropriate for remaining more natural. To what extent will the design teams be asked to stay within this vision or to expand and elaborate on the vision but to be in allegiance with it?

>> Two things. First of all, the plan is available to them, and we will reference that as we go through so that the current teams know about the plan and they look at what is there and what has come through that planning process. The ten design principles that I referenced earlier are actually derivations from that plan itself. There were ten principles that were adopted as a part of the plan. We took those principles. They have been evolved in certain areas to make sure that we had things covered, but they are, again, the basis that we will make any evaluations, is along those ten principles. And if you read those design principles, and they're not just with the titles that I showed on the slides but the narrative that goes after each one, they begin to speak to the very things that you were speaking as far as the environmental issues and how that will be a part of the overall thinking. I think we want to -- I believe we want to give the designers the latitude to also question and think about what came out of that process as far as how it might go in a very cohesive way with everything. So we will give them latitude to explore differences in those areas. And I -- that -- again, what we put out to the designers themselves at the briefing will be key to how they will look at the project during their actual -- the design competition part of it. Now, the other thing that's built into this is this technical advisory group that I spoke of earlier, and that they will be meeting with the designers -- each design team separately twice during the process, the third -- stage 3, and it will be during that time as well that we'll be able to respond to issues that are coming up from the designers and be able to assign a level of risk as to how acceptable or unacceptable that might be going through. So this technical advisory group plays a key role in kind of moving the project along and incorporating those things that we know about the -- about the area as we -- as we move through it. I have a few questions for you at this point if I may. The technical advisory group, does it include any city of Austin representation of people who are very familiar with the existing master plan?

>> Yes. who are those representatives?

>> I don't have the list. we can get that --

>> yes, the -- this is -- the technical advisory group is made up of representatives of the city, of development review area, parks, traffic/transportation, the county. But yes, there is strong representation on the city -- the technical review group is probably in the neighborhood of around 18 or 20 folks.

>> Tovo: thanks. And I'll follow up with Adams too, either now or after.

>> Morning, council, George Adams with planning and development review. Just real quickly, I won't go through all the technical advisory group members, but just a few -- we have Joe Pantalano and some of these staff from the watershed protection department, myself, Jim Robertson and other planning and development review staff, Marty Stump and other park staff.

We also have several representatives from public works, city architect, mark cole, who is our ada accessibility expert on city staff. Let's see. I'm trying to remember others --

>> tovo: great. That gives me a good sense of --

>> we have a core team that's very familiar with the master plan and issues surrounding it.

>> Tovo: great. Thank you. I know you have lived with the plan for many years and are very familiar, so I'm glad you'll be involved at that level. And if I may, I know -- I'm looking at the design principles, and I don't have a good sense of where things like -- like we talked about the natural environment, family friendly design, some of the other things that we talked about as part of the master plan. I don't have a great sense where they fit into the design principles. You referred to a narrative. I wondered how we might access the narrative. Is that on the waller creek conservancy watersheds?

>> We at this time -- well, we've gone through so far -- what we've gone through so far is identifying the various issues from the tag, and they have given us a whole list of issues. We are now integrating those in with the design principles. So there will be very soon a list that has the design principles and the issues that are to be developed along with it, and it is within those issue statements that those things will be specifically identified. so I guess it's not -- it's not circulated yet but will be?

>> Yes. Yes. and I think i understood from what you were saying before that the designers have not been -- are not going to be required to stay within the confines of the master plan in terms of particular districts identified for certain uses. They are not at this point required to have a close allegiance to the master plan, or did i misunderstand?

>> They are not required, no, but they will have access to it and I'm sure that will support the basis for their positions and how they evolve from that point on.

[Inaudible] portrayed as a starting point for them to begin their work.

>> Tovo: good. Well, that's good to hear. So it was portrayed as a starting point, so that's --

>> yes. Yes.

>> Tovo: okay. Well, that -- I'm very glad to hear that because as i said, there was a tremendous amount of public energy and work and frankly money that went into the master plan, and I think it's -- there was a lot of positive support for the vision, so I'm very glad to here that the great teams that you've assembled to compete for the design are going to integrate into the work that they propose.

>> If it wasn't for that particular plan, that gives us the platform to move forward on, and so yes, be assured that that will be the starting point that we move from. One of the things I did not mention that goes along with your environmental issues is that we are closely integrating in the sustainability sites initiative, and they have both representation on the technical advisory group

as well as we are making sure that that is fully integrated into the work. So if you know what sustainable sites initiative it is --

>> tovo: yes.

>> It started here and it is kind of the lead -- lead process, leed process, for open space. It's a great initiative and we're going to integrate it in all the way.

>> Tovo: super. That is very -- a good direction. And then my last question, i just want to be clear on the design -- on the geographic boundaries of the design. Will the design competition also involve water lieu park and palm park or just the elements of the creek that run through that area.

>> Both parks. they will engage both parks. Okay. A than so -- well, that's great, and that will, i hope, also be really focused on family-friendly design elements?

>> It's another area that we're moving very quickly on and we want to have ready for the briefing, is to look specifically about what -- what kinds of programs could be for families and kids, so that this really is a true community facility.

>> Tovo: great. And I'm sure you're aware that the families and children report might also give some information to those design teams --

>> yes. because it was the basis by which the city council changed its vision to include the goal of becoming the most family-friendly city in the nation, and part of that is certainly -- part recommendations was to make sure that our street scapes are -- all of our public spaces, our street scapes, our parks, u our plazas work well for all but pay particular attention to the needs of children, which has a special analysis and concern in designing those.

>> This is a tremendous opportunity to explore those ideas as well as deliver them.

>> Thank you for your creativity and energy and i very much look forward to seeing the process as it moves forward. council member spelman. quickly, don, I'm happy you're doing this and I look forward to seeing what happens when you go from the fine nine to the final four. This being march I can get away with that sort of self-indulgence.

>> Can I use the fine nine?

>> Spelman: feel free.

>> It's my copyright. that's were i offered it. It's catchy, especially during march. You said two things which i thought -- you said a lot of things which were interesting. I'm really happy you're here and happy you're doing what you're doing. The two things caught as being unexpected and one of them is that offer of a multiplier of 4 to 7 or 11 to 14 and I wonder if you could tell us where that came from and what that encompasses.

>> Yes, this has really come out of a lot of the work with urban land institute, and different kinds of programs and plans that have been initiated around the nation. We know the four to seven is real. It can be -- like I said, it's almost guaranteed that those things come through. What takes us up to the higher numbers really is the quality of what that public realm is and how -- how it is perceived. If you go back to the way developers look at development, they're looking for certainty. What investment in the public realm does, it says, okay, we're putting money in and it's showing, you know, in the parks, streets, those things around it. So there's certainty that that is a part of it as opposed to a deal that a developer might cut where a city says, well, we'll pay for half the streets or whatever else down the road. It's real. It's there. It gives that kind of certainty. The other thing that I believe that really helps, especially with developers, is understanding that good public realm attracts people and attracts activities, and those are good for development. Also, a public realm begins to establish the ability to have housing, which is key to any vital city -- art of the city, is to get house engage there so that there's 24-hour eyes on the street, there's 24 hours of activity there, and that the service -- service uses that are necessary to keep the housing going, keep the residents going, are included within development. So it -- it's kind of a domino effect, I would say, public realm brings people, brings activity, brings housing. Housing then brings other kinds of needs as far as services that go with it. And so instead of kind of assuming that it's going to start at that end, work there, we found it's really the reverse, that this idea of investment in the public realm really is a way to incentivize -- incentivize development. well, and that suggests that if you -- you can do it well, you can do it badly, even if it's beautiful, if it's not something which is going to support housing or support housing with families, we're more likely to be providing 24 hours rather than just in the evenings and weekends, I can imagine there are better and worse ways of providing the public infrastructure, not just involved in how much money is spent and how beautiful the result looks.

>> Correct. Yes. And I think it has a lot to do with the placement of activities, much like has been thought of before. It has to do with the quality of environment that is there, for instance, what does this place feel like in the hot of the summer when the heat sink goes in? Does it become a heat sink through the design or were you able to mitigate that whole effort. is this a downtown oasis.

>> Yeah, and how those things all come together. Like I said, we're portraying this through the designers as something with a lot of moving parts, and we find that this complexity of problem is a thing that's really attracting some of the big guns, because they -- they really want to take on this kind of complex problem of how you develop public realm within a city and how that can really begin to change things. We have a few examples, of course, around that are not specifically like this, but the high-line in new york, for instance, is one of those kind of activities that is going on, that is a mix not only of open space and recreational kinds of things but how does that then work with the development that goes around it. In portland years ago we developed the -- we took out a freeway and built a waterfront park, and so it's that -- what did that do, then, to kind of change the whole context of the city and spread then up into the central city, up into the downtown. So I think it's key strategic moves like this that can really, really make a difference, and that's -- that was why I was really kind of focusing in on the opportunity that is here, which is awfully hard to explain at this particular time, except, gut, you know it's there. It really is. And other people are feeling this too. But this could truly be a transformative kind of project, and the reason we're going at it so methodically is really to find the best answers

that then we can start building on from this point on. that leads nicely to my second and last question. We're going to have -- we've got nine of the best teams of architects and landscape architects in the world working on this. We'll only have one final result -- I mean, we're going to have four final designs to choose from, but you're only going to recommend one of them. Is there an opportunity for at least the designers of each of those four to learn from one another?

>> Very definitely. The -- -- what I found in competitions, it is far more than just finding a winner.

>> Spelman: okay.

>> There is a very strong educational process that goes along with it for everyone that's involved. We have already learned a lot, I think, internally about what these competing teams see about the opportunity in this particular place. As we go further we will learn more and more, and out of this exploration we will see -- in the final four, we will see a lot of lessons learned out of that, I think that then could be transferred to the ongoing development of the area. No one will probably have all the answers. One should have the best concept, but this is such a -- as I said, a complex machine, a lot of moving parts. We would hope that that would just be the beginning of the exploration of some of the things that could go along the side, but hopefully this will give us the armature that we can build from. they'll have an opportunity to talk to each other as they create their designs or does this kind of come after the competition is over?

>> I would say that they -- we have mechanisms put in place as far as communication. So question and answers and things like that go through that particular procedure, so there are ideas that are being -- that are being shared. At the end, then everyone will see each other's work and there will be an opportunity at that particular point. It's kind of looking down into the future but it might be well worthwhile for us, to the conservancy and to the city, to think about convening a discussion at the end of this, maybe of the designers as well, kind of a panel, and talk about what the opportunities were and what each of them saw in this.

>> Spelman: sure.

>> Which might be a very excellent thing to do to kind of set the stage for the next piece of work. that sounds like a terrific idea. Is there going to be some sort of -- during the public exhibition phase, for example, is there going to be some moment when all the designers are going to be in the same place?

>> Yes. sounds like a terrific idea.

>> Second day of the jury they will all give a presentation to the jury, and that presentation will be open to the public, and we would hope that that would also be something that we could put on the web, those presentations, so people can access those at various times. So you'll actually be able to get the explanations from the competitors at that particular point what their designs are about,.

>> Looks like that's the 2nd to the 4th of October so seems like a logical time to discuss it, not just get their presentations to us.

>> Thank you. Mayor pro tem? Don, thank you for all this work. I am glad to see you standing there, but I know that you would not be standing there if it were not for the founders of the Waller Creek Conservancy, Melba Watley, Tom Meredith and Barns, and I see Melba Watley in the audience and I want to thank her for being here and also want to recognize Stephanie McDonald for working with her and the conservancy, and I'd be remiss to acknowledge all of the staff, Sue Edwards and Joe Pentalian, and George Adams for all the work that they have done. Now, Don, you called this a project that is being watched around the nation. Tell us why.

>> As I said, I have an opportunity to speak to a great number of professionals around the nation in the work that I do. When I first became involved through -- through the conservancy, I, of course, did my usual little marketing around the people that we've worked with before and said, watch for this when it comes through. I found out that a lot of people knew about it already, and as we went through the initial part of this we found out that people weren't participating, for instance, in the National Mall competition that I also happen to be coordinating at this particular point, because they were waiting for this one. And that's pretty heady stuff.

>> Cole: that's real heady.

>> But I think the issue is, one, it's complex. Two, Austin has this certain cache about it, it's kind of keep Austin weird, keep Portland weird kind of thing. There are a few cities in the nation that really share this kind of cache, that people want to go there, people want to be a part of Austin. I think when they get here and they see that creek and they say, you know, this could be really amazing kind of thing, as a creek, as a -- as a public space. Well, let me ask you --

>> but then when you start building into it the ability to take this public, the creek, and build a district around it and be able to influence that and be able to change the face of the city, that's why -- that's why it's getting this kind of attention. I think that's wonderful. But one of the -- I'm going to walk through a few of the concerns that have impacted us throughout this process of getting right here, and one of them has been are we going to be able to pay for this investment. And I just hear Betty Dunkerleyerly on my shoulder about every seven minutes asking that question. And you said something when you were talking to Council 7 and 11.14 multiplier. Can you -- I want you to delve into that a little bit more especially in the context of new potential development.

>> What we need to do is we need to have the first phase, a, not just kind of a fix-up/cleanup, it has to be a game changer, so it has to have a magnitude about it that will begin to make people begin to take notice of what -- people being developers take notice of what is going on. So my approach -- one of the things we will ask the design teams to do is to give us an idea of how you implement this as far as how you might phase it, where you might have the most impact, that is kinds of ideas. My sense is that you do a section of it very, very well to start out, and this is kind of -- this is a strategy that was similar to what's being used on the Hill, is they're doing kind of three or four stages I think as they go through, as opposed to trying to spread money throughout

the whole corridor from the very beginning. But there will be a need to have a major start to this of major kind of dollars, which hopefully could be a combination of bond money as well as other monies that might come in from certain grants. I'm not sure you could do it here, because I don't know the private philanthropy -- or the private philanthropy climate here, but there are many areas where you can get almost a one-to-one match of private philanthropy against public dollars coming forth. I think that it always has to be mitigated, coordinated with other things that are going on in the city, so if there are other kinds of developments or institutions that are asking for money, that's going to begin to impact the monies that might come towards this. so in the process of the design competition, will there be some consideration for potential development? We've heard a lot about the planned life science medical center actually being located on waller creek. We've heard some about the capital redevelopment being located on waller creek. Is that going to be part of the consideration? sorry to interrupt you, before we go into your answer, we're going to have to --

>> cole: oh, right. -- interrupt this at about 00 noon for citizens communication, and so if you have a long list of questions -- I'm about to wrap up, in about three minutes. go ahead.

>> The one thing I would say, well -- when we give them the briefing in mid-may, whatever we know at that particular time that's what we will tell them to address for the purposes of the design competition. So any of those kind of moving conditions we will have to just freeze them at that time through the design competition but let them know those things are -- they may be coming down the road or whatever else and they need to accommodate them as they go through. Again, it's the ability through the tag, through our technical advisory group, to kind of look at those as we go through.

>> Cole: okay. And let me just make a couple of statements as opposed to corrections just general directions for to you keep in mind as you go through this process to help the public and my colleagues also. One of the groups that endorsed this project was clean water action, and i think that it there is no doubt that -- I know both tom meredith and melanie barns have been very active in the environmental community so I don't expect that they will leave that aspect off, and that as you flush out what you want to say with the design principles, that is loud and clear that this is about cleaning the creek and that is about cleaning water and that is very consistent with the priorities that we have for austin. And second, very early on in the process about whether the city wanted to engage -- reengage in this project again, I had several discussions with my pta friends, and it was not the downtown developers, it was not anybody in the real estate community. It really was a group of moms that said, yeah, this will be great. We don't want to have to just take our kids to san antonio. So I think that that community would be real good to be visited with, being inconsistent with what my cleej kathie tovo said in terms of making this a family friendly place, and we know that the active places we see throughout millennium park and some of the places we visited are very attractive to families and to kids. And then the last thing i wanted to say and that also goes with connecting downtown and east austin is I wanted to congratulate you and the conservancy because very seldom does my phone ring and it's good news.

[Laughter] but my phone rang and it said, do you know that the conservancy is planning a networking session like a mixer, and they invited the women and minority contractors? So that is

kudos. I'm glad you thought of that. It wasn't my idea but it was right up there and it really -- we all received a lot of praise for that, and I don't think any of us actually told you to do it.

[Laughter] so thank you. And thank you for the presentation.

>> The session yesterday was -- was really fun, and there was a lot of excitement there, and a tremendous amount of participation by all kinds of folks, and it was a great event.

>> Cole: thank for that. Thank you, mayor. thank you.

>> Thank you. time for citizens communications. First speaker is michael king. Topic is homelessness.

>> Mayor, council members, I'll be brief because I have to be. My name is michael king. I'm a member of the international brotherhood of electrical workers. I'm also an occupier. I've also found myself homeless in austin before. I speak for myself, not for the international brotherhood or for the occupiers. These are my opinions. Topic is homelessness so I'll stick to that. I'm not an authority on the subject so I'll express my opinions on the 24/7 occupiers that I've come to know in the last few months. Some have said the amphitheater has become nothing more than an homeless encampment, an eyesore, an embarrassment for the city. The only thing I find embarrassing is the way the city offered no assistance to the occupiers but instead rounded them up on a rainy night under the threat of arrest and dropped them off far from the downtown area where they had lived and protested for months. The 24/7 occupiers are protesters, a living, breathing protest of the treatment of the disenfranchised homeless population of austin, a protest of a broken social system. Occupy austin's solution was to embrace them as equals in the political process, to help them with food, clothing, friendship, to empower them with the hope that they could make a difference in their world, to bring them into our homes for a night of comfort, one or two nights a week, you know, something that we enjoy every night. Occupy austin could not turn away from these citizens and we did not turn away from them. The city of austin, however, appears to not have the same concern for fellow humans in distress as occupy austin has. What the city solution was, remove them from sight or arrest them. If the problem was that you had to look at them in their daily suffering, then the problem has been solved, they're not there. You don't have to see them every day now. They're not gone. You can find them in the alleyways, the doorsteps and the shadows of the city of austin. You don't have to see them anymore. It's a very effective group of protesters. They've been repressed by the city of austin. Your eviction of the activists from the public amphitheater is shameful. I call for the city of austin to uphold the constitutional right to peacefully assemble and petition the government for a redress of our grievances. Thank you.

[Applause] thank you. Is there -- azzurra crispino. Azzurra crispino. No -- no subject. You have three minutes.

>> Thank you for the opportunity to speak today. I am here to speak only on behalf of myself, but as some of you may know, I am an occupier and I have slept on the steps of city hall. City manager marc ott has indicated he supports occupy austin's legitimate political protest but is confused what a movement against corporate greed and corruption has to do with homelessness

or the physical 24/7 occupation of city hall. I wanted today -- I want it succinctly explained. One, the collusion between 1% who own 43% of this country's wealth is the problem. 2, Homelessness is a symptom of that problem. And 3, the occupation is our solution. Why do we call ourselves an occupation? Because we occupy a space. We politicize the space and with our bodies, the only resource left to us, we use that space to demand redress for our legitimate apply grievances. We do this by physically holding and taking a space as was done in egypt. They were successful. We stand in solidarity with them and occupiers around the country and around the world. We under physically coming together to share our stories, our grievances, our solutions and above all our laughter and our labor is a process that up aers use to bring about change. We have working groups and general assemblies but by occupying we come together, building local, social capital that unites and binds us. We fall in love with the movement and in some cases with each other. We need an occupation to have a voice, and the least economically advantaged of our society came together to give us that voice with the one asset that is still left time and our bodies. For exactly 120 days we reminded you 24 hours a day, seven days a week, 60 minutes an hour the ironies of the system, out of which architects protesting against the homeless out city hall about our fundamentally flawed economic system. For 120 days we politicized that space. Now, some may see it as cleaner and more orderly but I see it as barren. If thomas hobbs were here today he would say, the sef ren always does what sovereign does what it is in his best interest. A government in and for the people will risk becoming a government of some people and for other people. Since all people are greedy in hobbs's view, they use powers to pass laws in their own best interests. They buy media and lawyers, gated communities, the works. Occupy asks who is the sovereign? The real sovereign it the .1% increase country who own 43% in this world. They have used this to pass laws that damage our environment, impoverish us, legitimize unjust water, undermine our food supply, and threaten our national security. All of us in this room, to put it bluntly, worked for the company store and buy from the company store. 1% control a large enough share of the market to sway conditions as they plea, from potato farmer who grows the potato to the -- your time has expired.

>> Thank you. your time expired. Thank you.

[Applause] james o'brien. James o'brien. To make an apology. And you have 3 minutes. Just pass everything to -- just pass them all here. Don't continue to pass them out. That's it. Okay? Pass them all to me and I'll pass them down. All right. You have three minutes.

>> Thank you. I guess the first thing i should say is thank you for allowing me to speak to you all. I didn't come here to specifically speak to all of you, but more to hear from you. I want to apologize for the actions of my last encounter, my last presentation, citizens communication. I felt I was quite aggressive per se. But I think I was justified. If you take a look at the packet that I handed out, it has my last speech, which i didn't get to finish, which says, I am no longer afraid. That was about the last line that I didn't get to. I started saying that I was terrified, and I don't think I should be terrified of speaking to the citizens -- the city council. And I don't believe that you should be afraid of your own voice in speaking back to me. I came here because I didn't want to lecture you because I don't know. I wanted to start a monologue. What I've learned from this occupy austin movement was that it took a multi-log of us collaborating. The people in power as well as the citizens to create something new. I wanted to lecture you about how I was trying to be here four months ago, and i was arrested two days prior to my signing up, and I was

refused by the city council, by city manager, by everyone to be escorted in. I was here on time. That's okay. It was a six-minute long speech. I wouldn't have gotten to the end anyways. I guess - I guess what I really want to say is that I want to hear your voice, because I don't think that three minutes or three minutes and ten seconds is really long enough to figure anything out. Thank you. thank you.

[Applause] christopher ringstaff, to discuss an open records request.

>> Yes, good afternoon. My name is christopher ringstaff. I'm a professional archaeologist and environmental are you ver your for the department of transportation. I was here in november in an attempt to get to the bottom of the permitting irregularities that has resulted in catastrophic damage to my property. In preparing for the meeting with council member spelman I was reviewing an open records request and found a memo that was addressed to you all from the director of planning and development review, and after reading it, it struck me as odd, and to be polite, it's quite a work of fiction and I know that's a harsh statement. So knowing that I had documents actually to sport my premise, I went -- support my premise, I went through the open records and lo and behold, those documents were omitted. So I went through my own archives and retrieved my own documents and my suspicions were confirmed. Now, in this particular memo it describes where the city arborist and the director of planning came to my residence, and according to the director, that the 600% variance in fill -- he doesn't say that but that's what it physically it is, that was granted to the developer, 2 feet across the board and maximum of 3 feet of impermeable clay in some places, which is up to 800% of the city code, by any reasonable definition of tree removal would constitute. Anyway, he said, well, we never discussed the fill section. We -- a -- I'm a professional archaeologist. I deal with it all the time. I have email was told by a certified arborist that the fill section is killing my tree. So I would have them at my house. Well, here's the two emails where I specifically say, no, let's not meet at one texas center. I want you to come out to my house and see the fill section. Two emails. And one where the admin messed up the scheduling and I was adamant. And I say no, we're meeting at my house. I want you to see the fill section. We're meeting at my house to see the fill section. Three paragraphs of it. And I have the documents right here. So how do they explain this discrepancy? We never talked about the fill section? Are you kidding me? That's all there was to talk about. The trenches from the mitigation that I had toll

[inaudible] with the developer are still fresh in the ground. That is an outrage. My wife gave me a hug and a kiss this morning and she said, thank you, honey, for what you're doing. And many times I've told you to give up because it's pointless. Nonsense. Nonsense. You know, it is my duty as a citizen of austin to tell you about this outrage. You know, I fought this battle for two and a half years and after this, my solve, you haven't heard the last. thank you, mr. ringstaff.

[Applause] and i would request that those show your enthusiasm by clapping your hands but please don't verbalize it. Brian harris, with no assigned subject. No declared subject.

>> Good morning. My name is ron harris. I'm an occupier without any preamble I want to go to the heart of the matter. Homelessness is not a crime. It doesn't automatically mean that your voice is not heard. It doesn't mean living a life without purpose or dignity. It doesn't mean scraping by with the minimum, whatever you can scrowng up from a dumpster, whatever token

services may be provided by an organization that provide the basic needs without working with those individuals and assisting them in regaining their place as proactive. Productive and respected members of society. In many cases the disenfranchised, it's not a result of no responsibility or mental hell. Many become homeless because of the economic processes that run amuck, processes and conditions that provide no safety net, no reconciliation of wages versus expenses, that allows them to live a life without wondering where the food is coming from, how to pay for child care and how to save and build for a hopefully bright and secure future for ourselves and our children. Readers digest version of the story. Through these practices i became homeless about five months ago. Everything in storng, put everything in a rucksack and trusted to the universe. Through my volunteer hours and my activism I have direction and dignity. Slised donations, premed and delivered meals and come to know my fellow occupiers. I've stood in solidarity with the community. I've broken bread with teachers and designers, positive energy and I hope that together we can raise awareness, have our grievances heard and acted on in a thorough and all trueistic manner. I'll quietly slip away and under a tree or a rock in a public park and enjoy the weather and the wind. So I suppose this makes me as one city hall employee said recently a blight on humanity. Funny, I don't feel like a blight on humanity. I'm a strong, gifted and happy individual with drive and purpose and has been through being homeless that I recognized my own potential as have many or cownltless people I've befriended the past several months. The blight on humanity is simply this. Coat's inability to recognize and provide resources for the homeless, let the -- decriminalize homelessness because without all of us there would be none of us. Thank you.

[Cheers and applause]

>> mayor leffingwell: okay. I asked you once politely. The next outburst I'll ask you to leave the chamber, if you verbize your enthusiasm. I hear you. I hear you. Next speaker is wendy jack.

>> Freedom of speech at a council meeting? Is that what we're being told? all right. The next time, unfortunately, I'm going to have to ask you to leave the chamber. The next time -- the next outburst. Wendo jack. thank you for having me here today. I also see veterans in our audience. Thank you very much for your service. My name is wendy jack and my mission today is to gain support for the austin american heroes parade, a day to honor, support and show our veterans from iraq, afghanistan and other deployments along with their families and loved ones that we salute their service and sacrifices. The parade really is a small gesture considering that -- considering all that they have sacrificed. I spoke with a chase bank representative about creating an austin american heroes fund, which combined with a parade could assist these brave veterans on a more personal level. We can even extend an invitation to local businesses to honor our veterans that day by providing no cost or reduced services to them. According to statistics provided to me by jeremy shorts, who's article is focusing on the effects of the iraq and afghanistan deployments on central texas troops have been in the -- on the front page of the american-statesman for the last two sundays. Approximately 15,000 to 20,000 fort hood soldiers alone returned from iraq at the end of last year. This does not include national guard and reservists. These numbers multiplied with their families and loved ones amounts to a very large population. It is fitting that we give back to them and show them that we appreciate them. Once I gain their support i will move forward with establishing an acceptable date. Other cities such as oklahoma city are combining their parade with their st. patrick's day parade. Even if we combine

it with another event where extra forces will already be on duty, we can save money. Some other cities such as louis and tucson chose a random day for their parades. When a date and permit pieces are in place I will petition the public and businesses for sponsorship. I know that budgets are tight, but I believe the volunteers and donations will be many. Thank you all for your time today. thank you.

[Applause] ronnie reeferseed. The topic is peace, freedom and fluoride.

>> Yes, sir, that's where it begins, and yes, I'm ronnie reeferseed. Yoading yippie again. Our very own ron paul revolution of love for liberty in defiance of our entire -- in defense of our entire precious u.s. Constitution keeps on keeping on even though my kuhl rights were -- constitutional rights were raped and pillaged. Even though what you see was wrong and you should be ashamed read your oaths of offices. You mindlessly raped me politically of my most basic constitutional rights. Make note. Freedom of political speech is a basic u.s. Constitutional right, not a privilege. Yes, I'm ronnie reeferseed and you all may know clay defoe. We have a indicate candidate. Yes, sir, maw may know him as an articulate young man embarrassing these old men. He exemplifies learned citizenship, attending all political meetings, informed free determination of what's really actually on the agenda. Clay knows more than anyone else in the room so those tired old same old political hacks and has beens don't have a clue of what to do. So they make up counterproductive blatantly unconstitutional whims and hissy fits to dissolve our god given constitutional rights as citizens of the great nation-state of texas and the u.s. But god bless you, mayor, I know it's kind of hard for us to keep up with all these things about clay's -- defoe's powerful mind, but just get out of the way. Clay defoe, he's been studying the words and paul for many a year and it's reflected in his wisdom. And hey, wake up, people. Let's not miss the opportunity for our young, vibrant live music capital of the known universe to live up to her name with our brand of spanking new baby of ideas and distinctively dynamic ideas and directions for all of us to enjoy with the intellectual powerhouse clay defoe leading the way. To learn more visit youtube, clay site of the winter patriot and also he has a great web site, clay defoe for mayor.com. And it is happening, people. Yes, we do have the power to break those tired old, same old change of oppression from those tired old, same old political has beens. We all need clay for mayor of austin. Rejoice, the time is now. It is happening, people. Yeeha.

[Applause]

>> mayor leffingwell: okay.

[Inaudible] getting tired up here. for the record, he said a whole lot of times -- old -- I want to clarify who he was referring to as old up here. He said it like ten times.

>> All of you all.

[Laughter] all right. John duffy, speaking on organics and genetically modified foods. You have three minutes.

>> Food farming, all that stuff in general. The global oil production peak is here. There's a lot of misinformation when it comes to oil and energy so I will lay the facts here. No alternative or --

or combination of alternatives exist which can replace oil. The energy in one barrel of oil is equivalent to one human being laboring for ten years. 5,000 Products made from oil. Most notably the production of food, the greatest weakness of our society. For every calorie eaten in the west 10 calories of petroleum energy burned in production. When the price of oil gets too high the economy poops pants, people lose job and food prices increase drastically. Look at 2008 if you don't believe ne. Me. The survival of the city of austin depends on how well the leadership and citizens are able to break from -- and meeting our neither internally. The great paradox of our time is the vast farmers are over the age of 60 and too few young people stepping up to replace them despite the 20% unemployment rate of those between 18 and 25. Barriers in the -- field of farming is -- primarily land costs artificially propped up by the rich. Let's begin mediating coming problems before they're here, also rebuilding the world actually reflect our values as opposed to the worship of money and hierarchy. This requires really that you do nothing but not be an obstruction and that you keep your hired dogs, the police, from being an obstruction as well. I know as politicians your loyalties lie to an imagined future of progress, constantly selling a better tomorrow where all people will see increases in consumption habits. To you the future of austin is more skyscrapers of glass where mercedes owners can surrender sound and xanax. Decline is here. The limits to growth have been reesmed the economies of -- banks are injecting billions of imaginary dollars into the marketplace to keep the economy afloat. Read the writing on the wall. Stop boxes people into a paradigm. Stop increasing the rate by which people are dependent on fossil fuels. Stop building dams, stop criminalizing poverty. Open up land to the people to do as humans have done for millennia. Free them from the banks and shiftless wage slavery and allow them to grow food communally. Plant trees everywhere. Empty commercial real estate and abandon struck towers to residents and community activity. Shift away from capitalist enterprise and community self-sufficiency and stop stopping the people who are actively doing thsm the future of austin is power to centralize small acreage farms no further than a mile away in return for knowing your neighbors. This is hope and progress. Forget jobs, create meaningful work and with it meaningful lives and the prospect of weathering what's coming with dignity.

[Applause]

>> mayor leffingwell: okay. Lainie duro? Lainie duro? Policies and procedures of the city of austin and city property. And you have three minutes.

>> Thank you. I just have a brief statement and then I'm going to cede the rest of my time to claire herch --

>> you can't. So you have three minutes.

>> Okay.

>> I was witness to the events on february 3 and 4th when homeless members of occupy austin were unceremoniously tossed into the streets in the cold and the rain as a result of an illegal and unilateral rule change by city management. I was also witness to the events on february 4 when an excessive amount of police force stopped and threatened a peaceful silent protest in the streets of austin. Citizens expressing their -- their constitutionally given first amendment rights. These

events led my 11-year-old son to ask me, mom, when the police do something wrong, who arrests them? And in turn, I ask you, when the city manager does something wrong, who manages him?

[Applause] the only person -- let's get this straight. The only person who did anything illegal on either of those two days was the city manager, marc ott, his DEPUTY, michael McDonald, and his assistant, jason alexander. They were all approached on several occasions and asked for their plans for occupy austin. I personally approached both michael McDonald and marc ott in the days before the eviction, and I was run -- they ran away from me. They clearly don't feel that they are accountable to the citizens of austin. Are you? Are you accountable to the citizens of austin? I see people walking away during the 20 minutes or so that you're forced to listen to citizens communicate with you. I see armed guards around the room. I see people threatening our citizens if they speak out of turn. No wonder we feel frustrated and compelled to occupy a space in austin. We have no other voice with you. Unless we have money, we have no other voice with you.

[Applause] so tell me what I tell my son when he asks me these questions. When he sees his mother on live stream bullied off of the property that it was perfectly legal to stand on 30 minutes before and threatened with arrest because I wanted to witness the acts of the people with the guns against the nonviolent people without any weapons at all. Thank you.

[Applause] elena farley. Elena farley. Alana farley. Your topic is the kind of austin I want to grow up in. mayor and council. I'm alaina farley age 6 and three-quarters. I go to school at home. I study reading, writing, science, math, geography and civics. Thank you for letting me speak to you about the kind of austin I want to grow up in.

[Inaudible] for the years to follow as [inaudible] and now listening to people of austin [inaudible]. Many other people

[inaudible] coming to west view for plans of winning back our [inaudible] austin's traditions.

[Inaudible] when I signed up to speak I had the idea to bring you my plan for finding money for christmas in the city budget by stopping the fluoride in our water. I want to live in a city that offers safe drinking water.

[Inaudible] more money, is about health.

[Inaudible] drinking water actually [inaudible] acid

[inaudible] industry. Pollutant [inaudible] were allowed to be dumped in landfill or ocean, but you send it to my kitchen sink. So [inaudible] no fluoride for austin and other citizens who have come to you over and over explaining the science, asking you to stop [inaudible] or to at least [inaudible] about fluoride risks. There are lots of studies linking [inaudible] problems, teeth, bones, allergies, asthma, intelligence and more. I hope you will [inaudible] as I do and I hope you will represent the people of austin and ask you why you want to put me at risk. I weigh

barely 60 pounds but you make me drink the same dose of fluoride in my glass of water as my parents have

[inaudible], and what right do you have to put fluoride in my water [inaudible] medicine. That's all the time I have today. Hopefully I can come to speak again. Thank you for listening. Hello to my daddy at work.

[Applause] thank you. You did a great job. Before we go into executive session, I want to try to give you some idea of what we'll come out -- we have another briefing to go through. We have about a dozen items left on our morning consent 00 time certain for bond sale consideration. In addition, the executive session is going to be lengthy because we have five items to cover, and so it may be some -- what I'm trying to say is it may be some time before we come back out, except to consider the bond sale item. So without objection the council will go into closed session to take up five items. 171 of the government code, council will consult with legal council regarding item 46, austin energy legal issues, item 48, legal issues relating to banking policies and recommendations, item 50, legal issues related to hosteling international, item 58, discuss legal issues related to open government matters, and item 5, to discuss legal issues related to reagan national advertising of austin, doing business as reagan national advertising versus the city of austin and others. Is there any objection to going into executive session? Hearing none, the council will now go into executive session.

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

>> Mayor Leffingwell: We're out of closed session. In closed session we took up and discussed legal issues related to item 59 only. And now we'll go to our 2:00 p.m. bond sales item.

>> Good afternoon. I'm dennis whaley with pfm and I'm bringing the results of the refunding bonds. Elaine hart is passing out the presentation. We sold a little over \$20 million of hoe physical occupancy tax bonds to refund some series 1999 hotel occupancy tax bonds. Bond counsel was fulbright and jaworski. The rating was a 1 by moody's and a by s and p. Moodies on page 2 mentioned solid debt coverage and the healthy service area. The good news, stashed and poor's gave you upgrade from a minus to a and talked about the diversified regional economy which is exhibited strong growth in tourism and business related hospitality industry. Talked about the strong performance of the pledged revenues which is the hotel occupancy tax. I think the upgrade is a reflection of how well the city has weathered the national recession and i think all of us can be proud of how the local economy has fared. The next page shows a history of bond rates and you'll notice municipal bond rates are at all time lows. This particular sales sold at an average cost of 3.37%. The next page, page 4, gives you a little read on the market. Right now we're in a period of very strong bond market volume that I feel this particular transaction sold very well. As shown on page 5, which gives you a table of bond yields, the gross savings on this transaction was about 4 million and pv dollars, that's a little over 3 million or pvization of 6.63%. I thought you had a great transaction and saved some money for the convention center. I would be happy to answer any questions and I would recommend approval.

>> Mayor Leffingwell: Any questions? Mayor pro tem cole moves approval. Seconded by councilmember morrison. Further discussion? All in favor say aye. Aye. Opposed say no. Passes on a vote of 6-0 with councilman spelman off the dais.

>> Thank you very much.

>> Mayor Leffingwell: Thank you. So without objection, the city council will go do closed session to take up four items. Items 2 and 46 together, legal issues related to austin energy's rate case, item 48, discuss legal issues related to banking policies. Item 5.

>> , Legal issues related to

[inaudible] international and item 58 discuss legal issues related to open government matters. Is there any objection to going into executive session on the items announced? Hearing none, council will now go into executive session. Test test we're out of closed session. In closed session we took up and discussed legal issues related to items 2, 46, 48, 50 and 58. So before we go to our other morning briefing, council, we have several items that are requested for postponement by staff, and those are items 68 through 77. So I'd entertain a motion to postpone those items until march 8.

>> Mayor? council member riley so moves.

>> I'll second that. council member martinez seconds.

>> But we have a request from a citizen as well. Are we allowed to postpone zoning items now or will that be later? Item 61 and 63 in the coronado hills neighborhood has also been requested by neighbors. let's take up this one first.

>> Martinez: okay. Second. all in favor say aye.

>> Aye.

>> Mayor leffingwell: aye. Opposed say no. Passes on a vote of 6-0 with council member spelman off the dais. guernsey, i believe ordinarily when we have a discussion like this we do take arguments for or against the postponement. well, mayor, what I was going to say is we have -- on the items for coronado hills, we spoke to the affected property owners. We've also spoken to the neighborhood planning team, and there's an agreement of all the parties to postpone. When we get to this item, the contested items, I think it's like tracts 108 and 113 and 114, when we bring this up, the public hearings for flum and public hearings on the zoning could be deferred but when we go forward with everything else. On item 77 which you just voted on, I believe staff was asking a postponement for february 22 and not the 8th, for item 77, which is not related to the m.u.d. But is related to the -- you mean march 22? yes, excuse me, march 22, for the north burnet/gateway regulating gate item. Actual actual ly I was not given a date. I assumed it was same as the others.

>> Guernsey: I apologize. The staff was asking for the 22nd on that item. so without objection, city clerk can we amend that previous motion to say item 77 is postponed march 22? So with that, council member martinez, do you want to move to postpone item 61 and 62?

>> Martinez: yes. till march 8, or what's the date? Council member martinez moves to postpone 61 and 62 until march 8, seconded by council member morrison.

>> 61 And 63. 61 and 63. -- council member, that was the one I just explained that there is agreement between the affected property owners on those three contested items, and the neighborhood planning area have agreed to allow all of those to still go forward today. ?ool all right. . >> Mayor leffingwell: all right, say that again. on 61 and 63 which I believe are the coronado hills, coronado hills neighborhood planning team originally asked for a postponement. john's folks wanted to go tonight. Staff contacted the property owners that -- and the neighborhood planning team for coronado hills, and i understand there is an agreement to allow the neighborhood plan -- the neighborhood plan rezoning john's and coronado hills to go forward today, and then the three contested tracts, the neighborhood planning team has a concern with, and the property owners that are affected by those have agreed to delay action on those when we bring the item up to a later date, and that would be postponed when we bring the case up. But the plan -- there are no complete items to be postponed; is that what you're saying?

>> Guernsey: right. We can go forward today and we'll postpone those when we get there. Those three tracts. those parts of items?

>> Guernsey: that's correct. we'll address those later, then. So council member martinez, withdraw your motion, and council member morrison. So in that case we'll just go ahead with our briefing on 11th and 12th street.

>> Sorry about that. noting that council member spelman has recused himself from discussion on this project.

>> Good afternoon, mayor and council. My name is rebecca giel on with the neighborhood house and community development office. I'd like offer some quick context related to the presentation you'll hear from darren smith with the economic and planning system. The city of austin actually commissioned this study last september, and the objective to obtain current data that will assist the city in moving forward development efforts in the area, and to identify development strategies for particular tracts, specifically 12th street. We recognize there are time constraints today, so we have asked the consultant to move fairly quickly through the presentation. However, please know that staff, with the housing department as well as the consulting team, is available to answer your questions.

>> Thank you. I have a presentation.

[One moment, please, for]

>> why are we here today. There was -- more than a decade ago, this community between 11th and twelve street and I will speak to the apartment teres in a moment worked on a number of

different plans, overlapping plans and one of them established the urban renewal plan was adopted by council back in 1999 and significant progress has been made especially on east 11th street with the snow building and the african-american heritage culture society and the street scapes but there is more work to do, especially on 12th street so the purpose of this work is to find a way to advance the community's goals that have been long-standing in this community. S you know triparty agreement was established between the city and urban renewal group and austin revitalization authority which was resolved in 2010 which put the onus back on the city side to implement the strategies and vision for this ear idea and the development strategy as yellow introduced it was conceived as a way of moving the ball forward. Again, the vision was set by the community. It is not about changing the vision but more about moving forward with the next steps to finally implement the vision that was recreated. As you may know, the united states department of housing and urban department has recently stressed the importance of making progress on projects that were long-standing in this community. Another quick word on that, has sent word to austin and many jurisdictions about long-standing projects, hoping to advance them fairly quickly and it -- we should acknowledge at the outset that that was -- that impetus was not clearly clear when we started this project, so some of the recommendations that we are going to make are going to be affected by however the ends up coming forward. But ultimately, we believe that the recommendations we are making are consistent with the vision that was established by this community many years ago and also a roadmap for moving forward with development in this area.

>> Just for orientation purposes, the study area boundaries feature both 11th street and 12th street east of i-35. And 11th street from branch and san marcos to navasota street and. From east first street on i-35 to poqiito street on the northeast side but east and 11th and 12th respectively, not far enough into the neighborhoods. This community is culturally diverse. It has changed quite a bit in the last decade or more. Quite a bit of demographic change in this area, but, again, it is historically a very diverse area with mixed income population. The vision that was created by this community really establishes their goal to have a vibrant commercial corridor on both east 11th and east 12th streets with some distinction between the two. East 11th was envisioned more as retail and entertainment and restaurant and east 12th for locally serving businesses in a mixed fuse configuration. The intention of the plans that come forward today and consistent with our recommendations is to spur private development. There are a number of actions that can be taken. We are recommending some but the impetus, again, and the goal to spur private development and private investment in these areas rather than having it all be subject to p investment. Today the study area is, again, rapidly changing. It is a demographically dynamic area. The income levels have risen very quickly in the last decade. The distribution of household types and racial disparities and such have all very much changed in the last decade and more. But it is an area that is very well poised, well positioned to capitalize on a number of thing that is the city of austin has to offer, particularly being right adjacent to downtown, the cap tool complex and near the university of texas campus and south of the miller developments. There is a lot going on that this area can really capitalize upon. As I mentioned earlier, much development and much investment has already happened on 11th street, but less so on 12th street so a lot of our focus working with this community has been on moving projects for ward on 12th street. The goals that we established for this process were to, again, help the east 11th and 12th street to better participate in the region's growth. We know how strong economically growth in and how many growth with jobs and population and they need to participate better in that growth. We

wanted to foster community consensus as best we could around shared visions and values for this area, again, not revisiting -- or not changing the vision that community had established for itself but how to move toward the envision and looking to reduce impediments of market development and private investment here with some very specific and targeted investment of public resources towards those ends. The strategy approach that we took, we started, again, back in september with a review of existing conditions, market analysis, infrastructure assessment, review of regulatory environment and that sort of thing. Then went into some community engagement where we had a number of different ways of engaging the community and I will speak to that in just a moment. Identifying the market opportunities and physical opportunities for development. Looking at ways progress can be made and finally issuing the development strategy. This slide strategizes our public engagement. We had a public engagement with series of one on one meetings with stakeholders representing various aspects of this community, property owners, churches, businesses and residential, homeowners associations -- neighborhood associations, rather. In november we came forward with second public meeting to discuss the market analysis. December, conducted online survey that over 100 people participated in and posted in both december and january a number of materials to speak up austin that received commentary. We had a third meeting with the public in january to roll out our draft strategies for which we received more comments and ultimately had a 30-day period of review for the community to absorb the full breadth of our development strategy and close that in the middle of february and have been putting together the final document ever since with a log of all of the comments that we received from the community. This, quickly just describes some of the changes that were made in response to those comments. We added several more appendices to the document, documenting the comments themselves, but also providing additional information that was not part of the original draft. So the community issues -- our first community meeting was intended to gather information about the priorities for this community, what it was that the community saw as the major hindrances to the implementation of their vision and the items that were identified there, each of which comprised of major section of our recommendations were the disposition of public land. There is a number of public properties owned in this area, infrastructure needs, neighborhood retail and commercial development, so business interests. Specific focus area around east 12th street and chicon, housing issues and gentrification issues and parking and ultimately regulations and process for development. So the items that there was clearest consensus on and, again, it was one of our goals for this process, is, first of all, publically owned parcels out here have been held by public sector for a number of years and really, it's the -- a priority to get those into circulation and so they can be developed as quickly as we possibly can. Here is a map of some of those parcels on east 11th street, block 16, just west of the street jones and snow buildings, block 17 behind, block 18 to the east and that's where the victory grill is and east room is, on 12th street, four separate conglomerations of parcels the public sector has held. These are vacant parcels where it will be a major investment for filling in the gap on the corridors. The recommendations with respect to the parcels on 11th street, block 16 which again is the western most part block adjacent to the african-american culture and heritage facility, the city back in 2008 which happened to be a very bad time in the real estate market and did not receive the type of interest that was expected, nor that we would expect even now so our recommendation is to , make minor modifications to it and get it back on the street and see what more can be done there. It is an idea for a mixed use development that has synergies with the cultural heritage facility. Block 17, behind the jones buildings, and it is mapped with the town homes and getting it quickly through the very use through afc or

partnerships is our recommendations there. Block 18 is somewhat unique, and I will flashback quickly. The eastern most block on east 11th street, on the south side there. That is a block where we are recommending there be some regulatory changes, some of the specific language affecting development on those blocks makes it highly prescriptive and in some ways, in fact, problematic just because of the nature of those regulations. One, for instance, is that there is a prescription for up to 150, what is called community parking spaces which would be parking spaces above and beyond what the development on that site would need and that just functionally doesn't really work with development to have that level of added parking, so that's one specific area, and there are others in our report, where we are suggestg that specific language in the urban renewal plan be modified to allow for a little more flexibility in terms of what happens on that block. On east 12th street, there are four separate sections that we are making recommendations for. Tract 12 is the western most block on the south side of the street. It is intended right now for town home development. We believe it would be more appropriate to have allowances for mixed use development on those sites, to continue the commercial vitality of east 12th street and contribute more directly to that vision of a neighborhood serving commercial street, so we would recommend that that be considered and that the property be sold as quickly as possible for that type of use. The tract 13 is -- right now it is a north south configured group of parcels and it is currently slated for single family development, which, again, we believe does not fully capitalize on the opportunities of this street. We are recommending that it be considered for a mixed use allowance with commercial development on the front side, fronting east 12th street with potentially open space behind and community parking behind that, as a matter of fact. And across the street from that is a small per saul, about quarter of acre, .3-acres we recommend simply be sold out right for development as quickly as possible because it doesn't have enough scale to represent a major development parcel on itself and finally on 12th street, tract 5 which is further to the east a little, is a somewhat larger site slated for mixed use development in the urban renewal plan and we think it could offer a grocery store which we think is a priority of the community and also senior housing maybe be considered for that site, for a mixed use configuration but in all of these cases, impetus to get it going as quickly as es for those that need a competitive process like that and get it into circulation because it has been a long time. The next thyme true consensus on in terms of importance is the infrastructure. We heard a lot of today about the value, creation and the added value that comes with public realm improvements in terms of the waller creek conservancy's presentation. The same case can certainly be made for east 12ette street. East 11th street has received substantial investment in street scape and upgrading and it has not happened on east 12th street and we think it is a strong signal from the development community that the city is serious about improving the area and helps facilitate development because it not only adds value and nicer place and it saves money for developers who are trying to do things on private or public parcels in the way of development, so it is essentially providing way for development to happen by providing physical improvement as well as the relief from cost they might otherwise have to bear themselves. So the figures we are recommending, there are needs for wastewater improvements on a couple of sections of east 12th street. That is a small fraction of the 10 million plus dollars that we are recommending be considered here. The bulk of it really would be more for street scape improvements and utility undergrounding, all told, we have not done a very high level of design work on this, that was not part of the scope of our services. But based on linear foot costs from other sections of the city, where similar improvements have been made, we've come up with this factor of about \$10 million of costs as representing a significant investment in this area. And we have just a few

visuals of the conditions here. This is the streetscape on east 12th street at olander, you see the sidewalk is very narrow and has major utility poles, wires up and down and has encroachment from landscaping and such. We see that as indicative of the character of streetscape on east 12th street that can be significantly improved to standards that have similarly been established on east 11th street. This is another image of the the overhead utilities at twelve and chicon. And at one point I counted these and believe there were twelve utility wires crisscrossing this section and, again, indicative of physical character of this place and stands in contrast in other places of the city where these investments have been made and other improvements. A third item very well received from the community is the importance of a grocery store in this neighborhood. It is a service that is sorely lacking. People according to our online surveys in this neighborhood, typically drive up to 41st street, a couple of miles away and having that type of service in the neighborhood itself would be a major boom, not only to the quality of life in that area but as an anchor for future commercial development in the area as well. Obviously grocery stores serve as major anchors for local businesses and those servicing businesses, and those staff resources and financial resources if possible to that type of tenant on east 12th street is something we are recommending. There are federal resources available in terms of funding in addition to local and utilizing all of those that you have available to you, would be a priority for this area. And additionally, in terms of business, there are a flum of locally owned -- there are a number of locally owned businesses on this stretch, and we are recommending for disposition of public land as you have done on other parcels throughout the city, having some portion for the new tenant or new commercial square footage on any development on public land be dedicated to locally owned businesses is our recommendation. We take that at 50% of new space would be provided to locally owned businesses. That certainly creates a lot of new space for locally owned businesses, but also allows developers the opportunity to capitalize on some of the financial strengths that more regional or even national chains may be able to bear in terms of financing capacity for new development. On east 12th and chicon, again, it was a focal area and frankly some of the issues this location are well beyond the expertise that we had on our team. Many of the issues cited by the community related to criminal activity in this area and we spoken at length with apd and others about appropriate strategies here. Again, that is largely outside of our -- our area of expertise, but clearly making progress on continuing to enhance the enforcement of the law in that area is going to be a priority. A lot has been done by apd in terms of trespassing violations and shutting down problem houses and tactical support team, community clean-up efforts. One community item we did not gain consensus on, because there are strong opinions on both sides is the idea of implementing new security cameras in this area. Some people are very much for that and others have great concerns about the implications of that so, again, we weren't able to engender a full consensus from this community about that particular issue but we think it is a very valid conversation to continue to have. Another thing that can be done in this area. There is no publically owned property in this situation but public assistance for private development on the intersection is going to be critical. That can include, as i already mentioned wastewater upgrades. This is one area where wastewater is particularly deficient in terms of its capacity for new development but also other programs and financial resources that you can bring to bear, including possibly the leasing of some new space in development. Much was done for the street jones building, having some kind of public intervention there in terms of public presence, possibly even a police substation is something to be recommended. Finally, in this area, there is a long-term vision that was put forward in terms of the potential for the creation of shared parking facilities behind some of the existing properties. Now, this is a notion for the

north side of the street that, again, is a long-term vision in terms of enhancing the parking supply in the area, but it would require each of the different property owners to really get together and decide that's something they wanted to do. We are not recommending that as a priority public project. But we can move that along if that's a priority for the property owners themselves. Housing and gentrification, we had a substantial amount of discussion of this this. As I mentioned, the area has been very dynamic demographically. The incomes have risen rapidly. The number of families living in this area has declined pretty significantly as have the number of seniors, even though both of those groups groups have grown city wide. We have seen a change in the area, we are not recommending new 100% affordable projects in this area. It does have substantial affordable housing through the areas but we are recommending the new development have mixed income con filliations, so some affordable housing within the project and we are recommending some prioritization of units for large families, three plus bedrooms, we have seen decline in the area and configuration of senior housing development to address the fact that the seniors have been displaced from this sere I don't this area significantly. Parking, we are recommending some community facilities -- community parking facilities be created both as new development on public or parcels as well as on that tract 13 that we showed you on east 12th street, where we see an opportunity for new development of commercial space on the 11th street frontage and community parking facilities behind that as a way of alleviating some of the need for other parking within new projects, just to help out and make them more feasible. Development regulations, again, there are a number of different development plans that affect this area. This was a diagram of some of those. We are recommending they be update and reconciled. In some cases they don't agree to one another so having specific recommendations in our document talk about ways to facilitate that reconciliation to make it more clear to developers what is expected of them in this area. So the action items for neighborhood housing and community development as well as the urban renewal board, nhcd has initiated a request for cip funding for 10 plus million dollars that we identified as the infrastructure improvement needs. Urban renewal board can initiate the amendments to the recommendations we are recommending for the urban renewal plan itself and nhcd can work with them to e initiate the disposition of the public land and also we are recommending technical advisory group and collaboration of number of city different departments including legal and egrso and the water utility, austin energy, public works, et cetera, et cetera, to come together on a fairly regular basis to see how they can coordinate their efforts to finally improve east 12th street the way it has long been envisioned. So that is the conclusion of our presentation. mayor pro tem.

>> I want to thank you for this wonderful presentation and your recognition early on in your mission that one of the purposes of your work was to enhance liveability in east austin and strengthen the community bonds that the rest of our city has with east austin and in particular, on east 11th and 12th street which is the heart of the african-american experience in austin originally. I have a couple of questions for you. How did you come up with the recommendation of 10 million-dollars for infrastructure?

>> For that, we were not scoped to do a fairly high level design for the streetscape and other improvements so we did take-offs of east seventh street, 11th street, rio grande where similar improvements has been made and calculated at linear footage basis and applied to the length of east 12th again, a very broad number and nhcd has initiated the request for the cip funding for that amount on top of contingency upon that because of the level of specificity we don't yet have.

>> Cole: So staff is fully aware of that and initiated the process for that. Let me also mention, you mentioned a grocery store and I get constantly requests or basically complaints about all type of shopping experiences in east austin but especially grocery stores. Do you have any advice on how to make that happen?

>> Well, you know, as you say, there is a major need, and the community is very well aware of the need. There are a number of different programs we outline in the document itself, federal programs as well as more local programs. There is several websites within your own city organization of the different types of loans and grant programs that you can bring to bear for businesses generally and some of them, particularly at the federal level are geared towards grocery stores in particular of known as food deserts and this area counts as those where there is very limited access to basic grocery needs within the so one of the things that we recommending is -- there is only so much land, is one of the issues and one of the ideal sites for a grocery store around this area is technically just outside of our study area but it is the site where the safeway used to be, right at the corner of i-35 and 12th street, and that is an ideal location for a larger format grocery store. Even 25,000 square feet would only fit at that location, compared to any of the smaller sites available throughout the rest of the street. So we have not done outreach to the owner of that parcel yet but we would recommend that that be one of the first steps to see a major mixed use development could take place there which could take advantage of the regulatory allowances available to it. The market is strong for multi-family housing, for instance, and having a grocery store on the ground floor at that location would be an ideal solution, physically. If that does not work, for any number of reasons, there are other places along the street where smaller grocery store formats, 10-12,000 square feet would still be a great asset to the community and the public lands assets could be leveraged there to make those happen.

>> Cole: Okay. Typically a grocery store is not a public function but we want to do all that we can to encourage that in development there and I am hear you say that you believe that there is a market there for a full service grocery store, because usually what we see is smaller facilities that don't really serve a family, so I am glad we are doing work in that regard. You talked about the cameras at 12th and chicon. I have been to visit with the neighborhood association and saw the split you spoke of so I think we have more work we need to do total tax see if the community does desire that type of instrument in the area. Finally, I wondered if you had anything to say about a senior housing recommendation.

>> Yes. We have recommended that senior housing be considered in this area. We see it as a strong market opportunity, as well as a way of addressing one of the demographic changes that have occurred this area. In the study areas, the three census tracts around our study area, the senior population has dropped by 38%, just between 2000 and 2010. The rest of the city it has grown, by -- about 20%, so that is clear indication to us that there has been displacement of seniors. Other more specific data has been hard to come by in terms of the impacts of property taxes on seniors' ability to stay in their homes, things of that nature. We heard a lot of anecdotal stories of people being displaced because they can no longer afford to pay property taxes and I know the city has implemented a plan to help alleviate the situation but we see part of the solution the potential for a senior housing, which we also believe there is any number of types of senior housing facilities, some are strictly multi-housing families that cater to seniors but their market rate. Otherwise affordable housing, assisted living, congra car a wide spectrum of senior housing

opportunities and we believe it is worth further exploration, study, investment to see what might be appropriate in that area, again --

>> Cole: I thought it was insightful recognition on your part because I am familiar with the area. I know there are a lot of seniors who simply -- they have other places they can live and sell their houses for a lot more money than they paid for them but they want to be where their church is, where their friends are and just where they are comfortable. So I am glad you are recognizing that and a lot of that population, also, wants to downsize but don't want to leave those things that are comfortable to them. Anyway, I appreciate the work that you and your team has done and I thank you for your presentation. Thank you, mayor.

>> Mayor leffingwell: Council member tovo.

>> Tovo: I have a quick question. Did you say that the senior population has declined by 40%, did I hear that number correctly?

>> 38 Percent.

>> Tovo: That is a lot.

>> And quickly, the group under age 18 has declined by a similar amount. I think it's about 30% or so in the last ten years, compared to the rest of the city, where it has grown by roughly 20%, so, again, we have seen out migration by both seniors and families, frankly, and increase in the number of much smaller households in this area.

>> Tovo: That was my next question, which you answered the decline of the number of families as they both are really significant trends and I appreciate your highlighting those today.

>> Mayor leffingwell: Council member riley.

>> Riley: I want to thank you for the presentation and for all of the work that has gone into this. I know there is a tremendous amount of community breast community intereston seeing movement on these corridors and we are all hopeful that this is an important step that will get the process moving quicker. I appreciate your interest on the city owned property because it seem like a good place to start in terms of catalyzing development in the area and the process by which the properties will be brought to the market has been a little uncertain, given the fact we eliminated the triparty agreement in 2010 and so there have been questions as to how it's going to work, how are we going to bring the properties to market. I notice on slide 24, you have a bullet point saying nhcd will work with the renewable group to have appropriate disposition of land. I want to know how that will work, in absence of the arra, how we will be assured that those properties will be actually brought forward timely, marketed and I want to s is there anything you have in mind in terms of goals or metrics, any kind of a time line or any kind of a sense of how we can ensure that we really will see some movement here. The concern is if we still have lingering uncertainty into the development process, that we may continue to see those properties languishing indefinitely and we want to make sure it doesn't happen. So what can we do in

making sure -- setting a clear time line, our goals, our performance measures, anything along those lines to make sure we do really keep these properties moving forward?

>> Well, some of the properties we recommending for a straight sale. They are not properties that have a significant amount of opportunity for a standalone project. For instance, 1120 east 12th street is a small property that has been assembled with other adjacently privately owned parcels and we simply recommending that be sold as quickly as possible because its best opportunity is really for an a assembly for a much more significant project rather than something standalone on a .3-acre site. Most of the other properties we are suggesting there be process and we would see, in some -- in some of the cases there would be requirement or we are recommending that some of the regulatory issues be dealt with before go out to , so, for instance, block 18 that I described earlier has some inconsistencies with the various plans affected in terms of what can be developed there. We are recommending some -- some added flexibility for that site and if that can be should be issued. Very similar to what we think was issued already for block 16 a couple of years ago, but, again, the market has improved dramatically since that time and we expect to see much more -- much more interest for both block 16 and block 18, process there. Now, all of this may be 's direction in terms of the distribution of land that we are funded through -- that are funded through their programs, so it may be expedited still further, but that kind of speaks to your point. You would like to see action on these sites as quickly as possible, so we think that in the absence of h.u.d. Direction, there still es or solicitations issues, essentially this calendar year for each of these sites, because the market is good and we believe it should be getting underway. It probably will be a couple of years before development is complete in the best case scenario for most of these sites, but there is, you know, there is a strong reward go getting these sites into circulation as quickly as possible.

>> Riley: You see them being es that could go out this year?

>> I would hope that would be possible. I know in the past, on block 16 in particular it was a coordinated effort between neighborhood housing community development and egrso and one of the recommendations we had was for a strategic group including multiple departments of the city. In that case it would also include legal and real estate to get those solicitation on the street quickly, and I know egrso in particular has a lot of things on its plate right now as does everybody in the city but we still think this should be a priority and that the documents themselves should be relatively straightforward to produce. You have a good template in terms of the block 16 r.f.p. From a couple of years ago. So we would envision that as being possible within the next 9-10 months.

>> Riley: On some other corridors around the city, when we have had recent studies looking at the potential on those corridors and one thing that has been pointed out is when you combine all of the various city requirements, from drainage to parking to compatibility, that it is very difficult to achieve significant level of contiguous density on any given corridor. Did you get into the the detailsof this development of this corridor and taking into account all of the requirements?

>> Yes, we did, mccanned damns studio did the part of reviewing regulations here. Again, a number of overlapping documents exist, some of which are more prescriptive, some of which are

more flexible but we made specific recommendations on site by basis where things can improve in development but one thing we are recommending is the streetscape, rather than being subject to the strict language of sub chapter e in the commercial design standards that a unique streetscape design plan be developed for this area which deals with unique physical characteristics of the area. The sites are fairly shallow, so having sidewalks of a certain depth may encroach significantly on the availability and potential for development there so we think it is worthwhile to do a unique streetscape plan for this area that maximizes the development potential for each site.

>> Riley: Do you also suggest we update the urban renewal plan, it has the most current information?

>> Yes, the urban renewal plan was developed in 1999. Five modifications to date and we had real estate development consultants had a hard time navigating it, figuring out what was required on each individual site so we are recommending some effort be made to consolidate that into a single document so you don't have to look at six different documents to see what matters for your site. You see it all in one place.

>> Riley: Do you have a process in mind for updating an urban renewal plan and undertaking other code amendments which you all recommend?

>> Each of those, as I understand it, each of those kind of recommendations would be subject to renewal by the urban renewal board at the very least and that would require very community engagement. A number of people in this community expressed concern that things not be -- changes of this sort not be done administratively, that there was a lot of work put into them and they want the opportunity to engage in that conversation. That has not been the nature of our engagement here, to talk about specific, you know, the width of sidewalks and things like that but to the extent those types of recommendations are offered here, we expect it would require a conversation at the renewal board level and then possibly zoning and others beyond that to make the regulatory changes.

>> Riley: How do you see that process moving forward? Does your team make recommendations to the board or --

>> that is not -- that is not part of our --

>> Riley: We will have to have a talk with staff as to exactly what process to pursue with the code amendments and the plan with the council, we will take that. And a parking, your last bullet point you suggested community parking on public land as a variety of projects. Did you mean parking on public land or projects on public land?

>> I meant that any project that is to be built on publically held land, any of the 7 parcels we highlighted earlier, to the extent you and it is a competition for winning rights of the site, have one of the criteria for which you make the judgment be the community benefits involved from the developments. For instance, the r.f.p. That was issued for block 16 a few years ago and received a response, part of the response was the inclusion of additional parking spaces beyond

what the development itself was going to require. So that it would be of community benefit to other businesses and the churches and other activities in the neighborhood. We would expect a similar kind of request going forward, not necessarily as a mandatory element, but as a value added proposition for any developer who is competing for those sites through an r.f.p. process.

>> Riley: You would expect the community parking to be provided on public land but then it would be made available to projects on neighboring private parcels?

>> Yes, it is the idea and it would be part of otherwise mixed use development as opposed to just being parking on those publically held sites.

>> I haven't been through your entire report but through the appendices. I didn't see your work encompassed workforce development.

>> Workforce development?

>> Yes.

>> Not per se, no. We are recommending priority be made for locally owned businesses on any land projects but we didn't have a labor force training program that was recommended or things of that nature.

>> Riley: I want to note i have been working with council member martinez on a resolution we expect to bring forward next week that would begin a pilot workforce development plan for nearby area residents that would focus on job readiness and multi track program involving training, entrepreneur ship and participants aimed at folks in the area to make sure they are able to fully participate in the revitalization of these corridors as it moves forward, so hopefully that will go hand in and with all of the redevelopment that will result from being as a result of these properties and undertaking the other changes you suggested.

>> Sounds very complementary.

>> Again, thank you very much for your work on this and I look forward to seeing some renewed progress on it.

>> Mayor leffingwell: Council member morrison.

>> Morrison: i will follow up with a few questions. I appreciate the work. I think that it really is going to obviously provide a lot of impetus for moving forward, which I know a lot of people are interested in. Just to follow up quickly on of mayor pro tem's questions in the 10 million-dollar of bond funds and I don't know if you can answer this or not. You said staff was preparing a cip package for that. Do you know do we know if it will get to our bond advisory committee so it can be included in this actual go around, or assumed -- our assumed 2012 bond package?

>> Ma'am, rebecca with neighborhood housing. It is being moving forward with the bond process and it is actually being channeled through the transportation committee.

>>

>> Morrison: Okay. Great, because I know that's an important piece of it.

>> Yes, ma'am.

>> Morrison: And then I am looking at your slide, i guess, 23 on the development regulations and laying out the myriad of plans and documents. Can you talk a little -- is there any way -- and I have to say, I am not intimately familiar with the kind of information that goes into an urban renewal plan itself. Is there any way to reduce the number of plans here and say, fold some of the information of one into another?

>> I imagine that would be a very good exercise. There, again, was a lot of work done to produce all of these different documents, and to the extent that they don't necessarily agree with one another, we are strongly recommending they be reconciled one way or another. I guess that's a matter of the resources that you want to put toward that. I think that the primary documents in terms of their regulatory impact here are the urban renewal plan itself and the neighborhood conservation combining district. There is one more east 11th street and a different one for east 12th street and those are the three primary documents that govern development here. The rest are very important and represent a lot of work was the specific design regulations and such are within those three so finding a way to reconcile those is our recommendations.

>> Morrison: Can you mention a few examples. The slide said to reconfirm or remove restrictive requirements. What kind of restrictive requirements are we talking about?

>> Block 18, again, this is an example, block 18 is where the victory grill is and east of the snell building. That block, the specific recommendations say that you can do -- let me get the right numbers -- between 40 and 48,000 square feet of commercial space facing 11th street, 10-15 town homes facing juniper street, parking for all of those, plus 135-150 additional community parking spaces. That's a very prescriptive recipe.

>> Morrison: Have to remove the very specifics from that?

>> Right. Right. So if it is truly important the community have exactly that, that's one thing, but any project that comes in that falls outside of those very prescriptive parameters would need to go through a very, potentially lengthy process to get approved or rejected and that's a significant deterrent to any developer not knowing that they can do something reasonable but not strictly speaking, conforming.

>> And one of the -- one of the relaxations that the nccd has provided actually was removing the requirements of compatibility standards and I know that at least since 2007, the issue of even with or without compatibility standards, what we referred to as neighborhood side design standards, so that when you are facing in a dense environment, an interface between a residential neighborhood and the retail, that you get some kind of compatibility so you are not just looking at, for instance, the back of a parking garage, and i know that we started that discussion in 2007 when one of our first bmu projects was built and it was a big surprise in how it was very

incompatible just design wise and it was more of a conversation in the east riverside corridor study. Did that issue come up at all, that we might be able to try to incorporate something like that so it's a much more balanced development?

>> Some of your more vocal community members here have expressed concern about the relaxation of the compatibility standards. We have not, as a consulting group recommended anything more prescriptive than exists now because, again, our charge was to see what we could do to inscent private development and make private development happen and that has been our focus but I know there is community interest in revisiting that issue, of compatibility, and I would imagine that most thoughtful developers would be doing something like that anyway, to brief the skids, if you will, for the approval of the project in the first place.

>> Morrison: I understand that another part of the conversation is a push for making a lot of the approval process administrative and i think that if we can get some assurance from the neighborhoods in terms of some standards of some kind of design compatibility, that they are going to be a lot more comfortable with the administrative and more fasttracking of projects, so I think that would be an interesting thing to look at. I don't know if our pdr folks are here to ask him what is the status -- i jiello, maybe you can help me follow up on this, to find out what the status of neighborhood development design standards are for an eastside corridor and see the we might be able to find a way to integrate those into these corridors, too, because it would be help to have a standard for that so we don't have to keep on looking at that over and over again. And then, let's see, I guess I just want to ask one other question. And that is, I was very interested, in response to council member riley's questions, in that there are a lot of actions that we hope to be taking as a result of this and it sounds like a lot of it is still going to need more conversation, some of the issues we brought up today so I wanted to suggest that it would be -- I think that maybe our subcommittee, which is a comprehensive planning and transportation committee, with which is mayor pro tem and council member riley and myself, that I would like to ask that we get on the agenda, i don't know if it would be april or may, but as these things get kicked off and we get a whole list of all of the great work that is going on, especially so we can make sure we are familiar with an accountable for the conversations as more details gets developed, so just to let you know, I will be asking for you guys to visit us, I hopes that okay. Thank you for all of your work.

>> Mayor Wynn: Thanks a lot. I appreciate it. Maybe you can catch your next plane now. We may not have time enough to get through item number 32, but we can try, in 10 minutes. If everyone wants to speak, we may have to continue it live music and proclamations. The first speaker is jim wrath. Jim wrath here. Not here. Celia israel -- oh, jim is here. How about celia, is celia here? Okay. Go ahead. You have three minutes.

>> Okay. Good afternoon. How are y'all doing? My name is jim rath and here to speak about the railroad crossing at rosewood avenue and meant to be to the expansion of metro rail service and if you give me a minute I hope to explain. So when cap metro started the planning for the metro rail service they wanted to make every one of the rail crossings a quiet zone. What is a quiet zone? As a matter of safety, whenever the drains cross the street, they have to blow their horns and the horns are very loud, actually the one as rosewood, you can even here north of manor road and south of cesar chavez, rock and roll, eat your heart out. They are very loud. To mill gate

effect of trains running all day, they installed additional safety features at the railroad crossings so the trains don't have to blow their horns and cap metro, to their credit has followed through every one of the residential crossings, every one except rosewood and so there have been a series of difficulties there, you know, understandable, but at the end of the day, it left us without a quiet zone there so whenever the trains come through, they have to blow their horns. So I have spoken with folks at cap metro and they tell me it would take just \$50,000 to complete the safety upgrade at that intersection in order to have a quiet zone there and so as you look to expand the metro rail service, well, what will happen is we will start getting those trains coming through friday and saturday nights, close to midnight, and then on top of that, the freight trains come through. Well, because the commuter trains run -- the freight train also have to run even later, still, so it creates quite a bit of noise pollution there for us. So I want to ask you today if the city may consider working with cap metro to find the funds to install that extra gate and that, as you look to spend about 2 million bucks a year for the expanded service, that just this once, you find the \$50,000 to fund the gate. thank you.

>> Thank you for allowing me to speak. i certainly understand your concern. Council member martinez.

>> Martinez: Yes, he came to the cap metro board meeting on monday and while council member riley around I didn't participate in the deliberation among the board we recused at that and i understand the comments and I think hearing the majority of the board members making comments that night we want to absolutely address this immediately up to including spending reserve funds if necessary for this particular intersection which is right in the middle of east austin, rosewood avenue. We are working on this and hopefully staff will come back to us fairly quickly with a proposal to try to mitigate the situation.

>> Mayor leffingwell: okay. So cap metro is going to take care of it. Council member riley.

>> Riley: We do have cap metro staff here and I would like to see if anybody from cap metro would like to speak to the item.

>> Actually, robert speller with add and the funds to bring rosewood into into the quiet zone is incorporated into the agreement before you. So it will take 5 or 6 months to implement the quiet zone because of the process we have to go through the funds are integrated into the agreement.

>> But it will take five or six months.

>> Because it is a process you have to go through, it is not just simply fixing remainder -- it is a federal process we have to go through.

>> Mayor leffingwell: okay. Next speaker, celia israel, not here. Clay difoe. Three minutes.

>> Good afternoon, council. This is a resolution to authorize negotiation and execution of interlocal agreement with cap metro and city of austin to fund additional rail service along the metro rail red line routes with the city of austin funds, apparently to be reimbursed later through cap metro funds. On your fiscal note amount of this action is 3 million, to extend service,

essentially, on to midnight and Saturdays 4:00 p.m. to midnight. Again, this is another plan that's linked in with comprehensive planning with your downtown Austin plan that was passed and the imagine Austin plan that will come before you to promote density development. Again, I don't think that is the government's job and I believe these 5 million-dollars that are going to be spent on extending rail service on a red line that failed miserably as far as ridership in paying for operating costs will be a big mistake for Austin. We have a bus service that should be utilized and should be made more efficient in how it runs its routes and its ability to work into the late evening hours. It was in 1940 that former Mayor Tom Miller said that we have -- when the city council basically voted to end all rail lines in Austin and switch to buses that he said we have now entered the future. We have gone from rail to buses. Buses are mobile. They are able to move about. You can change routes. It is easier to run them late at night. It is not as expensive and I think we need to listen to what Mayor Miller said over 72 years ago and I this romanticizing of rail is a big problem we have had. I seen this at Campo meetings as well. I know you want to push through light rail and I believe this is priming the pump on what we don't need and we have a bus system that can work and work much more efficiently into the late evening hours. I know the cost to operate the red line annually is about \$14 million, and normally with Capital Metro, 20% of the operating costs are paid through the fares, what we see not the buses but for line you are recouping 3% event ending costs through fares and while ridership has gone up, I don't think it reached the critical point that justifies the extra \$5 million in funds, and we wonder why energy rates are going up. All of our utility rates are going up, because government is spending too much on onprojects we don't need and that's exactly what is happening with this funding we need to put our foot down and say no and use our bus service instead of overextending ourselves and wasting our money. So I urge you to vote no on this item. Thank you. the next speaker is Ronnie Jimry.

>> Thank you, sir. I am sorry to have to inform you that my name is Ronnie Reefersed. That's my name. I want you to pronounce my name, okay. I got it, Ronnie, but you are signed up here as Jimry, that's what I am doing is your preferences.

>> Okay, but Jimry is pronounced Reefersed in my opinion.

>> Okay.

>> But I agree, that basically buses should be improved, it is quoting from our former mayor. He had a great idea and like Clay was saying this romanticized train service is, it is really a form of bigotry, basically. You come down to these people who feel they are too -- too good to ride on buses but they like the romantic trains, oh, that sounds so wonderful. It's so incredibly wasteful and like the previous mayor was saying, buses can be -- routes can be adjusted, when schools close, businesses m&o, all sorts of things change over time and bus routes can be adjusted accordingly. Trains, on the other hand, huge investment on the trains, they can't be invested -- once we have the train, track, we are stuck with that and we are not -- Austin is not like New York or these other places that can use trains more efficiently. We are a growing community and the whole idea, agenda 21 kind of no sense, about, someone came one the idea that we should live in dense little communities now for whatever crazy reasons they came up with but that's not what we want and that's not -- and I am speaking on behalf of the citizens who are saying, no, we don't want these programs shoved down our throats, just on these romantic views of trains and like

clay and the former mayor said so articulately, it is the buses that are the future. The buses are what we can do right now. We have -- we pay for the roads. They are adjustable and the buses we have been buying actually are less polluting and we can offer leadership in that way, by having buses that are less polluting than the people's cars that are riding alongside of them, and, again, the flexibility available and the low cost to the user, which is also inherently available with the buses as opposed to the trains is -- are reasons, i think, we should do away with light rail, this rail, that rail, it doesn't make any sense hear in austin, texas, so I am here to just say no, that to voice the concern of many of our other citizens who want money spent more wisely. Thank you.

[Buzzer alarming]

>> mayor leffingwell: Pamela power, signed up for. Not here. Charles bets. Charles bets. Sign and up for. He is not here. Those are all of the speakers we have signed up wishing to speak. Council member martinez moves approval of item 32.

>> Second.

>> I do have a question but I am second.

>> Council member spelman.

>> Spelman: spell speller, I don't remember when we discussed it, the measures that would be included in this contract, i want to know if you can think of any to let us know bark.

>> Around let me introduce somebody who will help the identify the performance metrics and they will include on time performance ridership and the costs of the service. She can elaborate.

>> Thank you, mayor pro tem, I am the chief operating officer for capital metro, we will normally report, on time performance, any system failures that are there and the cost related to the service, of course. Those are just standard kpis, key performance indicators. If there are others that will be desired as a result of the agreement, we will be more than happy to do that and of course ridership is something we do an a monthly basis.

>> Spelman: Would we be able to get ridership broken down by the hour or by the train.

>> I don't know about the train but by the hour.

>> We prepare that on regular basis.

>> Spelman: The reason is we have discussion on what hours we are talking about and if people are clamoring on to the last car at midnight, it would be argument to extend hours beyond midnight. And if a lot of people showing up early in the morning, argument for extending hours early in the day. More information we can get when riders are on, the easier to make adjustments in service.

>> Yes, we can analyze the information.

>> Spelman: At one point you were suggesting we might be able to get 30 minute head ways on both friday and saturday nights. I wonder if you can report back on that.

>> Yes have looked at that. It is a possibility. However, because of constraints of the line, what we really would be looking at is adding an additional train which still only yields about a 37-40 minute frequency on friday.

>> And the reason for that is because we are single is that right?

>> Right. Another factor there is by the time we would get past on friday, you are already the regular service, is more than an hour service by that point anyway. Remember those trains on friday night are going all the way to leander, and so the turn around time, you are adding another 40-miles beyond the lake line, by the time you do the round trip and so that just makes it difficult to get trains back in time.

>> Spelman: I understand. We wouldn't want to purchase any more rolling stock which is a hard cost which is not part of current proposal. At some point, I remember, at our work session last week, that there was a discussion of 35, 40, 45 minute head ways, something less than an hour, are we talking about hourly service, 30 minute service? Or what?

>> On fridays, extension on fridays would be at my hourly service. The service on saturday would be 30 minute service because.

>> Spelman: After the double tracks get filled?

>> No, actually from start. The reason being, on friday, the trains are only going toline, so by -- to lakeline, so by the time they save as opposed to going to leander, we were able to run the 30 minute service and save that.

>> Spelman: St so being able to get 30 minute service is not tracking but rolling stock. If we had more rolling stock we would be able to get to leander and back, would we not?

>> Probably not that simple, sir. Probably a little bit of both but the fact you are aren't sending the rolling stock out to leander and turning it around gives you the ability to maintain the 30-minute service.

>> Spelman: At least for the short run what we are talking about, until things change, and they may is that we are going to get performance metrics on on time performance, cost of service and ridership on hourly basis for ridership and we are talking every hour for fridays and half hours on saturdays.

>> Yes, sir.

>> Spelman: And when will we be -- when will you be able to give us the first report on the performance metrics if it makes any sense?

>> On a monthly basis, our commitment the agreement is to report that on 20th of each month. In the meetings with city staff yesterday what we agreed to is that would be a part of my report to our board of directors on a monthly basis, the chief operating officer's report and that will also be transmitted to the city, so it would be on monthly basis.

>> And I think the response from Doug Allen last week, vice president of Cap Metro was that you really need to give that service six months or better before you get a level playing field which you are actually seeing sustained response.

>> Spelman: Let me ask one more thing of you on the performance metrics, I think a six-month response is perfectly appropriate and if we start watching this on monthly basis, we will be watching it too closely. We need to wait for it to boil. Sometimes it takes a while but it would be helpful to if making mid course corrections, to know how you are advertising and where you are advertising because a lot of this is making sure the word gets out, that this is an option available for folks and I can see if the numbers were down, one possible reason is people don't understand there is another way of getting into town. Is that something you can actually collect information on?

>> Yes. Cap Metro does a very good job about promoting this service once we go forward with. The fact that sort of the kick off for this service is during South by Southwest, remember, this agreement would go how us for the service in providing during South by Southwest so some of the it will be promoting instead of continuation of start up of new service so I think it has a high opportunity to succeed.

>> Spelman: I think it does, too, but I would like to verify we are doing a good job of letting people know this is available. It is new. This will be the second year and people may not know after South by they can take the train on the weekend.

>> The director of marketing has put together a comprehensive marketing plan and strategy for this program. I will be happy to send it Spiller if you would like that to be shared.

>> Spelman: I think that will be helpful. Thank you.

>> Mayor Leffingwell: Council member Tovo.

>> Tovo: I have one question, in addition to the questions I submitted in writing. I am curious how the hours are selected. As I discussed the other day, if part of the intent is to cultivate a culture of ridership, it seemed to me there was an opportunity to really expand that audience by selecting earlier hours on Saturday and, also, to capture what you have identified as one of the capacity gaps which is the events which tend to happen in the daytime. As I said, you have responded with some information, but are there any other ridership estimates that suggested ridership would be higher in the evenings than it would be during the days on Saturday if you factor in events that you will be capturing some of the events as well? And I understand the challenges you just

described. There is no good data because most of the daytime hours are during events. Did the ridership estimates you have indicate once you factor in events, ridership will still be higher if you target the crowd of people coming down to the entertainment district.

>> Council member, I would actually say no, because the time period was set based on the best opinion of the planners that had been involved and the operators involved with the service. The agreement contemplated allows us to come back and modify that and add service. The recommendation from city staff would be to move forward with the hours that we have and then as we start to get some experience, look at the board. I don't have a good answer for you other than that.

>> Tovo: That is good, though. I appreciate the clarity of the answer. It wasn't dictated by the number of riders but more a planning decision.

>> Yes, absolutely.

>> Tovo: That is a clear answer and, again, to clarify what you said t agreement that would be execute if this passes today, would not allow change in service times but only allow the addition for morning hours. Is that right? We couldn't say in six months to say, no, we don't want evening service on Saturdays anymore. We really want morning service or daytime?

>> We can still negotiate a change. The agreement allows us to negotiate a change. It asks us if changes or consolations be made, they be timed with normal time of service which happens three times a year and we can do that.

>> Riley: Thank you.

>> Cole: Mayor, I have one question. to verify cost of service from downtown Austin to Lakeline.

>> Yes, sir, that's correct.

>> And the rest covered by Cap Metro?

>> Yes. maybe we should continue this after the break. Okay. Mayor pro tem.

>> Cole: Maybe this is better for Jeff. I just want to confirm that the money that Capital Metro which owes us which is about \$45 million that our vote on this does not forgive that debt?

>> Yes, Jeff Conodal, CFO, yes, that is correct.

>> Cole: We can still negotiate about the reduction of that debt?

>> This does not forgive any debt. This action does not forgive any debt.

>> Cole: Thank you, Mayor.

>> Mayor leffingwell: Council member riley.

>> Riley: A question for metro. -- A question for cap metro. They fairly often do user surveys where we ask riders about their -- in order to assess satisfaction with cap metro's services, we take surveys from riders that get the scent of our performance. Is that right?

>> Sure.

>> And would you expect there to be any kind of user surveys that would help inform our decisions about the service.

>> I believe there is some surveys that required or identified in the marketing plan but I would like to confirm that but I know there is some outreach to the ridership to have the services.

>> One concern we have is the hours may not be right and there could be people with preferences either way. Some may want the service earlier, some might want to go later and it is important that we do what we can to get the input and also find out about other options available to people, to actually agree with defo, we ought to consider whether it would be worth beefing up night owl service, the bus service at night and we talked about that in the past and got cost estimates of what it would take to get from hourly service to half hour service and to make the routes more efficient and i think that's something we ought to consider and as we are going about surveying riders about their satisfaction with the service provided and what they would like to see, do you think it would be possible to get input about the potential adjustments to bus service, as well as engaging the performance of the rail service?

>> I will be happy to work with the marketing department to make sure we have some level of questioning regarding that.

>> Riley: I suspect we will continue talking at the operations committee at cap metro but also to provide some report -- I know council member spelman suggested a 6 month report on the rail line. I think that sounds reasonable to me but I think if there is any way that we could provide some report at, say, the 90-day point, especially in regard to potential adjustments to bus service, as well as any potential adjustments to the hours on the rail service and I think that would -- if we are able to gauge any sense of this, whether additional service would be well received, I think that would be very useful information to have.

>> We will be looking at the data on a monthly basis and so it's phaseable for us to come before the operation -- feasible for us to come before the operations committee on monthly basis to share the information and over time, probably within 90 days to have some general idea of what we come forth with a recommendation. Three months would be the first point of analyzing and then six months.

>> Riley: Sounds great. all in favor, say, aye.

>> Morrison: Mayor, I have a question. let's go into recess and pick it up after --

>> Morrison: One question. all right. Fifteen minutes worth of one question so far.

>> Morrison: I know. And this is just one more and I hope to make it quick and that is in terms of the hours and the desire expressed by council member tovo, I share that I think it would be terrific to have daytime saturday hours and sunday for that matter, but at this point, I believe that, you know, friday and saturday nights our downtown is a known destination and what is missing for me is that saturday afternoon yet is not known as a known destination downtown for families so I would ask you might be able to help us coordinate with daa, I know charlie bus was excited about the idea to try to develop a market for families downtown so we really can move on like that.

>> Yes, ma'am.

>> Morrison: Thank you. all "

>> mr. mayor.

[Laughter]

>> I am sorry. I was told by legal that i have to verify authority as \$5,718,583 for this negotiation. the maker of the motion.

>> The second agrees. All those in favor, say " opposed say no.

>> Tovo: No. voted on 7-0. 70 Vote no. it passed on 6-1, council member tovo voting no. We are in recess. 30 to 7:00 o'clock.

[🎵 Music playing 🎵🎵🎵]

>> okay. Y'all ready for some music? All right. I am city council member chris riley. Can y'all quiet don't so we can hear? Can y'all quiet down so we can hear some music. Again, I am council member chris riley and it is my great pleasure to be able to introduce introduce austin bass writer chris brekt, he had most of his career writing songs that are often times considered too cryptic for everyday ears, he has appeared on kut fm and part of austin music minutes and he is on the brink of releasing third full length record in the light of the lantern under band name live minus flowers and he also introduced the first online austin radio source for austin based musicians and now releasing more than 20 streams a month they are featuring the austin music globally. He transformed a style all of his own and went to many alternative expression like online radio rnd script writing. Please help me welcome chris brech. Brecht

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>> thank you.

[Applause].

>> All right. All right. That is awesome. Let me ask you a couple of quick questions. Do you have your own website for your music?

>> I do. It's loveminusflowers.com.

>> Great.

>> And what is the website with all of the austin music? com which com or you can go to austin independent radio dot-com and it will have information there.

>> Great. Great. Where are you playing next?

>> My next show is actually the austin independent showcase which will be at the dog wood march 13th, thursday, and there will be 8 or 9 other bands playing also by the internet station and it will be headlined by the clay company and a bunch of great artists will be there.

>> Spelman: So if somebody wants to buy your music, where can they find that?

>> There is always I tunes but my cds are over at water loo records.

>> So love minus flowers dot-com.

>> Yes.

>> Great.

>> It is my opportunity to present you with proclamation I will read now. On behalf of the mayor and city council, reads as follows, the city of austin is blessed with many creative musician whose talent moves past every musical genre a and it thrives because it is produced by local favorites and newcomers are alike and we are pleased to provide the local artists and so i, mayor leffingwell, into course today as chris brect day here in austin.

>> [Applause]

>> thank you so much.

[Applause] .. that we for you have a very large number of women veterans returning and as a matter of fact they -- they have many of the same problems that -- that other veterans have. Men veterans have. To that end, I'm just taking this opportunity to highlight a program that we've begun, in my office, we have a person now working on a bloomberg grant, a community service officer that works on volunteer efforts and specific projects. He picked three projects for this year and one of those is to -- to troy to help women vet -- to try to help women veterans

reintegrate into the society and find services they need around this city. For you and all of the folks that you represent, please keep in mind that he's here working for you now. His name is [indiscernible] in my office, if you need anything, any way that you can help you out or the people that you represent, please let us know. So the proclamation reads: Be it known that whereas long before women gained regular admission to the military, they worked as nurses, water bearers, laundresses and cooks and sometimes served as spies and saboteurs and on occasion even took up arms; whereas in 1901, the u.s. Army, navy and marine corps enlisted nurses as women and physicians to free their male counterpart combat; whereas later the women's army auxiliary corps and the wax and the was, the marines started the weapon's reserve and the coast guard created a reserve known as the sbars, and whereas grace after fire is a texas based non-profit that strives to give women veterans the support they need to restore and sustain a high quality of life while transitioning to the service -- from the service to civilian life and to encourage recognition of the contributions of our women veterans. Now, therefore, I lee leffingwell, mayor of the city of austin, texas do hereby proclaim march 2012 as women's veterans' month in austin, texas. Tammie, do you want to say a couple of words?

>> Good evening, I won't take much of your time. My name is tammy figueroa, i am a gulf war veteran. I would like to thank all of those service members, veterans, family members, and friends who support -- who support veterans. I would also like to -- take this time to thank the city of austin in supporting not only veterans, but recognizing uniqueness of women veterans. Grace after fire's focus is to help women veterans help themselves. Again, thank you.

[Applause]

>> Mayor Leffingwell: Thank you.

>> Mayor Leffingwell: We're trying to figure out how to work the camera here. It's my honor and pleasure now to read a proclamation in honor of the red cross, which has served not only this country, but nations all around the world so well for so many years. They survive entirely on donations from the public. They don't generally take money from government agencies. Which is unusual for a non-profit organization. But they have done so much good work and -- and I know sara's boss very well, marty McELLAL WHO IS THE HEAD OF The central texas red cross organization. She has been such an inspiration to all of us and worked with us on a lot of different issues, specifically she was a -- she was a coordinate -- coordinated with the city of austin in conjunction with the labor day wildfires. The service that the red cross gave to the people of our community here in central texas was very valuable and nobody else really was set up to do it. Especially a big role that was not only the standard things that you would think about, like furnishing, materials and money for people who have been put out of their homes by fire, but they also were very helpful in passing out information, established a twitter so itand a website and in a situation like that, believe me I can tell you because i was in the middle of it, information is what people seem to want the most. There's nothing more frustrating than being -- being put out of your house and told to go to a certain place and you have no idea what has happened to your house and when you are going to be able to get back. So we're very fortunate to have the red cross helping us here in central texas and around the nation. The proclamation reads that: Be it known that whereas for more than 96 years, the american red cross of central texas has been the place where citizens join together and are always willing to take care of others

in situations that come from home fires and wind storms to flooding and manmade disasters. And whereas the red cross is dedicated to training our community and the life saving skills of cpr, first aid and disaster preparedness and whereas the red cross is a volunteer-led organization that relies on the generosity of the american people. Therefore, I lee leffingwell, mayor of the city of austin, texas, do urge all residents of austin to continue to volunteer their time and give generously to the american red cross and its local offices and do hereby proclaim march, 2012, as american red cross month in austin, texas. So congratulations sara send congratulations to your organization and give my best to marty. If you would like to say a few words, please do.

>> Thank you, mayor leffingwell. March has been american red cross month in the united states since 1943. It's red cross month because it's an opportunity for all of us, as residents of this country, to join together for our neighbors, our friends, our family and our communities when they suffer from disasters, both small and large. We are a non-profit organization, separate from the government, and we depend on the generosity of the american people to achieve our mission. Thank you.

[Applause]

>> Mayor Leffingwell: and aids is a disease that affects so many parts of our society. Its effects in the past have been devastating but now thanks to promoting efforts by organizations like the folks behind me here, represented by the folks behind me here, it has now become more of a manageable situation and the emphasis now is on education, early treatment, and making best use of the medications that are available. The prognosis, of course, is very good now. And we -- we are very thankful that that's the case. The other thing that folks can do and -- and the folks behind me are very mindful of that, is prayer. So this is about prayer for the healing of aids. Be it known that whereas this week involves the coming together of people of faith to educate about prevention facts and encourage and support h.i.v. Testing, advocate for compassionate care and treatment for those living with and affected with aids, so that we can see the end of aid and whereas the black faith-based health initiative and collaborative partners, aids services of austin, austin travis county health and human services, care communities, greater mount zion, integral care and the wright house wellness center have been working with faith-based organizations to inform, educate and empower the community with respect to , aids, health issues and whereas thanks to the involvement of local churches in faith-based aids, educational presentations, prevention workshops, and testing will be available to help solve this major health challenge. Now therefore, I lee leffingwell, mayor of the city of austin, texas do hereby proclaim march 4th THROUGH 10th, 2012, AS THE National week of prayer for the healing of aids in austin, texas. Congratulations and i believe that -- dora is going to come up.

>> I'm dora robinson. The national week of prayer for the healing of aids is from march 4th to the 10th, 2012. It is a powerful week of prayer, education, and action. This national awareness campaign is in its 10th year in austin. And it's hosted by the black faith based health initiative. Bfhi empowers faith based congregations to take action against stopping the spread and aids in austin, travis county and surrounding areas. This week is the coming together of all people of faith to unite with purpose, compassion, and hope. Through the power of god's love, we will educate about facts and encourage testing, during this week a number of pastors stepped up for the cause and were being tested publicly. The end of this aids pandemic is in sight with prayer,

education, testing and treatment and we will do this, boldly, with lifted hands and hearts. Here's how you can help. You can commit to become a partner in 2012 and host activities at your church and become a part of a growing crusade to stop the spread of h.i.v. and aids. Churches in the community can take simple steps like with family and friends, aids organization, or event, and/or support people living with h.i.v. and aids. I would like to recognize the collaborative partners of the black faith based health initiative week of prayer for the healing of aids, they have made this event a success, the city of austin, travis county health and human services department, aids services of austin, austin travis county integral care, the wright house wellness center, care communities, simpson united methodist church, greater mount zion church, new hope baptist church, saint james missionary baptist church, dicones house of servants, mount zion baptist terrorist, trinity united methodist church. All of these partners along with many other churches have been extreme tall in the success of -- instrumental in the success of this year's city-wide event held at simpson united methodist church, located at 1701 east 12th street from 7:00 to 9:00 p.m. thank you. Get on board and let's eradicate h.i.v.

[Applause] ,

>> Riley: Okay. I'm -- again, I'm councilmember chris riley, i get the special honor tonight to be able to celebrate one of those claims to fame that not that many people know about austin. That is that here in austin, we are proud to have the oldest continually running kite event in the united states. And we'll be celebrating that this weekend, on sunday, when we'll be celebrating the 84th year of the austin kite festival. The kite tournament started back in 1929 and has been over there in zilker park since 1936. It is really a wonderful austin tradition. When thousands of austin families come out and enjoy a day in the park, flying kites and it is -- it has been able to continue through the heroic efforts of some of the folks lined up behind me here. In particular I want to recognize dorsey twidwell and bunnie twidwell on all of their work to keep it going. I'm especially proud this year the city of austin is actually sponsoring the event for the first time because it has become such an important established austin tradition. So it's my pleasure to be able to present a proclamation. Honoring the kite festival and reads as follows. This is on behalf of the mayor and the whole city council. Be it known that whereas march's fabled winds bringing kite flew enthusiasts out to zilker park for a colorful day of competitions at the annual kite festival. Whereas the 84th annual festival features competition in the steadiest, highest angle, strongest pulling, most unusual, smallest and largest events. Whereas all kites are homemade, contests in both youth and adult categories. Concessions, t-shirts sales, a raffle package donated by whole earth will go to communities in schools pebble project. Primary sponsors for this year's event -- therefore i lee leffingwell mayor of the city of austin, texas, do **HEREBY PROCLAIM MARCH 4th, 2012** As the 84th annual zilker park kite festival. Please thank you if -- join me in thanking all of the folks who make this event possible.

[Applause]

>> chris, you did a wonderful job of promoting this sunday, I don't know what there is left to say. But I do want to say a few things. One, on behalf of all of the members of the exchange club, which is the service organization that founded the kite festival in 1929, i want to say thank you. On behalf of all of the children of austin who have attended that festival since 1929 and have benefited from it, I want to say thank you. To the city of austin for stepping up and

supporting us this year, we have a lot of wonderful sponsors, as Chris mentioned. And March 4th we'll be able to do it for the 84th consecutive year. We have families who have been out there for 50 years in a row coming and flying kites. It's the Exchange Club's gift to Austin in addition to a wonderful day in the park, all of the money raised there goes to local charities for the prevention of child abuse. Our primary beneficiary is the Pebble Project, communities in schools. It's really a wonderful event that you can come out to for free in the most wonderful park in Austin, Zilker Park, fly a kite, have a great time, and continue an 84-year-old tradition that your parents and grandparents would recognize if they came out and saw it today. Again, thank you to the City of Austin, awful of the Exchangeites, that's what we call ourselves, to all of the members who have come before us. It's going to be Sunday. Come on out, catch a shuttle, we'll see you in the park.

[Applause]

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>> Mayor Leffingwell: Will McCLOUD.

>> Good evening, Council, this resolution before you, item 34 will extend until April 26th. Interim Council Meeting Procedures which were passed in December of 2011, they are called Interim Council Meeting Procedures, although they are the first change to consent agenda participation in 20 years. With no Council members being new to meetings, it is perplexing why that they would be noted as interim rules. Either way, these rules limit how much time individuals before the City Council can give testimony on items on the consent agenda. Instead of being allowed three minutes per item, as previously allowed, citizens are now limited to three minutes, total, to address the entire consent agenda. Often ranging over 50 to 60 items that are voted upon in one vote. As Council members, our elected representatives, you should each be ashamed of your unanimous action. Taken in December, that curtails your own citizens' ability to communicate important and timely information on votes that you are about to take. Drastically limiting Austinites' opportunity to speak to your excellencies, this action shows the deaf ear which you consistently turn to your citizens' concerns. Resolution sponsors Spelman and Morrison need to be reminded your duty as representatives is to execute the will of the people, that entails listening to what we have to say. Whether you like the content or not. At a Council work session last year, Mayor Leffingwell stated his favor for special interest testimonies over those of citizens when said that we need to protect those who have legitimate business before the Council. No, sir, you are entirely wrong here. We as citizens are the legitimate ones, according to our Mayor what we as citizens give as testimony is illegitimate and the City Council is nothing more than a platform where only exclusive interests have weights. I believe voters will reject your view of government that dictates that our voices mean nothing. It is amazing to me the amount of time spent and wasted on the public dollar that these representatives have spent pursuing an agenda of silencing we the people. This is not only happening in City Council. It's happened across the board. We're seeing new rules being imposed dictatorially whether citizens can have signs at Travis County Court meetings, who we can address by their name at Campo Policy Transportation

meetings, it is the wrong direction for our country. You are engaging in a sloppy crack down on citizens with this legislation and we as austin reject your tyranny. We will take back our council and we will not allow you to overstep your bounds and violate the constitution. Thanks. ronnie reeferseed.

>> Yea!

[Applause]

>> thank you citizens for paying attention to your future mayor, clay defoe, he demonstrates every time he opens his mouth. He's so far ahead of everybody in this room. He knows what's going on. I just hope that y'all get the wisdom to start paying attention and stop making up rules to limit how much he can speak or any of us can speak. We're citizens. Like the point he kept trying to make is you're not the boss. You're public servants serving the public, you should pay attention to what we have to say, not shun it not make it more difficult for us to be here. We had a wacky rule that i could only speak of one out of every four meetings. For some reason they decided to do that, then this other wacky rule that clay was talking about, you have three minutes for all of your items. No mayor and council men, that's not the right attitude. You should celebrate people like me and clay and others who care enough about you, out of love, it's love for you and our city. We want better life for everybody. To be just shut down for whatever rope, because I'm a weirdo, because I wear ron paul shirts all of the time, I've been told that's good enough reason to be ignored. None of that is valid. We are all really trying to help everybody else. Again, it's out of love. It's not out of hate. I get angry from time to time, but it's really the -- the motivation of love for life. Everybody, that includes babies by the way. We're still travis county. The live music capital of the known universe and the dead baby capital of texas. Each and every one of us, all of you taxpayers out there, no matter how you feel about abortion you are paying for them. That's illegal. So-called president peace prize is trying to do it, it's been ruled that's not right --

>> Mayor Leffingwell: Mr. Reeferseed, does this have anything to do with the topic that we're on right now, which are council rules?

>> Well, yeah, I believe so. It's speaking to the lack of -- of wisdom on y'all's part or your refusal to acknowledge the role of citizens. And this is one of them. And we have the right to -- to speak on issues that you might not like to hear about or might not seem relevant or regardless it's -- it's communication that is the key to our solving any problems, any time, with or without elected officials and so -- so communication is something that -- that we should all do more of and -- instead of cutting us off, you should celebrate it and thank us for coming and trying to break through.

>> Mayor Leffingwell: Okay.

>> Thank you, sir.

>> will McCloud. You have three minutes.

>> Good afternoon, mayor, council. I'm Will McCloud. Also known as the former mayoral candidate in September, Texas. I ran against Julian Castro, I'm speaking in opposition to this ordinance relating to councilmember procedures and amendments regarding council meeting procedures. I was at a Capital Metro board meeting on Monday and they tried to do the same stuff. And the reason why is explained by councilmember Mike Martinez, that not everyone but a lot of people like to sign up on multiple agenda items and every time we put out stuff from multiple agenda, every time we sign up for multiple agenda items we have to pull it out of committee and discuss it. I have a rebuttal to that. The rebuttal is this is not Austin, Texas incorporated. This is the city of Austin, Texas. This is not a corporation. This is a municipality. The municipality you're going to find people who you don't like what they have to say. But it is your job and duty to listen to both the -- both the -- opposing viewpoints and the -- and the points in favor of. And a lot of people are not happy with this. And not only that, what's the deal with -- with the five minute rule or the -- five minute rule or the three minute rule for speaking on every agenda item? This could also run afoul of the federal Americans with Disabilities Act. I have Asperger's syndrome, a cognitive impairment. If you were to throw me out under that regulation, you could have a federal lawsuit on your hands because this is just not right. Not only that, I don't think it's constitutional. I recommend each and every one of you vote no on this. And the only thing that we need to cut, one of the things that we need to -- to get rid of is the excessive, executive salaries at city hall. You all are making -- mayor, you are making \$72,000 a year? Councilmember Martinez, 62, \$63,000 a year? Guess what, the city of San Antonio, Texas, mayor, makes only \$3,000 a year. The city of Alamo Heights mayor only makes one dollar a year. It's in city charter. Please look it up and please amend salaries and pay that we are paying you, you are public servants, we are the taxpayers, we should have the right to determine what goes where. Thank you very much.

>> Mayor Leffingwell: Those are all of the speakers, I will entertain a motion on item 41.

[Sic] councilmember Morrison?

>> Morrison: I would like to remind my colleagues what we are doing here. We established rules to try out for a while, the pilot rules until the time that we can set a couple of months until -- until our legal staff can bring back some code amendments to change it as well as all of the other new rules that we have adopted and just to remind folks what we have done is try to be respectful of people's times so if they want to talk on consent we can change that, those comments before we address or vote on the consent agenda. On the other hand it opens it up so that there are no limits on the number of items that people can speak on when those items have been pulled off consent. I think it strikes a really good balance respectful of people's -- citizens' time and their voice. With that I move approval.

>> Question by councilmember Morrison, seconded by -- seconded by councilmember Spelman.

>> Spelman: I don't believe that I can plead guilty to being tyrannical, if my intention was to silence Clay and Ronnierefer Seed. They have spoken today on two items, this item, and later this evening. We're going to be hearing another three minutes times four, so 12 minutes. More than that, you guys are donating time to these guys? Nobody is being silenced here. There's plenty of

time for everybody to talk. I just want to be sure that all of the rest of us who are not clay defoe and ronnie reeferseed have the opportunity to talk, too.

[Applause]

>> Mayor Leffingwell: Motion and second on item no. 34, further discussion? All in favor say aye? Opposed no. Passes on a vote of 7-0. 41, no citizens signed up to speak. Pulled off the consent agenda by councilmember riley. Item 11 was an item related to the johnson creek trail head. Well I had a few questions on this. This has been the subject, this area has been in need of attention for a long time. The current agreement that we have in place actually dates to 1977, so I think that it's high time to revisit and I'm glad that we are there and glad that we will be engaging in discussion with txdot about our relationship on -- on this area. This is -- relates to the johnson creek, which is that creek that runs down roughly under mopac and the item on the agenda posts in particular on a project that the trail foundation has been working on right at the trailhead. And I'm going to support this. But since this item would just direct staff to negotiate the agreement. What I would like to suggest is that as we go forward and engage in that negotiation, that we do that with an eye towards additional improvements along the creek, especially with regard to signage. For decades, we have had a real lack of signage in that area. There's a very confusing web of trails. I've been using that since i was a kid. It was -- even back then we didn't have good signage. It's starting to get to know it now after a few decades of using it. It would be very helpful to have a working relationship with txdot. Not just on the trail head but on all of those other things, I know there's been recent discussion about a particular route going through from lake austin boulevard or across johnson creek, but I think it would be very helpful to maintain that kind of working relationship, the neighborhood connectivity division was working with txdot on those improvements and I would ask, I would like to ask that the neighborhood connectivity division of public works be included in the discussions on this and that before this agreement that's going to be negotiated comes back to council for approval, that it go to neighborhood connectivity first to get their input and in case they have any suggestions about any potential changes that could help strengthen our working relationship with txdot so that we can -- so that we can see continued improvements to signage in that area.

>> Parks and recreation director, I will make sure that happens.

>> Riley: Great, thanks very much. With that, mayor, I will move approval.

>> Second.

>> Mayor Leffingwell: Councilmember riley moves approval, seconded by councilmember martinez. Further suggestion? Mayor pro tem?

>> Cole: I appreciate the comments of councilmember riley and I'm glad that the parks director is willing to include that and that was the full intention. Thank you.

>> Mayor Leffingwell: All in favor say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 7-0. That takes us to item no. 46, We are considering items 2 and 46 together. We have a number of folks signed up to speak. First is michael zeta evanich. Is michael here? Cyrus reed? Paul robbins? Paul robbins? Donating time is pat -- pat hula? Pat? Okay. So you have six minutes.

>> Council, looks good, bill. Council, I -- I wanted to show you -- start by showing you this chart. And review -- review a tiny bit of history that -- that most of you probably don't know about. Just to direct you, the x axis are years from 1994 to 2012. The y axis is the millions of dollars that austin energy has collected over what it needed to br even. Starting in 1994, the blue bar is the operating fund and then starting in 1997, we have these red parts of the bar, which is labeled the strategic reserve fund. Most people on the council in city management and in the utility do not even remember 1997. But I was there -- actually, I checked and you came on the council six months after this happened. But fiscal year 1997 started about six or eight months before you were elected and you served during the start of this. Austin energy thought and the city council thought we are going into a phase where texas might deregulate all its utilities and oh, my god, we need to do something to make ourselves more competitive. So we are going to slash our costs, but keep rates the same. And they hired a high falutin high dollar consultant who I don't think did a very good job, but that's another story, and they got these huge surpluses. And I don't believe that the actual debt we had was ever bought down, but we did purchase a lot of stuff in cash. Including the sand hill power plant. And we also increased revenues to the general fund and -- and then there were some increased operating costs, so at a point around 2007, or 2008, there were -- these huge surpluses started coming down. Now, under 1994 scenario, and this is using gross revenues, not -- not base revenues, the -- the operating balance was about 9% of total gross. On the opposite bar at 2012, you are at roughly 23% of total gross. Now, 1994 was not exactly the stone age. We had a healthy utility, as I recall, it wasn't reeling in financial problems. Unless you call the nuke a financial problem. And so I have a hard time trying to justify -- to understand why our reserves need to be as high as some people in the utility want them to be. My other point is -- from a perspective is history, and this is personal and subjective. Is -- I'm going to try and say this as respectfully as I can. Regarding the fact that there are many fine people that -- that work at the electric utility, but -- but given my experiences, formative experiences as an activist in the late 1970s and early 1980s, I developed an inherent distrust for bureaucracy. And that would be public or private. The people who are listening to me don't -- should not think that I have gone libertarian. I -- I mean, just look at the british petroleum fiasco in the gulf to see what a private bureaucracy is capable of. But in -- I watched the electric utility in the late '70s and early '80s try and justify why a one billion dollar nuclear plant should be a \$6 billion nuclear plant. They lost a huge amount of credibility. I watched the water utility spill sewage into the creek

[buzzer sounding] for three years. So to sum up, my six minutes are up.

>> Mayor Leffingwell: Time is up. One sentence.

>> I don't understand how you can place so much credibility in what they say without a consumer advocate to analyze it. Thank you for your attention

[applause]

>> [indiscernible]

>> Mayor Leffingwell: Andrew mcfarland. On the way. Following andrew will be gus pena.

>> Thank you, mayor and council. Andrew mcfarland data foundry. Data foundry has been involved with the ae rate review since early 2011, we have offered a little alternatives to the revenue requirement presented by ae in december and january. Speaking today in support of the morrison, to have vote, martinez plan for an increase rate increase that will provide ae with an additional 35 million in revenue and by spread knowledge the rate increase over the existing tariffs with the exception of two rate classes. There's been a lot of talk that this would move us further away from the true cost of service. This will not move us anywhere. The increase that should provide some interim relief for ae will be spread across the current rate structure and will have the opportunity for a true dialogue, which will arrive at an understanding and hopefully a consensus on many other items that are still in question. Data foundry's alternative revenue level provided for a 69% increase in rates which gives enough cash to the utility to maintain a debt service coverage ratio of two times. Part of our recommendation was to implement these and allow for a period of 18 months for mayor and council to work with ae and various customer groups to substantiate the cost required for ae to provide electricity and develop rates that are transparent and fair to all customer classes. The interim nature of the proposed increase will allow for austin energy to change its request to reflect the increase in their beginning balance and to allow the mayor and council to make an informed decision on many of the unresolved issues in a measured schedule. For instance, the fuel adjustment rider is of great concern to data foundry because it lacks any mechanism to true up, under or overrecoveries of fuel, purchase power and ercot transactions. The current factor adopted in january contains 47 million in costs that were funded from operations last year. This refund to austin energy should increase ae's cash position. In the proposed tariff, there's also no oversight or transparency. The proposed tariff allows ae's general manager complete discretion to change the amount to be collected. Aements intends to keep the current tariff in place where the customer under contract while it charges other customers the new tariff. This does not allow either party to ensure the charges are appropriate. The delay of a permanent increase will also allow the mayor and council to consider all of ae's recommendation -- recommended changes and rate design including demand charge to small business and charges with demand under 10 kilowatts and the various ae riders that they are now proposed. Most especially the fuel adjustment that provides too much manager to the general manager without council's review. One sentence, we believe ae should aim for its rates to be within the lowest 30% instead of 50% of rates in the state, which will -- this will make our community more affordable and attractive to employers of all sizes, thank you, council.

>> Mayor Leffingwell: Long, long sentence. Okay. Gus pena and following gus is -- question for you. Andrew?

>> Mr. mcfarland.

>> Councilmember tovo.

>> I have a couple of quick questions. Thanks for the correspondence that you have provided to our offices. I just want to ask you to recap for us, one of your proposals talked about the revenue

requirement and i think raised concerns about the revenue requirement that's in austin energy's rate proposal. I wonder if you could just outline those for us.

>> That question I would be required to ask of one of my colleagues. If I could ask marilyn fox to come up and answer that, our consultant.

>> Tovo: That's certainly fine with me if that's all right with you, mayor.

>> Mayor Leffingwell: Yes.

>> Mayor and council, my name is marilyn fox, I've been working with data foundry to analyze some of the issues in the rate case. Our original proposal simply took a look as quickly as we could at the dollar amounts being proposed, mostly consisting of the o and m and our recommendation just adopted carte blanche the o and m they had requested. We did make an adjustment to the cip transfer. That was worth about \$30 million, \$32 million to be exact. Then we actually included some cash to go toward the reserve. And the reason we did that, our basic concern was to be sure that we kept coverage at two times because we thought that was a very, very important thing for the financial health of the utility. Everybody has heard about the contract customers. Well the contract customers, that revenue that's coming out of this rate increase or this rate proposal would not go into effect for those contract customers until 2015. So really the revenue that they are really seeking to recover in this particular proposal is somewhat less than the 12%, it's 10% by my calculation. Our corresponding increase for that revenue that would be factored into the new tariffs is about -- about 4.7%. And that's how we got there. We think that it's -- it's fair. We also think there are many, many outstanding issues that need to be addressed on a permanent basis. And that's one of the reasons that we are very much in favor of delaying action until the city council can really vet all of the issues that have been raised in this whole proceeding.

>> Tovo: Thank you. I had another question related to the point, mr. Mcfarland raised about the \$47 million recovery. I don't know whether you want to elaborate on that or mr. mcfarland would.

>> The current fuel factor just adjusted beginning in january contains an underrecovery cost of \$47 million that -- that was actually funded out of operations for the prior year. The way the fuel factor works is you take -- estimate your fuel costs, you estimate your sales, you also factor in any over or underrecovery from the prior year. Well, what's going to happen going forward with that fuel factor in place is that \$47 million will be recovered. And so that needs to be counted toward the cash that we're looking at to be sure that the utility has enough cash to operate. I don't think that's been factored in. Also, I think that the ending balance of the fund, since it became larger than what was anticipated, i think that needs to be adjusted as well until we can really get a good handle on what that cash loss will be in the next year.

>> Tovo: Thank you, so to kind of recap the 37 million, what we've go -- 47 million, I know what you have seen -- that you have seen the memo presented to us this afternoon talking about what cash is necessary going forward, if i understand you, the kind of plain english version of

what you are saying is that that doesn't account for the \$47 million that will be recovered through the fuel increase implemented in gen 1.

>> I won't say it wasn't. I'm not sure. It doesn't look like that from the numbers because it looks like the numbers are still using what was really in the approved budget. And that gets you to the 77 million or so that they are requesting now in that proposal that we -- requesting now in that proposal that we saw yesterday.

>> Thank you, that's a good question to ask of ae. I may have more questions. I hope that it's okay to call you back at some point. Thank you.

>> Yes.

>> Thanks, mr. mcfarland.

>> Gus pena, following gus will be carol

[indiscernible] over here. Go ahead. Three minutes.

>> Good evening, mayor, councilmembers. How many times have we been here before you all already? I think carol said it appropriately. Many issues that need to be brought forth to the council. Needs assessment, fair and equitable process, implications, of not having funding in the reserves for operations, for the needs of the community. I know I've been pretty tough on y'all. I've been pretty tough on austin energy. But my goal in life is to help people, not hurt people. And in doing that, we have to ask the experts bring forth in an honest, transparency, manner, what the needs are, what we have to do to reach our goals, to have enough money in the -- in the reserves at austin energy to provide for the citizens, taxpayers of the city of austin. I care about the outside rate customers, but I care about my people here in the city of austin. I'm a native austinite, east austin night, I'm a proud united states marine corps veteran. I served my country honorably eight years in the united states marine corps. weiss, to you I would like to say, you know, i know you all are working hard. Thank you for the hard work that you all do, thank you for the hard work that your staff does, also, mayor, councilmembers, we need to work together to reach a fair and equitable goal. Not play games. Press conferences. All of those other yay-hoo matters. I'm being called on the carpet. I'm a nobody, but people trust me. In coming here, bringing forth their complaints. Frustration. And needs. So all that I have to say is this, I'm not an expert on this. But I want to say the people, demand a fair and equitable process, let's work together on this issue. Why do we need a consumer advocate? Do not we have a residential rate advisor already? Are we doing something that the taxpayers don't want? Or need? How much more is it going to cost us? How many more headaches? All that I'm going to say is this and I'm just going to go home. But I want y'all I'm going to put y'all on notice, everybody, let's work together instead of fighting each other, stabbing ourselves in the back. We're professionals, we're adults. I have students from high school, telling me, mr. Pena, I don't like the way the adults are acting. What can I say to them? Let's work together on this issue. Provide a fair and equitable process for the rates that we need. weiss, I'm calling on you, I will work together with y'all, anybody will work together, let's work together.

>> Thank you.

[One moment please for change in captioners]

>> it has been in opposition to what was proposed the first time and the second time. We are also finding out that there are problems right now with the new billing system that austin energy has been working on installing for the last couple of years. It's not working the way everybody thinks it should be. So there have been a lot of concerns and they spanned every aspect of this rate proposal and I think it's good idea for city council to step in in this case and take a look at some of these issues and make sure that this rate increase is need and that it's fair and we need to take a hard look at the amount of revenue that is actually needed at austin energy and we have to make sure that that is collected in a way that doesn't harm residential and low income customers, and we have to continue to have a rate structure that rewards energy conservation and the small users on the system. Austin energy has been noted for this aspect of its operations for years and years and years, before anybody else in the country was doing energy conservation, austin energy was and has been a recognized leader in the field. So I would like to see you support item number 46, to take a break from making a decision so that we can collect some more information. And earlier this -- and a couple of weeks ago, I sent you a list of items that i think it's necessary for council to make some decisions on in order to move this rate case forward in the right way and I am not going to go through all of them to you but the important ones are the customer assistance program, the energy efficiency program, and the revenue requirement. So hopefully, when we leave here this evening, we will know a little bit more than we do now about how this whole situation is going to play out. I have said consistently that I am skeptical that austin energy needs as much money as it says it does.

[Buzzer alarming] and I am also skeptical about you taking any action until we have any billing system proved. thank you.

>> That concludes my testimony.

[Applause] fajisky, just a quick question for you, I want to know if you can address the question that the -- or the concern that the previous speaker raised about why would it be useful to have a consumer advocate involved in the advising council, though we had a residential rate advisor involved, commenting on the rate proposal? Can you help the audience and our council understand that?

>> There is a difference between having a residential consumer advocate and having a residential rate advisor, and the big difference is the residential consumer advocate has the job of being there to make sure that the consumer gets the best representation in the process that they can. And the way the process is set up now, there has been a residential rate advisor that has answered to austin energy and there are some limitations in what the responsibilities of the consumer -- the residential rate advisor are. There are two different things. We feel as though there should be a consumer advocates that hired by city council or the city manager's office outside of austin energy that is charged with making sure that residential consumers get the best deal that they can in this process. and so I guess in answer to pena's comment, about the expenditure, would you say that it's worth money for residential consumers to have that kind of voice in the process?

>> Absolutely.

>> A consumer advocate?

>> Absolutely. I think it's a bargain. I think if we looked at the savings that could be -- that could be won by residential consumers by having an advocate, I think I would be a bargain in the long run. Especially since the rate is in effect for a long time. Whatever decisions are made will not just affect consumers over the next year. They are going to affect them forever.

>> Tovo: Thank you very much.

>> You are welcome.

>> Mayor, a quick question if I could follow up. one more, carol, council member spelman.

>> Spelman: If I can follow up. The residential rate advisor that we did hire, issued a report on the rate design. Have you had a chance to look at the report?

>> Yeah. I have seen the report.

>> Spelman: Okay. It seemed to me -- well, what seems to me is less important because I am asking you a question so i won't tell you what i thought. What did you think of the report?

>> I thought that the report was -- it didn't do as much as I wanted it to do to make sure that the residential interests were represented.

>> Spelman: By that, do you mean that it did not spell out what was in the best interest of residential customers or it was not effective at getting ae to come up with a right design which was in the better interest of residential customers?

>> Well, I do think more could have been done to outline alternatives that were more favorable to residential consumers. I also think that the residential rate advisor should have had more influence on the process. But to be perfectly frank, all of us have met with austin energy before this rate case and talked to them and we could anywhere. They didn't take any of our proposals seriously and i don't feel as though they have been evaluated.

>> Spelman: The advisor disagreed with several of the important parts -- several of the large parts of the ae's proposal?

>> Yes, one of them is the cost of service model and i am trying to remember the report now, as I go back >> it seems like it was issued a long time ago and, yes, the residential rate advisor did agree on some issues and disagreed on some others.

>> Spelman: I guess my basic was, is there going to be a big difference between the advisor and the advocate, at least in what it is they are advocating for?

>> I hope so because I -- i feel like, especially the low income consumer was left out of the consideration of the residential rate advocate. I think that's a part of the equation that just needs to be looked at when you are making the rates, and so the way we see the residential advocate working is that the residential advocate would also be there to make sure that low income customers are represented.

>> Spelman: Got you. Thank you, carol.

>> You are welcome.

[Applause]

>> mayor leffingwell: Council member martinez.

>> Martinez: I know carol and I have occasions and I know we will have further discussion about the consumer advocate because i want to this on the table because it not only has come up tonight but in previous council policy decisions and while I absolutely believe that we have to have somebody advocating for our residential consumers, as a city, we should value that to the point where we don't have to hire somebody to do that. We should have somebody at at the city all the time advocating for our consumers. So I really want to put that on the table.

[Applause]. Because when we talk about things like climate protection, we stuck it under austin energy. We have great climate protection goals but we put it in the department where it would kind of compete against that own department's financial interests. And so we have to create some autonomy. We have to really create the advocacy in an area where they don't fear re re prizal of recommendations they make to it. Maybe it is health and human services, maybe it is the auditor but the bottom line we should not have to hire someone to advocate for our citizens. That's what we should be doing as a city.

[Applause].

>> Mayor leffingwell next in line is bill okey and and ruby and following that is clay defo. You have six minutes.

>> Thank you, I would like to clarify a couple of things on consumer advocate role, too. First of all, the main thing that happened during the pic meetings that were held last spring is that austin energy did not feel that t needed to respond to all of the questions that were asked. They selectively decided which they would answer and which ones they wouldn't. Even if coming from the electric utility customers themselves and under that if you have a residential rate advisor hired by austin energy, they don't have the independence and they don't have the backing of the city council, and so if the city council hires a consumer advocate for this work plan that you have coming up, and if they have a question, the city council, I would assume, would stand behind the request that that assume advocate has to get their answers. We need that kind of transparency throughout this process and I think that's one of the biggest hindrances to the whole process. That's why we are here tonight, still debating this. Is because austin energy was not forthcoming for data requests from both majority and minority members.

[Applause] of the euc. So that's one of the biggest things that I want you to consider going forward is we finally wrap up this process, is make sure you get your questions answers, because when you made a motion last wednesday to ask austin energy to respond to the \$35 million that would be generated by the proposed 3 and a half percent rate increase, austin energy came back and said, we want what we've always wanted. And so what you need to do, apparently, and I would recommend that you think about this very carefully throughout the work plan process, is you need to sit across the table from austin energy, look them in the eyes and ask them some of these questions and you may not have time to do that on the same day as the work session, but if there are certain particular issues in any of these planned elements that require feedback from austin energy, I strongly recommend that rather than just sending them a memo and then waiting for them to reply back to you, I think you need to be in the room with them and you need to engage them in this conversation because you are being asked by the people of austin to make some very fundamental changes in their rate plan, and in order to do that, you are going to have to ask them to revisit their -- their budget, revisit their spending priorities, and it would take a lot of changes to get us through. If you really think you need an interim rate increase, and I think that was a very prudent suggestion that tovo, morrison and martinez suggestioned, to come up with a interim rate increase to affirm the firmness of the utility until may 14th but they didn't aclikey they wanted to play along with that because their response doesn't tell me, anyway, that they are willing to change anything. So one of the things that i did, as an accountant, is i developed a plan that says, tell us what we are getting for our rate increase, and i submitted it to marilyn fox and andy mcfarland and I got a positive response from both of them that said as business people, they agree that before you pass a final rate increase, and please consider this during your work plan process, is ask austin energy to tell you what their spending priorities are going to be for the next 3-5 years and make sure that you support those goals and priorities. If you want to make some changes based on what you have heard from the community, if you want them to spend less aggressively or change their debt service or modify their debt to capital to cash expenditures nor capital improvements, for example, all of these recommendations you have heard, I think that the best thing you could possibly do for this community is have a financial plan in place where a new business model going forward that would ensure that we don't have the same problem that we had between november of 2009 and today, where we are suddenly short on reserves and have an emergency on our hands. The last thing we want do is go down the scary road again and the best thing to do is put the financial plan on paper, show the public what your priorities are. Goat austin energy to accept those priorities and publicize it to the people before you adopt this final rate increase. I think that's just common accounting logical good sense. And I wanted to say something before I leave big dispute about out of city ratepayers, my response to that and i served on the electricity utility commission back then and we were dragged by the then and people were with not happy back then and what I want you to know and what I want mayor pro tem sheryl cole and mayor lee leffingwell to please understand that austin is not unique here. Please remember that there is not another utility in the united states that charges lower rates for out of city ratepayers. It is just not done anywhere in the industry. If you can find an example where that's ever happened, I would like to see it. You have some room to discuss the procedures and the process of the utility transfer to if general fund, no one is going to disagree that that needs to be looked at. It needs to be scrutinized.

[Buzzer alarming] but please don't be bullied by people who tell you that you absolutely have to do this or they are going to do this or they are going to do that. You are a municipal utility in every municipal utility. your time has expired.

>> Has a transfer to the general fund. Thank you. and just for the record, bill.

[Applause] this is not a question, but just for the record, I have never, and I don't believe that mayor pro tem has ever suggested that a discount of a specified amount or any amount be given to out of city ratepayers.

>> It was in your blog. i suggest you reread it it said we need to weigh our options to address the concerns. It said nothing about that.

>> You were the first one to bring up the idea, sir, and I am afraid that's what got the ball rolling and that's what the americans were talking about. it is not a question. It is not a question. I just said I want to set the record straight and i believe I did.

>> I believe your blog sets the record straight, sir, i am sorry about that. i encourage you to read it to me.

[Applause].

>> [Indiscernible - no mic]

>> clay defo, following clay defo is annetteta cooper on this podium over here.

>> Good evening, council. This resolution will direct the city manager to propprepare ordinance to implement an effective annual system wide revenue increase of \$35 million, bring that ordinance before council for consideration on may 24th, conveniently after election day. Now, what I can say about this is I really do sincerely appreciate the sober attitude in which tovo have gone about modifying -- having a modified plan in place. Of course the first plan was excessively punitive and we need to avoid that but i still have qualms with this plan as well going forward. We have heard endlessly about the general fund transfers and how a lot of that money, \$103 million in this past year alone, is being sent from austin energy's revenue into the general fund, a lot of it for things that are entirely not energy related. We look at what your electric utility commission, members have warned you for years, that you are putting too much money into that fund, into the city's general fund, and ignoring the energy company's expenses. I think that's wrong. I think there are some improvements made with this new proposal. The rates aren't as bad but we are still looking at monthly increase of \$13 for small apartments, \$28 for medium sized homes, \$42 for large homes, per month. I think that's wrong. I think what we can do here with austin energy is try to curtail some of the expenses. I think you guys have been going too fast with some of these green projects. What we saw with the wind energy contracts that were improved on the texas coast. Unless of dollars, guaranteed for 25 years, authorized for contracts up to that amount. This is for projects like what we had with iber jeweler renewables, the fourth largest company in the world, and I don't think it is well thought out. I don't think you should be planning our structure 25 year the future. We are obviously having trouble with one or two years

here. okey, we need a comprehensive financial plan for the company going forward so it does not occur again. And, again, I ago with martinez, we do not need a consumer advocate. This is a public utility and you guys are supposed to be representing us, as our representatives in a fair and balanced way. And I feel like you have not done the job and not watched the spending with austin energy. You have gone too fast, too soon on these green projects and, yes, we need more renewable energy but we should not risk our ratepayers' rates for that. I think it is a bad objective. I think we need to relook at this. I think it is a good idea to take time, set out a schedule. I am glad you are exporing general fund transfers in your second session and i appreciate the soberness with which the council members have proposed this and had some sanity to this.

[Buzzer alarming] thank you so much and please no rate increases. We need to stop the spending. Thanks.

>> Mayor leffingwell: Annetteta cooper over here followed by joshua huitt on the podium.

>> Good evening, members and council, I have two exhibits for the council and I also have attached some written testimony and tonight I am going to ignore the written testimony and talk a little bit about the money needs of austin energy. I have read a memo from the city manager and the mayor and you all and it talks about how if they don't get a rate increase they will have a 38 million-dollar operating fund balance of 2012. First of all, I think they did their math wrong on that page. Because instead of using beginning balance which is the actual balance of 2011, they used budgeted balance of 115 million, but the actual balance as we can tell is 144, so they really actually had about 29 more million dollars to add to this ending balance. So they did their math wrong. They used budgeted beginning balance instead of the actual beginning balance. fox mcfors land have told you, that is the revenue that you will be getting, refund for operating funds. You made so much money in 2011, you covered extraordinary fuel expenses, so the surcharge -- the purposes of surcharge is to refund that operating fund you used to cover those expenses. So that's cash coming in, cash that is not designated to pay for fuel costs because it's not part of the fuel surcharge. It is only a part of the refund. So I was conservative. I think it is probably as high as 47 but I said 35. So that adds another 35, so now we are up to 101 million ending balance. If you do pass a temporary rate increase, then your ending balance is going to be 136 million, but if you look on my exhibit that says documents, page 8, you will see that monday, before the euc, austin energy presented first quarter financial results. What you will see in there is they made 15 more million dollars in the first quarter of your fiscal year than they thought they would in base revenues, and they spent \$10 million less. So that means for the first quarter of fiscal year 2012, you actually realized 24 more dollars than you actually have budgeted and it is reflected in the 38 million. So you could add even the 24 million to the amount. That is just a first quarter return but it certainly reflects they've got money coming in. I want to point out the first quarter returns does not include any new receipts caused by fuel surcharge. You probably won't realize any fuel surcharge revenues until the middle to late february because of the billing cycle, and I would like to respond a little bit about the difference between the resident consumer advocate and the consumer advocate.

[Buzzer alarming] I think it is very important for you to hire a consumer advocate. I guess I have to finish -- stop.

>> Tovo: Mayor.

>> Mayor leffingwell: Council member tovo.

>> Tovo: Could you explain to us difference between a residential rate advisor advocate.

>> I don't think the intent of the advisor was to go in and do critical analysis because it takes training and experience to be a residential consumer advisor and one of the examples i can give is like the fixed delivery charge. I heard a lot of residential consumer advisors testimonies at the p.u.c. And across the country in terms seeing we will hire, read their testimony, they all do not support a fixed delivery charge for a lot of reasons. One is, it is causing small users to subsidize big users. Another, even if you lower the fixed nature of the delivery charge, you end up having the small user pay twice, three times, four times for their share of the deliberation costs. It takes a lot of knowledge and training to actually go in to a cost of service and actually do a study. Let me give you another example. Another example of a consumer advocate would look like that wasn't really looked at by the residential advisor and question what is at the customer cost and questioning what the customer cost should be. One example I gave you a couple of weeks ago was the economic development fund and austin energy proposed to it to be a customer cost and the advisor didn't look at the cost. They basically assumed that what austin energy said was true or the only way to do it but there are lots of way to do it because it was big enough for even a regulatory attorney to see it and it got moved and it had result of reducing customer costs by \$9 million which is a substantial increase and another area to be seriously studied, and I don't have the skills for it is weighted customer accounts. They did do a weighted customer account for the meter, but many residential advisors will do a weighted customer account for the billing and collections and the difference for the consumers is if you don't do a weighted customer account, residential customers pick up 90% of the bill. If the weighted -- and it is the formula -- I using austin energy, it may be considered by someone who has got the kind of knowledge of skills not to be a good way to use the weighted but nonetheless, we would have picked up 70%, so you can see that there are a lot of decisions that are made in the cost of service tree and they have valid public policy considerations and you really need somebody who has got the knowledge and the skill and the background to go in there, identify these issues for you, give you these competing reasons so you truly do have a broad base of decision -- of experience to look at to make a valid decision. And they have very big dollar effects, and consumer advocates do get - their recommendations do get adopted by commission. They aren't there in right field waiting for the one lone bar to hit them. They do get it and a lot of times it will look at what is done -- like excess methodology -- I don't have the experience to go in there and see if they mechanically did it correct. You need somebody with the training and the knowledge to go in there and see if they did it, even assuming that's the method you want to use. Because many times what a resident consumer advocate will do is go into a model and identify that the assumption that was made -- it is economics. It is all assumptions. It should be adjusted and a lot of times the utility or whatever made that recommendation will accept it as a valid thing. It is a debate of ideas. Experts get out there and their opinion gets vetted in the public arena. That's why you want somebody experienced. You don't want somebody that thought of this theory and has not really had it vetted through a dialogue that's in the right process. thank you.

>> Tovo: Thank you for the explanation. I would like to, if I could, talk a little bit about the points that you made and to be sure I understood them. First of all, thank you for reviewing the memo very carefully and so I think if I understood what you were saying, there were a couple of key areas where you felt the numbers in this memo don't match up with the actual balance. Would you find telling us those briefly again?

>> Yes, ma'am.

>> Tovo: The first three -- I think the first quarter, 2012, financial update showed about \$15 million more in base revenues than assumed and \$10 million less so it adds up about 24 million?

>> Yes, yes. That's on page 8 of my exhibit that is identified as exhibits -- page 8, no, it has a cover page, it says document -- document, and it is page 8. It is the page that Austin Energy provided the electric utility commission. And it will show for first quarter they received \$15 million more than they had assumed for the 2012 budget.

>> Tovo: It is the assumptions we think that the memo captures what was assumed and projected to be, instead of the actual?

>> Right.

>> Tovo: So there is a discrepancy, your point is that there is a discrepancy or may be a discrepancy between the memo we have before us which relies on projections and the actual which is in the first quarter report that was presented to the EUC this week?

>> Yes, ma'am, that fiscal year 2012, it is all based -- I think they just pulled volume 2 of the budget and they didn't actually look at the actual ending balance for 2011, is another example, ending balance of 2011 was \$144 million, and ending balance in the budget was \$115 million, so the difference between 115 and 144 is about \$30 million, so that should be added to the ending balance as well.

>> Tovo: Got it and you made Fox McFarland made a earlier today which was what we have before us in terms of the AE memo -- McFarland -- may not be realized that will happen as increase to fuel charges?

>> Yes, ma'am. That is really back to the operating balance.

>> Tovo: Which was dipped into?

>> Yes, ma'am, it was.

>> Because of the fuel costs were so high.

>> Yes, ma'am, it was.

>> Tovo: Thank you.

>> And an additional thing, I think it is the last page in that exhibit a discovery response by austin energy that stabilization fund does haven't do with base rates. It is a fuel rate issue. It is being set up to fund underrecoveries and retain overrecoveries and you will see that in that q and a, so it's really -- you are setting base rates here. You aren't setting fuel rates so the reasonableness of a rate stabilization fund really isn't a relevant issue for your rate -- for this rate case.

>> Tovo: So is the point you are making, that that's not an appropriate -- or a necessary reserve fund to be funding and it shouldn't be part of the revenue requirement?

>> It is not a necessary reserve to be funded by base rates and you are setting base rates. The fuel rates you have basically given the authority to austin energy to adjust them as a pure recovery, but the whole purpose, and you can see in the q and a, that the purpose they want to set up the rate stabilization fund was that they wanted to move that kind of marketing, banking transactions out of the operating fund and into a reserve, a rate stabilization reserve but it is all related to fuel, not base rates.

>> Tovo: And are there any other points -- you presented us information that we haven't all seen. Are there any other points in your couple of pages we haven't touched on her.

>> In the memo, your honor.

>> Tovo: Ma'am. I like your honor.

>> You like that, i apologize for that.

[Laughter]

>> well, one thing I wanted to add is that there is a concern by austin energy and there could be some validity on the use of a historical test year, using 2011, instead of 2009, and basically the argument that austin energy raised in their memo is that, well, we have already taken 2011 into consideration because we made known and noticeable changes and made weatherization to sales which would be the things we would be doing in 2011. Well, they haven't made all of the -- if you are going to use 2009 test year, i don't necessarily have a big disagreement with that, except it is getting to be stale data, they need to make all known and measurable changes and some of them that we picked up that they didn't do is there has been additional residential customers that have been added on to the system and that equals to increase billing units and billing units decrease the rate. You have more billing units to spread a cost over, the rate goes down. That's one. It hasn't been made. A second one is -- and they have talked to y'all about that, and that is that they have had a known savings in their plant maintenance contracts and I know that adjustment has not been made. So there is a lot of other ones look at, not to mention that one of the jobs of a residential advocate is to actually look at all of the known and measurable changes, to first of all make sure that they are known and measurable and they are reasonable or whether they should be tweaked a little bit or whether there should be additional ones or competing ones, so that's another concern that we have.

>> Tovo: Thanks very much. I may have some additional questions for you before we conclude.

>> Yes, ma'am. Thank you. and next is joshua and then after that is leslieize leslie.

>> I am from texas impact and we have had many concerns about austin energy's rate proposal around so we here to support the morrison, tovo, and martinez resolution as a reasonable and student way to begin to move forward on these issues. We do have one concern about austin energy's interpretation of the language of the resolution. I don't know if you have it in front of you but the memo from yesterday, dated february 29th, when they sent this to council, if you will turn to pages 7 and pages 8 of the memo, if you have it in front of you, one of the things they have done when they arraign it by customer class they have the proposed customer classes that part of the new proposal. They haven't run it under the current 24 customer classes that currently exist and have been approved by so our question is how austin energy is interpreting the language of this resolution, are they interpreting the words existing classes to mean existing within their current proposal or existing rates and that is ambiguity and I wouldn't want them to approve the rate classes over the overall rate design.

[Applause] we have some issues with the current classification, houses of worship may not be residential but we are also not commercial, either. We are something else. We also take issue with their cost of service analysis on us in particular. They didn't do a cost of service analysis on the currently existing rate classes. They simply put the customers into the rate classes they wanted to create and then ran a cost of service analysis on the new ones, without looking at the old ones first, to figure out if customers were properly put into customer classes and then, second, when they did the cost of service analysis, they used noncowince dent peak to determine the cost of service and of course we are off peaking so that would deplait cost of service and all of those actions have deflated cost of service in servicing houses of worship, so I can you get clarification from austin energy tonight on how they are interpreting the language of the resolution. Thank you.

[Applause] will mcloud will be following esenman on this podium over here. You have 3 minutes.

>> My name is less, esenman, advocacy and director of advocacy for the texas great panthers and once again i stand before you to speak out on behalf of the citizens of austin and travis county, to urge that you adopt the plan first advanced, like council members tovo, martinez, and martinez, when we may differ with them the amount of the interim increase, we were going to represent no more than 2%, we can live with 3 and a half percent, so long as ample time is given for a careful and transparent analysis of the financial condition and needs of the peoples' austin energy.

[Applause] but we can, under no circumstances, councilman cole's recommendation of what is, after all, a transparent effort to put a decision off until just beyond the may elections, such an action would do nothing to increase the confidence of the people or provide adequate time to effectively confer over the many serious questions surrounding austin energy, many of which have been put to you already today. We need to keep austin affordable for all of its residents, not simply the well to do or well connected.

[Applause] there is a time worn saying that applies here and you all know it. Just do it, and do the right thing.

[Applause]

>> mayor leffingwell: Following wilma will be dee moorehead, dee moorehead over on this podium. You have three minutes.

>> Okay. Thank you, mayor leffingwell. I am also opposed to this rate increase by austin energy, and because there is lack of transparency. Nowhere does it say in the rate proposal how are they going to make their utility, our utility, which is our utility more efficient, like weiss weiss, ,don't take this personal, you are paid too much, \$300,000 a year, you deserve \$60,000 a year or less because you are a public servant. Not only that, how much money is wasted in austin resource recovery with this banning plastic bags marathon that has been going on this year and last year? What is the dollar amount? The money is going down the tubes. We cannot have that. I am -- I will tell you what I am in favor of. I am in favor of opening austin energy up to competition, so that we have not -- not just austin energy as the electric provider. Houston has it, dallas has it. Why can't austin? We have enough money in the reserves as one of the ladies pointed out today, that we can do it. If we've got to shut down a library -- one library in the city of austin in order to get this done and have affordable energy, so be it. We are so tired and sick and tired of being taxed, taxed, taxed. We need to make cuts. There is no reason why you have these people in austin energy that are making several thousands and thousands of dollars off of the backs of the poor. And, also, if you are going to go ahead and pass this, which I probably think you will, include ssdi as part of the cap program, social socialsecurity disability income. It is not that much different from social security income but according to austin energy, they think so, and because as of this year, austin energy no longer considers me poor, when they changed to the new billing system, guess what? I don't get the cap discounts anymore. I am entitled to because i get, you know, the public assistance that I need due to my disability. So with that new billing system, how much money is coming up from overcharging the people in the -- that are on cap? Thank you for your time.

>> Thank you, mayor pro tem, council member tovo.

>> Tovo: I want to make a comment, I don't have a question. I want to make a comment that we did hear last -- at our meeting last time that there were some -- some of the billing issues did affect some of the cap program subscribers so i don't want to pry into your financial information here on the dyas but I do want to suggest that it may be worth your while to call customer care and make sure it is not a glitch.

>> [Indiscernible - no mic]

>> Tovo: Sure and if you think my office would be of help in getting you information, eanes will be glad to do that.

>> Thank you, mr. macleod. Next we have deemoorehead.

>> Thank you for the opportunity to testify. I am bee moorehead and the director of texas impact and I am speaking for texas impact. You already heard from josh huitt. I want to clarify that texas impact agrees with everyone you heard from so far. It sounds like council should not vote on rate increase until all of the issues have been addressed. It seems like you are not on trajectory to address the many, many issues, including the issues about specific rate payer groups, including low income people, revenue are requirements, general fund transfer. Those aren't on a trajectory to be addressed quickly. That being the case, it does seem like the most prudent and practical strategy you can take is some sort of deliberate and transparent approach. I want to stress that at this point, your primary concern probably isn't the rates themselves. Your primary concern is going to be to restore the public's faith in the utility and in this process. At some point, rates are going to go up without question. And at that point, the public is going to have to have confidence that the increase is fair and necessary. Whatever you do going forward from here, don't shortchange the stakeholder process or transparency. At this point those things are the key to moving forward really as efficiently and effectively as possible. Thanks for the opportunity to be here.

[Applause].

>> We couldn't agree with you more and I think I can speak on behalf of all of my colleagues saying we couldn't agree with you more and we have adopted a schedule, all 7 of us in the issue of breaking these issues down by group was first introduced by me, and then it was stripped of the dates because we couldn't figure out how long it would take, but there is a unanimous support of your notion that we want to restore confidence in the utility, and that that is foremost on our minds.

>> Thank you.

>> Okay. Thank you. We have no one else signed up to speak -- oh, you have a refresh? Oh, roy. Where is roy? Roy wayly? Where are you?

>> Sorry about that, I was a little surprised to be called so early in the evening.

[Laughter] howdy, y'all, my name is roy wayly, and I am here representing the austin sierra club. We have been working very close by with cyrus reed and the lone star sierra club and if you want to know what we think, ask cyrus what we thinks and that will tell you. You should have received a letter today and to hit the high points, there were four -- four main items, and one thing we do want to see happen tonight is to keep austin energy going. Great organization, and we want to keep them working so that when we turn on the switch, the lights come on. So we would like to see them get that \$35 million to keep them going while we work this out and to help pay larry's exorbitant salary. So we would like to see that. Also, we very much smile upon the idea of the residential and small consumer advocate. You heard that and we certainly support that. And, also, that we do establish a specific work plan that y'all have discussed, so that we can deal with these major issues and, as you heard earlier, in regards to working with the best data, which 2009 is not, that we have real data that we work with, so let's work towards that and at the final proposal, after all of these work sessions, be based on 2011 and not 2009. I know you have

had a long day. You are going to have a long evening and I will wrap up now. Thank you for your dedication and your service.

[Applause] and thanks to everybody here that showed up.

[Applause]

>> mayor leffingwell: Council member morrison.

>> Morrison: I want to start for a few questions for our staff if that's okay, addressing some of the issues that were raised in the comments that were raised about fund balances. Should I say someone -- I should say that all of the speakers signed up.

>> I did not read the remainder of speakers.

>> Mayor leffingwell: That's okay. The clerk will enter them into the record.

>> Morrison: Thank you for being with us here again.

>> Sure.

>> Morrison: I guess it would be helpful for me if you all could address -- I could have some folks raise issues about -- that we are sort of better off than the numbers that we are seeing, the bottom lines that we are seeing might suggest. In particular that there is going to be an excess of 47 million because of a fuel replacement that the account balance at the end of 2011 was the actual for \$30 million better than the estimate and then also that the first quarter actuals in effect were 25 million -- \$24 million better. Can you -- which really says we are \$100 million better off than what we are seeing. Can you address those items?

>> Yes. Larry weiss, general manager of austin energy and then with me is anne little, vice president of finance of I will start out with high level. The fuel factor and the calculation of all of our fuel costs is completely outside of our electric rates. That's a separate calculation, we could spend time on that, but it -- it has an overrecovery, underrecovery component to it. It shifts every year, so one year you might come in, taking it down and some years you will go in, taking it up. And so that's really disconnected from the revenue components of rates.

>> Morrison: If I could throw in a question on top of it. I am trying to understand that because I understood that we -- that our bottom line got dinged for an extra \$47 million in fuel charges, and so isn't that going to be recovered?

>> It does. It comes out of the operating fund and then it gets put back in. So it -- we do it every year. And some publically owned utilities do it six months and this last year was particularly high because we had extremely warm summer. We bought a lot of power to supply the whole -- to supply the grid that we serve, and we had some significant outages. The fayette plant went down. There has been a lot of critical outages this last summer, and so that's -- that's -- but that

analysis of the fuel component, which has all of our purchase power and does not have our m&o debt but just the purchase power that is in there. ..

>> I am sorry. The budget information that was in the memo dated yesterday was in there just for the -- to express the current state of the utility, and it was exactly as it was in the budget, so it wasn't updated. But if you remember in the memo, it also started with the cash position. Our actual cash and the deterioration that ended -- it ended anybody the tenth at around 25 million or less than \$25 million. That's actual cash, so all of the information that Linetta is talking about is included in that. We did have to pay if 40 million prior to the recovery and now we are recovering that 1/12th at a over each month the next year so all of the projections in the memo started with the real cash balance so all of that was taken into effect.

>> Morrison: Okay. Let me ask one other question and that is the Houston brought up, about the lay-out of a proposed, if we were to do an effective 5%, how that would impact the individuals' customer classes, and he suggested that was using the proposed customer classes as opposed to our current customer classes. Can you explain why you used proposed versus the current?

>> That is the information that was readily available. We started out with cost of service on the existing rates back when we started the cost of service. But it's -- since we are doing our cost of service in developing our model with the help of consultants, it would be very expensive to run two cost of service models, one at current rate and one at the proposed classes, so once we -- in all of our information and all of our reports, it shows you the transition from the current classes to the proposed classes, and so once all of the allocations, everything is applied, all we have left is the proposed classes, but obviously if you wanted us to apply the 35 million, we would go back to the original classes. The numbers would be very similar, though, to what we have because we know the make-up of those classes.

>> Morrison: Okay. And the resolution that we have posted under item number 46, in fact, foresaw using current classes? That's correct.

>> Morrison: And that would be doable?

>> Yes.

>> Morrison: Thank you.

>> Mayor Leffingwell: Council member Tovo.

>> Tovo: I am going to have to get back to the first question that council member Morrison asked you about the fuel. Can you explain again -- well, let me back up. Some of the -- one of the speakers talked about or questioned whether you used the actual financial data or are you using the budget projections? And I think heard in your --

>> for which document or for.

>> Tovo: For the memo -- all of my questions pretty much are going to be about the memo you gave us yesterday.

>> All of the projections in the memo started with our real cash balance.

>> Tovo: So does -- can you answer the question again of whether they contemplate the money that austin energy is going to realize to replenish that \$47 million under recovery?

>> Yes, it is included in the projections. We don't -- once the fuel factor is set, then we collect a little bit of it referry month.

>> Tovo: 112?

>> Yes.

>> Tovo: So that number is factored into your projections of revenue?

>> Yes, ma'am.

>> Tovo: Okay. And so the other question, the response you just talked about with regard to the proposed classes, I want to be sure that there is no misunderstanding about the resolution and that the intent would be, if passed, that that interim rate would apply system wise to the existing classes, not the proposed classes, is that how you interpret that?

>> That's correct.

>> Tovo: But you were saying it would be too costly at this point to run them, or what was --

>> we have not run a cost of service model allocating costs based on the existing rate structure with 24 rate schedules. It was run with the proposed rate -- going down to 9 schedules and so the only way we have to allocate the money back on to rate is with the current cost of service study, but, like anne said, if so requested, we would go back to our existing rate schedule and apply the costs across the ..

>> Cole: We were trying to keep it comparable to what you have seen over --

>> we were trying to keep it comparable to what you have seen the last six months so if you switch to current data you wouldn't be able to compare it so what you have seen in the past.

>> Tovo: But the resolution not apply to what you you suggested in the memo because we are not suggesting that you use the proposed classes?

>> Yes.

>> Tovo: Okay. There was a remark -- a comment in the memo that talked about the cost of rerunning -- rerunning a rate proposal based on 2011 data. I just wanted to ask you about the

agreement with the consultant and it may be two different matters, but it's my understanding that there is a clause in the contract -- in the r.f.p. For the cost of service rate study that talked about the cost of service model becoming the president of ae at no additional cost and that training shall be provided to ae staff on the operation of cost of service model so ae can annually update the model and perform rate design options. Would that negate is 150,000 projected cost or would -- would that get us savings because it sounds like the consultants engaged on this were sharing the model and training the staff so that there could be rate design options calculated through without additional expense.

>> They are training us but I don't think we would be comfortable taking that over in midstream. So that's, the contract is to the end of this rate proposal.

>> Tovo: So their contract does include training staff but we would still pay them to do it -- I mean --

>> we are in training with each one of these. It's a very complex model, and we will continue to work with them until these -- something is determined with the rates.

>> Tovo: Under the terms of the existing contract?

>> Yes.

>> Tovo: So would it be an additional expenditure? Of the city to have them rerun it?

>> Yes, it would be additional cost to rerun it under the existing contract but as anne said, we contemplated at the end of our entire rate work that we would end up with a model because our - our plan, our strategy going forward, around I believe it's consistent with what you have heard before, that we plan on doing a cost of service update more often than once every 17 years, so we hope to have that model in place and to be able to use that as we go forward and do an update every five years.

>> Tovo: Okay. There has been a fair amount of discussion about the 25 million-dollar -- the additional \$25 million that would be realized in 2015, when the commercial customers, who are currently under contract are no longer their existing contracts. Is that -- does that bring them up to the cost of commercial customers under the existing rates or under the proposed rates?

>> I think in our projections, it brings them up to cost of our proposed rates.

>> Yes, definitely.

>> Tovo: Okay. Thank you. mayor pro tem.

>> Thank you, larry. i mean -- you prepared us a memo, and I am going to kind of walk through it because the first paragraph, one of the things that it says and I am using your language, at 35 million short-term rate increase does not sufficiently meet austin energy's immediate financial needs and could result in long-term financial risk for the utility. Now, I don't take those words

lightly and I know that you did not write them lightly, so the first thing I want to do ask is you to put up the first page on this memo on this screen that lists out the summary of projected financial impacts by June 2013 under three different rates scenarios. Can we get that done? And what I am really looking for is the box. On page 1, table es1 -- es1, the very first page. It says mayor and city council members in that statement I just read -- and that statement I just read is on it.

>> Okay, you want to refer to the actual memo?

>> The actual memo.

>> Okay. We need to put that memo up. We have some slides that are similar.

>> We can pull the pages that I tell you because I am not going to ask for many of them but I want the public to know what you have told us, and as we promised with we want to restore confidence -- have conferred in us and also in Austin Energy, but it starts with first, knowing what is on the table. There we go.

>> Right. At the top of page 1, -- at the bottom of page 1, there is a chart that shows \$35 million is what the discussion tonight is about and that ends up with a initiative cash balance, 78 million on June 2013. And then, with a 71 million-dollar increase, we would end up with a balance of 23 million so we --

>> Cole: Before you go to 71, let me ask you to also talk about the 35 million and the impact on reserve funds based on your professional opinion.

>> There is 138 million in the other reserves, which are -- which are routinely never used, unless we get council permission. What's contemplated here is that the operating funds and the contingency funds will be depleted and we may have to go into the strategic reserve funds for operating cash.

>> Cole: Now let's precede with the 71 million-dollar scenario.

>> What that does minimum reserve fund levels are almost met. We stay at a level where we are -- where we are operating and not falling further behind in initiative territory. -- In negative territory.

>> Cole: And the final rate increase level?

>> The final begins to replenish all of the reserve funds over time, over time it includes past the contract of industrial customers and that's in the very last page -- pages of this document, you can see some charts which show how that starts to work from a graphics point of view.

>> Cole: Very simply, Larry, from a big picture perspective, this graph caught my attention, although we will have lots and lots of discussion about the reserves and the debt level and the rate design and lots of things that we have been talking about tonight, but I want to be clear, in your professional opinion, the 35 million-dollar increase will result in a 78 million-dollar

operating fund deficit and completely deplete our operating and contingency funds. Is that correct?

>> Yes. By June of '13.

>> Cole: Okay. Let me ask you to go to page 4 of your memo and actually put that slide up, because you have given us a lot of slides and a lot of projections but I am picking out the ones that I think are very, very clear to myself and will be clear to the public. What does this slide show us?

>> It shows us in September of 2009, the operating fund and the way I explain it to folks to try to make it simple, this is our checkbook. This is our operating cash, so in September 2009 we had a balance of around \$225 million and then, as you go over time, today, we 2 million in the checking account, if you will, in the operating fund. And that operating fund is used to pay for, if we have a bad power outage or anything like that, we would cover it with those funds.

>> Cole: I am glad you said that, because nobody that I can remember has said anything about reliability, outages and if we don't give you enough money, that they won't be able to turn their lights on.

>> That's right.

>> Cole: I need you to be very, very clear to the citizens of Austin about the implications of that and how it plays into the equation.

>> It plays into the equation very importantly. First of all, if we had to put significant amount of cash into the generation unit because we had a problem, we would use it from this fund. If we lose generation, we have to buy more power, that gets affected by the fuel factor so that's what I was talking about earlier, there are two different -- they are not rates but the fuel adjustment is outside of those kinds of problems but in an emergency where we had emergency repairs and had a huge storm --

>> Cole: Have you had to do this?

>> This last year, we did.

>> Anne.

>> Cole: Anne?

>> Yes, I believe it was August of last year, one of our plants had an unplanned outage and the replacement power for that plant was and it had to come out of this fund and we had to pay for it immediately. We didn't increase the fuel factor until January of 2012 and now we will be reimbursed for the 30 million for the next 12 months so you can see we have to have cash in place to cover those types of emergencies or events. Otherwise, we can't continue to operate, and we can't recover those very quickly.

>> Cole: I am glad you brought that up as an example because I don't think we have talked about that and we are going to really, really dig down into the reserves question, but from you just said, i understand that the market has huge swings based on what happens, so it's not like a, say, a convenience store, or my checking account, which every month is fairly, about the same, take in about the same, spend about the same, but you have huge wikipedia swings that you can't -- but you have huge swings you can't predict base on the weather with and you are out \$30 million just like that. Am I describing that right?

>> That's correct. The fuel component for a year is over \$400 million, and sofully swing in that is a lot of money for us and so when our cash is at this level, it is very difficult for us to feel comfortable that we can cover any types of events like that.

>> Cole: Now, we might get to a point where we are suggesting you are being too cautious or too conservative, but one thing we know is we never have told the citizens of austin, you can't turn your lights on because we don't have enough money to cut them on?

>> That's correct.

>> Cole: All right. Well, I don't think we are about to start. There is another -- one last slide that I want to put up. It is on page 11. Can you walk us through these figures? They are the same scenarios. Will you walk us through them, larry? It is -- page 11, there is figure a1, a2, a3.

>> Right. Hold on a second. We are going to bring up the slide back here so that we can address these. There we go. So this is the figure a1 and there is a 2 and 3, this is the same that was on the front of the memo, but it's graphic, and what it shows is the projected ending cash balance based on a 35 million-dollar revenue -- increase and in march of ask 12 shows the ball -- and in march '12 shows the balance and where we are and the projection and where we are with a 71 million-dollar increase which is our last proposal which we brought to council which basically was a two-step increase. This figure a-2 is that proposal, and then figure a-3 was our original full revenue requirements proposal that was originally submitted on december 14. they are made with the very best information we have on hand and it shows where those balances end up, and the only one that gets us back into a place of having projected ending cash balances that are towards the restoring where we are, of course, is the full 102 million-dollar rate increase, the figure a-2 is the one that keeps us stable, not getting any worse in our operating fund balance, and protects us as we go forward.

>> Cole: Okay. Well, I appreciate this. I think this gives a good visual of what we have been talking about before and i have one last question for you, larry. You know that I have been concerned about making sure that we reach out to our out of city ratepayers and i know in, I believe, the second proposal is that in the 71 million-dollar rate increase, that there was a suggestion that we reduced the transfer to them. Can you tell me what that was?

>> Well, the second proposal had us freezing the transfer or capping the transfer at \$105 million, which is consistent with what the current budget is.

>> Cole: Did it give the out of city ratepayers 6% discount.

>> Residential out of city which would not pay the full transfer, they would pay -- 1% of it would come off their bill. That was our -- and to comment to an earlier comment tonight, yes, it is done by other public utilities around the country. I have worked for two of them that have.

>> Cole: Okay. So Larry are, I want to be clear that I did not talk to you about that and I don't believe that you talked to any other council members about that?

>> No, I did not. I did not. The city manager and I worked on we had a lot of different moving parts and issues and it was -- it was in conjunction with capping the transfer and trying to address what we consider to be, you know, some -- we have a big service area. 50 Percent of it is outside the city limits of Austin and there is a lot of growth and there is a lot of important issues out there. We are trying to come up with a solution, not -- doesn't mean it's absolute by our standards but it is just an idea so we threw an idea forward.

>> Cole: Okay, thank you, Larry. Thank you, Mayor.

[One moment, please, for change in captioners]

>> increased rates somehow, maybe with a surcharge, maybe something else we can agree on on a short-term basis only, which would increase the revenues to the utilities and help you get to the point where you're not losing money as quickly as possible or not losing money at all but still something we're comfortable with over the long haul. And after we pass the stopgap, working for a couple months or some other short defined period of time with something we can all be more comfortable with over a longer period, so something -- a permanent proposal. The third thing we can do is not do the stopgap, which is going to hurt your revenues for the short-term and spend our time over the next two or three months learning enough about how this works to come up with a proposal we're all comfortable with, or at least we will all grudgingly acquiesce to, which will solve your problems and give you revenues to be forward, or revenues we all agree would be sufficient for you to go forward. So of those three proposals, do it now, do a stopgap and follow up with a permanent proposal, or don't do a stopgap, just learn enough to do a permanent proposal soon. The best one from our point of view seems to me to be if you could brow beat us into proposal one. Do something now which will solve the problem. And unfortunately that's the one of the three which I think is off the table. We can't do that, partly because I don't think the seven of us would agree and partly because the reason the seven of us would not agree is because the people in this room would not agree because there's so much uncertainty among the public and among the council members as to what the problem really looks like, what all those dimensions -- what we ought to be doing about all those dimensions. I think we need to learn more about the problem. More important I think is what Moore head mentioned a few minutes ago, that we need to be learning about that problem in the presence of the public and helping the -- presence of the public and helping the public to learn more about that problem.

[Applause]

[applause] I haven't gotten applause in this room for the longest time.

[Applause]

[applause] I'm going to blame it all on being [inaudible]. We all need to learn more about this problem together so that when we do come to a conclusion we can say, even if we don't agree completely with it, we can say, yeah, that was a not incense i believe conclusion. That was a reasonable conclusion, and nobody is trying to take us for a ride. It was done in public where everybody can see it. And I think we need to do that, which means I don't think we can pass anything right now. We might be able to pass a stopgap or we might be able for two or three months, learn more about the problem and pass something permanent. My apologies for the long preamble but otherwise i wouldn't have gotten applause for months afterwards so I need to do that. The question I've got before you is between two and three, stopgap, no stopgap, which in your opinion would be better for the long-term financial interests of the utility.

>> Why?

>> With certainty of schedule so that we knew that we could do the job and we'd get the questions and answers and we're really looking forward to that, because I think that austin energy has been a missing component sometimes of all the dialogue, but having said that I believe that we can do the rate increase right with the right input and the right dialogue and we can have that achieved in some reasonable time this year and that puts us on a better financial footing and path going forward than doing a stopgap and then doing it perhaps all over again. And so that's -- that's the perspective I come from, and that's -- that would be my recommendation based on what I know today. a stopgap, 3 1/2%, some other number, would put more money in your pockets earlier on, but you still would prefer not to do that, not to take more money out of the consumer's pocket and put it in the ae's bank being. You'd prefer not to do that?

>> Only under the context of which you said option 3 would have some -- we would achieve that.

>> Spelman: right.

>> At that point. I think it's everybody's intention here to come to closure on this and come up with a permanent solution. We've been kicking around the idea of doing this within a couple of months, and the unfortunate date of may 24 came up because that seemed to be the most -- the soonest we could actually get all of the hearings and the discussions we needed to get done would be in the end of april and the next city council meeting after the end of april turned out to be may 25 -- 24th. Regardless of the date, is that period around the middle of may sufficiently quick from your point of view to be able to adjust the rates as you see they need to be adjusted?

>> Yes. Quite honestly, even a little -- a small amount later is fine. We have always stated that we have to have 90 days to load whatever decision is made, final decision is made, to load into our billing system and to run all the necessary tests and tools to make sure that we do that. We also have to educate our customer service employees as to what the new rates would be and everything so they're prepared. So there's a lot of work we have to do before we launch.

>> Spelman: okay.

>> And so that -- roughly around those times is fine. We will adjust. if we came to a conclusion sometime in the middle of may, it would be june, july, middle of august before we'd actually begin sending out bills with the new --

>> we would be at the he said of the summer before we'd -- end of the summer before bills out. but from your point of view all that revenue with higher rates during the summer is going to be trumped by the right rates --

>> the long-term financial viability is more important than a short-term of a couple of months in one summer, I guess is our point, because our projections are all made over multiple years going out, as we have shown you here. In fact, some of our projections go out further, but that's what we're trying to show, is that we have to have that certainty, we have to have that planning and we need that built in so that we can go forward and plan. Then we know also how we can manage our cash as well going forward through the next period of time. and that seems to me, sir, to be a very wise decision because any decision we're making now is a long-term investment in the future of the utility, and I hope this utility is here for 50 or a hundred years from now. The difference of two or three or four months is going to be very trivial compared with the trust that we can gain from the public, which will allow us to continue operating this utility. Thank you for that decision. could I just make one more quick comment? Council member spelman asked you why you preferred scenario 3, his scenario 3 over scenario 2, given that those are the only two choices he gave you. How -- if we adopted scenario 2, would that not guarantee that we would have two different rate cases in short order? We would have a rate case for the so-called stopgap, and then when we came back with the final solution, that would be another rate case?

>> Well, it's very hard for me to predict that, but -- well, I mean, subject to --

>> right. I think it's possible -- it is potential, and I think also we've had -- we've spent a lot of time here on this. I know from a staff perspective we've spent a lot of time, of your time and our time, and I suspect we would go through a twice as well, perhaps. So -- so is that -- in your mind, is that another reason to prefer scenario 3 over 2?

>> Well, yes. I mean, scenario 3, with certainty of schedule and going through the process and know that we could get down there, that is preferable.

>> Mayor leffingwell: mr. Ma ma rtinez? thank you, mayor. Larry, can you -- I'm glad the points were made about these slides because that's exactly what I want to talk about. If you can go back to graph a1. Veronica, you weren't -- there you are.

>> A1.

>> Martinez: that's it. So I want to just point something out, because when you look at page 1 of this, the box that was referenced, the \$35 million proposal that's on the agenda today says that it will create a \$78 million short shortfall and you made this determination with the best information, but you also made it with the worst assumption, because your assumptions in graph a1 contemplates that no further action would be taken, and that's clearly not what's in this agenda item. What's in this agenda item is that very aggressive work schedule to have further action as

soon as possible, as early as july and as late as september. So bas assumptions, all of the deficits that are in your assumptions really wouldn't exist. So --

>> that's correct. I understand your point. I understand your point. so the proposal that we're making really doesn't create a \$78 million shortfall. Yes, it does make you have to stick your head in the meat grinder a couple of times because we've got to go through this, but that's what we do here, and we have to go through it ten times and that's what we're going to do to get it right. And I think that's exactly what we're doing with this proposal is looking at the absolute long-term viability of austin energy, because we need that time to create that viability by holding these work sessions and really determining how we create the cash reserves that you need for those difficult times that you've mentioned. But at the same time balancing what is a service to our citizens, their utility, in a very affordable and equitable manner. And so I just wanted to point that out, because i absolutely agree there are some things that you -- that ae needs cash for, and we have -- we have to have a reserve balance. What we're trying to determine is, how much of reserve balance do we need, and when we do projects moving forward, how much cash do we use or do we use short-term and long-term debt depending on the project? And so those are the -- those are things that i think we still need to have healthy conversation about, but I wanted to clearly point out that the proposal that we've made, that council member morrison and tovo and I have made, absolutely does not create a \$78 million --

[applause] , in fact, it doesn't create a \$1 -- it doesn't create a \$1 deficit based on your own assumptions through september of 2012, because our resolution clearly says our intent is to take further action either early -- midsummer or early fall. And so I just wanted to make that very clear. I just have one further comment on -- I want to make sure I'm understanding the resolution in item 46 correctly, because what I'm reading, and I think there's a misunderstanding of this based on the comments I've heard tonight, but what the resolution -- the way I read it, says, is that no stopgap rate or anything else would be set or determined until may 24. Is that correct?

>> Yes, I'm reading it right now. Bring that ordinance -- prepare an ordinance that would implement an effective annual system-wide revenue increase of 35 million, and to bring that ordinance to council for consideration at its may 24 meeting. So we don't know what the rate is going to be, but we just know that whatever it is, it's going to generate \$35 million, and it won't be set until may 24 anyway, and I thought under scenario 3, that council member spelman -- as council member spelman outlined, we may have a permanent solution on may 24 anyway, or shortly thereafter. Is that correct, council member? I'm sorry, who are you asking the question of? I was asking you.

>> Spelman: I'm sorry. You'll have to repeat the question. Under your scenario 3 you would be bringing forth a permanent --

>> spelman: that's correct. -- adjustment may 24 or shortly thereafter, within a month or so.

>> Spelman: exactly. And if our current schedule from this resolution is to adopt a stopgap on may 24, it would be unnecessary to do so.

>> Mayor leffingwell: right. That's what I was trying to.out.

>> Mayor? council member morrison. this has been an interesting conversation and I appreciate being able to hear from you all about the options of stopgap or no stopgap, because, you know, one of the things that i have heard loud and clear was that we needed some funding right away, so working with your staff, trying to find a way to make that happen with the schedule that we have proposed in this resolution, but getting those options on the table and hearing your interest and just not even bothering with the stopgap if we can have a firm schedule and intention of moving forward in a very timely manner. So, in fact, the resolution that we have in front of us basically calls for a very aggressive schedule to move through the work plan that we all adopted last week, i guess it was. That's one thing that it does. It calls for an independent consumer advocate, and it calls for the city manager to bring forward a final revised rate plan to us as soon as possible after we finish that aggressive schedule. 5 -- or the \$35 million stopgap increase. So what I would like to do is propose a motion -- now that we've got this information in front of us - - us, that we adopt this resolution with the amendment that we take out the first paragraph under be it resolved that addresses the stopgap increase, so that we would be left with the aggressive schedule for the work plan we've already adopted. We would be left with the engagement of an independent consumer advocate to help us work our way through these issues, and with the direction to city manager -- to the city manager that as soon as we're through working through these policy issues, please work as quickly as possible to bring us a final rate plan. And so I think that would take us to scenario 3. So that -- that would be my motion.

>> I have like -- I'm sorry. Go ahead. motion by council member morrison to adopt a modified resolution which excludes the first "be it resolved" paragraph. Is there a second to that? Second by council member riley.

>> Cole: I'll second it. it's already seconded.

>> I think katie tovo -- no worries, because I have a question about it anyway. so motion is on the table with a second. And is it not also the case that in addition to what the requests that are in this resolution, you already have a resolution directing the city auditor to perform an audit of the revenue requirement and bring that forward sometime around this same timeframe, late april, early may?

>> Right. I might also point out that a timing issue is the 2011 test year that's in the resolution as well, because there's a -- reflecting the 2011 revenue data, but we can make adjustments to the test year ourselves. I just want to make sure i understand it right that we're not going to do another cost of service run because that takes about 10 to 12 weeks to do that. but you can do a tweak --

>> yes. -- of the 2009 data to adjust

[inaudible] 2011.

>> Yes, we can do that before you. We can make sure that you understand how that works as a part of one of our work sessions, so as long as we understand it that way, that we're not going to do a cost of service run for 2011, because that's a very time consuming effort. yeah, I think that's on the record. I think I saw council member morrison nodding affirmative. I'm okay with that,

and, you know, a lot of this has been expressed is about being able to rebuild the confidence and have a lot of transparency so we'll make sure that there's a lot of time for getting that discussed and so we can all understand that. I do also have a wordsmithing of attachment b that I wanted to pass out. Attachment b is the attachment that talks about the consumer advocate, and we just wanted to get clear that if a consumer advocate for low income and small rest denges business customers, we had some language in there saying they would be known as nonprofits and houses of worship but this is just to correct that. And I'll have a copy for the clerk. mayor, and I have some hopefully friendly amendments. mayor pro tem.

>> Cole: thank you. Okay. First I want to make sure that we -- and I believe with your discussions with weis you agreed you would take out in the whereas clause based on 2011 revenues data, and that is in the one, two, three, four, five, six -- seventh whereas clause. I think the understanding is that they're going to be tweaking the data with 2011 information that they have. yeah, we're understanding from the current language that they can just tweak the 2009.

>> Cole: okay. So that will be tweaked and we won't direct them directly it to redo the rates under the 2011.

>> Mayor leffingwell: right. also, I think we need to add a couple of whereas clauses, whereas the council has resolved to consider several issues set forth in this resolution, and that's okay, I think we've got that. Whereas the city auditor -- did you accept -- did you put in language that the city auditor is evaluating the revenue requirement needed by austin energy and it will not complete this work until late april? I wanted to add that as a whereas clause. I didn't see that in here.

>> Morrison: okay. That's fine. well, just so you -- the city auditor did not give a date certain. He said approximately that time frame. okay, approximately the end of april. you have that language to hand to the clerk is this. yeah, I do have this language to hand to the clerk. And I also wanted to add that a final decision on the various electric rate scenarios will be made on may 24, to bring certainty to the utility and to the public that we are going to delve into these issues, but we are going to make a decision on may 24 as we've kind of been talking about, and the needed rate adjustment to achieve those revenue requirements, u of course, we make a decision at a sooner date. But we have a date certain, a stop date. if I could clarify, when we're talking about our work plan those are all policy items that we will be completing according to this work schedule that's in here, in the resolution, by april 27 or there are extra sessions available the following two weeks. At that time the policies can be taken by austin energy and they can go off and create their -- a rate recommendation, but I don't believe they can necessarily get back with that rate recommendation by may 24. my goal is for us to have a drop-dead date that we're telling the utility and the public that we are going to make a decision about the rates and rate designs, at a minimum. The final decision of council. and it can then be implemented and put it in the bill? yes, it's done by may 24. I think we need to ask staff how much time they need. This schedule really can't get more aggressive in terms of the policy determinations by the end of -- by april -- by april 27. so I'm saying may 24, you understand. I'm going to ask staff, given that we're done with our work on april 27 or we have extra sessions the next week, what time -- when can you bring it back?

>> In a perfect dialogue where we're in work sessions and it's austin energy and we're working with you and we cross the items off the list and we reach, I guess, the council and mayor reach some point where you're okay with that issue and we move on, as we move through that, I believe we can start to build the ultimate decision provided that there isn't something towards the end that unravels what we did in the beginning. So I think we have to be real cognizant of that. I hope I'm making that clear to you. So I think that we can do that as long as we are building each one of the components, you know, as you work through a work session and you talk about whatever the issue is, we get that solved, and as we start solving those and going forward, then I think we can do that. mayor, if i weis, the way we have laid out the work plan, we have -- after every three sessions we have an element of the following session that says, potential preliminary council action on items from the previous three sessions. So that is envisioned, but on the other hand, you know, it can't be necessarily a final decision, but clearly something might get adjusted, but clearly that's intention.

>> Well, and keep in mind that we have prepared a stack of data and work on this for a year and a half, and we have that -- that's here. It's available. And so we're not really reworking anything. I think also the significant amount of these financial metrics and policies are council policies as well too. So on the reserve requirements and various components like that. So I think my view of it is we go through those pretty fast and we make sure we understand where we are and what we did and the various components of building the rates up to where we are, and I'm optimistic that we can go through this in pretty short order as long as it's austin energy and that dialogue is here going on that proposal. mayor pro tem, I might suggest we put something in that says, be it resolved it's the intention of the council to make a final decision. on may --

>> morrison: on may 24. we can say -- i think it has to be our absolutely positively intention to do that.

[Laughter]

>> morrison: absolutely. that's what I think. But it has to be -- obviously there are a lot of variables and it has to be flexible because there's a lot of unknowns out there. Council member spelman? we could add after the first new paragraph of the resolution, first new therefore, be it resolved, that the city council adopt a schedule in attachment a and add the following language, comma, leading up to projected council action on a final rate design on may 24. i think that's sufficiently flexible. It will allow for adjustment. it's projected but we can't make 24 -- projec projec ted, yeah. we keep very aggressive to schedule. Predic predic tions are very difficult about the future, especially. I've always found that to be true. Yes.

[Laughter] leading up to projected council action on a final rate design on the 24th of may.

>> Cole: all right. I'll put that -- mayor? i believe council member morrison is the maker of this motion. Do you sheap? I guess I'd like to hear some -- do you accept that? yes, I accept it for -- how did the second? I can withdraw my second if I need to.

>> Tovo: mayor? Snow.

>>> Council member tovo. I have a couple questions I want to raise. So we had -- there is a clause in the resolution instructing austin energy to redo the rates using 2011 revenue and expense data, and I think I heard a discussion -- my understanding based on this discussion is that they're going to tweak the numbers. Is that your understanding, maker of the motion? weis respond that a cost of service rerun would be costly, and I want to be very clear that this resolution is not excluding that as an option, because one of the items on our list is to look at the allocation method, and if it's the will of the council to switch the allocation method to a different one, we're not excluding that -- we're not excluding that option here. weis, is that your understanding of what --

>> well, the cost of service methodology is -- I'd interpret it cost of service methodology inside that paragraph, but I'm not the writer of it, but I -- point I was trying to make is that a rerun of our cost of service model with 2011 data is a ten to twelve week process for us to do, so i wanted to make sure we weren't contemplating that as part of this because there's no way we could make it work with may 24. and I want to be sure we haven't lost the opportunity to talk about and make a different decision about allocation method. that would certainly be my understanding, that we can still do that. You all have already run different allocations --

>> we've run the model. so we can look at the results of those tweaks.

>> Tovo: good. But I do want to get back to the mission of the interim short-term rate increase and just be sure I understand what you're saying, mr. weis. One way or another we're, i think, proceeding -- discussing how we could best provide you with certainty that we're making a decision in a timely fashion, and as has been discussed multiple times here tonight, we've got a pretty aggressive work plan and a date of final action. So I'm still not sure why i understand, or why -- why number two, why the option of no short -- which was 2 and which was 3? 3. Why 3 no stopgap, is a better option than no. 2. For example, if we moved up the date of action on a short-term rate to, say, next week, in 30 days you could start collecting that, and, you know, so much of our discussions to this point have talked about the need to get it in place before the summer months, and that was, I thought, your interest. I mean, it's not going to disappoint -- I would guess it's not going to disappoint any of the ratepayers out there who are going to have four more months of no rate increase, but just help me understand why, if both of those scenarios give you certainty that there is going to be final action on a rate proposal within the same amount of time, why would a short gap measure of increasing rates now -- why would that be unappealing?

>> Well, my answer was based on the end of may being the time either one would be in effect, not next week. If that was a different -- if that was an option, then I would probably be answering it a little differently, but that wasn't one of my options. So I guess the way -- the way we look at it is, the implementation of our recommendation, whatever shape that ultimately ends up in, is a better path to take after we do all of the work sessions and get to the point where we're around the first of june and get that in place, rather than going through the exercise of, well, again, it wasn't one of the options. In other words, it wasn't a next-week revenue scenario that we were looking at because we still need 90 days, no matter what happens, to put into our system and get it running.

>> Tovo: okay. And then if council member spelman would just recap for me what that language change was. What is the language that's been suggested and -- what is the language that's been suggested regarding a final decision. I'm sorry to -- every time it's slightly differently but now I've written it down. The first line would read the city council adopts schedule in attachment a, leading to projected council action on a final rate design on may 24, 2012. leading to -- projected council action on a final rate design on may 24. I am really uncertain how we could - even if we make it through all of those policy decisions on time and we make a final decision were the rate proposal, how -- that's why it's projected.

>> Tovo: okay, fine. And then I need to make a motion -- I need to make a friendly amendment, which is to adopt -- not the schedule that's in your backup but the schedule that i distributed here on the dais. The one change is the schedule in your backup failed to [inaudible] mayor pro tem's proposal that we move up the out of city ratepayers to earlier in the schedule. It was proposed at session 9. This draft schedule would 1 on march 24 at a location to be determined.

>> Cole: mayor? mayor pro tem cole coal actually, we need to have that on april 14 because the scheduling and all the outside ratepayers and that type of thing. So if you will take that day, that will be great, just for facilities and scheduling and we just weren't able to get all the reps and everything on the 14th. so ignore the drafty distributed and just amend the one that's in the backup and make -- create a 1 on april 14 with a location to be determined --

>> colthe location will be at lakeway city hall. on a saturday.

>> Cole: it's on a saturday. and then cut session 9 that's in the schedule that's in the backup. And remember, accordingly, so that session 10 becomes session 9, session 11 becomes session 10.

>> Cole: thank you. is there a friendly amendment? it's a friendly amendment, but just to note that that will reflect -- some changes will have to be reflected in what we previously adopted in our work plan too. So that session 9 is now session 6.1. and i think council will reserve the right to modify this as we get into it. We can see what kind of progress we're making and extend it if we need to, combine sessions if we need to, et cetera. Council member martinez. yeah, I'm glad you brought that point up because we've been having this conversation for two years and I think we're making a pretty bold assumption we're going to have some in finality by may 24. That's why I signed on to the interim proposal, so that we could generate a baseline revenue, have this conversation and take the time that's necessary, and I'm not going to belabor everything I've said, but i thought, for me, that's -- that's really the policy premise that I put behind making this decision. I'm not trying to hurt austin energy. I'm not trying to stop what needs to be done at austin energy. I supported this because i thought it's -- it's a fair position to generate a little bit of revenue but to continue this conversation so that we can make a full, comprehensive decision, and I think that's still going to happen. I don't doubt that for a second, but if you told an austin energy customer today, would you forgo your rates from being increased between now and august but we're going to raise your rates 50% in august, or would you take a 3 1/2% rate today and move forward? What would they take? They'd take the 3 1/2% today. And that could be potentially what we're looking at if we continue down this line of the assumptions that are built into the proposal. So I still believe that there is a sound proposal up on the table and so I'm going to move a substitute to go back to the original language in the motion as it's posted on the

agenda. motion by council member martinez, substitute motion to go back to the original language. Is there a second for that? I'm going to second it for the purpose of discussion. council member tovo seconds for the purpose of discussion. Council member riley? to be clear, the language in the item that was originally posted on the agenda that is now in the substitute motion does not contemplate a rate increase going into effect now or next week. It contemplates that we will reconsider this on may 24 and then -- and then 90 days after that, that the new rates would go into effect. I recognize that we may not -- under the previous motion amended by council member morrison and seconded by me, we do have an aggressive schedule, and it may well be that we are not quite ready to may 24, and so there's multiple possibilities. One is if we're almost there and then we take another -- another week or two and we get there. If for some reason the wheels fall off and we're just not anywhere near being ready to approve a final rate increase, at that time we would still have the option, on may 24, to approve some rate increase along the lines that -- that is proposed in the substitute motion. We would still be able to impose a 3 1/2% rate increase at that time if we chose to. I don't see a reason to lock ourselves into that course of action at this time. We have very serious challenges facing the utility. My preference would be to buckle down, plow through these working together with the community and with the help of a consumer advocate and work hard over the next month to plow through these issues and do the best we can to come up with a final rate structure that is ready for approval on may 24. And if we get there, then we will -- the new rates will go into effect on exactly the same time -- same timetable that is proposed in the substitute motion. I think that's what we ought to be aiming for. So I'm not going to support the substitute motion. and i would say another factor to me is I don't want to lock us into a course of action, a series of actions, that we know would create the potential for two different rate cases within a year, at least crazy the potential for it. And I think council member riley has outlined the reason -- the options that we would have at the end of may. There are many options, including that outlined in the substitute motion, without being locked into it. Council member morrison? I'm trying to understand the practical difference between the substitute and the main motion, because the substitute motion going back to the original resolution in no way enacts a rate increase. All it does is asks the city manager to get ready -- to get an ordinance ready so that we can -- so that we can act on an ordinance on may 24 for an interim, which we may or may want to do and we still have that option, i guess is what council member riley's point was making. I guess I'd like to understand if there's -- from the maker of the substitute, if that's the main issue between the substitute and the main that you're seeing or are there other issues too? council member martinez. thanks, mayor, sorry. I was also going to contemplate moving the direction to the city manager to bring the interim rate proposal back by the end of march, at the last march meeting, so that there would be definitive action, there would be short-term stability in place and we could still have this conversation of a final rate proposal. And, mayor, you know, you bring this up frequently, and so I'm just going to also bring up my point. You keep saying that there's a potential risk for two puc appeals, but there's also the exact same potential for not having two, and we've discussed that ad nauseam. So I appreciate those concerns, but we've had lengthy council discussions about how we could avoid two potential puc appeals, and i just -- that needs to be said, and no -- how we might avoid. There's no certainty there. that's right, and there's no certainty that it will happen either. council member morrison? on the substitute motion. So is the substitute motion -- I may have missed it -- to change the date to ask city manager to bring it back on march 29? yeah, I was hoping I'd get a second. you did get a second. I know, that's what I was waiting for. So yes, I would -- if the second would stand with me, I would keep the motion the same as in the -- in

what's posted other than moving the direction up to the last city council meeting in march. so council member martinez is changing his motion for the city manager to come back with a stopgap at the end of march. Does the second accept that? The second accepts that. a further question for the maker. There was some discussion about the use of 2011 revenue data, and there was some clarification on the discussion of the original motion -- of the main motion. Does your intention -- is your intention to accept that same clarification? if we are going to move it up, we obviously couldn't use 2011 data because they wouldn't have it by april 1, and since it's already been discussed that we take 2009 data and tweak it, that's what it would be. well, in that case just -- I am willing to support this motion because I don't see any practical difference except for asking the -- the city manager to prepare an ordinance that we can reject on march 29, but it allows us to have that conversation a little bit further, which for me is a little bit important, has some importance, because today was the very first day that I heard the discussion that it would be better to have no rate increase at all. So it allows us to keep that on the table. So I will support this motion. actually march 22, just to be clear. so i have a question. Would you -- your motion would -- substitute motion would also include the attachment a, which is the work schedule? yes, and i would accept the amendments that were suggested. and some of the sessions are scheduled after march 29. Council member spelman. I agree with mr. weis. I think we should take the time and get it right, do it once. So I'm going to vote no. mayor pro tem. mayor, I think that we have went through a very careful process of setting out all the things that we want to delve into, and in particular directing the auditor to tell us what the utility needs, verify that in some manner, and that work will simply not be done, and I don't think we should try to guess what needs to be done with the utility in the interim. So I will not be supporting the motion. and likewise for myself. Council member riley? and I won't either. I'm afraid that trying to do a rate increase at the end -- consider a rate increase at the end of march would just be chaotic, because that would mean rates would be going into effect around the end of june, which -- by which time hopefully we will already be working on getting a new rate increase implemented in the billing system -- into a billing system that is already facing some challenges, and all the while we would be asking the utility to keep up with all of our intense discussions and responding to our policy decisions made along the way and be preparing to implement those into the billing system, and I just think it's piling one layer of uncertainty on top of another and I think it just is going to add too much stress to an already stressful situation. So I won't be supporting the motion. all in favor of the substitute motion say aye.

>> Aye. opposed say no.

>> No. fails on a vote of 3-4 with council member riley, myself, council member spelman, mayor pro tem cole voting no. Brings us to the main motion. I guess everybody understands the main motion. All in favor of the main motion, say aye.

>> Aye.

>> Mayor leffingwell: aye. Opposed say no.

>> No. council member tovo?

>> [Inaudible]

>> mayor leffingwell: okay. Passes on a vote of 6-1 with council member martinez voting no. Okay. Okay. Brings us to item no. 47. Item no. 47. I think we'll go to our speakers. The first speaker signed up is gavino fernandez. Gavino fernandez. Donating time to gavino is james ritter. Is james here? Don't see james. Gavino, you have three minutes.

>> [Inaudible] say that again, gavino?

>> Joe quintero. joe quintero is donating his time to you?

>> Yes. all right. You have six minutes.

>> Good evening, council. My name is gavino fernandez and I am coordinator with con sillio and I'm coming here to speak to you as a neighbor adjacent to the holly power plant. That's what the resolution says, that the holly mitigation fund to be geared towards the neighbors adjacent to the holly power plant. You're once again presented with a recommendation that had no process, no applications. It's just pick up a phone and, you know, here's some money and would you like to be considered for those kind of funds? We are going to -- before i get into that I do want to thank larry weis and his staff for handling the issue of the holly power plant hotline number being answered by ojo california. So we started receiving calls from our neighbors and larry's people, and thank you city manager, marc ott took care of that issue and was able to address and cure it. So you're going to entertain a motion with no applications, just pick up a phone. If that's the case, here's the last time it's going to be done. If that's the case, then we, the neighbors adjacent to the holly power plant, we have -- we're planning a celebration of 4th of july in the lario, and we want to do a parade like allandale, to be able to educate because our function is a partnership with austin energy, chris to rey catholic church, the businesses, all the people that list adjacent to the holly power plant. Therefore we come before you, since you've opened the vault, to ask for your assistance in funding this 4th of july parade in the barrio, which are planning to take from pedernales and cesar chavez west of chacon and end up at fiesta gardens. And I sent you the email. I'm a paperless person so i didn't bring copies. But we are asking for \$30,000 to help fund the closure of the streets and for also entertainment, because also all those whereases that are listed in this resolution, we can deliver that too. Again, we were the genesis of these funds. It was our people that put up, and this is a mitigation fund, and that's why, you know, a lot of people mistake it for a pork barrel fund, if you will. But I think that if -- you know, we are eligible and are qualified for these funds. I have nothing against the groups you're going to reward the funds to. That's not the issue. The main core and principal issue here is that there is no process, and we're just going to go based on what one council member recommends. So I hope that you would look at the funding issue and consider our proposal and fund our proposal, because there are still more monies within the holly mitigation funds aside from the culture you still have, program funds, but I think it would be a friendlier way to end this whole process by disseminating the funds among all these six or seven groups now and distribute them equitably, because another thing about these funds is that its original intent was for startups, not for ongoing funding like ballet folklore co, like rudy mendez. All these programs for the last seven years have been repeatedly funded. That was not the intention of these funds. The intention of these funds were for a startup. So again, I want to repeat, because I think the public needs to know, that you should -- to restore integrity to these funds you should have had some type of open process. We always talk about transparency. That seems to be a popular word nowadays. I

like more accountability. Okay? And however you vote, obviously if you vote not to support us on our project, that we meet in the whereas too, at least explain to us why we, the genesis of these funds adjacent to the holly neighborhood power plant, in your eyes do not deserve the same type of consideration of funding for this particular project. And I want to end by -- i ran into mayor pro tem john trevino yesterday and I want to share -- and he conveyed to me the loss of his son, and I want to convey -- and he asked me to pass on the word to our families, our neighbors, and on behalf of concilio and our families we want to share our condolences to mayor pro tem john trevino the loss of his son. Thank you council for the opportunity to listen to us. thank you. Johnny lemon. Johnny lemon. I think he went home. I saw him earlier. Linda ramirez? Linda ramirez, not here. Leonard davila? Is here. So leonard, you have three minutes.

>> Thank you, mayor, mayor pro tem, council members. My name is leonard davila, and we do an event at the ms barrientos mexican cultural center. This is planning our second year. Our goal in this is to promote our community, the mexican-american chicano tejano culture. During spring break, during sxsw, when the whole world is here in austin. In our event we had community groups, nonprofits, church groups, everything is free of charge. The price is right to the community. Our talent comes to show what we have to the rest of the world while sxsw is going on. I'm in favor of this agenda item, no. 47. Everything that we do is for the families, the families of the barrio, our talents that we have. And I ask for your support in helping us to finance this event. Last year, our first event we had right at 7,000 people, from young infants to 96, 97-year-old grandparents, great-grandparents, from this community. So I ask for your support, to please help us put this event on. I thank you. thank you.

[Applause] those are all the speakers that we have signed up wanting to speak. Council member martinez moves approval of item 47, second by council member morrison. Discussion? All in favor say aye.

>> Aye.

>> Mayor leffingwell: aye. Opposed say no. Passes on a vote of 6-0 with council member spelman off the dais. And that takes us to item 48. And item 48 was -- we do have a number of speakers. And the first speaker is h everly. Heather everly. So heather, you have three minutes.

>> My husband, he said that he gave me his time.

>> What's his name?

>> Jason baker. jason baker?

>> Banker, b-o-e-n-k-e-r. is jason here?

>> He's outside. he has to be in the chambers to donate time to you. So you can -- and let's see. See if his name is on the -- no. 10? Okay. He has signed up but he has to be in the chambers. And you're signed up twice, heather, by the way. You only get to speak once, but --

>> I think it was an accident because I was supposed to be signed up for 46 as well.

>> Mayor Leffingwell: okay. So --

>> I had talked to, I think -- right now you've got three minutes. If your husband shows up, I'll give you the other three.

>> Mayor Leffingwell: okay. Great.

>> Hello. I wanted to say that I hope our discussion tonight will be [inaudible] for a community reinvestment ordinance. It would allow the city of Austin to do many things, examine citibanking and financial practices, create a transparent financial system where public is more readily able to engage in financial choices that affect them, [inaudible] for community banks, require all financial institutions, maintaining city account, to submit or support to the city treasurer who would grade the banks on a predetermined rubric, apply the same rubric to political financing, require reports to be sent to the city manager outlining ways in which banks have reinvested money, adopt a resolution to terminate contracts with institutions who refuse to provide requested information, create a quantitative progress to -- adopt an ordinance to require the city to conduct business with banks working to reinvest in Austin and community reinvestment and lending, adopt mortgage modification procedure for struggling homeowners, moratorium on all foreclosures and ATM charges for non-depositors, allow vacant land to be given to the public, resolve out of state -- to -- divest from corporations who don't practice in the ideals set forth by Austin, include investment in low to moderate income communities, create and implement for citizens to start -- incentives to start small businesses and reinterpret the community investment act, CRA. I'm here to talk to you about fiscal responsibility and accountability. It's my belief that the city of Austin, financial services department should coordinate their efforts with each entity who may be involved in any fiscal concerns to the city of Austin including city manager Marc Ott, who just left. The impact the advisory board, the resource management commission, urban renewal board, planning commission and any other pertinent groups to draft a resolution for responsible, accountable banking. Austin should implement a rubric for all financial institutions the city does business with in the future. The city of Austin won't be the first municipality to implement such an ordinance. Cleveland's neighborhood reinvestment ordinance was the first in the nation created back in 1991. Since the ordinance went into effect, Cleveland has raised \$10 billion in community lending as a direct result of this ordinance. And is able to leverage three times the investment of other Methodist cities. Philadelphia with its fair practices ordinance and Pittsburgh [inaudible] responsible banking ordinance, followed closely behind Cleveland's lead as the second and third cities to adopt practical banking resolutions in the nation. , New York, Seattle, Kansas City all adopted similar ordinances. With the two [inaudible] cities voting unanimously in favor of such a shift. Austin, Portland, Ashland, Oregon, San Jose, Montana, and Kansas have all initiated the drafting similar resolutions to divest from corporate banking practices that harm the interests of their residents. In Massachusetts state treasurer Steve Grossman is trying to set a precedent for small business initiative, which is implemented -- if implemented will boost small business in the commonwealth by placing at least 100 million in state deposits within the Massachusetts community, regional and local banks willing to increase small business lending efforts. In California --

>> [inaudible].

>> In California, Attorney General Harris -- Attorney General Harris Bank -- sorry, in California, Attorney General Harris recently removed California from nationwide negotiations with the banks responsible for the housing mortgage melt down over objections that the proposals were insufficient and not addressing the scale of the crisis. Bank [inaudible] is not a radical idea, and large metropolitan cities across the nation are rapidly following suit. Economic crisis is rampant throughout the nation, but hope -- but there is hope in knowing that there is a more simple way to create our own city-wide reinvestment efforts. Divesting from Bank of America as soon as possible is in the best interest of Austinites and is not so complex but an extraneous effort must be put forth. Take a firm stance on your responsibility to the city and your investment -- planning to reinvestment bargaining power just like we would. Do not deliberate for three years only to unanimously vote in favor, as did the City of Los Angeles. Council member Richard Akeron of Los Angeles, who initiated the change there alone last a cash intention portfolio of over \$25 billion, which allows to us benefit the residents of our city, not just through the rate of return but by looking at how the banks and financial institutions reinvest in our community. I'm sorry -- I encourage you to vote unanimously on item 48 and begin the process to utilize our revenue for the betterment of the community through reinvestment. I hope our discussion today will be a necessary catalyst for community reinvestment ordinance in Austin and I ask before the next budget work session on April 18 that you will make your public recommendation in favor of an explicit financial resolution benefiting the citizens of Austin. I have a few things that might be on a possible criteria rubric. Fiscal responsibility measures, things such as how many branches are an underserved [inaudible] development communities, how many times homeowners were helped to pre foreclosures, how many small business loans given to residents, how many consumer fees are associated with the institution, how many fees would burden the elderly, disable the poor because of their lower mobility and relative lack of choice over which facilities to use, do their loan modification procedures prevent foreclosure and what percentage of profits are devoted to sustainability.

>> Cole: thank you, Heather. Next?

[Applause]

>> Mayor pro tem? Mayor pro tem? Mayor pro tem? Council member Tovo. Thank you for that testimony and for all the information you presented. Heather? You don't have to come back. I wanted to thank you for the information you presented and I wondered if you would consider -- I wanted to suggest you might consider sending that on to our offices if you want to share it. It had -- you had some good suggestions toward the end and I didn't capture all the details.

>> Cole: thank you. Next we have Claire Herscien speaking in favor.

>> Hello, my name is Claire Herchkin and I am a 58-year-old, 24 year resident of Austin, and I would like to urge the council to divest from Bank of America, and I of all people do know what it's like to let go of a large account in a secure bank, because I have done so recently with more than a million dollars. It's very difficult to feel secure in a small being, in a smaller bank, rather, but it can be done. I have found it. Ucf here, you can be quite secure with real estate securities and stocks and bonds. They will find a good place for the city's money. Just to let you know, it

isn't just people with small accounts. It can be done. You can spread your money and make money for you. Thank you.

>> Cole: thank you, claire.

[Applause] next we have david

[inaudible] and after david we have william fumly.

>> [Inaudible] david is not here anymore? There is david.

>> I've been here all day.

>> Cole: sorry, david. Next we have william crumbly.

>> Where did he go? City manager ott before you leave, you were on record saying to the news that you empathize with the anger of bailouts and empathize with anger at wall street greed so now is your opportunity to get to work on this divestment of resolution we're going to hopefully pass unanimously today. My name is dave cortez and I'm with the occupy austin bank action team with these fellows, brothers and sisters here, we've moved 57 million out of wall street banks just here in austin, into local credit unions. Over 600 austinites have signed a petition encouraging you all to do what we're asking you to do today, adopt this resolution and explore ways to divest from wall street. Bank of america, jb morgan chase, wells fargo, citigroup, morgan stanley and goldman sachs, these companies and banks have held trillions of dollars in assets and not taken -- required the necessary initiative to reinvestment those monies in our community. Over \$140 million in executive bonus were given out while the average teller at these banks makes just over \$22,000 a year. Bank of america is one of the biggest culprits in the foreclosure crisis that is destroying communities across the country. While this wave of foreclosures didn't hit austin like atlanta, georgia or pittsburgh, a neighborhood in plant, we are still finding victims of foreclosure in southeast south and northeast austin, east austin and williamson county. These are folks who were pursuing the american dream, misled, abused and sold out. While the aforementioned banks were bailed out not just by our government but by city governments like this one who continues to do business with these banks. We implore you to stop doing that today. Today you elected city representatives have a chance to join with cities like los angeles, san joseph, california, hempstead new york, seattle and others in saying no to wall street banks and saying yes to the people's will. We want you to craft an rfp for your new banking contract that will prioritize community reinvestment, fair and equal small business lending, an rfp that holds banks accountable to the people's will and deducts points from them when they participate in predatory lending and payday lending. We do not want austin to do business with a company that supports these practices. On march #, next week in , the day before the national league of cities meeting, which i hope you'll be attending, mayors and city council persons from these other cities will be having a first of its kind working meeting to discuss how to move this stuff forward. We want you there. We want you represented. I got three words for you guys. My check, get it done.

>> Yes.

>> Thank you.

>> Thank you, david.

>> Thank you for bob

[inaudible] for all his hard work.

[Applause] we do a lot of thanking bobby labinski. William crumbly?

>> My name is reverend william crumbly. I'm a retired catholic priest. I've recently moved to austin. I'm living with the holy cross brothers at st. edward's university. I want to strongly support your evident, the effort of the two councilwomen. I don't think we can go far enough. Most of the time that I have been a priest I've been living in a parish working as a pastor, but during that time I've also had a lot of opportunity to work with middle and low-income families. Much of my work has been research into some of the systems that we -- that exist. I learned very early on that it is economic systems and not political systems which oppress people, and we have the opportunity to do to overcome some of those economically oppressive systems. For the last 23 years I was pastor of a small catholic church in south louisiana. Most of our -- there were only 2,000 people in the town, and most of them were elderly, or many of them. I heard many times people tell me, we were poor then, but we didn't know it. And I always told them that true. You are poor today, not then. You had very little money but you were in control of your life. You took care of each other. Poverty comes about not because we don't have a lot of money, but we are not in control of our assets. And I'd like to give you two examples. I gave a book to the mayor pro tem, a copy for each. I hope you all got one, and I hope you have a chance to read them. And I know after today you probably don't want to do any reading, but -- I can understand that, but I do hope you get into it. But there are two examples i would like to give that illustrate why it's important for you as a council to take charge of the money that you have. The first example comes from what I've seen from several native american communities in the united states. The deer was their -- was their coin. That was what they used for all of their purposes. They bartered with it. The europeans came in and said, we will give you 20 --

>> cole: can you wrap it up?

>> Pardon me? that was your counter bell. Can you wrap it up real quick? Your time is out.

>> I'm sorry, thank you. thank you for your time.

>> I just urge you to continue this effort.

>> Cole: thank you.

[Applause] ronnie dimery? Ronnie jimery? No longer in the chamber? Elena dolittle? John duffy? He's gone. Leslie ansom? Did I say that -- leslie?

>> You're probably getting tired of seeing me. I sometimes think I'm getting tired of even being here. Last time it was close to 00 before I got out of here. And those poor people, and you who were here, when i turned on the television when I got home, it was still going and you kept on going. I don't know, what was it, well after 1:00? May I suggest that as much work as you have to do, you need to reschedule some things, because people are not going to stay. They can't. I'm an idiot so I stay.

[Laughter] but then I don't have to be up in the morning anymore. And on this issue it becomes very simple. This should have been done a long time ago. How can you continue to bank and put the money of the people in one of the most egregious of the financial malefactors in this country? The question is not to find out how to go about doing it, the question is just getting out of there as quickly as possible, and why the city of austin has not been banking with a local bank, with local people or with a credit union is far beyond my capacity to even understand. We didn't have to wait for a crisis. We didn't have to wait for us to point out that the bank you're with has foreclosed more citizens than any other bank around. You shouldn't be a part of that. And you're making it possible for them to do exactly that by giving them our money to play with. Get out of there. Thank you.

>> Cole: thank you.

[Applause] council member riley moves to extend the council meeting past 10:00. That was seconded by council member spelman. All those in favor say aye.

>> Aye.

>> Mayor leffingwell: aye. That passes on a vote of 55, with council member martinez and mayor leffingwell off the dais. Next we have zura christineo and you have elena duro devoting time to you. Tha ea. So you have a total -- elena. So you have a total of six minutes.

>> I would like to thank council members morrison and tovo as well as mayor pro tem sheryl cole for this resolution. I would also like to thank bobby lavinski for work and research in drafting it. They have been fantastic on this issue. I'm strongly in support of city of austin firing bank of america and hiring a consortium of credit unions. This is a first step toward -- and I urge members to vote for resolution 48 today. On a technical note this resolution asks the city manager's office to assess feasibility of a local banker credit unions to handle the city's finance. Currently the city requires a depository agent to be fdic or fed deposit insurance corporation insured. Credit unions are not eligible for fdic insurance but instead use ncua or national credit union administration for their insurance. The ncua provides the same level of insurance and is the healthiest of all the federal deposit insurance funds. If the city is serious about wanting to give an equal playing field to credit unions, council needs to make sure that any language requiring fdic insurance is changed to require fdic or ncua insurance or credit unions will be excluded from being a priority. We need to assure when the city hires an institution to handle banking that they include mechanisms in drafting for closure rates, payday lending, small business lending, interest rates, community reinvestment and other hidden costs of the city's banking practices. We need to assure that the city's money is held by an institution that will invest in our community instead of exploiting it. Council member spelman, your office has indicated your concerned with the

feasibility of a credit union has noting the city's finance but you're against a credit union. You're right one credit union wouldn't be able to handle all of the city's finance. However a son sorch you mean would potentially be able to handle it. One of the great things about this resolution is it's exploratory. I hope you'll be willing to go forward with the resolution since it would answer the question of whether a consortium would be able to handle the city's fiscal responsibilities. What this resolution does in my opinion is to make sure there is an equal playing field in bidding for the city's contracts so that institutions that do safeguard our community's interests are eligible to handle the city's money. I am confident a credit union would be a safer bet for the finance than bank of america. Boa is not as solvent an institution as they appear. S&p recently downgraded their credit to an a minus, which is overly generous considering the swaps. The citizens of austin don't deserve an a minus institution. They deserve an a. We deserve for the city's funds to be in a safe and secure institution that can safeguard the city's finance and be an gene for economic growth. Credit unions are not for profit or charity but for service. I recently switched to a credit union have been very pleased with how much money I'm saving in transaction fees. It makes me happy to know I'm a member of an institution that has a board of directors that is not interested in maximizing profit at the expense of the community. The board of directors of the credit union are elected by other members and are unpaid volunteers, whereas boa pays its members of its boards \$240,000 a year while the average teller makes just a touch more than 23,000 a year. The top six banks combined paid \$144 billion in bonus last year, and boa was the worst culprit. Half this town would be sufficient to write down the principals on all the underwater mortgages in this country. I will not waste the council's time by belaboring all of boa's abysmal practices, especially because even with the donated time I couldn't possibly list them all. Quickly, boa has denied austin resident maria gonzales a loan modification because her husband's signature was missing after she had sent her husband's death certificate. Her lawsuit wasn't moved to federal court. Boa has foreclosed on homes in this community, rates simply unacceptable. It's shuttered more home since 2007 than any other bank. It is kicking people out of their homes in some cases without any proof that they hold the mortgages on these homes. This devastates our communities and tears apart families already struggling to get by. Austin has a unique opportunity in this moment to be an agent for change, to really carry the flag about bank divestment, especially in the south. Right now this seems like an issue that is only happening in the coasts and in kansas, but no one is going to take seriously that this nation is ready to fire their banks until somebody in the texas region does it and there's no way anybody is going to do it but us. The solution is simple. The city of austin needs to fire bank of america and hire a credit union. Thank you.

[Applause]

>> cole: thank you. Thank you. Next we have roy reagan. And after roy we have kilgore trout. If you want to come down to the other mic. Trout? Is that right? -O-u-t.

>> I don't know if kilgore is here this morning. I think he's here in spirit. Though. I'm roy whaley, a citizen of austin speaking for no organization, just speaking as a home town boy, and when I was a very young man long ago and far away, I had a big-ol' shaggy afro, a scraggly old peered beard and itching -- old beard and I was on my way to canada, wanted to go to jasper, see the mountains and go to glacier. It was hard to get a ride when you look like a two legged buffalo back then, but I would stop and get out of my car, any ride when i saw some little home town roadside cafe, and I had never been a big fan of apple pie before and I'm not a big fan of apple

pie now, but on that particular trip I stopped at every little joint I could find to have apple pie and homemade ice cream, and it was great. And each every stop was different. Now we live in a world where it seems like everything is the same thing, no matter where you go, it all looks the same. No matter where you go, bank of america is going to stick it to you. So I've been listening off and on today on the radio because I've been having to work today, and I've heard several different cases come up, and it was always, where are the local businesses? Who's going to be local here on this? And you all have worked hard to do that. Well, let's do something big. Let's make a real impact. Let's make a real statement about going local. Let's take our money away from where they are giving big-buck bonuses to the executives and give everyone a little bit of that right here in austin. Do you want to invest in austin, we want to hear it all the time. We hear it all the time that we want jobs for austin. We want local investment in austin. Then do it. Invest in austin. Make the city of austin invest in the citizens of austin. And please, let's move our money out and keep it local. And I really appreciate your time this evening. Thank you very much. council member spelman. Council member spelman. roy, I'm looking at a picture of kurt vonnegut up on my screen here, and --

>> I always wondered what you were doing during the meetings. but you do look rather a lot like kurt vonnegut, except you're much better looking.

[Laughter]

>> that's kind of you to say, sir. But I didn't look a whole lot like kurt vonnegut back then, but I did bear a striking resemblance to kilgore trout. Thank you.

>> Cole: okay. If kilgore trout is not here, that is the conclusion of our speakers, and I'll ask the clerk to enter the rest of the individuals who signed up not wishing to speak, and that is the end of item no. 48. Comments, motions, colleagues? Council member morrison. yeah, I want to thank everybody. I know a lot of people have actually been here all day long waiting to get to this. I appreciate your interest in this in support of it, and all the comments were very interesting and helpful, and roy nailed it on the head. It's about making sure that we're doing everything we can to be investing in our community. So I'm looking forward to working with our financial staff because it's -- when this issue has come up and we started talking about it it started being conversed about around the country, you know, it became clear that, frankly, I don't know our banking policies and our constraints and what it is that -- how we decide who we're going to be doing business with. So I think that will be a great -- as someone said, exploratory effort to see what our constraints are and what we can do in terms of investing locally. I do want to change two words, so I'm going to move that we approve the resolution, and in the first whereas where it talks about practices and lending policies, led to a global downturn. I want to change that to contributed to a global downturn, because we want to make sure everybody takes their fair share. 3, in the "be it resolved," the statement was, "a comprehensive analysis of the capacity," and in talking with staff I came to understand that our staff doesn't have, really, the authority or ability to go in and know everything about the different institutions, so we'd ask them instead to be doing an assessment of the capacity of alternative banks so that they'll be able to work from information that they have, which is a lot, and that they're able to do outreach on. So with that I'd like to move approval of the resolution. thank you, and that's seconded by council member tovo. I would just like to say that much of this information is probably -- or is subject to open records,

and one of the reasons I supported having it is giving this to you guys and passing this resolution is because you deserve to have it and you deserve to have it in a format that you can easily understand. And so I happily supported that resolution and am glad to see that so many people came out in support of it. So I will be supporting the motion. Any further comments, discussions? So we have a motion by council member morrison and a second by council member tovo. All those in favor say aye.

>> Aye.

>> Mayor leffingwell: aye. Thn passes unanimously with mayor leffingwell off the dais.

[Cheers and applause] next we'll take up item no. 50, Having to do with the youth hostel, and we have several speakers. Sha -- bucca zucker. Shaya, have you left? She's left? Oh, one person is speaking for everyone? And who is that? What's your name? Come to the mic. Kassi.

>> Kassi dishon.

>> You have ronald anderson, hail young blood, mark strug and alita case are all donating time for a total of 15 minutes.

>> I won't take a long time. He's present. I might not need the full six minutes but if I could have that that would be great. Thank you. Mayor pro tem and council members, thank you for having me. My name is kassi drokshon. I'm the executive director of hosteling international I've been since 2010 and austin resident for 12 years. What is being passed out to you is a few letters of support that we've gathered in the last week. The first letter I want to highlight is a letter of support from the e rock neighborhood association. Letter was emailed to you but I want to make sure you have a paper copy. I want to point out we have tony house here in support, so she's here in the audience, here to support us, and gail goff emailed me and said she wicked she could have been here but she had something else and was not able to make it. Let me step back real quick. I also want to acknowledge that we have our executive here with us today. He flew all the way down from d.c. to support us. Rus hedge, and then we have our board members as well, and if you don't mind standing and are waving your hands. Of course they've been here so I wanted to give them a shout out and appreciate their support. So another couple of the letters in your packet are from some of the founding volunteers of the hostel, and just real briefly I'll give a history of the hostel. These volunteers built the hostel with their own hands and also raised funds to renovate the hostel, which opened its doors in 1989. We've been a partner with the parks department since then for 23 years, and it's been a really successful partnership for us. Just to highlight a few of our recent updates, for fiscal year '11 we served -- we had 14,000 overnight nights -- 2,000 more overnight nights than the year prior, so we're continuing to grow and serve more people at the hostel. We had 83% occupancy, which is really high for -- for occupancy rates for hotels. And then we serve people from 35 different countries. We had -- we serve international travelers, state side travelers, but -- that represent 35 countries amongst those. And then on top of that, on top of running a really successful hostel, we also have various community partnerships. We partner with the girl we partner with rei to do monthly travel classes such as women traveling solo, world travel 101, europe on a shoestring to encourage people to get out there and see the world, and on top of that we partner with keep austin beautiful and do cleanups

around our park area and lakeside area, all throughout the year. Last year we had about 500 participants community partners involved -- community participants involved in our programs and had about 170 volunteers so those are all local residents. Today I'm here to ask you all to support resolution 50, as sponsored by martinez and co-sponsored by morrison and spelman to give us at least a ten-year extension in our current tion. We had learned that pard after 23 years that they were wanting the building back for our uses, and we feel like the space has served us really well and we're able to run a successful operation out of it and would like to continue to stay there. Just a few things that i want to point out is that we'veeen able to have an extension on o agreements without having to go through hearings. For example, in june 2011 we signed an agreement, it was 5 giving us an extension until january 1, 2013, and in a july 30 letter from pard I served as an agreement for us to stay in the hostel until january 1, 2012. So we've been able to have extensions without having to go through any sort of process, just a little bit confused as to why now we have to go through this formal of a process, but again, we understand that things change so we're willing to work with the parks department and the city, but again, we would like to stay in our current location. And just to close, just a personal note, I first came to austin in 1998 and stayed at hostel. I was a college student in arkansas at a school called hendricks school, came with my friends to austin for spring break and moved here two years later. So that experience of being able to come to this hostel, see austin, fall in love with austin, brought me back here. And I think that we do serve a lot of people that stay at our facility because they are curious about this town and I do know for a fact that a lot of them enjoy it. A lot of people come and they have job interviews set up and they end up moving to austin. So I think we also serve that purpose as well. Thank you. next speaker is david miller. David miller is not here. Russell hedge? Russell hedge here? How about don boudreau? Don boudreau? Deanna hudler? Rachel hardin? Derek miller? Pam thompson? Trevor evanson? I have to call all their names. Cassie --

>> [inaudible]

>> oh, you're on here again. Okay. Tony house, and that's all the speakers that we have signed up. So council member martinez moves approval, second by council member morrison. Is someone from parks here? Because I have a question. So last speaker just indicated that she had gotten two extensions previously within the last couple years.

>> That's correct. was that done administratively or --

>> yes, that was administratively. you see that administratively?

>> I did it. and you're not -- you're not willing to do it administratively now and that's why we're here -- well, it was based on the terms. Sarah hensley parks and recreation director. It was based on how many i could renew. And so when I seeked the city attorney's advice I was told that I couldn't extend it any longer and I had to go through a formal process. And so, you know, that's where we are. what do you think would be the normal process? Just waiting for resolution or -- because you didn't initiate anything.

>> No, it would be -- what i would say we probably need to go through chapter 26, is what I was told. chapter 26 hearing for use of public land?

>> That's correct. why wasn't that done previously? Nobody asked the question?

>> I can't answer that question. I can just tell you that we could administratively go ahead and give them till they termed out, which is once at 2011 and we were going to work with them because they said they were going to rebuild and build a brand-new building and needed more time and I said I'm certainly not going to make you leave this site if you need more time. How much time do you need? And they said we could extend that time to that point. And then I took them around to look at some other sites, and possible areas, and then bottom line is that I was advised that I would need to go -- I would need to work through the city attorney's office and that most likely it would need to be a chapter 26. so the current term doesn't expire until the end of 2013; is that right?

>> The current term that i actually signed says january of 2013. january of 2013.

>> And I had verbally -- as kassi mentioned, I had verbally mentioned, when we talked, and they talked about finding a new location ime, they thought they could get funding from the national office to build a new facility, I asked her how much time do you need? Because I don't want you to have a lapse of place to be. And she thought it might be december. And I think what's happened is that's not going to work because it costs too much and the permitting and everything else, it won't be that long. So they needed it a lot longer. So at that point, though, i couldn't do that administratively. Couldn't -- what would be the problem -- since you have until january of 2013, doing the chapter 26 hearing and then making -- then taking this action?

>> Nothing, absolutely -- i mean, is there a time cruj hereon --

>> no, not at all. We were required to let them know about our contract. I was advised by our contract manager that we had to give so many days' notice, and so that's what we did. And then when I started working with the hostel, and quite frankly, I was doing that, and then I was advised, because I was showing them, and I'm just going to be very honest about it, I was actually showing them other parkland to look at, because they needed to expand, and so then I was -- I was told and realized that I couldn't necessarily do that without a chapter 26, and so i advised cassie that unfortunately all the land that we had driven around for a whole morning looking at, that we couldn't do that. But there's -- I think there's nothing wrong with having a chapter 26, and we are happy to try to work with them and partner with them and figure out a way to make this work, the hostel she's mentioned is a good neighbor, has been a good steward of the land. They've done goo things there, and -- it seems to me like the last couple of extensions have -- the administrative ones have been sort of short-term?

>> They were more one year. mayor leffingwell: One- ye one-ye ar terms, and if you had the chapter 26 hearing, there would be a comfort level, if that was the desire of the council to --

>> absolutely. -- to give a longer term, which it seems to me would be better for the hostel.

>> It would be better for them, because then they have more time to do fundraising and other things that they need to do for whether they stay there or their desired preference is to build a larger facility and host more people. i just -- it seems to me that in view of all that, I -- i would

be in favor -- and i support the hostel. I'll be honest -- up front about that. I support hostel, but i would be much more comfortable having complied -- chapter 26 is a state law, is it not?

>> It's a parks and wildlife code. yeah, state law.

>> Yes.

>> Mayor leffingwell: okay. All right. Thank you.

>> Spelman: ma'am? council member riley and then spelman. sarah, how long would you expect the chapter 26 process would take?

>> I don't think it -- honestly, I don't think it takes very long. I think it's a matter of having the -- going through the process of advertising it, having a period of time, and then allowing for public comment, which we could host together, and then allowing people to give comment. I think there's -- having talked to cassie and others, there's a lot of support out there, and, you know, laying it out there what this means and the possibility of creating a park -- some park use or other things that would benefit the community as well as the people who come to the city, and promoting it that way and giving people a chance to have some discussion about what are some kinds of things they'd like to see and then coming back to council. so would you envision various ways that the parks department could partner with the hostel to offer services to visitors and the public?

>> Well, quite frankly, the more I'm -- the more I'm listening and the more -- and cassie has been very good. I want to say this, she and the board have been very good. I've met with them in talking about ways to look at different options, and i think if we sit down and we have a chance to have dialogue and some other things and do a -- where the public gets a chance to give feedback, I think the public has great ideas that would benefit both. But I think if we do that then we can come up with something that meets the needs of the community and meets the needs of the hostel and the good things they are doing and affords everybody an opportunity to be successful. and the chapter 26 process would involve discussions along those lines at the parks board and the city council?

>> Yes, and we can do that by having the parks and recreation board assist in hosting the chapter 26 and then I think turning around and bringing those suggestions forward to the council. council member spelman. I believe council member riley caught most of that. But let me just ask one follow-up, if I could. You've been talking with the parks board, with some other folks about other things you might do in addition to the hostel on the same site. Could you give us a sense of for what things you have in mind.

>> One of the suggestions, actually it came from several citizens, that they'd like to see some type of concession on this side of the lake and that the increase of traffic that is expected and mentioned from discussions with the trail foundation, was that they expect a very high volume of people and traffic, and that there are no concession amenities on this side of the lake, and so we've had some talk about opening that up, but that doesn't mean, and there was a creative discussion that happened just the other day about the possibility of affording some concessions

but also involving the hostel in that, where there was a concession for the public and visitors but there was also ability to have the hostel at the same location as long as it benefited the public. sound like very much complementary amenities.

>> I think there's a way to make this work. mayor, if i duckshun to come back up on that. I'd like to get her to weigh in on that.

[One moment, please, for] international,. .. To get food drink. If you go on site it would be terrific.

>> Yes.

>> Spelman: Do you have any objection to a chapter 26 hearing.

>> We support whatever the council wants to do to move forward with on that. That.

>> Spelman: Nice and clean, completely above board. Nobody would be able to mess with you after that process.

>> It would be nice to be able to take care of it tonight.

[Laughter] as much fun as this has been but if that's the -- what council decides we're in support of that?

>> For better or worse, tonight city council is taking care of loose ends with the scissors. Okay. Thanks.

>> Thank you.

>> Cole: Ms. hensley.

>> Spelman: hensley, if we wanted to change the words in that resolution to accommodate a chapter 26 hearing, right now it says the council directs the city manager to prepare and security an agreement with hostelling international, may be a bit premature. Can we say that the council directs the city manager to initiate a chapter 26 hearing that would allow hostelling international to continue to occupy the building? Would that be sufficient?

>> I think you can say that, yes. I think that shouldn't be a problem whatsoever. We would go about making that happen.

>> Okay. Thank you very much. Mayor, I would like to offer that as a friendly amendment to the -- to the resolution that instead of the first be it resolved, it says the council directs the city manager to initiate a chapter 26 hearing that would allow hostelling international to continue to occupy the building and so on.

>> So -- so is it -- city attorney, can I ask you if that is a reasonable friendly amendment?

>> That's reasonable based upon the posting.

>> Okay. All right. Does the maker accept that?

>> I just want -- city attorney, is it your opinion that we are required to do a chapter 26 hearing in order to take action on this tonight? Commission for the blind martinez, I think that we've had some discussions in executive session about our legal opinion as far as what's required. But I do think that the motion is within the posting that you have before the council.

>> Martinez: So with that, I mean, I think that it's fully within our rights to go ahead and take action tonight and -- and I would like to go ahead and do that. And move forward with -- with an agreement with hostelling international. So I won't accept that as friendly.

>> Mayor Leffingwell: Councilmember, you could make it as a substitute motion.

>> Rather than substitute motion let me just make it as an amendment.

>> Mayor Leffingwell: Amendment. All right. Is there a second to the proposal for an amendment? I think we all understand what the amendment says.

>> Second.

>> Seconded by the mayor pro tem.

>> I'll just say in support of the second that I believe that we have to be very careful that we do not run afoul of the state law or take precautions with our actions with respect to our charter and I certainly do respect -- youth hostel and what they are doing, but i do think that the chapter 26 would be the most prudent course of action before we proceed.

>> Mayor Leffingwell: Yeah. I agree with that. As -- I previously stated. Councilmember riley.

>> Riley: I agree with that, too. And I would also note that a chapter 26 process could provide a timely opportunity to engage in some discussions about ways that we could improve our relationship with the hostel and actually build upon what's there today and offer more services to visitors and to the public. So that -- so that people will -- people will -- coming to town could get a cup of coffee at their -- from vendor there's and could also avail themselves of any other concessions that we're able to offer. Seems like there is a -- there's some opportunities presented about the presence of people right there from 24/7, you could have some really great concessions that could make the park a more pleasant experience for visitors, for residents as well as visitors. I think that it's especially timely given that we're soon to have a board walk down there. I expect we're likely to see a lot more people from that area, it would be really great if we could figure out way that's we could partner with the hostel to make it a more welcoming destination for visitors as well as residents. I visited the hostel this past weekend. I was very impressed with what's there now. It's really a great site. I have stayed in a -- in a number of hostels all over. What we have is something to be really proud of. If we could build on that and make it more appealing, in addition to welcoming visitors from around the world, since this is -- since this is austin

parkland, it would be great if we could also figure out ways to leverage the -- the assets that we have there to actually make that parkland more appealing as a destination to residents as well as visitors. So I'm going to support this, the amended motion.

>> Mayor Leffingwell: Councilmember tovo?

>> Tovo: Councilmember riley, I just wanted to ask you, would you consider, depending on what happens with the amendment, I think what you have described makes good sense and -- and it seems to me that it's not mutually exclusive with the main motion, that you could make that as perhaps even a friendly amendment that there be a discussion of that sort that goes on, but still allow the decision to be made tonight. But again just providing some guidance that there --

>> Mayor Leffingwell: It is. It is councilmember spelman's amendment.

>> Tovo: I was talking about, I was suggesting that perhaps councilmember riley could, depending on what happens here on the amendment, he could incorporate his points as a potential friendly amendment to the main motion, that's on the table. Just as an idea. I will be not supporting the amendment. Because I am supportive of the motion on the table.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: I appreciate that. But I would just note that if we were going to have a series of discussions about ways to improve our relationship with the hostel, I would expect those conversations would take place at the parks board and then here at the city council. In other words, it would be a process that looks very similar to what's contemplated by chapter 26. So it seems like by going through the chapter 26 process we get something that we would be doing anyway and in the process we would actually be complying with state law. I don't see any reason why we wouldn't go ahead and consider that chapter 26 process and have those legislation and then have -- hearings and have the whole thing come back to us for approval at once.

>> Mayor Leffingwell: Okay. Councilmember morrison?

>> Morrison: Yeah. I want us to make sure that we step back a minute and realize that the reason that we're here in the first place is because an administrative decision was made with no public input to terminate the hostel agreement and ask them to move out. And I think that the -- the important thing here is -- is that it should be a public process, you know, the -- the interest in maintaining the hostile there is -- the hostel there is very, very strong in the community and the idea of enhancing the agreement and enhancing the experience all around and I am moving what's available is a terrific idea. And luckily, they haven't been terminated and they are still there. I think that it's -- that it's inappropriate to be making administrative decisions like that, so I'm glad that we have it here in front of us. The discussion in terms of enhancing the experience and the opportunities there with the hostel I think are separate from chapter 26 and the question of chapter 26 is a completely different question that's not necessarily being discussed here tonight. So with that, I'm for the going to support -- I'm not going to support the amendment.

>> Mayor Leffingwell: I would just say that chapter 26 hearing is not an administrative process. It would be -- that decision would be made by the council. Councilmember spelman? Councilmember morrison?

>> Morrison: I didn't suggest that chapter 26 was, it's a different process for making other kinds of decisions. Sure, we could have other discussions, but I don't think that's the kind of discussion that we need to be having. I think that we should just focus on what we know we need, which is the discussion about enhancing the opportunities.

>> Mayor Leffingwell: The vote is on councilmember spelman's amendment, as he outlined. Which I believe everyone understands. All in favor of that amendment say aye.

>> Aye.

>>> All opposed say no.

>> No.

>> Mayor Leffingwell: Passes on a vote of 4-3 with councilmembers martinez, tovo and morrison voting no. So the amendment is incorporated into the main motion. So that takes us to the main motion. Is there any further discussion? All in favor of the main motion as amended say aye.

>> Aye.

>> And opposed say no. Passes on a vote of 7-0. 51 was pulled by councilmember morrison and we have no speakers.

>> Thank you, mayor. This is a resolution sponsored by councilmember tovo. And with myself and mayor pro tem as co-sponsors. And it's about urban parks and moving forward with some of the stakeholder recommendations that came out and all of the work that they've done. And in that resolution, there was one -- there was one recommendation in the be it resolved to make recommendations on a process and funding for a family friendly play feature at city hall plaza. And that was one of the recommendations. We recently got a call from the landscape designer of city hall plaza saltillo ask, who was -- city hall plaza who was concerned that the city hall plaza had a very thoughtful designed and concerned about adding a family friendly play feature to the city hall plaza. What I wanted to do was make a motion to amended -- i guess a motion to approve but with amendment in number 4, instead of specifically saying come up with a recommendation on process for a family friendly play feature at city hall plaza, to broaden it and make it a little bit more flexible to look for a family friendly play feature at city hall, such as on the plaza, it might be somewhere else also. And to make sure that the feature respects the original design, landscape and architectural integrity of the proposed location.

>> Mayor Leffingwell: So -- so motion by councilmember morrison, seconded by councilmember tovo. Can I ask a question of staff? And my question is I don't know who is the proper person to ask. But I would just ask if this -- if this resolution would conflict with any

other existing city ordinances or policies. That have to do with -- with park space and in the downtown area particularly. Nobody wants to answer that question.

>> Here comes sarah.

>> Parks and recreation, i have to repeat it, I'm sorry.

>> Mayor Leffingwell: Well, the -- the recommendation talks about playscapes here at city hall and other city facilities and having it as a broad based policy to incorporate family -- family friendly features. And I just wanted to make sure that it didn't conflict with any of our other adopted plans such as parks fee for downtown or I mean the issue we recently discussed and passed that had to do with the dedication of parkland for -- as a community benefit. I'm not sure that -- that I'm describing it correctly.

>> As we see it, mayor, no, it does not conflict. As a matter of fact, if you recall, we were back before you several months ago, lynn osgood one of our board members, presenting one of the urban parks stakeholders, the group's recommendation, quite frankly it gave us the momentum to look at some of the ways we were doing business, including play scapes and putting them in places that we have not traditionally been able to do that. We're right now working with the library department to do something creative there at the library. The new library. So this is not at all in conflict. As a matter of fact, I went through every one of these items and -- and actually have a little bullet note with all of them saying that the progress we've made on these, including a draft action plan and outline, and even funding and other things as we progress through a bond program and other recommendations for funding.

>> Mayor Leffingwell: Okay. Councilmember tovo?

>> Tovo: Did you have more questions.

>> Mayor Leffingwell: No.

>> Tovo: I just wanted to say a few words in support of this resolution. This is an issue that can came out of the families and children task force and then was taken on really ably by our urban parks work group who did tremendous work on this issue and as you remember from the report that they gave, they went out and looked at sites and identified potential vacant sites for purchase. They have put together a great bunch of next steps for our community and ways that we might as a community move forward to our goal of achieving a quarter mile and half mile walking -- making sure that all our residents live within a quarter mile, a half mile of a park. So I'm as I said very pleased to support this and I think there are some very good things, I think that it supports the work of the parks staff who have already begun to have developed an implementation plan, this just gives it a process for going through our boards and commissions. I want to be very clear that we are not talking about installing a playscape at city hall. But a play feature, which is very -- those are two very different things and one of the things that I know is a goal of the urban parks work group and was likewise a goal of the families and children task force is to really expand the definitions of what play features are so it can be interactive art, it

can be boulders that kids climb on. There's a very broad interpretation of that. So by no means are we going to see a swing set.

>> Mayor Leffingwell: We've got a pond out there already. They could swim in that pond.

>> Tovo: That's an interesting suggestion.

>> With a life guard.

>> Tovo: But anyway, i think this will be a real great step forward for our community in achieving its already established goals in this area.

>> Mayor Leffingwell: Let me just say I really have a lot more comfort with this, with the amendment that you just proposed, that it respect the original design, landscape and architectural integrity. To me that precludes one of these red, orange and green plastic things.

>> Yes.

>> That people slide down.

>> Yes.

>> Mayor Leffingwell: So -- so all right. .. councilmember riley?

>> Riley: I had similar concerns and I'm -- I'm happy with the new language, too. I did ask about this when we had a presentation from the urban parks work group last OCTOBER 20th. Asked specifically about the recommendation about the city hall. The answer that I got was that no they really, the idea is to avoid plop art where you just plop something down. In fact I was told here it may mean maybe just a few more boulders to climb on. My only concern is that i have heard complaints from downtown residents about a lack of -- of places for kids to play. And -- and next time I get one of those complaints, I'm not sure that it's going to help that much, but I could say well we're thinking about putting a few more boulders at city hall. Because we already have a few boulders at city hall.

>> Mayor Leffingwell: Maybe we already have it.

>> Riley: I'm not sure that really is going to fully address the need that's out there. I would hope in the process of looking at this and coming back to us with recommendations that it might be possible for staff to consider whether there are other nearby locations where -- where -- that might be well-suited for -- for some other sort of playscape or even a play -- a play feature or even a playscape. That would meet that need. I know that we have one over on the town lake trail over near i-35. But a lot of downtowners actually don't even know about that because it's kind of out of the way. And we do have parks that could use play scapes and there are currently efforts to look at places like republic park and saw some improvements. So I hope that our consideration of -- of kid friendly play features won't be restricted to city hall plaza, that we'll

look around and see whether there are other opportunities to provide a broader range of play features at other places nearby.

>> Councilmember absolutely. The bottom line is part of this program it talks about not necessarily using parkland. But to partner with the business community, other city entities, departments, who have land or a fire station, whether there's -- as a matter of fact the fire station is putting in a community garden in an area. There's great creative things happening that are not necessarily plop down playground but creative structures for people to sit, play, climb on, give them areas for energy and also places for the parents or guardians to sit and watch them. We are looking at all of those things, looking at the school districts to look at land, everything available possible, even partnering with the business interested in doing it, maintaining it, but it's still there to --

>> I just wanted to mention a couple of things in response to that question. We have brought the issue up to the central library because there's somewhat constrained by interesting outside space to make it inviting. Not just on a event basis, but an inviting space all the time. And with the help of assistant city manager bert bumberas, we pulled together how many different departments.

>> Library, parks and recreation, water and wastewater protection, public works, you name it.

>> Bert lumbreras. Egrso. Everybody there. With them we brought in folks from the urban parks stakeholder group to talk about this. And also brought in the folks from daa that are working on the exciting project at the frost bank plaza, the idea of making that a more inviting space, so that there could be sort of some cross pollination because that space, you know, could use some enhancement also to make it attractive to kids as well as the central library. It's really an exciting conversation because I think people are really starting to be sensitive to that and learn how to deal with that --

>> absolutely.

>> Mayor Leffingwell: Councilmember tovo.

>> Tovo: I just have one clarification, I believe what councilmember riley was referring to, I think those are great suggestions, i think this would be covered by one and two. I believe they were the kinds of -- that was prepare amendments to the draft imagine austin comprehensive plan. They did make recommendations about just this very issue looking at downtown play spaces, then number two also on this would also acknowledge the importance of that.

>> We have actually gone back and taken our comments, met with staff from the planning department and were merging our efforts to be ones comprehensive effort so it's not something over here, over here, working closely as well with the parks and recreation board and all of the boards that we need to go through. When we complete this it will be a very, very comprehensive process.

>> Okay. Further discussion? All in favor of the motion say aye.

>> Aye.

>> Opposed say no. Passes on a vote of 6-0 with councilmember spelman off the dais. That brings us to item 61. For zoning cases.

>> Thank you mayor and council, I'm greg guernsey with the planning development and review department. 00 consent items for zoning and neighbor amendments. There's possible action. 61, 62 and 63 are related items dealing with john's wort coronado hill planning area, those will be discussion items. I will go to item no. 64. C14-2011-0103 - IBC Mueller View - Conduct a public hearing and approve an ordinance amending Chapter 25-2 of the Austin City Code by rezoning property locally known as 1206, 1208, 1210, 1212, 1216 & 1218 East 51st Street (Tannehill Creek Watershed) from community -- Staff is recommending a postponement to your march 22nd agenda. 65 is c14-2011-0148 - 620 jmj Zoning - Conduct a public hearing and approve an ordinance amending Chapter 25-2 of the Austin City Code by rezoning property locally known as 14926 North FM 620 Road. This is a zoning change request to general commercial services

(CS) district zoning. Staff -- The zoning and platting recommendation to grant general commercial services-conditional overlay

(CS-CO) combining district Zoning and this is ready for consent approval on all three readings. 66 I understand a councilmember might want to offer a slight modification. I will skip that. 67. C14-2011-0168 - Dean's .524 - Conduct a public hearing and approve an ordinance amending Chapter 25-2 of the Austin City Code by rezoning property locally known as 2101 West Slaughter Lane

(Slaughter Creek Watershed) from neighborhood office-conditional overlay

(NO-CO) combining district zoning to general office-mixed use-conditional overlay (GO-MU-CO) combining district zoning. Staff Recommendation: To grant general office-mixed use-conditional overlay

(GO-MU-CO) combining District zoning. This is ready for consent approval on all three readings. That's what I could offer for consent approval at this time. So consent agenda is postpone item 64 until march 22nd, TO CLOSE THE PUBLIC Hearing and approve item 65 on all three readings. And close the public hearing and approve item 67 on all three readings. Motion to approve the consent agenda. 66 Is not on the consent agenda. Who made the motion? Mayor pro tem? And -- and seconded by councilmember morrison. Further discussion? All in favor say aye.

>> Aye. Opposed say no, passes on a vote of 6-0 with councilmember spelman off the dais.

>> Thank you, I understand 66 could probably go fairly quick.

>> Tovo: Mayor, I need to rescue myself on this item.

>> Councilmember tovo is recused. 66. C14-2011-0158 - Ethos Riverside - Conduct a public hearing and approve an ordinance amending Chapter 25-2 of the Austin City Code by rezoning property locally known as 2117-2129 and 2209-2225 Maxwell Lane

(Carson Creek Watershed) from family residence-neighborhood plan

(SF-3-NP) combining district zoning to townhouse and condominium residence-neighborhood plan

(SF-6-NP) combining district Zoning. We would have been able to offer this for consent for three readings. I understand there is possibly an alternate motion that a councilmember would like to make on this item.

>> Mayor Leffingwell: Would you care to specify which councilmember? Councilmember riley.

>> Riley: I did want to discuss this. This is an interesting site. I visited it this past weekend. This is down off of just -- off of riverside. Off the east riverside. It's south of riverside. It's -- it is a long site that's accessed under the recommendation that the access the only access would be from east riverside, essentially a very deep cul de sac with all of these units nestled back there, 99 townhomes nestled back there in a very deep cul de sac with no other access to any street. There is -- there is a -- a street, a north-south street nearby that's one -- just one row of homes back from -- from maxwell. And maxwell is currently a -- a dead end. But -- but the -- that is an area that is essentially undeveloped at this point. That whole part of montopolis is -- is undeveloped. Is only partially developed at this point. And so I wondered about the vision of the neighborhood plan. In terms of the future development. Whether there was any plan in the neighborhood plan about connectivity in those areas. Sure enough goal 4 within the neighborhood plan is to improve transportation connections between montopolis and to the rest of austin and then if you look under the land use recommendations on action 5, they wanted to create new streets where possible to enhance community access and connectivity where possible reconnect discontinuous streets and dead ends to improve connectivity. Then the end carson ridge should [indiscernible] thrasher and maxwell, an east-west street that should connect up with what is currently a dead end and start to create an actual grid back in that largely undeveloped area. My concern is that if -- if before that -- before that area develops or as it develops, if it develops as just a series of big gated communities that are totally isolated from one another, that doesn't really do much to serve connectivity and doesn't promote the vision set out in the neighborhood plan. I think there is an opportunity here to reside some degree of connectivity, at least for cycle cists and pedestrians if not for cars. I visited with the applicant about this and there is a way that you could provide connectivity to both maxwell -- to maxwell lane that would be useful now, then also a large property to the south, which is zoned -np, I understand that a development project is already emerging there. The personal design standards don't apply to this project since it's residential, but it would apply to that large project just to the south. Then the commercial design standards do contemplate some degree of connectivity to nearby residential developments. To adjacent residential developments like this one. On it would be valuable to have a bike-ped connection to that large lot to the south. In fact the applicant is to go do that, to provide bike-ped access to both maxwell and the property to the south. What I would suggest is that we -- we -- well, first staff in this case actually requested a -- a -- a conditional overlay prohibiting access on maxwell street. I

would suggest that we strike that conditional overlay, and approve the zoning change on first reading only, and direct staff to work with the property owner on a public requiring bike-ped access from the [indiscernible] to maxwell lane and southern edge of the property. So that when that large lot to the south of there actually will be a bike-ped connection to it. That will promote the vision I might note as well as the draft comprehensive plan that places a great emphasis on the importance of connectivity. Simple little change which would make the area a little more connected in the future, as it cops. That's -- that's -- develops, that's my motion.

>> Mayor Leffingwell: Motion is to close the public hearing and approve on first reading only with additional direction to staff.

>> Riley: To strike the conditional overlay prohibiting access on the maxwell and then to direct staff to work with the property owner on a public .. and to the southern edge of the property as well.

>> Just so I'm clear, that would prohibit motor vehicle access then to maxwell but would allow bike-ped and actually this suggestion would be probably through a covenant, I have talked briefly with the law department, the applicant would actually be willing to construct such access in the future. When they develop the property.

>> Riley: Yeah. My hope is that there would be a way eventually to get vehicular access to the property to the south. If not on this property then adjacent which may well end up being part of this project. But just the site plan that we have at this point, the preliminary drawings do suggest that eventually that actually -- there could be a way to allow vehicular access. But I realize that it would impose some difficulty on the applicant at this point to require vehicular connectivity to maxwell or to the property to the south. So I think that at this point a reasonable compromise is to insist on bike-ped connectivity.

>> Seconded by councilmember martinez. Further discussion in. All in favor of the motion say aye.

>> Aye.

>> Mayor Leffingwell: Opposed say no. Passes on a vote of 5-0 with -- excuse me, 6-0 with councilmember tovo recused.

>> Thank you mayor and council, that brings us to back to the thr items, 61, 62 and 63. And these are the items john's wort/coronado hills combined neighborhood plan and related zoning for the saint johns neighbor and coronado hills. We have abbreviated the presentation given the lateness of the hour. I hope you enjoy it.

>> Mayor Leffingwell: Good, set a precedent.

>> Good evening, mayor, minor and councilmembers, my time in is dee dee. I'm here with greg cut ton and windy rhoades our zoning planner. Tonight we will present the saint john/coronado hills combined neighborhood plan and associated rezonings. These items are listed on your

agendas, as agenda item 61, case number NP-2011-0029 - St. John/Coronado Hills Combined 62, C14-2011-0115 - St. John Neighborhood Planning Area 63, C14-2011-0116 - Coronado Hills. Our presentation this evening will be brief. And in two parts. Part 1 I will present the saint john coronado hills combined neighborhood plan and then the planning area. After the public hearing is closed, greg will then lead you through the motion sheet. The saint john/coronado hills is bounded by u.s. 183, 290, Middle fiskville .. generally along a lot line to east anderson lane. The cameron road corridor connects saint john and coronado hills. As you can see the area adjacent to other planning neighborhood areas with adopted neighborhood plans. A sample of important physical assets in the community includes neighborhood schools, residential areas and the burt milk ranch greenbelt. Butter milk ranch greenbelt. The current population of the planning area is about 13,000 people. Between 2000 and 2010 the population declined by 2.4%. The age cohorts with most significant were 15 to 24-year-olds, ages 65 and older, declining at rates of 32% and 18% respectively. In contrast the 55 to 64 cohort grew by 69%. A shifting share in population is a continued trend with persons of hispanic origin accounting for 70% of the population in 2010. In 2000 this figure was 62%. In 2010 74% of the housing units and structure in the planning areas were apartments and/or condos, this speaks to the areas high occupancy renter rates, saint john at 89% and coronado hills at 69%. High vacant unit count between 2000 and 2010 at saint john it create increased by 343 units, the count in coronado hills increased by 55 units. Later on in our presentation we will touch on how the neighborhood plan tends to encourage home ownership opportunities. Now for the planning process highlights. The plan process began in february of 2009 and today staff has held a total of 30 community workshops. Averaging 22 participants per workshop. 68 Attended kickoff, 24 the mid process open house and 27 attended the final open house. Throughout the process decisions were made by consensus, which intended for all parsants to be heard and for all to support the outcomes. And the event consensus could not be reached we voted to break the deadlock. In the event. Outreach was one of the most important parts of the neighborhood planning process. Staff utilized both standard outreach and focused outreach methods. Standard methods included activities such as emailing in spanish and english and attending community event such as unity walks and holiday parties. In total 37,500 notices were mailed and 10,000 emails over time the saint john/coronado hills interest list, grew to 355 contacts total. Staff also conducted focused outreach to engage youth, spanish speakers. Pickle parent coffees, boards and commissions, such as african-american quality of life commission, meeting with seniors during their lunch gatherings and collaborating with the boys and girls clubs at webb and reagan to engage the youth. In summary the saint john coronado hills plan is framed by the area of concern with quality of life in their community. The community life goal is to promote a community of involved citizens but strive to a achieve a safe, healthy, well maintained and liveable neighborhood for all. Top priorities identified by the community include crime prevention at key location, native plantings at key locations, and to encourage residents to become mentors and/or tutors in their community. The parks trees and environment goal is to increase and enhance recreational opportunities in the planning area by acquiring new parkland, adding amenities to existing parks, creating community gardens, planting trees and protecting the ecological assets of the community. The top priorities are to provide small parks or open spaces in coronado hills and to add amenities to existing saint john park. The transportation goal is to improve the existing transportation system to provide pedestrians motorists and transit users and bicyclists are all ages and physical abilities the opportunity to travel safely and efficiently throughout the planning area and to the rest of the city. Top priorities include connectivity and accessibility. Finally the land

use goal is to promote a land use pattern that benefits everybody in the planning area by enhancing neighborhood character, sense of community, pedestrian friendliness and connectivity to neighborhoods serving amenities, the top priority is to preserve the integrity of single family homes and neighborhoods. The future land use map for saint john/coronado hills aims to address land use issues as well as broader quality of life. Specifically the vision is to preserve and maintain the integrity of established residential areas, to promote neighborhood character, identity and home ownership opportunities. Tonight courage civic uses throughout the community and in some juxtapose to encourage community hubs. ... Provide options for residents to live, work and play in their community. And to promote options for housing affordability. By maintaining existing multi-family housing as well as applying residential in fill options which we will cover with you later this evening. At this time, I would like to turn the presentation over to greg who will cover the associated rezoning in fill options and design tools and then we'll take any questions that you have at that time. Thank you.

>> Good evening, mayor, mayor pro tem, councilmembers. My name is greg

[indiscernible] with the planning development and review department. What I would like to do is give a pretty brief overview of the rezoning recommendations that are associated with the saint john, associated with c-shh-2011-0115 and 116. Have is just an overview, everything that's not contested, tracts that have been contested have been pulled for discussion later. My overview does include design tools and infill options and affordable housing as well. So --

>> Mayor Leffingwell: Just one second here.

[One moment please for change in captioners]

>> in general, the rezonings were not controversial at all except what's been pulled for discussion. 72 Tracts being rezoned in the planning area that can really be broken into four different categories.

[Reading graphic] and I really just want to touch on 3 and 4. So the new conditional overlays, there is one tract, tract 23 outlined in red, this is a tract that has industrial zoning, so there are a few uses that are being prohibited. But in every other case, the conditional overlays are not to prohibit or make conditional uses. They are for vegetative buffers between uses that are intense and uses that are lower intensity, usually commercial that abuts residential. That's what the clays are that are being proposed. You can see that on your map, that's what those red lines are. Then the recommendation for mixed use, overwhelmingly, the rezoning recommendations are for mixed use. Right now the planning area has very little mixed use zoning. The plan is calling for the addition of about 230 acres of new mixed use zoning and that's shown in red on your map and it's really for two reasons. One, to kind of create a buffer between the highways, which, you know, are along the edges of most of the planning area, between those highways and the more interior residential areas, also to address the neighborhoods concern about wanting a more walkable community, more neighborhood serving uses. I'm going to jump to design tools. As you know, there are a number of design tools available to the planning areas through this process. They have to do with character for the most part and -- and where you can put impervious cover on your front yard, where you can situate your garage or your front porch.

Coronado hills is opting into all three design tools available to them. Saint john opting into front porch placement. And then likewise, there are a number of infill options available to the neighborhoods through this process. These have to do with character, affordability and density, saint john neighborhood is opting into all of them. In some form or fashion, the coronado hills is opting into most of them. Then lastly, I just wanted to touch on affordable housing. This is the affordability impact statement from neighborhood housing community development. It's an assessment of the impact of the neighborhood plan on affordable housing in the planning area. And I just want to draw your attention here to the red oval showing you that overall the assessment is positive. Largely for reasons we just talked about. The addition of new mixed use, selection of many of the infill options in some form or fashion and really maintenance of housing stock that's already very diverse. That concludes my brief overview, if you do have any questions for me or dee dee we would be happy to take them at this time.

>> Morrison: I just have one question of clarification. Back on the infill options chart, could you go back to that?

>> Let me go backwards here.

>> Morrison: What is -- I'm not familiar with the infill option called affordable housing. What does that mean?

>> Yes, this is an infill option that I believe is a little bit newer than the others. What it does is relaxes site development standards for residential properties so that it allows a little bit more impervious cover. It allows duplexes that are slightly larger. I think the point of it is to attract more affordable housing and more smart housing developments. And I don't believe it's been done in any other planning area so that maybe why it -- why it appears new.

>> Morrison: Maybe we'll have to get a reference to look at it. So if you do relax, if you do take advantage of the relaxed standards, are you committing to affordable housing then or is it just hoping that that will just be less expensive?

>> I think that the way it works is that if -- if a developer commits to smart housing, for instance, then they get the relaxed standards.

>> Morrison: I see. Okay. What kind of commitment is that? Terms of duration?

>> I don't recall off the top of my head. There is some duration, like a number of years that the units have to remain affordable and other stipulations as well.

>> Morrison: I guess that I can just find that in 25-2 somewhere?

>> Yeah. You should be able to find it. It should be no problem.

>> Morrison: Maybe you can help me find it. I'm interested in that. I wasn't ever aware of that coming through in the past three years, but maybe it's been in there for a while and this is the

first time that we've finished up a -- a plan with it. But I think greg might have something to offer.

>> A while back when paul hilgers was here, his office and my office when it was neighborhood planning and zoning worked, there was a gentrification study and part of that that came out were some additional tools that could utilize under smart housing. It's my understanding that yes you would have to opt in to do the smart housing type of development in order to take advantage of relaxation of certain development standards. We're only prepared to go for first reading for all of these items tonight. Before we come back, we will certainly get that information to you in your backup materials to explain that.

>> Morrison: Great. Sounds like a terrific option. The only flag for me is to make sure that we have reasonable commitments on duration because I know that, you know, some of our older programs were only like a year or something, which really --

>> we'll follow up on that and get you that information.

>> Mayor?

>> Mayor Leffingwell: Councilmember spelman.

>> Spelman: Greg, either of you gregs, are you willing to walk us through the motion sheet?

>> Sure.

>> Mayor Leffingwell: Well -- we want to take the public comment first.

>> Spelman: Fair enough.

>> Mayor Leffingwell: Ready to go, huh? So -- so I'm just going to call everyone that I have in the list and then at the end ask if I missed anybody because I'm working off of item 63, but I think the names are basically the same. First is magid, do you want to speak? You have three minutes. Good evening, my name is magid hamassi. The only parcel of the land, the corner of 290 and 183. We acquired that property i think in march of last year or late february of last year. The zoning recommended for that parcel is totally inappropriate, which is office building. Due to the high vacant offices across the street on wall net business park. Walnut business park. The location being an island by the huge walnut creek, 290 and 183, that's the ideal location for retail center. And we don't understand if we cannot have a -- businesses on 290 and 183, where can we have it? There's a creek which separate us from the neighborhood. And I was on that side until 10:00 the night before. There is no noise from our property, anything built on it will bother the housing. From the apartment, which is right behind our land, you cannot see existing bank, which is at the corner of the 290 and 183. So if you consider the location, the buffer zone between the neighborhood and our land, I don't believe it's any reason not to have it hotel, grocery store, earlier you were talking about in 11th street, 12th street I think there is no grocery store. There is no grocery store in johns/coronodo hills neighborhood. What's wrong with having the h.e.b. on that location? What's wrong with having the hotel over there? Why office?

So our dilemma is nobody i think wants to hear to us and we met some of you, but I hope that you have an open minded, you know, reason to consider just look at the picture I took. I don't believe anybody has been in that creek from the neighborhood probably in the past year except me. I took those pictures. The creek is about 100 feet wide. The drop the elevation is about 40 feet, 30 feet from our property to the bottom of the creek. The apartments are about 30 feet below us. From the apartment you can't see anything on top of our property. I don't believe the noise is the problem. The retail would be the best for the neighborhood. It will increase the value of the neighborhood. And I think this should be voted to have a hotel, grocery store, retail spaces, just something to improve the neighborhood. If you say we're going to have office over there it's not going to happen that and land is going to sit vacant over there for the next 30 years. I know for a fact I used to drive to houston every monday morning to work as an engineer in 1981, come home every weekend. That is the only piece of land I see nothing has happened for the past 30 years. I guarantee you if it's going to be zoned office or multi-family, single family, nothing is going to happen to that lands for the next 30 years.

>> Thank you.

>> Thank you.

>> Riley: Can I ask just a couple of questions. You and I had a chance to visit about this site. I want to go over a couple of things that we discussed. First you mentioned the creek there on the back of the property. You understand there's some interest in a trail along that creek, you would be willing to allow for that?

>> Yes.

>> Riley: You think that could work well. You could provide an easement for that trail across the property.

>> That's correct.

>> The neighbors have expressed some concern about the design of a project on your site. Worried about things like lights shining into the homes on the other side of the creek. Would you be willing to work with the neighborhood to put protections in place to make sure that the design of a project on your site would -- would be friendly to the homes that are nearby.

>> During the break i took -- I took some pills, i was ready to talk, bad health situation. As I said we are willing to work with neighborhood in any form or fashion, whatever we do on that property will improve the neighborhood. In the living condition and the value condition. Because as I said I visited that site about six hours, my lights are on, tow trucks are there, no neighborhood notice us. There's an existing bank of america bank on that location. I guarantee you if you go to anderson, anderson spring apartments the majority of our neighbor the other side of the creek, I was there one can't see nothing. If the neighborhood wants to discuss that issue or have any ideas, we would be glad --

>> Riley: You would be happy to have a --

>> absolutely.

>> And potentially uses that could be prohibited on the site.

>> Absolutely.

>> Things like that.

>> Okay, great, thanks.

>> Tovo: Mayor, could you remind me please what your tract is?

>> At the corner of the 290 and 183.

>> Tovo: It's 108. It is one of the tracts that we postponed action on today, is that right?

>> Mayor Leffingwell: Yeah. The recommendation is that tracts 108 and 113 and 114 be excluded from the first set of motions, yeah.

>> Tovo: Thank you.

>> Mayor Leffingwell: Next speaker is meredith morningstar. Not here. You are here. Okay. So you have three minutes.

>> Good evening, mayor, councilmembers. I'm not real sure if I ought to speak on this because i also was going to speak on 108. But if it's pulled -- do you want --

>> Mayor Leffingwell: Well, I think the recommendation is going to be to postpone action on tracts 108, 113 and 114.

>> So if they're going to be pulled, I don't really want to take up your time with that right now.

>> Mayor Leffingwell: You don't want to interfere with that process.

>> Right.

>> Okay.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: I would just note that I hope, I know there's been some effort to have a dialogue with the owners on tract 108 but it hasn't gotten very far. I'm hoping by the time this comes back after the postponement there might have been a little more discussion between the neighborhood and the property owners about some potential, whether there's any room for agreement on -- under which you could -- the property owner is willing to -- to do some things, willing to talk about the design, prohibits from uses allow a trail and things like that. Seems like there's room for dialogue

to see if you all could agree on something that would actually create an amenity for your neighborhood. Would you be willing to do that?

>> Yeah. I will say that one of the reasons that we went forward with pulling these three items, I apologize for the confusion, there's been a lot of confusion in our process, especially here at the very end, the owners of 113 and 114, we got word, i 30 in the evening after I got off work that they had responded after our final open house was late last year. So we've had two different, on these three different properties, we've had two different owners at the very end of the process. After the process, come forward and have concern about what we chose there zoning would be, what made sense in our plan, never being involved in the process coming up afterwards, we decided we really wanted to have dialogue, we wanted to work with, try to stay with the zoning that makes sense. For our plan. And so that's partly why we have postponed to be able to have dialogue.

>> Riley: I hope that conversation that you all can continue that conversation with the owners on both tracts before it comes back to us. Thank you.

>> Mayor Leffingwell: Theresa real. Azam wah and aaron wah. Jim bennett.

>> Mayor, jim bennett. We were under the impression that council had a request for postponement on the contested items, so we were not -- that's the reason i think our speakers and their spears have left.

>> Mayor Leffingwell: That's correct, 108, 113, 114. Request for postponement. Yeah.

>> You still want to hear those testimonies before you act on that postponement?

>> Mayor Leffingwell: No.

>> I am here to speak on 108. A contested item which is up for postponement.

>> Mayor Leffingwell: We will be -- we will be entertaining a motion to postpone all action on those three tracts. We're not at that point yet.

>> Okay. I will the agent representing the openers of tract 108. As -- owners of tract 108. As we've indicated to you is at the per free of the neighborhood plan of the intersection of highway 183 and highway 290. It is physically separated by the rest of the plan by the creek and steep embankments that exist along the property. There is a floodplain along there that varies in width from 250 feet to 300 feet plus or minus. There are no single families in the immediate adjacent properties. There is an apartment complex condo as well as a townhouse projectment the -- we feel that -- the our understanding on the office zoning that is proposed in the plan initially, that it was due to a lack of representation by the previous owner. So when the property came up without the representation, office zoning was assigned to it without considerations of other type of zoning that could be applied for it. I think if it was in -- in lack of a neighborhood plan that this -- that this site would probably be ideal for cs or gr zoning or even perhaps ch zoning when you are at the intersection of two major highways. We have met with the team just recently and

proposed some conditional overlays, but at that meeting it was not very productive. And we have offered a conditional overlay prohibiting certain uses. About nine uses and additionally we are willing to create the hike and bike trail that would give you the connectivity from the north and the the south. Pretty much, council, we think that the office zoning is too restrictive for a site with these conditions and that cs is the appropriate use for this site. Should you have any questions, I'll be available to answer those.

>> Mayor Leffingwell: Questions? Okay. Thank you.

>> Thank you, sir.

>> Go to mike westerhausen.

>> Gone.

>> And zeta easterday. Thank you for this issue to speak to you on 108, I'm a resident in coronado hills, active in the neighborhood association, an active participant for over three years in the planning process, we propose zoning for 108, with very much thought given to that area. For office space. Because it is compatible with residential, single family and multi-family residents. Planning commission and staff concur with this zoning change from residential. At our combined meeting with saint johns they are very pleased to have offices at the corner of 183 and i-35 which buffer to some extent the traffic noise and pollution of two major thoroughfares and the offices are quiet in the evenings and on weekends. I understand 108 property was purchased at a tax sale by present owners in february of 2011. They did not participate in any meetings except the final showcase meeting of the plan. To say they were unaware of the process is difficult to understand as this was a city-wide process and they are self proclaimed developers, the openers did not attempt to contact neighbors in any way regarding compatibility with residential properties. Even though they ignored us the neighborhood residents met with them earlier this week at their request to tell us their plans. Unfortunately there were no plans laid out and the owners indicated they may well sell the property. Owners make the case that office space within one-half mile is vacant. I remind you this is a plan for many years down the road. Not for the next six months and not for next year or two. Austin is very dynamic and currently -- eventually you will need more office space than is currently available. Our neighborhood is one of the few remaining austin jewels of urban residential neighborhood with affordable housing. The city assets need to be nurtured by city leaders and not eroded over time but part being out land slots to dubious uses by commercial developers. We cannot afford from our association treasury to -- to pay professional lobbyists as have the owners of 108. However some residents took time to try to meet with many of you. Some of them taking time off work without pay to give you our side of the issue. Those of us living on east of i-35 should be accorded the same consideration of residential needs of the west side. Please don't perpetuate decisions east of i-35 that would never be tolerated west of i-35. There are environmental concerns because of the several creeks that run and the potential pollution and runoff of a commercial property. At planning commission one of the commissioners noted in our land site we have more commercial surrounding us at present than almost anywhere in the city. I audited cameron and 290 and have a list that's too long to read to you [buzzer sounding] but suffice to say we have many commercial already. We've played by your rules --

>> Mayor Leffingwell: Thank you.

>> One more sentence. May I have one more sentence. We have played by your rules, the planning process was mandated. We participated in good faith thinking when a final plan was completed the city ... we are now confront the with new owners who have the money to hire lobbyists who have not played by the rules who come in at the last minutes and expect you to support their wishes for a property in direct opposition to the --

>> Mayor Leffingwell: Was there a couple of periods in there that I missed?

[Laughter]

>> one long sentence, thank you.

>> Mayor Leffingwell: Kathryn winkleman, anyone else whose name I haven't called signed up on items 61, 62, or 63. Come on down and tell me your name. We have three minutes? Also using time for jaoquin -- 61 as well. Joaquin [indiscernible] is he here? You have six minutes.

>> Good evening, mayor, mayor pro tem and members of the -- of the city council. I want to thank you for your dedication and commitment at this late hour to hear our neighborhood plan. I also want to thank dee dee and greg and the other members of the staff that have worked with us over these past three years to develop this plan. I am here today, my name is julie weeks, a resident of saint john for the past two years, a co-haven't of the saint john neighborhood association, I stand before you on behalf of our neighborhood in full support of our plan. I also want to share with you a little bit about the saint john community. We are a very multi-cultural, multi-generational community that has been in transition. You have probably -- you probably know us well, we have gone under transition over the past 15 years from being a primarily african-american neighborhood into a predominantly hispanic neighborhood. We many people have been working for many years, including the city council, to bring about good changes in our community and we are very grateful. Our motto is together we can do more.

[Speaking in spanish], we believe so strongly I just wanted to share a few examples of how we live this out. For the past five years, saint john has been repeatedly recognized as one of the 100 best communities for youth in america. By the america's promise alliance in washington d.c. And this award does not negate the fact that our family has issues with poverty, issues challenges, but what it does do is it recognizes that we work very hard to develop partnerships, collaboration and engagement of individuals, families in our community, governmental agencies, non-profits, schools, churches, to do things that build community, support children, support families, for their health, statement growth and success. Disability. The saint john community school alliance is another structure in our community, been in operation for four years. It's a place where we bring together these collaborations and partnerships between community, parents, schools, agencies, organizations, to support our schools. And our families. One of the hallmarks of our community is that our low performing school is reagan high school, webb middle school have turned around and these schools are stable, successful and succeeding. Another part of our work is that we have created family resource centers in these schools to support struggling families. We have social workers that provide resources, information, referrals, many of them to city and county programs

that you create and fund and support and these things bring disability to families and ultimately success to our students. One other things that we do is we have a very strong neighborhood association. It may not look like a traditional neighborhood association sitting down and having meetings with roberts rules of order. But what we do is we find ways to bring events and celebrations and structures into our community through cleanups, block parties, festivals an event and many of you have been to some of our events. That basically give opportunities for relationships to be built and a fabric to be woven together in our community of those relationships. So tonight I want to take just a few minutes, actually three minutes and 30 seconds and share a video with you. Of our saint john unity walk --

>> Mayor Leffingwell: You only have two minutes and 20 seconds.

>> He's free to cut it off. I want to share a video with you tonight.

>> Mayor Leffingwell: Okay.

>> That's what they call buffering or not buffering. Or something. Is there anyone else wishing to speak on item 61, 62 or 63? I have a question for staff while we're waiting here. Request for postponement on tract 108, 113, 114, is that correct, right.

>>> That's correct.

>> What's the date?

>> APRIL 5th, I BELIEVE, Is the -- is the date that the neighborhood would like to request a postponemen to.

>> Mayor Leffingwell: I think that's it on the video. So council, I think we might be -- those are all of the speakers that we have. So if we can go ahead and get a motion to postpone action on items -- a tracts 108, 113 and 114. UNTIL APRIL 5th. And then I think that will simplify things for us. So moved by councilmember riley. And seconded by councilmember spelman.

>> Spelman: I'll second. But I do have a question, mayor.

[One moment please for change in captioners]

>> okay, and similarly, track 108. You mentioned you had a consideration with the owner of tract 108 already.

>> Yes, sir.

>> And what's going to happen between now and the 5th of april?

>> We'll probably have more discussion.

>> Sometng I was interested in asking you when you were on the dais a few moments ago, if you wouldn't mind me asking you now, if they have a formal proposal, not just the idea that retail might be appropriated with that track but a site plan or something like one you could identify what the tenants would be, by what kind of conditions might be, they might be willing to put up with, things like that, would you and your neighbors, in your opinion, be willing to consider some form of retail?

>> I couldn't speak for anybody but me and we gave a great deal of thought to this and we talked johns and we know what an office building does to mitigate noise and pollution and IF TxDOT HAS THEIR WAY, THERE Will be a flyover at 103 to oath, it might not happen in 10 years but it is in their plan, I've seen it. So, for me, the only thing that makes sense to me for the residential is a office building which is quiet at night and quiet on the weekends. We have an over abundance of commercial and I've enumerated, I've drove around and counted and audited them but there isn't time to tell you about all of those but we have an over' bun dance of commercial already. Plus -- over abundance of commercial already. Plus, if someone is going to that commercial and overshoots, they come right into our subdivision bass that is the very next street. We only have two ways in or out of the subdivision and the rest of the street is circled around so we have a great deal of increased traffic in that area.

>> They wouldn't be able to get back to where they were going anyway.

>> They wouldn't, they would wander around and be lost in there. I can only speak for me about 108.

>> The prospects aren't good that any retail is going to work.

>> Not for me. And we've deliberated quite a bit about the for a number of years.

>> Okay. Well, the planning commission and staff seem to agree with you on 108. Okay.

>> Thank you. Is there any other questions, sir?

>> No, thank you.

>> Motion and a second. Is there further discussion? All in favor, say aye

[chorus of ayes]

>> aye. Opposed, say no. Passes on -- no? Okay. Passes on a vote of 6-1 with council member spelman voting no.

>> Okay, great. And then, the only other page on the motion sheet is page one. This is all the items that are not contested, motions 1-3, so these are the big components of the plan, the plan itself, and then both of the zoning ordinances, and these are already on first reading.

>> We will take them separately and first would be a motion on item number 61, accepting tracts 108 and 113 and 114 and this will be first reading only. Council members spelman moves approval. Close the public hearing and aare prove on first reading. Second by the mayor pro tem. Further discussion? All in favor, say aye.

[Chorus of ayes] opposed say no. You're aye, council member, martinez? Passes on a vote of 7-0. Item number 62 is to aare prove john's plan, neighborhood plan, combining district as recommended by the planning commission. Entirely. And, again, ready on first reading. Council member riley moves to close the public hearing and aare prove on first reading only. Second by council member martinez. Council member riley.

>> I would like to take a moment to thank the folks that spoke tonight and all the neighbors who worked so hard on this plan. I know it's been a long, difficult process and I'm very impressed with the product and i also want to thank staff who put in so much time on this over several years, it is a really impressive work and I think you all should be proud and I hope it serves you well in the fought so thank you all for all the work on this. All those in favor, please say aye. Aye. All opposed, say no. And rezoning for coronado hills combining district set for tracks 108 and 113 and 114 and that would be the planning commission recommendation. Mayor pro tem so moves, second by council member riley is there any discussion? All those in favor, please say aye. Aye. Opposed say no. Passes on a vote of 7-0. Thank you. mayor, if I could just add one more thing and you think I could answer council member morrison's question from earlier about affordable housing so what that does, generally, is allows 5% more impervious cover, it allows -- it stipulates that units have to be for 20 years, they have to be at 60% or less and it allows a total of eight bedrooms per duplex, four per side.

>> Great, thank you. A 20-year duration.

>> Thank you.

>> The last item, which is item number 78.

[Applause] mr. geddert.

>> Good morning, mayor and council.

[Laughter] a very brief introduction to the issue, I recognize we have a lot of citizen comment so a very brief introduction. I bring forward you to a proposed ordinance on a regulating single-use bags based upon the council's resolution from august 4, 2011. And based on our february 9 briefing, I mentioned that the staff recommends a few changes to the ordinance. What we are recommending is your review of the ordinance posted on january 23, with the state requirement of a minimum 30-day posting of the ordinance. And council has delivered motions and changes to the posted ordinance. Based upon staff recommendations, I will very briefly real quick through the staff recommendations so you can get to the citizen comments. Staff is recommending a different definition of paper bags and that is noted for your convenience in motion sheet number one. Staff is recommending the elimination of the temporary sir charge, and that is noted in motion sheet number two for your convenience. Staff is recommending a

change in bag labeling and that is noted in motion sheet number three. And staff is recommending an adjustment of the implementation time line shorten it to one year, and that is though thed in motion sheet number two. And I am also recommending the removal of the example of beer, wine and spirits carry-out bags noted in motion number four and adding exemption for hunger relief agencies in moment number five. So that summarizes very quickly the staff recommendations. They are detailed in my brief memo of february 28. And I conclude my introduction with the request that council takes action on this issue at the conclusion of this public hearing. And I remain available for any questions.

>> I'm sure there will be. We'll start working our way through this public hearing and get back to you. Unless there is a motion to postpone this entire item. Okay.

[Laughter] all right.

[Reading names]

>> so up nine minutes.

>> I don't plan to use them all. I will go quickly. Council member, I know the hour is late, I'm robin snider with texas campaign for the environment, but it is time for history and it is time to do something on the bag ordinance for leslie saw wheats child has reach -- suite's child has reached five years old. We have been working on this, i actually have a powerpoint that is supposed to be coming up, we've been working on this issue since 2007 and it is time to take action tonight and to pass something that can be a model for other communities around our country. We tried a voluntary program in 2007 and 2008. It did not accomplish the stated goal to divert 50% of the plastic out of the waste stream, okay. Which you can see from there is the small portion that was not 50%. In recent studies, they found that, while bag recycling might increase some, the number of additional bags put on the market dwarfed the results of the increased recycling. This is a doable step to get rid of pollution. We have 375,000 fewer bags every day in brownsville, a city about one-third the size of austin. You can see here, since this council started meeting today, 446,125 bags have been put into the waste, into people's hands during the day today. So, this is something that we can do something about and by taking action, we are keeping our word in the u.n. Environmental accords to cut a waste stream in half by 2012. So, let's do that. This is an issue in our communities, this has taken near the land fills in northeast traffic county. These are creating pollution that we have to pay for out of our tax dollars, and both at the local, state and federal level, and we pay for this in our grocery bills. We pay twice. The plastic bags in particular threaten the wildfire, I know some bag monsters here don't care about sea turtles, but, frankly, I do care about sea turtles and a lot of other marine life that is affected by this. It is affecting our springs, oak springs park, poder has come out and said these are problem, when they do their clean-up it is a problem. In the slide we saw tonight in that plan, in that 108, all along the creek in almost every slide there were pictures of plastic bags along that creak. It is time do to something about that. Unfortunately, paper bags are, in some ways, environmentally worst. I know we have a paper bag monster here too who wants to keep going with clear cutting. These are worst in terms of climate change and our zero waste efforts have always been seen in the terms of our climate protection plan and it is time that we address both paper and plastic. One issue that's come up is that, well, we can recycle the paper bags in

our single stream, but austin items actually live -- austinites actually live live in multi family dwellings and don't have access for single-stream recycling and might not have it for a few years yet so that is not a reason to avoid tackling paper bags. It is really the clear benefits come in terms of the environment and the economy when you use reusable bags. It is an opportunity for new businesses to spring up to meet this need for more reusable bags, and I really think it is time to take on that economic development area. There have been numerous polls by the city, austinites are concerned about this. There have been 7,000 letters written by austinites to you on this issue in the last year, and many, many thousands more before that. And we have particular recommendations on the third draft changes and the recommendations, number one is the elimination of the fee period and full implementation on march 1, 2013. We think that there are good reasons to eliminate the fee period, including the fact that if consumers are faced with a 10-cent charge in a convenience for and dollar charge per the whole transaction and in heb it is confusing for consumers. But mostly, this is going to save us money. As consumers and as taxpayers and it gives the impression that this is going to cost us money, which, it will save us money. And it is time that the retailers who are going to be saving a lot of money, not providing these bags, that they do the public education with the community and the bag distribution to prepare this community. We agree with staff to eliminate the exemption for beer, wine and spirits. Oh, on the time period, we think the sooner the better. We can live with march of 2013, but we would rather see it go into effect november 1, 2012. We agree with the exemption for beer, wine and spirits. We oppose the elimination of the weight requirement of paper bags. In my survey, quick survey at the grocery stores, they are using 65-pound weight bags now. We don't want to create a market for a flimsier bag with handles, that with a not be an advance. So we would oppose that. We definitely agree that we should have the credible certification, which is the ffc certification. We also agree with the added exemption for the food pantries. We do not support an exemption for smaller paper bags from the handle requirement. And we are neutral on the package recovery label system. Folks, this is time for you folks to make history, to really take a huge step in cleaning up our communities, cleaning up the environment, really across the planet, making an impact in terms of climate change and saving money for us as taxpayers and consumers. I urge you to vote for this ordinance under the quickest time frame possible. I will be happy to take any questions.

>> Okay. Next speaker is jeffrey.

[Applause] is michelle vaughn here? Okay, so you have six minutes.

>> I can assure you, you won't take six minutes of your time. I live at 4401 speedway, 78751. As you can see, now we're at 451,500 bags consumed since you all started meeting today. Before I'm obviously in favor of your positive vote tonight, but before I start, mayor leffingwell, I want you to know one of the rumors that I heard is they're actually makeing a sequel to ferris buellers day off.

>> I'm not in it.

[Laughter]

>> I would like to see that commercial from you when it happens. I moved here from dallas and for several reasons. One is, I've been a long-time fan and I'm a first-time resident. This is a green city. We are lucky, some might even say blessed, to live in a place where our elected leaders take into account our impacts on our natural environment. We have so many amazing places, so many amazing green spaces, those green spaces have everything to do with what makes austin, austin. This is our opportunity, not simply to get rid of the single-use bags, but also to make a statement, to make a statement that we, we, the elected leaders of austin, we put our natural environment at the forefront of our agenda. We believe very firmly that being a green city, that distinguishing austin from places like dallas, that call themselves green, yet fail to take action. We believe here in austin that taking care of what we've been given, what we've been blessed with, is a critical, vital element of being here. I met someone in the hallway today that said, you're lucky, you're lucky to be here in austin. I said, why? And he said, well, because your elected leaders may sometimes be crazy, but they're not crooked.

[Laughter] I said that's good to know.

>> Is that a compliment?

>> I think that is a compliment. All right. And the fact is that I know, I know that there are folks from the industry that have been -- that have been working the halls, I know the folks from the chemical council, the folks from the bag makers, they've been putting pressure on to you either delay or vote against this ban, and I say stand with the people. Stand with the people. I don't want to be in dallas again. I'm happy here. And for what it's worth, you could make me even happier by voting yes tonight. Thank you, appreciate it.

>> Thank you.

[Reading names]

>> you have up to 12 minutes.

>> I will not use all that time. I want to start off by thanking everybody on the council for all of your hard work. We met with over, at least somebody on everybody's staff and we really do appreciate that. I know when you first were running for council you thought this is exactly what you were looking for is being here at midnight on these meeting days, but what is amazing, like jeff was just saying, we have a really amazing city, and we -- everyone, every person on this council got here because the -- at least in part the environmental community believed in you, and we're asking you to take a chance to live up to that today. This is five years, you know. Half a decade of work that's been done, that's been put into this. And every single day that we delay, we will have 774,000 single-use bags consumed in this city. 80% Of those will end up in either the land fill or as litter. We are talking hundreds of millions of bags a year. You know, if only a small, tiny percent of those end up as litter, we're talking about millions. It adds up really, really quickly. It has a disproportionate impact on our waste in the city, and if we're going to get to zero waste, it is a testimony to this city, than council, this is a high-hanging fruit. We're not starting out with the easy stuff, we're starting with the more difficult products to deal with.

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And it is time that the retailers who are going to be saving a lot of money, not providing these bags, that they do the public education with the community and the bag distribution to prepare this community.

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We also agree with the added exemption for the food pantries.

We do not support an exemption for smaller paper bags from the handle requirement.

And we are neutral on the package recovery label system.

Folks, this is time for you folks to make history, to really take a huge step in cleaning up our communities, cleaning up the environment, really across the planet, making an impact in terms of climate change and saving money for us as taxpayers and consumers.

I urge you to vote for this ordinance under the quickest time frame possible.

I will be happy to take any questions.

[00:02:00]

>> Okay.

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This is a green city.

We are lucky, some might even say blessed, to live in a place where our elected leaders take into account our impacts on our natural environment.

We have so many amazing places, so many amazing green spaces, those green spaces have everything to do with what makes austin, austin.

This is our opportunity, not simply to get rid of the single-use bags, but also to make a statement, to make a statement that we, we, the elected leaders of austin, we put our natural environment at

[00:04:00]

the forefront of our agenda.

We believe very firmly that being a green city, that distinguishing austin from places like dallas, that call themselves green, yet fail to take action.

We believe here in austin that taking care of what we've been given, what we've been blessed with, is a critical, vital element of being here.

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Stand with the people.

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I'm happy here.

And for what it's worth, you could make me even happier by voting yes tonight.

Thank you, appreciate it.

>> Thank you.

[Reading names]

[00:06:18]

>> you have up to 12 minutes.

>> I will not use all that time.

I want to start off by thanking everybody on the council for all of your hard work.

We met with over, at least somebody on everybody's staff and we really do appreciate that.

I know when you first were running for council you thought this is exactly what you were looking for is being here at midnight on these meeting days, but what is amazing, like jeff was just saying, we have a really amazing city, and we -- everyone, every person on this council got here because the -- at least in part the environmental community believed in you, and we're asking you to take a chance to live up to that today.

This is five years, you know.

Half a decade of work that's been done, that's been put into this.

And every single day that we delay, we will have 774,000 single-use bags consumed in this city.

80% Of those will end up in either the land fill or as litter.

We are talking hundreds of millions of bags a year.

You know, if only a small, tiny percent of those end up as litter, we're talking about millions.

It adds up really, really quickly.

It has a disproportionate impact on our waste in the city, and if we're going to get to zero waste, it is a testimony to this city, than council, this is a high-hanging fruit.

We're not starting out with the easy stuff, we're starting with the more difficult products to deal with.

We get this done and it makes our job easier over the next three decades, so this is an

[00:08:01]

opportunity, not only to culminate the work of five years but to make the work of your successors over the next several decades easier.

It is not every meeting you get an opportunity to do that and I'm competed to see that happen.

Part of the zero waste plan is highest and best use.

Best use, reuse, recycle, land fill, and if worse comes to worse, incineration.

I bring -- incineration.

Recycle bags, please.

Recycle curb side.

If you can figure out a way to do that, great.

You want to be the first, that would be amazing.

But if you read the memo, it is in the first paragraph or two that because this is all going to be mixed up it is probably going to be burned for energy.

That is the very, very bottom.

That is worse than land filling it.

Okay.

That's what is going to happen to most of the stuff.

What isn't done is actually going to be turned into plastic decking material which are currently not recyclable.

Recycling something into a nonrecycling material is down-cycling.

We will reduce the waste but just getting it out of our stores and creating a reusable culture.

That's what this is about.

It is a step away from a culture that says, hey, throw it away.

It is designed for fail, who cares.

Use it for minutes, it will last for minute he will I can't, who care -- millenia.

Who cares.

People tell me, watch out, there is buses that go downtown, it brings a lot of trash.

A lot of homeless people, a lot of trash in.

Oh, my gosh, this person can be thrown away, you don't have to talk to that person, they're trash.

[00:10:00]

We have a disposable culture that creates disposable people.

It is about taking a stand for basic human values, it is about taking a stand for a future we actually care.

We maximize our resources when we are building a sustainability, real sustainability and saying it is not enough to say throw it way any more, we care more than that this city and the people on this counsel care.

I'm -- council care.

I'm excited to see this happen.

Getting more mundane here, the fee period proposed, the fees are more controversial than the ban.

People perceive it as tax, as a city money grab.

We've had a lot of talk with the austin energy and everything, we know there is a lot of controversy on this so I think that the best way to -- once this goes through, we found in other cities, once this goes through, a year later everybody is going to love it.

It is just like the smoking ban.

I thought it was a silly idea when I first heard about itful it went through and I love it.

It makes for cleaner places to go out with friends, it makes force nicer, healthier times.

The same with seat belts.

Everybody is, oh, they're going to make us put seat belts in our cars.

We did it and thousands of lives have been saved.

This is an opportunity to do something that, yeah, there is going to be push-back but after time people are going to be into it.

I think if we get rid of that fee period we expedite the process of people getting used to this.

Part of this whole thing is the so-called libertarian folks who are complaining about how this is a government fran or conspiracy theories about the reports on how much it really cost us, were hidden from us and massively inaccurate.

The fact of the matter is those amended numbers, studies that

[00:12:00]

changed those numbers have been around for months and everybody here has known about them.

If you didn't, I'm sorry you weren't paying attention but now is not the time to saw we need to delay this.

Five years is long enough.

The worst thing that can happen tonight is delay this, again.

Tonight is the night for action.

I want to bring this back to the context of libertarianism, right?

Because nobody has the right, nobody's freedom has the right to ruin the -- nobody has the right to, in their exercise of freedom, destroy my drinking water, to destroy the wildlife and me, nobody has the right to destroy the air I breathe.

Our freedoms have limitations.

There were complaints that they could only speak for three minutes as a time.

There is a reason for that, there are some folks and I'm sure you know the specific names of these people that would speak all night and none of the rest of us would get a chance to talk.

We limit the speaking time because we recognize it is in everybody's interest to do this.

Plastic bags kill wildlife.

The production process is causing air pollution and water pollution in tremendous ways across -- in dramatic ways across this country.

Paper bags do not deforestation.

They have eight times the carbon footprint of your plastic bags, meaning they have a dramatic impact on our climate.

Nobody has the right to say future generations won't have places to live, we won't have water to drink.

Nobody has that right.

The dirty little secret these folks I don't think want to admit is the history of the market, right, and I mentioned this to several of you all got to meet with the history of the market is the history of civil society demanding that big, established institutions change.

Those institutions resisting these changes because they're used to doing things a certain way, right?

Civil society and activists winning and new markets, new

[00:14:01]

opportunities and new ways of living creates.

This goes from the labor movement, consumer rights movement to public health movements to now the environmental movement.

People are going to make money off this.

This is going to create new opportunities.

This is going to create new liberties and new freedoms and new avenues of expression for us all.

This is a fantastic opportunity and I'm really excited for you all to get the chance to do this, actually.

There has been a lot of public opinion, a lot of battling on this.

There is various sides on this and unfortunately we have unireconcilable differences.

There are some that don't want do to happen and those that demand it happen.

So what happens in a situation there is no consensus?

The perfect opportunity for leadership, right?

And the reason I know everybody got involved on this dais is you wanted the opportunity lease, you wanted the opportunity to make difficult decisions, you wanted the opportunity to risk your political capital or whatever to do what you knew was right.

You wouldn't be up here if you didn't have that spirit in here.

I know that.

I know that about this city, right?

That's what we know, that this is the opportunity for leadership here.

You know, we live in a time where, at the federal level, at the state level, we lack leadership in a lot of ways, where, you know, posturing is what it is all about.

The reason most of us in this room live in austin is because there is real leadership at the local level here, there is some bold and courageous people that have the -- that we get the chance to vote for and to lobby, to work with, and the way that you're going to signal that leadership today, to your successors working on waste issues from this dais for decades to come, for the generations that follow that you have to drink the water, breathe

[00:16:00]

the air, live on the land, in the city and in the state, around country is by voting yes.

By voting to enact this policy, by voting to enact this ordinance.

I'm so proud of you and excited to see this happen.

Thank you for your time.

By the way, we have mail for you, so we also -- pardon me, we generated this so if it is okay --

>> just hand them to the end.

Take them to the end.

>> Thank you so much.

>> Good evening.

My name is mallary harpel, I'm a student at the university of texas.

I've done a lot of research in the last couple years, I'm a senior, on solid waste policed in austin, solid waste and recycling issues in austin.

I feel it is essential the bag ban be implements as soon as possible because of the commitment that former austin mayor will wynn made by signing urban environmental accords in 2005.

He agreed that we would cut our -- he agreed to the global community as the city of austin would cut our waste stream by 50%, or sorry, one type of waste stream by 50% in the year 2012.

That's by the end of the year 2012.

The bag ban for both paper and plastic is an excellent opportunity to keep our word on that.

We don't have opportunities with other waste streams that we're cutting by 50% right now and i think it is essential that we keep our word on the reputation

[00:18:01]

and honor of our city is at stake for not meeting these agreements that we made in the past and I don't understand why the bag ban wouldn't and perfect opportunity to do that.

Thank you.

>> Thank you.

[Applause] [reading names]

>> you have up to six minutes say in don't need that much time.

>> That's what the last guy said.

[Laughter]

>> I'll keep it brief.

It's been a long day for everybody, I'm sure.

mayor, members of council, it is obvious by the late hour you are just as passionate about the bags as I am.

Thank you, first and foremost.

Number one, I want toker more you, this is an exostential threat to me and my brothers there.

My carbon footprint, mine is huge, I'm not going to lie.

Sure, occasionally he choke as future tells but can't make an island without breaking a few sea turtle eggs.

Progress, that is all I'm saying.

The real thing is since I'm made out of trees I don't understand what the haste is with moving ahead on this tonight.

I mean, five years, no big deal, right?

Number one thing, I want you to really think about it, I trust you will do the right thing and please, keep those scissors that you were talking about earlier away from me, that scares me, man.

Thank you.

[Booing] [reading name] you have three minutes.

>> Hello, everybody.

[00:20:02]

I'm a native austinite, I've been here my whole life except a few years when I was at college.

One piece of opposition I've heard a lot of is, what will all the poor people do?

This is a gross underestimation of low-income folks and their intelligence.

I may not look it now, but there were not many people in the u.s.

Who were poorer than I was last year.

I survived without having a steady job and without the help of unemployment or food stamps for all of 2011.

I had odd jobs here and there, but overall, I made barely a fraction of the poverty line.

I have not used a single paper or plastic or one-use paper or plastic bag in well over a year.

I met the bag monster, andy, i can't really his last name, andy keller who travels the world or the nation educating people about single-use bag issues, i met him when I was visiting salt lake city and I put on one of the bag monster costumes and became really inspired to make this change in my life and you haven't used a single one since, paper or plastic.

I was able to make the choice, i do want to spend dollar on a bag of chips or a dollar on a reusable bags to carry home the rest of my groceries.

I chose the reusable bag option.

On the days I forgot bring the reusable bags, I would carry my groceries in my arms, backpack or purse, sometimes in the cart

[00:22:00]

or basket and bring it back the next time I went to the store.

I have never owned a car, so i would do this on foot or on the bus.

Sometimes I even bike like this.

I am proof that economic situation has personal economic situation, has no impact on the ability for austinites to bring their own bags.

Though I paid for some of my bags, the one my grandma made is my favorite, I sent you all handwritten letters and attached a photo of myself holding this gaudy zebra print and flower bag my roommate gave me from his community garden, but, you know, reusable bags like the ones allowed in the ordinance are already available for free at whole foods, central market and other stores.

If stores cannot afford to give them away for free, almost everyone can afford the quarter or so it will cost.

>> Are you wrapping up?

>> Okay, to wrap up, I'm an austin taxpayer and registered voter and I support banning both paper and plastic bags as quickly as possible.

>> Thank you.

>> Thank you.

[Applause] [reading names]

>> so you have nine minutes.

And what are you doing up this late?

>> She is still up, mayor.

She is good.

She is tough.

Mayor pro tem and members of council, thank you very much for listening and giving me the opportunity tonight.

My name is leslie sweet and i represent heb here in austin.

Heb has been proudly serving austin for 74 years now and we're the largest private

[00:24:00]

employer with over 10,000 employees and 26 stores that will be impacted by this ordinance and we serve over a million diverse shoppers across austin every week.

On behalf of heb, I did want to express our appreciate for staff, they've been exemplary public servants and thank you for those who gave your precious time to listen to us, that mean as lot to us, so thank you.

I'm pleased to say that heb can support much of the ordinance as it is written in version three but we have several important concerns in the new staff recommendations that we cannot support.

There are three major topics that we would like to discuss tonight.

But before we get to our concerns, I would first like to thank the staff for an item that has not changed throughout much of this process and that is the inclusion of both single-use plastic and single-use paper bags in the ordinance.

I cannot move side strongly enough that heb has concerned about banning plastic bags and exempting paper bags from the ban.

If you're asking our customers to make major behavioral change we owe it to them to write this ordinance in a way that will actually produce these results than is including single-use pain the ban.

We share opposition to any changes that would promote a massive increase in paper bag use for the following reasons: Paper bags require 20 times more water to manufacture than plastic bags.

We're experiences as historic drought and any increase in water use deserves careful consideration.

I was at the nature conservancy lunch today and state priority is water conservation.

[00:26:00]

Paper bags are produced right here in texas.

When compared to plastic bags, manufacturing paper bags results in the higher emissions of green house gases, greater amounts of air contamination in texas streams, rivers and lakes.

Then we have to get the bags to austin.

For every one 18 wheeler of plastic bag it is takes 10 to get them to the stores in austin.

Additionally, some point out the paper bags with are recycles in the sting he will-stream repsych -- the single stream recycling but residents don't have access and that would send a large majority of paper bags to the land fill without sufficient exposure to air and light to sufficiently decompos.

leader of this bag ban movement started by banning plastic bags and recently went back to attach paper bags after see thing the unintended consequences.

Let's start the right way in austin.

Our second topic of concern,s transaction fee.

We're concerned to see the recent recommendations, removing the transaction fee.

We think prescribing a cold turkey approach on march 1, 2013, for a total single handcuffs use bag will be a very tough pill for a million customer as week to swallow.

Our employees, some sitting in this room, are the ones that will take -- excuse me.

Are the ones that may take a pretty serious tongue lashing from austinities as they react to this change.

We earnestly ask for your decision to keeping the transaction fee for at least one year so we can wean our customers off single use bags off a harsh and dramatic change for one day and this will fund

[00:28:00]

the city wide he had case program we think -- education program we think is necessary for a positive experience.

We agree with the transaction fee as currently written in version three.

Thirdly, we ask for an option of 50, once the total ban goes into effect.

Heb will continue and strengthen the current customer education about remembering reusable bags but with a million customers each week we don't think it is realistic to think 100% of the customers will remember their bags 100% of the time.

When shoppers have no other option than purchasing another reusable back, we run into legitimate challenges.

For example, a customer may have plenty of reusable bags at home but didn't plan upon a shopping trip or can't return home for the bags.

The only option is another heavyweight reusable bag a shopper does not need and will not use.

We're greatly encouraged a \$1 transaction fee or continued emergency option with a higher 50 would not be deuced.

We have firsthand evidence in brownsville that 85% of the customers made the switch to reusable bags within six months of a dollar ban.

Repeat, that is 85% of our customers that made the successful switch to reusable bags in less than one year.

A short-term transaction fee or long-term emergency option would allow the change to the softer mentality of always bringing reusable bags.

Heb is not here to challenge you on the idea of a single-use bag ban if that is what the community wants and it makes measurable environment waste reduction progress.

We're grateful for the

[00:30:00]

reasonable one-year period to train the 10,000 employees to support this and allow for community he education.

In closing, heb is requesting the definitions of single-use paper and plastic remain as they are in version three of the ordinance, that the temporary transaction fee remains as written in version three and you consider whether 100% of our population can answer this call and that you add a standing emergency access program that works with a small population of austinites who will forget their bags from time to time.

We're not asking for avoidance but only some measures of kindness for our customers through the transition of this major change for austin citizens.

Thank you very much.

>> I have a question for for you.

>> Yes, sir.

>> This emergency access, what does that mean?

>> That's possibly hand in hand with a transaction fee or without a transaction fee but a stronger deterrance than the dollar, it fee in version three.

50, what you do get?

>> The fee would still be split between the city and retailer and go to \$100 --

>> what kind of bag do they get?

>> They would get single use bags.

>> Paper or plastic?

>> Either.

>> Either one.

>> Yes, sir.

For the customer's choice.

>> But they have to pay \$1.50.

>> Yes, so it would be escalated to be more prohibitive as the dollar in version three.

>> So that would be for however many bag it iss it takes?

>> The concern is, we do have -- there are current leap 52,000 snap or lone star cards and that is a small percent of austin's 20% poverty rate so what do we do with customers that show up and shop with two baskets and how do wet get them out the door

[00:32:00]

with zero options for anything but a reasonable bag purchase.

>> What you do to with the person who just doesn't have a bag when they got their 20 cans of peas there, how are they going to get them home.

>> So that's why we're requesting --

>> so the 1 help \$50 would be 50 would be paid to heb?

>> Or the city.

We're seeing success rates in brownsville with a dollar.

We think a dollar transaction fee could be just as effective 50 could be even more effective.

>> I thigh about the emergency access, my knee jerk reaction is I would rather keep the city out of that transaction.

Thank you.

I think council member spelman may have --

>> just a couple things.

I'm very happy that you want to ban, if we're going to ban anything, we ought to ban both paper and plastic, and I agree with that.

You left out an argument, which I think I might understand why you left it out but I think it is important so I want to make it for you.

Paper bags, per bag, are are more expensive than plastic.

>> Absolutely.

>> How much more are they?

>> A plastic bag is less than a cent.

The reusable paper bags can climb to 17-cents, 12-cents, depending on the type of paper and how they're manufactured.

But if there is not an environmental roi, that is not a cost we want to pass on to the customers unless there is a true environmental benefit.

>> So we're talking about taxes, if we could cost out evidence effect on water pollution, things like that, it would be dramatic flea excess of 15 -- dramatically in excess of

[00:34:00]

15-cents, I imagine.

Which means paper bags are 20, 30 times as expensive to society as plastic bags are.

In addition, they are more financially costly to heb if we ban plastic bags, you have to go to paper bags and that require an increase in in grocery cost, is that correct?

>> Yes, and that's why so many include a paper bag ban or a tax.

>> Sure, it makes good sense to me.

If the only objective is environmental protection, we need to do both.

But if the only objection is financial protection for poor folks, we need to do both of them too.

How will we be able to tell, if 0 and not version 3.1.

0 Included that one year long transition period, is there a point where we would know this is working, we are we're actually doing -- people are getting with the program, how what we know that?

>> We would be happy to report to an entity what our purchasing of bags are.

That's how we can back into our 5% reduction of purchase -- our 85% reduction in brownsville because we can see what we purchased before and after.

>> You said after a year, 85% of the people were with the program and bridging their own bags.

If we, austin likes to think it is smarter than any place else in the world, maybe smarter than brownsville, you never know, if at some point between the beginning of the transition program and the projected end, except for council members, and the projected end, it became clear the vast majority of the people in the program with a know that because you're counting how many bags you have to buy, away consider the

[00:36:01]

possibility of saying we can go to what we need to accomplish, we can go to fill ban.

>> Absolutely, if we don't get punched in the nose by customers and they are adopting this and we're doing everything we can, which heb is committed to doing, we will, again, be at the will of council what needs to happen.

We think we can do that.

Again, if we can turn brownsville effectively, we have a good deal of confidence we can achieve greater results in austin.

>> Your primary objective here is to avoid being punched in the nose by our customers.

Our primary objective is to avoid being punched in the nose by our constituents and thing e I think they are the same people, we are on the same side of this and my gut reaction is to go with you guys and say let's have the transition period but hope we can get through that quicker than a yea three months, six months, nine months, as that point we can declare victory and go home, we're not getting punched in the nose any more, people are with the program and let's do it.

If you're comfortable with that, I'm comfortable with that.

>> Yes, I make a joke about that but we can't get 100% of our customers to bring their wallets to pay for their grocery, so less than year gives us a little bit of heartache.

>> Thank you, ma'am.

>> From what I hear from brownsville, more council members got punches in the nose than heb check out people.

>> I think there were some of those.

>> Yeah.

Council member.

>> I appreciate you coming down and explaining the positions and I appreciate the education did you of me with the training and what is required and security issues this causes from a large retailer's perspective.

There is one thing I'm not quite sure I understand in what you said and that was, in terms of between now and, say, march, if that's when we adopt it, whether or not there would be aify.

[00:38:02]

And did I understand to you say that really, in that interim period, you would prefer to have a transaction fee?

>> We would prefer, again, the way it is written in version three, we have a one-year education process to partner with the city to do massive education with the permits and city support, and the following year would be a one-year transaction fee period, where if customers forget, they would still have access to pay for single use.

>> But I think there is a question of whether or not there would be a fee in that first year when there is an educational period.

It said heb has a position on whether the interim period should have a fee.

>> We think we should have a period of education without a fee to prepare customers and enter into a year of a fee period to let them practice.

So the early adopters, great go through with the reusable bags, we pat you on the back, but the folks that aren't the early adopters have a year to practice and a penalty before we move to total ban.

>> Thank you, I appreciate that clarification.

>> Thank you.

>> You have three minutes.

>> I just want to set the record straight that I'm a democrat and not a libertarian, a member of south austin democrats, you saw me at the endorsement, I counted votes for you guys, I am a member of lulac, lots of different things.

I'm here because I don't feel like this is the appropriate time to vote on this.

I think there are a lot of things like the texas disposal system coming out with a plan, i understand the problem about burning but I think we have the consumer, astin, we could write into our contract they recycle

[00:40:01]

what we send to them and we have a responsibility to our residents and I am a resident, a native austinite, I didn't come here as a lobbyist, I'm not paid to be here, my kids were here and they're exhausted and I'm exhausted and it is hard to make and I'm not in my best speaking self and many people that came with me are not here.

You called a public hearing at midnight so your constituents who punch people in the nose, that is a big red light here.

You're moving to a point where we need a comprehensive plan.

I think -- comprehensive plan.

A fee is a great because it does take it down 85%.

Take that, recycle from home so I can recycle my bread backs, dry cleaning bags, which I don't have dry cleaning because I'm not rich enough but those things could be recycled from home.

There is so much more trash we could be recycling at home and we have to think of all those things, rather than saying we need to ban now, push it through at midnight and take the bad records, rewrite them, not two weeks before this, take the bad reports, rewrite them, rerelease them to the public, put the texas system on this, not just what it would cost to the city to recycle

from our own, you know, if we just did it out of the blue, we have a right -- you, as our representatives need to take these things seriously and come out with plans and educate us.

You know, and then vote continue to it.

Its -- and then vote on it.

It is wrong to push this through at midnight, wrong to not listen to other options like texas disposal system, not to go through the recycling processes and not to use a comprehensive plan using the fees and when we get to it, yes, if the fees are not working, let's do a ban.

But to just shove us all and not to think about all of the

[00:42:01]

problems that are going to come out of this, especially low income families, I'm low income, extremely poor, you know, last year, as well, but I can't make my 2-year-old carry my groceries with my other four other kids and drag 40 bags if I don't bring my own grocery bags.

So I take that responsibility to bring my own bags but if there was that emergency, I need that 50, I need that option and i want you to consider that and vote to postpone this for now.

>> Thank you.

[Reading names]

>> hello, austin city council, i would lake to read you a dilbert cartoon a young instern talking to wally, the cynical older engineer.

I will be right back after i return these dishes to the cafeteria.

He responds, whoa, whoa, winners don't return dishes to the cafeteria.

He said, how do the dishes get back.

You must use your power of low standards, just place the dishes on the floor and wait for a lose we are high standards.

He does this and the confident and reactive engineer see it is on the floor and says, dishes on the floor!

Once again, I have to clean up after slob.

She walks off with a tray of dishes.

He says, it's like a miracle.

[00:44:00]

Wally says, now ask you to bring you back a yogurt.

When it comes to trash in austin, you might call me someone with high standards, if one considers clean, trash-free creeks in austin a high standard.

As a member of the austin sierra club conservation economy and the neighborhood association i regularly organize volunteers to clean the trash out of the creeks and parks of my neighborhood every few months.

We can't keep up.

Watershed protection can't keep up.

The amount of plastic trash flowing through and out of austin every year is increasing, and my estimation, plastic, majority of single-use bags, accounts for 10 to 25% of this trash.

It is also one of the few types of trash we collect that cannot be recycled because it cannot be cleaned.

It is also the hardest type of trash to recover from the environment because it tends to twist and other objects.

I don't consider myself a loser but I get angry when by shopping and subsidy a free, unnecessary hand out.

[00:46:42]

>> Thank you.

The board of directors of the texas gray panthers endorses a bag ban ordinance.

Also suggests to all of you that you put on your agendas for any day you can fit it in, sleep.

[Laughter] mayor, councilmembers, you're being asked once again to make a choice that will affect the daily lives of your constituents.

This proposed bag ordinance will deeply affect the way citizens and businesses will be required to change their current methods of functioning and interacting in that very common act of shopping.

There are many that have spoken and will speak on different sides of this issue.

They will quote statistics, both real and imagined, they'll talk about costs, both real and imagined.

And they'll reflect on the

[00:48:00]

values of the marketplace and the values pertinent to our stewardship of t city.

I'm here to speak about the fundamentals of the social contract reflected in the dream that austin citizens have aspired to.

Their dream was the better place to live, and breathe, to rear a family, a place that encouraged the development of ideas and forms, businesses, and organizations that could make austin one of those cities that provide hope for a better world.

Plastic and paper bags might seem more than a bit mundane alongside high falutin visions and hairy fairy language, but austin was built by a multitude of visionaries.

The real questions today should be centered around what's right for austin, not what's best for pin's bottom line.

Anyone's bottom line.

I don't know of any serious party that suggest that plastic or paper bags have a positive impact on our environment.

Quite the contrary, no one is so foolish to suggest that plastic trash created from petroleum is good for the environment or paper bags worth the destruction of trees and forests and energy consumption required in their manufacture.

The argument are all about convenience and profit, not necessarily consistent with healthy practice or any reduction in the carbon footprint on our climate threatened earth.

Your choice today is between a city destroyed by the abrasions and destruction of raw marketplace economics,

[00:50:01]

or one dedicated to a rational commitment to good and sustainable life.

For me the choice is easy, what about you?

mayor, you brought the plastic bag ban to table.

A laudable intent.

But now some question the addition of paper bags.

How do we choose the destruction of forests, of trees, for their manufacture without seeing the bleak future we are mandating for our children.

I don't think that is consistent with the austin dream.

And when you fulfill your obligation, and ban the bags, don't put off its implementation.

Set the earliest possible date, certainly no later than october or november of this year, that will spare us all from further senseless deprivations and lessen the potential that the legislature, which will have gotten used to the idea by the time they assemble, will interfere.

And override our green choice.

I thank you all and to all a good night.

[Applause] [indiscernible] connie connie yatesis here, [calling names]

[00:52:00]

>> you have up to nine minutes.

>> I think that I'm done to nine minutes.

Right.

Good morning.

Mayor and members of the council.

My name is ronnie [indiscernible] president of the texas retailers association.

I think that you know that we've been involved in this project with you for quite a number of years.

In more recent times i personally have attended all of the stakeholder meetings, all of the boards and commissions meetings, spoke at the public policy forum and attended all city council meetings on this issue.

Our message has been consistent throughout that entire process.

Unfortunately still today because most of the major philosophical concerns that we have have largely been unaddressed in this process.

Three major philosophical concerns much one is this ordinance is regressive.

When you enact this ban it will take away the opportunity to make it unlawful for retailers to offer single use inexpensive bags to our customers and replace with three options, a cloth bag, a certified paper bag with handles or a plastic bag, all of which will be at such costs that most retailers will not be able to offer them at no cost to the customer, so the customer will have to purchase these bags and it's going to be regressive, it will be born disproportionately by low income family, citizens and visitors to the stays.

Second concern, it's not comprehensive in its approach.

As we all know there are many exemptions and also lot plastic bags that are not even touched by this one way or the other.

.. third, our concern is this -- this ban will not promote and in fact will impair both existing and emerging recycling opportunities that we have before us.

Let me -- let me -- I handed out something to you, in a brochure, it's got a couple of things, starting on the

[00:54:00]

left-hand side, has a list of conditions or items that if were included in this ordinance we would be able to support the ordinance.

I wanted to let you know that we're for the being nay sayers.

I'll get back to that in a minute.

We know we participated in the 2008-2009 18 month reduce, reuse, recycle program.

Very quickly the results of that were through coordination with the city, keep austin beautiful, no money from the city, we engaged in this campaign and the results were a 20% reduction in bags offered to customers through training, 74% in the amount of [indiscernible] film over 907,000 reusable bags were sold by those stores in an 18 month period.

They thought it was good, all three legs, reduce, reuse, recycle, which we think are necessary for something to maintain to be successful.

We thought it was a good demonstration, a good beginning.

Apparently so did the city at that time.

I made a presentation to the solid waste advisory commission, now the zero waste advisory commission at that time about the results.

The reaction that I got were from the chairman very impressive, good job.

From vee's chairman cofer, worked really well, really, really pleased worked on a bill with ronnie last session that would have used this as a model state-wide.

City council member now mayor leffingwell also complimented the program and encouraged us to expand this program and we have.

In january of 2011 we launched it's a bag's life.com program.

A computer website based program, we've expanded the number of retail chains from five to 12,000 Stores across the state of texas.

A zip code directory where you can find stores in your neighborhood that take recycling.

If you punched in 78701, you would find there's 69 stores within where we sit today.

Again, we thought this was a good beginning, we thought it was well accepted at that

[00:56:00]

time.

It's a little bit disappointing two years later to have that program be repeatedly referred to as a failed program.

One example, tonight, again, on january 20th of this year, I met to talk about some of my concerns with the ordinance.

And one of my questions was why not include recycling in the education program because as he drafted it, it only talks about reusable bags and not recycling.

His response was why should I commit taxpayers dollars to a failed program.

In your brochure on the left-hand side I offered two pictures of canisters in front of stores this week that he found this week -- that I found just this week, overflowing canisters with recycled bags as one example of that failed program.

Another request he that i getter at that same meeting was do you agree with me that no harm occurs at the moment when retailers offers a 100% recyclable bag to its customer.

His response was I cannot agree, retailers are causing the problem.

Therein lies the fundamental philosophical difference that we have.

Having observed the pilot this ordinance seems to say that the city takes the position there is no collaborative action that can be taken to divert these bags from the landfill, nothing short of a ban will suffice.

We disagree.

The city is poised to enact .. free of charge to customers and require citizens and visitors to austin to bring their own bags to every retail store in this city for every retail transaction or pay a price for the bags to carry their purchases home.

Let me get to specific concerns with the ordinance.

One, the ordinance requires that reusable bags have printed on the outside, reusable and recyclable.

This is unnecessary and it's only going to add costs to the bag.

There are many bags that

[00:58:01]

would otherwise be compliant except for that language, but if it's a major retail chain what you are going to require that company to do is to print a separate run just for austin because that bag has to have reduce, reusable, recyclable.

I have just seen the new version with a change in the language of a recycling .. I frankly don't know what that means.

I don't know what that's going to require, I'm suggesting if the bag otherwise is compliant, the language printed on the outside of the bag is unnecessary.

It's going to add to the cost of that bag, secondly, I'm not real sure what the certification brings.

The explanation does not explain what fsc is certifying as to the paper bags.

But I understand that it's a very intensive process which only is going to add the cost of the paper bags.

Next on the plastic bags, 0 mills, if we enact with a four mill requirement, we will be the only city in the 0 mill requirementment san francisco and others have gone no higher than 2.25.

I think we have met with most of you in the last three days to demonstrate the challenge of making a four mill because of the thickness, it's like a grilled cheese sandwich.

More cheese in the middle the harder it is to get all of the cheese to get firm and stuck.

Simply takes a much longer process and most of you saw the seals on those four mill bags are simply not strong enough, not any stronger than 2.25 mill.

We think the 4 point 0 mill is unnecessary, we think 2.25 is sufficient standard.

A second possibility was gettert mentions a walk test, we suggest maybe that should be the standard as opposed to the thickness because we think most of the 25 mill bags pass the walk test as sufficiently as do 4.0 and much less expensive.

By the way he mentions there's domestic suppliers 0 mill bags, they may be suppliers but not manufacturers.

Every manufacturer have told me if we get this order we will place that order in china.

Time line, we share the thoughts about h.e.b.

We attended all of the meetings, only after the last meeting had taken place get tert propose we are going to eliminate that middle year with a transaction fee.

I would like to suggest another thing that we have tried to recommend is that this ordinance --

>> Mayor Leffingwell: Hold on just a second.

Could we have order in chamber back there, please.

Okay.

Go ahead.

>> Okay.

>> Mayor Leffingwell: I have give you a few extra --

>> I would like to suggest 0 version with the three step process with an education period for a year, with a second year with a fee as you drafted 10 cents per bag or a dollar per transaction.

We think you need to measure behavior.

What I would suggest you gettert's briefing to you on february the 9th or 10th suggested there was going to be measuring, he had a contract he was going to get with the university of texas to do the measuring.

I don't see that, I don't know what happened to that.

We suggest if you are going to do this behavior you want to measure are you moving the needle much one way to implement that would be to start the data collection immediately upon the

enactment of this ordinance and then second year when you charge the fee, you establish the baseline.

[Buzzer sounding] is that nine minutes already anyway I'm so sorry.

If I could just suggest to you that --

>> Mayor Leffingwell: Wrap up.

>> The list of on that one item, lists things such as implement, again measuring data now, have the second year where you have the fee and then you establish your baseline the first year, then you measure your change of behavior the second year and at the end of the second year you measure what have we done and is a ban necessary --

>> Mayor Leffingwell: We understand.

Time expired.

>> I'm sorry.

I can't get it all in in nine minutes.

Thank you for your time.

>> Spelman: Mayor --

>> [applause]

>> Mayor Leffingwell: I'm going to have to ask you to respect everyone in the room.

And not engage in rude behavior.

I think -- I don't think that's too much to ask.

Next speaker is [indiscernible]

>> Spelman: Mayor, I have a question.

If I'm looking at this page you put in here that you handed out to all of us, looking at what it is that you would support.

It looks very much like you would support version 3.0.

With a couple of little changes.

I just want to make sure that we're drawing attention 0 you can't support the only thing that I'm seeing here beginning the education period, already in version -- collect baseline figures, I don't think that's inconsistent with the version in front of us.

Just collect information see what's going on throughout the education period, throughout that transaction period.

That seems like a reasonable thing to do.

You mentioned the tds proposal, which -- which is not inconsistent, we can also talk, I suspect that it's going to end up being extremely expensive, but i may be wrong, there's no reason for us not to discuss it.

Implement the second phase of education period from basically 2013 to 2014, exactly the same terms.

These terms are exactly the ones which are before us from the --

>> right.

I'm trying to suggest that there's not a whole lot of changes that we would like 0 so that we could support this ordinance as something that could be truly behavior changing.

As I said again the --

>> Spelman: All right.

gettert had talked about a formal way to collect that data, that should be done.

Second year while you're charging the fee, you measure during that period of time are you changing behavior, improving recycling rates, improving bag reduction.

Because we do support the use of reusable bags to the greatest extent possible and then we do think that the texas disposal system proposal is a thought provoking way to address this in a way that can promote home based recycling and I don't think it would be that expensive because they are proposing a pillow bag of some sort which pillow bag even of this size you could probably get three months or four months of my plastic bag purchases in that thing before you had to put it into the blue bin, it wouldn't be that much more expense no matter how you do it.

We need to take some time to consider how do we get that distribution system worked out.

By the way there is a city that is doing single extreme recycling of -- single stream recycling, madison, wisconsin.

>> Cole: Good to know,.

>> Spelman: Good to know, thank you, sir.

>> Mayor Leffingwell: David hogan.

will McCloud.

>> I think we should postpone this.

City council normally meets at 10:00.

if this is the population of austin, texas?

I don't think so.

Mayor, council, I invite you to do my grocery shopping for me if we're going to ban bags of any kind.

Okay?

I like my 100-watt incandescent light bulb, I'm stock piling them because they're going to be banned september 30th of this year.

I'm tired of being taxed, taxed, ban this, ban that, i don't like this, let's ban.

I don't like it, let's ban it.

That's the type of government you want, it's called tyranny.

It's not a democracy.

[Applause] it -- you know, I mean there's, you know, there's a place, north korea.

North korea is what a dictatorship.

China is communism.

China banned bags, that's right, that's right.

See, this is my arthritis medication.

I have rheumatoid arthritis.

Okay.

It's hard for me to put all of those things in one of those reusable bags at \$7 a pop.

Yes, this ordinance is also racist.

That's right.

It disparages hispanics and african-americans.

Let me tell you something, if you go shopping on burnet and 183 past the mopac, they always bag in plastic.

The other side to lakeline, arboretum, majority of anglos, they are recycling, you know, they have these canvas bags.

You go ahead and compare on great hills trail and jollyville and braker, compare to wal-mart on anderson lane and burnet road.

Do that study.

And you're going to find out that I'm right on this.

That's wrong.

You should not ban choice in america.

That is why america was founded.

America was founded because we were tired of the tyranny and oppression of our former country, our former homeland, england.

We were tired of the kings.

And the monarchists telling us what to do and taxing us to death.

We formed a great bold new experience called the united states of america.

We have the constitution and the bill of rights.

Which you have sworn to uphold and protect.

Don't go back on your oath.

Let's postpone this now.

If anything, tax credits are the answer.

25-Cent per bag.

Give them a credit.

People like coup pops, people like coupons, like savings, progressive savings up to \$5.

They like that, thank you for your time.

>> Nicole meyer.

>> Hi, councilmembers.

Thank you, all again for being here so late.

For this issue.

I was going to talk about paper bags having, you know, bigger impact and climate change taking 20 times more water.

And I was going to talk about encouraging reuse but it's been said a lot much better than I could say.

But so I just want to throw my voice and say that i moved to austin last year after graduating school in michigan.

I worked in a lot of these issues just in the university for waste production services and it's really exciting for me to see you guys working to implement them in a city-wide scale.

And part of the reason that I came here was just because this is a really -- because it is a progressive city.

And all of you are partially responsible for that.

And I would like to see that continue.

I mean I would also like to say just real quick that nobody back there was paid to be here, is being paid to be here.

And we're here because we care just like you are.

Everyone here is and I'm sure that it isn't intentional that we're here at 1:00 a.m. either.

So yeah I don't want to take up any more of the time that we have.

To like keep talking about issues that we've already talked about.

But I'm really excited to be here.

It really is kind of a historic decision.

Especially in Texas and I think that we can do this.

I would be real excited to be here when you do.

So that's all.

[Applause]

>> Mayor Leffingwell: Bill -- Bill Oliver.

>> All right, bag monsters.

Don't take this personally.

But your days are numbered around here!

So you might as well loosen up and dance around a little here, because this is it.

All right.

It's going down.

[♪♪ Music playing ♪♪♪♪] waiting at the check outline at the market waiting to check my groceries.

Check out clerk says paper or plastic, I say no thanks byob.

Bring your own bag down to the market.

Bring your own bag for your groceries, bring your own bag, no paper, for plastic, bring your bag to save your own trees.

Bring your own bag, byob.

Not long ago this paper was standing living the life of an old growth tree.

It came down in the flick of a chain saw, it became bags at the bag factory.

But bring your own bag down to the market Bring your own bag for your groceries, bring your own bag, no paper, for plastic, bring your bag to save your own trees.

Bring your own bag, BYOB.

Very nice, Huntington Gallon Larry.

This plastic bag is fresh from a fossil, floundering in a tanker at sea.

Destined now to leech in a landfill, it will out live you and me. bring your bag.

Down to the market.

Bring your own bag for your groceries, bring your own Bag, no paper, no plastic.

bring your bag to save your own trees.

Bring your bag to save your own trees.

Bring your own bag!

Thank you.

[Applause]

>> Mayor Leffingwell: Okay, dave rodell.

Lonnie oggle.

You have three minutes.

>> Good friday morning.

I just wanted to make a few points to address some of the things that have been said.

Three of the points made by vulcaning, the larger points, he mentioned this would be a regressive ordinance.

I respectful disagree with that notion.

I think that it's regressive to charge everyone for a product that only some people use and that's what we're all doing right now by subsidizing the cost of the free bags given away at grocery stores.

I would argue this provides more choice for someone not to pay for something they are not using.

The second point he said this was no the a comprehensive ban, but he's okay with all of the exemptions.

I don't really find that an argument against the ordinance so scratch that.

Then there's an argument this this ordinance doesn't promote recycling.

Like some folks have said before me, with regards to our zero waste plan, reducing and reusing are more of a priority than recycling.

I just think from a sustainability perspective it's irrational to promote recycling at the expense of reducing a problematic product in the first place.

I just urge you to take that into consideration.

With regard to the comments and the fee or the emergency option, I think that it would be more difficult for our community at large to actually change their behavior patterns if there's an extended period with multiple different stages on what am I supposed to do, do I pay a tax, do I bring my own bag, is this -- what if I forget?

I just think that it's easier, more straightforward to everyone to understand if we have a public education period and then we ban the bags.

I don't understand why we need another year of taxing or putting a fee on the bags after a full year of public education, people in austin are smart.

They will get it within a year.

With that emergency option, I don't see how there would be any way to control people's use of that.

I understand it would be an emergency, but you don't track people, like how many times have you used this option this month.

I wouldn't be that concerned about it being an excessive cost for poor people, i would argue that it's an excuse for wealthy people who might be lazy to 50 and bring your own bag.

If you bring your bag, take your cart, put them in your trunk and unload them individually when you get home.

It's especially easier if you do have children and more hands.

Honestly with regards to the emergency option, just from a consumer perspective, if i went into a grocery store and there were no bags for me and I had to ask for a cardboard box or take my cart out to the car whatever if my backpack, I might be a little annoyed I will probably remember my bags the next time.

I would be more upset at the checkout stands and there were bags available and i was asked to pay for them, i would rather them just not be there.

>> Mayor Leffingwell: Thank you.

[Applause] joe gonzalez.

Chris bailey.

You have three minutes.

[One moment please for change in captioners]

>> you are creating a crimend a penalty if i choose to exercise civil disobedience you are going to fine me.

Right now it's up to 2,000.

He choose not to pay the fine.

How long is it acceptable for me to sit in jail when i refuse to pay this fine.

It always comes back to that because you have a choice to pay the money, but the government comes in with a gun in the room, the police officer is going to com in and write a ticket to somebody, right now we're targeting small businesses, I personally live by an in bee caves, bee caves is very small business friendly, look at the big shoving center they have out there.

Shopping center [buzzer sounding] I encourage everybody that despises this to start shopping if towns other than austin, thank you.

>> Mayor Leffingwell: Okay.

That's all of the speakers that we have.

Just got through [indiscernible]

>> three more minutes.

>> Mayor Leffingwell: Go ahead, you have three minutes and you can go sign up because you're not signed up right now.

>> I must have done something wrong.

I apologize for that.

Good morning, sleepy heads.

I would like to start out by thanking bob gettert.

He came to austin, said we're going to have a zero waste program and didn't quit at that.

He got to work on making that happen.

So thanks to bob and all of the staff that has been working on that.

Really appreciate that.

I was going to come in to make my point this evening by putting a plastic bag over my head.

And suffocating myself until I passed out, but someone pointed out there would be too many people on the dais that would actually like that idea.

So instead I'll go to oliver said or sang to us, and that's that the question used to be paper or plastic.

Well, now we know the answer is neither one.

Neither paper nor plastic.

I certainly believe we're going to do this.

I hope we're going to do it this morning.

We're going to go ahead and get this ball rolling.

But it has to be both, as the representative from said it has to be both.

We have to look at not just what happens here in austin, it's not paper or plastic, it's green or green washing, are we going to be the real green leaders or not?

I think we're going to be the real green leaders on this.

What we have to do is look past austin and see what paper does.

That's 14 million trees that goes into making paper bags.

That's a lot of carbon that those trees are sequestering, that's clean air, we're not just talking about paper bags, not just about carrying stuff home, we're talking about the air cleaning power of trees that we'll be losing with 14 million trees.

We've got to take care of those trees.

When it comes to the plastic bags, we're talking about water, we're talking about grass, fracking, made out of natural gas, endangering the water table, wasting water, enormous amount of water that goes into getting the natural gas out of the ground and again we're talking about air quality.

It can be done.

This isn't a big thing.

Look, if those environmental warriors and internationally recognized environmental leaders in brownsville can do it, I think we can probably figure out how to do it, too.

I think it's time for us to go ahead and do it.

Like craig said the sierra club would like to see it done by the end of the year because we think it's easier to defend an ordinance next spring when the people from dallas come down and try to tell us how to do our business, and they are successful here this morning so they go to the legislature, going to do that whether we pass this or not.

Please do the right thing.

I appreciate y'all being here.

Thank you very much, mr.

Mayor, or should I say dankeshein.

>> Appreciate it.

>> Dankeshein now that's all of the speakers that have.

>> Mayor Leffingwell: Council, questions, discussions, motions?

Councilmember riley?

>> Riley: Just got a question or two for bob.

vulcaning express some concerns about the standards for the plastic bags, the reusable.

Indicated that we would be the only they in the country that uses the 4 mill standard that other cities 25, that when you try to use the 4 mill it results if a bag eas to tear, is there anything to that argument.

>> Brownsville specifies four mill in their ordinance, san francisco is discussing the issue, haven't passed but discussing moving it.

There's some discussions in other cities as well.

I have also talked to several bag manufacturers four mill is the standard stock item that can be distributed.

What I have found in looking at the four mill bags is that they are thicker, they carry a heavier weight and they pass the test of the concept of at least 100 uses rather than disposal after a couple of uses.

>> Riley: Don't tear that easily.

>> No.

From my experience in looking at them, I don't see a tearability issue there.

>> Riley: I also wanted to ask you about the transaction fee period.

We heard good arguments from h.e.b. about that.

I wanted to ask, I know this has been a very long process, at one point staff was recommending a transaction fee period.

Was there ever any consideration about perhaps short tenning the initial education period and then including some period with the traps action fee before getting to the full ban?

>> I think that's a viable option.

You are correct in noting that at one time i recommended the fee structure.

I think my staff recommendation against the fee structure is that it's too short of a period of time for the administrator store at the retailer and the city level to administer the fee.

If you suggest a longer time period, perhaps 18 months or two years for the fee, I can agree there's merit to that conversation.

>> Riley: You are saying even one year is too short.

>> My concern is the structure and the administrative tracking expense for a one-year period, it's hard to justify the added governmental expenses there.

>> Riley: Okay.

There would be some revenue flowing from that?

>> Yes.

>> Riley: Our education revenue efforts will have to be draw from other savings, you feel those savings will be available from other savings that we will achieve as a result of the ban?

>> Yes.

I have looked at without the fee the question is highway do you fund an adequate and supportive public education campaign.

I have looked at the possibility of a two year public education campaign covered through a three year, three fiscal year cycle.

So fiscal year 13th -- 12, 13 AND 14.

>> Mayor Leffingwell: I have a question about this thickness.

What is the mill thickness of plastic bags that are used right now, routinely?

>> The limited use single-use bags are generally around one mill, they do vary, different retailers have some at spoken 75, some as much as 25, generally around the one mill.

>> Even at that thickness they last a pretty long time seems like.

This thought just occurred to me.

What if somebody comes up to the checkout counter and they have their own bags and they are one mill bags, what happens then.

>> This ordinance does not restrict residents or visitors.

>> They can bring anything.

>> Anything they desire.

This ordinance affects what retailers can distribute.

>> Mayor Leffingwell: Councilmember morrison?

>> Morrison: Thank you.

Back to the four mill versus 25, what's the estimate of 25 mill bag can be used?

>> That's a good question.

I don't really know.

When I talked to the bag manufacturers, they told me that a new industry standard is a walk test where they physically test the certain thick innocences of bags and can they carry -- thicknesses of bags, can they carry a certain am of pound, from my memory 122 pounds 125 times.

That seems to be the test that los angeles and france is looking at.

That liens towards a heavier thicker bag perhaps a three or four mill bag.

25 mill test in that type of a structure.

>> Morrison: Assume a walk test takes over are other things into account other than the mill.

>> Yes.

>> Okay.

Regarding a transaction fee period, though I gather you are suggesting it's just not practical to administer it for just a year.

Can you talk to us about other city's behavior vis-a-vis having a transaction period or not.

>> Brownsville is voting, i talked to brownsville representative this morning, he confirmed the 85% reduction in single-use bags in the first year.

They are in their 13th months of their ordinance right now.

They have a one dollar transaction fee.

I've talked on them and I'm -- they are a little uncertain about their statistics, they feel that they've had at least a 70% reduction in single-use bags with a fee structure.

I have not been able to acquire any statistics from on their bags.

Structures.

>> Morrison: Okay sorry.

One other question.

About bag labeling, you are suggesting a change, there was some question about whether there should be any requirement for a label.

You are suggesting a change that actually loosens it up somewhat, what we have in here.

Is that correct?

>> On the labeling, you are referring to the labeling.

>> Morrison: Yeah, the bag labeling.

>> From my conversations with bag manufacturers and distributors, the labeling doesn't add an added expense because they already have a printing charge and assumption that the retailer will put a printed message on the bag.

It's a matter of whether there is a consistent message that would fit the various different bags and so my latest version in the motion sheet is to offer a language change through as prescribed by rule and toss it into the rule making process to get more stakeholder input.

Our first stab at it was a phrase of reuse I don't believe and recyclable and we heard some objections to that.

Reusable.

There is a new packaging industry standard label that I'm looking at that i have -- I support and yet many of the local merchants have not seen that label yet.

And are uncertain about it.

So I'm now recommending that we move that issue to the rule making process.

>> Morrison: I see.

Then that also allows flexibility, you could provide a couple of different options.

>> Yes.

>> Also allows for updating without having to change the code as new --

>> exactly the point.

I would like to build in that flexibility.

I think our lesson learned is that one message for all bags really doesn't work for us.

>> Right.

Doesn't make sense any time there's a new standard to have to come to council and ask for a change in the origin.

Thank you for all of your work all of the staff and stakeholders really has been really productive it appears to be, the engagement.

>> Mayor Leffingwell: Councilmember riley.

>> Riley: I have a couple more questions.

How long would it take to, transaction fee, how long would it take to get that started?

>> Good question.

I don't think that I have discussed that with legal counsel.

I would guess a six month period as a guess.

>> Riley: You could do six months of education about the bags generally followed immediately by say an 18-month fee period for conceivably I -- [multiple voices] I believe that could happen.

>> Riley: One other question about the rule making process.

Have you considered whether the concerns about having an emergency option could be addressed through the rule making process?

>> Yes.

In fact I very much support that conversation in the rule making process.

I believe -- I concerns about an emergency option that may leave too large of a loophole and may gut out the intent of the ordinance.

But I do understand the is representing there and I do believe we can work out a solution in the rule making process.

>> Mayor Leffingwell: On the emergency option, that would be something that's between the retailer and the customer, how that's handled.

>> Yes.

>> The city not getting involved in counting that money or receiving a part of it.

>> I believe through the hardship variance portion of the ordinance, I believe that we could develop some guidelines in the rule making process.

>> Mayor Leffingwell: As to how much it would be and so forth.

But we wouldn't be otherwise involved.

>> Yes.

>> Mayor Leffingwell: Councilmember martinez.

>> I wanted to ask about the signage requirements in the language.

There was some concern brought to us that it just encompasses all retailers throughout the city where many of those retailers don't even use paper or plastic young as something that they put their goods in.

Can you explain how you define retailers in the ordinance.

>> Yes.

The particular statement you're referencing, the intent was that the signage would be posted at retailers that distribute bags.

There was not the intent that it would affect all businesses.

So I do recommend a technical correction to the ordinance that would specify retailers that distribute retail bags.

I believe there's a correction in the motion sheet that our city attorney offered.

>> Martinez: Great, thank you.

>> Mayor Leffingwell: Mayor pro tem?

>> Cole: I had one simple question.

I know at one point we were going to make an exclusion for people of low income that were on [indiscernible] so what happened with that?

>> Yeah.

If the fee section of the ordinance prevails in council's adoption of the ordinance, then anybody with a lone star card would be exempt from any of those fees.

If the fee section is removed from the ordinance by council adoption, i believe in the hardship variance clause that's offered in the ordinance, by rule we can offer some type of a -- of an accommodation.

I don't have that fully planned out.

I've spoken to a representative of the food pantry on that issue.

And I believe that -- that we can work with our social agencies and the austin food pantry to -- to work on some solutions to that issue.

>> Cole: Okay.

Thank you.

>> Mayor Leffingwell: Councilmember morrison?

>> Morrison: I would like to move that we adopt the ordinance and I'm not sure quite how to do this, but i would like to move adoption of staff recommendations that are indicated in numbers 1, 2, 3, 4 and 5.

I would be happy to read those out.

>> Mayor Leffingwell: No.

We all have them, I think.

>> Morrison: But the people in the chambers don't have them.

So --

>> Mayor Leffingwell: Okay.

Well, if you like.

>> Morrison: All right.

So this would be amending the definition of he usable paper bag to require recyclable paper, fsc certification and handles for larger bags.

Motion -- that's motion 1.

Motion 2 is deleting the temporary surcharge and transition period with full implementation march 1, 2013, I would like to note gettert's comment that emergency options would be worked through the rule process, which I would encourage, motion number 3 is amending the definition of reusable paper bag to require labeling regarding reuse and recycling as prescribed by rule.

Motion 4 is deleting the exemption for transport of beer, wine and spirits the and motion 5 is adding an exemption for non-profit or hunger relief charity to distribute food and other items.

>> Mayor Leffingwell: Okay.

>> Mayor, may I --

>> Mayor Leffingwell: That's the nothing.

Excuse me, let's see if we can get a second on that motion.

Is there a second for that?

Councilmember martinez.

All right.

Mr. gettert.

>> May I suggest motion -- motion sheet number 6, in reference to the clarification on the business definition.

>> Morrison: Yes, thank you, I wanted to add that to my motion.

That was way down at the bottom.

Which is clarifying the definition of business establishments, that is a commercial enterprise that provides carryout bags to its customers.

>> Mayor Leffingwell: All right.

Councilmember martinez, do you accept the addition of item 6?

>> [Indiscernible]

>> Mayor Leffingwe Okay.

And I have one which would n actually a part of the ordinance, but additional direction to develop through the rule making process an emergency access plan.

So you accept that as an addition?

>> Morrison: Absolutely.

In fact I think I noted that that would happen, but yes.

>> Morrison: Councilmember martinez?

An emergency that redevelop through the rule making process an emergency access plan.

So -- so motion and second on the table.

>> Spelman: Mayor?

>> Councilmember martinez and then councilmember spelman.

>> Martinez: I'm sorry, two more questions, the fsc certification, we've been told by some folks that that is either difficult to come by or there was a concern just brought by staff before we started talking about this.

Have you heard of any concern of that nature?

>> I would like to yield to our chief sustainability officer on the fsc certification.

>> What does it stand for.

>> Forestry stewardship certification.

I wouldn't say difficulty per se in terms of accessing products made out of fsc certified material.

Actually, whole foods has been using fkv certified bags through their retail outlets for some time now.

There are other standards out there in the mark place, but the fsc standards is considered the gold standard.

There is another standard that's called sfi and that standard actually is not quite as stringent as the fsc standard for a -- from a number of different stand points.

One it's not considered quite as independent as the fsc standard because most of the funding for the sfi organization comes from the lumber industry.

Fsc is considered to be more independent.

Then one of the other differences I would note is that sfi does not require conservation plans or consultation related to the right of indigenous peoples.

There are differences, but fsc is the staff recommendation for the certification standard.

>> Which do you see in the other ordinances around the country banning single use bags in terms of certification requirements?

>> I don't know of others.

>> Okay.

>> Martinez: Last question, bob, was on the -- you briefly touched on this, on the is it four millimeter bag thickness, you said that there were ample vendors in the united states but one of the concerns you brought to us was there are no manufacturers, in fact they are all in china.

Is that -- is that a true statement.

>> In my research I can find the distributors fairly easily.

I could not track the manufacturing locations.

So I can't confirm or deny where the manufacturing actually takes place.

I will say that in all of my conversations with bag distributors and bag manufacturers, I always invite them to relocate in austin.

>> Martinez: Certainly.

But I -- it is a concern.

I would hate to impose something that is going to now create us or at least our retailers here in austin purchasing a product from china that could be bought maybe not in austin, but at least here in the united states.

>> I can offer retailers the -- through the rule making process some research on locations of distributors and manufacturers.

We could do some more in-depth research on that issue.

I just simply don't know why the manufacturers are.

>> Martinez: Thank you.

>> Spelman: Mayor?

>> Mayor Leffingwell: Councilmember spelman is next.

>> Spelman: Thanks.

[One moment please for change in captioners]

>> seems to me if we're collecting information as to how many bags are being used by retailers over the course of that year, it turns out we could show 85% of the people with the program after so many months it would be a reasonable thing for us to say we can now declare a victory, go home, enact the ban at that moment and not continue the transaction fee period any longer than necessary.

But it seems to me that it's only prudent to go for years, make sure that it works and help people adapt to something which for many of them is going to be a fairly substantial change in their shopping behavior.

Help me, karen, if you could with this.

If I wanted to -- to move to amend the motion on the table, to eliminate the amendments included in motion sheet number 2, how would I do that?

>> Mayor Leffingwell: It would be a friendly amendment.

Amendment.

>>> The posting is very broad.

Posting very broad on this item.

>> Spelman: I'm thinking of the robert rules let me offer it as a friendly amendment first.

See if we can get that.

I would move that we eliminate the amendment included in motion sheet number two from the main motion.

>> [Indiscernible]

>> Mayor Leffingwell: Unaccepted.

>> Cole: What's the roberts rule.

>> Mayor Leffingwell: Make an amendment.

>> Substitute motion or --

>> Spelman: I don't want to do that.

I will move to amend by eliminating motion sheet number 2.

>> Mayor Leffingwell: Amendment proposed by councilmember spelman.

Is there a second for that?

Seconded by councilmember riley.

Let me say I don't think I'm going to support that because I don't want the city to get involved in collecting this transaction fee.

Certainly if an individual retailer wanted to do it, that would be their choice.

I would prefer not to have the city involved in it for some of the reasons that mr.

Gettert talked about.

Just too short of a period to get involved in setting up that process, administrative process.

Councilmember riley?

>> Riley: If this motion were to pass, then I would suggest that we do something that along the lines that gettert suggested which would be that we could have ..

Recommended in motion two we could actually accelerate the beginning move up to have a six month education period followed by I would suggest an 18 month fee period.

Which is the minimum that gettert suggested but that would really be defensible in terms of the effort that we would have to undertake to set up that process.

What we have seen, the model apparently has worked well in other cities, including brownsville and has been very effective in actually reducing the number of bags used.

It also has provided a -- an income stream, a revenue stream that could support education efforts and in general ease the transition to the ban.

It's actually turned out to be a fairly popular thing in brownsville once it's been enacted.

I think that it could work well here.

We would still ultimately wind up at the same place.

But in a couple of years it would provide for a smoother transition and we would not be plowing new ground here that -- that other cities have -- have used this process with the city sharing the fee with the retailers and so I think -- I think there's no reason why it couldn't work here.

>> Cole: I have a question for mr. gettert.

I guess that I just want to follow up on councilmember riley's thoughts and councilmember spelman that this could actually ease the transition period and it has been done in other cities and help us to -- weigh the pros and cons of that at 2:00 in the morning.

>> To the fee itself?

>> Well, just shortening the period, the six month collecting the fee, the education efforts, how it worked in other cities, help us --

>> I am uncertain what the time period of transition was for other cities.

The six month period at the city level would be administered.

But I do not know of the retailers response to implementing a fee structure within six months.

That may be a challenge there.

The -- I would propose that if there was a fee, that -- that the education program would overlap the fee period rather than end at the time of the fee period.

But -- but I would also note that -- that the administrative setup and the accounting system would take some time to set up and -- and be established with the retailers and there would be audit situations, audit trails and so forth.

So the administrative chores -- there is a precedence of the city in establishing such a fee and it can be done.

I would say a minimum six months to set that up.

>> Well, let me ask you this.

What if we did not have the fee, but we had an education program to -- together with the retailers, do you have any idea of what that would cost?

>> My initial estimate is 5 and \$2 million over a two or three year period of time.

I'm looking at least 50% of that cost and purchasing reusable bags for distribution throughout the city, particularly in socio-economic situations around the city.

When I speak of public education and outreach campaign, I'm speaking of media, bag distribution and a specific neighborhood outreach campaign.

All combined together.

>> That would be totally done by the city.

>> I would like at a partnership with leveraged funds from retailers, the city's expense somewhere around 1.5 to two million.

>> Cole: Let's see what happens and then we'll -- thank you.

The fcs, I would like to know how much it increases the cost.

A few people are using them now, if all of a sudden everybody is going to be using them, what is the availability going to be.

>> A quick answer from me and maybe lucia as well, too.

I have spoken to one bag manufacturer that produces bags here in texas and they do have fsc certification for their paper stock.

And that's -- they are supplying that type of a bag in the brownsville ordinance area.

Whole foods is my other examples that I do note.

>> I think it's intuitive there would be a cost impact.

I would like to try a friendly amendment to eliminate the requirement for the fsc.

>> We didn't finish the amendment.

>> Huh?

00 in the morning.

So we have a motion and a second for councilmember spelman's amendment which is to retain the -- as described in motion sheet number 2.

All in favor of that say aye.

>> Aye.

>> Opposed say no.

>> No.

>> No.

>> Mayor Leffingwell: So -- so councilmember martinez?

How did you vote on that?

You voted no?

No by councilmember martinez, tovo, myself, morrison and mayor pro tem cole.

So that motion fails.

>> Cole: Can I give some direction on that since we're on the topic.

Bob, will you bring up during the budget discussions the -- the funding for the education outreach efforts?

Yes, very specifically i will, yes.

>> Thank you.

>> Can I be next?

Then you?

I just want to ask if you would accept a friendly amendment to delete the fsc designation for now until -- we could look at doing it later once we find out about the costs of these bags and -- and

the availability because brownsville is a smaller city than austin and there has to be a lot more impact.

>> Morrison: I certainly do get your point.

Are you suggesting once we get a report on the availability.

>> Mayor Leffingwell: We could consider an amendment.

>> We would consider an amendment to the ordinance.

Yeah, I would accept that.

Do you accept that?

Who is next.

>> Can I be next?

>> That's been accepted but if you want to ask a question you can.

>> Can I ask a question about that last point.

The motion sheet that we had on our table that you were discussing on the dais that you were discussing before, as I understood that was a recommendation to eliminate the sustainable forestry initiative certification as an option because it's not as high of a standard as the fsc designation.

>> That's correct.

>> Who recommended that?

>> We had discussions amongst staff and additional research and I think there was an agreement among the staff that was working to this to do that, recommend that change.

>> That was a staff recommendation to bring forward.

What this amendment that was just accepted would do is actually strip out all of those requirements and I wondered if you can, since -- since part of the concerns about paper bag is that it results in deforestation and fsc certification has to do with standards of growing, I wondered if you could tell us really briefly what are some of the other standards, I no longer remember what fsc really governs beyond --

>> the other most size I don't believe or significant market share standard in the marketplace is sfi, sustainable forestry initiative.

But those standards, there's a very wide range of different aspect of forestry practices that those cover, it includes everything from how much clear cutting they are allowed to do, what kinds of pest management chemicals they are allowed to use on the lapped, what kind of conservation plans, riparian area protection they are required to give.

Fairly complex.

They are also some variation in terms of whether or not there is a requirements for audits.

>> The intent was to make sure that the paper bags are going to be coming out of a sustainable process.

>> Yes.

>> Was there fairly wide-spread support for that among the stakeholders who participated.

>> I don't know that we specifically colored this issue with stakeholders -- explored with issue with stakeholders.

I don't think this particular issue was widely explored with the stakeholders.

I can tell you from a broader industry perspective, not related specifically to local stakeholders, many at large corporate organizations, including whole foods which I mentioned, at&t, all state, office depo, state farm and com cast selected fsc and not sfi, over 80 environmental groups that have selected fsc over sfi.

>> Tovo: Thank you.

I know that you doppler have the information for us about how widely available they are, but that suggests that the resources are fairly widely available if that number of companies could don't that as their standard and as their product.

>> Yes, my understanding is that they are very widely available.

I don't have the answer about the exact cost impact.

As the mayor mentioned, i would assume yes there is a cost impact.

But in my experience I see more and more products everywhere in the marketplace that have the fsc stamp on them.

>> Thank you for that additional explanation.

>> I was going to suggest -- I'll propose as a friendly amendment that we consider 1 b which I assume since you stripped out fsc you will not consider is friendly.

I think there was a good rationale for including the fsc standard in this ordinance.

>> Mayor Leffingwell: A motion for an amendment by councilmember tovo, is there a second for that?

To basically delete the friendly amendment that you just accepted.

>> Tovo: And substitute one more stringent in that it eliminates the -- the sustainable forestry initiative certification as an option.

>> Morrison: I think -- motion sheet number 1, motion number 1 added the -- changed the staphable forestry initiative to the steward ship council and also added item d.

So if we're substituting one b we lose d.

>> Tovo: I didn't intend to do that.

Then there's not an option for adding that back in, okay.

>> Morrison: Point well made.

I would ask that staff get back to us with a report on the different certification options sorted of quickly so that if we have the option to amend it relatively quickly.

>> Tovo: Right.

>> Mayor Leffingwell: Councilmember martinez?

>> Martinez: I wnt to make sure on these items.

I'm supportive of the direction that we're going.

What I don't want us for a little minor may not be minor, but in my mind a minor amendment like this we don't have to go through planning commission and this long drawn out.

I really don't want to reopen this.

You put cracks in this thing and it goes through a long process and then it becomes something else.

You know, becomes a certain type of plastic and so i just want to know we are giving them direction to look into this and come back in a few weeks, but I'm not real sure what that means in essence.

>> Mayor Leffingwell: I don't know if we have got a long time from this is actually implemented.

So I don't know if it's going to be a few weeks, but my suspicion is that we can do an item from council to do an amend.

I see head nods over there.

>> Martinez: I'm sorry, go ahead.

>> Mittszy cotton, assistant city attorney, certainly if it came as an item from council it would not need to go through the process [indiscernible]

>> I wanted to clarify one last point there.

You made a friendly amendment to add an emergency provision --

>> Mayor Leffingwell: It was additional direction, not a part of the ordinance, but it was direction to develop an emergency access criteria through the rule making process.

>> Right.

>> That would be coordinated with the vendors with the retailers.

Retailers.

>> Martinez: What I wanted to ask you, in your direction, are you contemplating some type of fee that the retailers could use to pay for the emergency program because there's nothing in the ordinance that provides for that allowance.

>> Mayor Leffingwell: My suggestion that I said earlier would be that that would be a fee that would be available, be a transaction between the retailers an the customer and the city wouldn't be involved in that.

But the amount of the fee would be set through the rule making process by mutual agreement between the vendors and the city.

>> Martinez: Bob, can you confirm that the retailer would be able to enact their own fee in order to pay for the emergency program?

>> Through the hardship variance portion of the ordinance, it gives the latitude for special circumstances such as that.

The rule making process could be more specific to create the parameters.

I believe it can be achieved through those two processes.

>> Mayor Leffingwell: We have a motion on the table with a few amendments.

Actually, I guess just one amendment which is the deletion of the fsc requirement in motion number 1.

All right.

With additional direction.

On the emergency access.

All in favor of the motion say aye.

>> Aye.

>> Opposed say no.

Passes on a vote of 7-0 on all three readings.

[Applause]

>> Mayor Leffingwell: They just can't help themselves.

>> Did you adjourn?

Mayor, did you adjourn the meeting?

>> Mayor Leffingwell: Those are all of the items, city clerk?

Without objection, we are